



NOTICE TO STATE WATER PROJECT CONTRACTORS

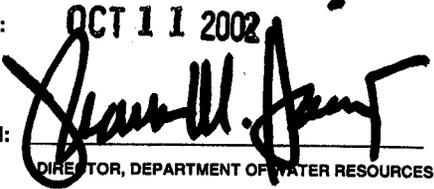
NUMBER: 02-10

DATE:

OCT 11 2002

SUBJECT: 2002 Summer Allocation
Carryover Program

FROM:


DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is seeking formal requests from State Water Project contractors for participation in a 2002 Summer Allocation Carryover Program. Under this Program, any long-term SWP contractor may elect to carry over up to 5 percent of its 2002 Table A water for delivery in 2003. This Program is separate from, and in addition to, other carryover programs afforded by Articles 12(e), and 56 of the long-term water supply contracts. In light of Statewide water supply conditions, recent increases of SWP allocations, and in order to help contractors prepare for the potential of limited supplies in 2003, the Department will provide temporary storage in San Luis Reservoir during the 2003 calendar year for this Summer Allocation Carryover Water. A similar program based on different circumstances and criteria was offered in 2001.

To participate in this Program, a contractor must agree to the terms and conditions in this notice and the attached 2002 Summer Allocation Carryover Program criteria (Attachment A), sign and date the attachment, and return the attachment with a revised 2003 delivery schedule request to Craig Trombly, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Contractors are encouraged to return the attachment as early as possible to help provide input to the Department's 2003 operations planning, but in no event should the attachment be returned later than October 31, 2002. Submittals can be faxed to (916) 653-9628.

If you have any questions about this Program, please contact Dan Flory, Chief of the State Water Project Analysis Office, at (916) 653-4313 or Craig Trombly of his staff at (916) 653-6250.

Attachment

Attachment A

2002 SUMMER ALLOCATION CARRYOVER PROGRAM

CRITERIA

1. This is a one-time program available to all long-term State Water Project contractors.
2. Contractors may carry over up to 5 percent of their 2002 Table A amount.
3. Summer Allocation Carryover will be stored in San Luis Reservoir and delivered for use within the service area of a requesting contractor for the same reasonable and beneficial uses as SWP allocated water. Summer Allocation Carryover may also be delivered to a contractor for programs outside its service area, which have been approved by the Department.
4. Delivery of Summer Allocation Carryover may be limited by operational capacity in SWP facilities.
5. The delivery of Summer Allocation Carryover is not intended in any way to adversely impact any SWP operations or facilities. If the Department determines there has been any adverse impact during the period when Summer Allocation Carryover was delivered to a contractor, Carryover water may be reclassified as 2003 Table A water to keep the SWP whole.
6. The Department will store Summer Allocation Carryover in San Luis Reservoir for later delivery in 2003, so long as the storage space is not needed for project purposes. In any event, contractors should take delivery of their Summer Allocation Carryover no later than December 31, 2003. Any Summer Allocation Carryover foregone by the contractors will become part of the SWP supply.
7. If the Department determines that the storage space in San Luis Reservoir used to store Summer Allocation Carryover is needed for project purposes, any remaining water under this Program is at risk of spilling. Summer Allocation Carryover will have the same priority and be displaced in the same manner as Article 56 carryover water. A contractor participating in this Program agrees to forego the delivery of any Summer Allocation Carryover that is lost because of project operations.
8. The Department shall give as much notice to contractors as possible of a potential displacement.
9. A contractor that chooses to carry over water under this Program may participate in the 2003 Turnback Pool Program but may not sell Summer Allocation Carryover in the 2003 Turnback Pool Program.
10. Participating contractors shall submit an initial delivery schedule request for Summer Allocation Carryover to the State Water Project Analysis Office by October 31, 2002. Thereafter, contractors shall submit monthly schedule requests to SWPAO indicating delivery of 2002 Summer Allocation Carryover and approved 2003 Table A water.

11. Conveyance charges for Summer Allocation Carryover under this Program shall be the same as 2003 Table A water and shall include Transportation variable operation, maintenance, power and replacement component charges, Off-Aqueduct Power Facility charges, and any incremental OMP&R cost, as determined by the Department.
12. All contractors participating in the Program are responsible for coordinating delivery points and rates through their normal contacts at the various Department field divisions, in the same manner as their approved 2002 Table A water.
13. This Program shall not be a precedent for future carryover programs.
14. In the event that any claim of liability against the Department, its officers or employees, individually or severally, arises out of this Program, the participating contractors shall defend, indemnify and hold the Department and any Department officer or employee harmless from any such claim.

If the Agency chooses to carry over water under this Program, please sign below in the space provided and return this attachment to the State Water Project Analysis Office. Please identify an agency contact for matters related to this Program. A contractor's signature indicates acceptance of the criteria, procedures, and charges established for this Program.

ACCEPTED:

Signature

Name

Title

Agency

Date

Contact Person Telephone