



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 98-07

DATE: April 3, 1998

SUBJECT: 1998 Turn-back Water
Pool Program Closes

FROM: Z. F. Handberg for S. KASHIWADA
Deputy Director, Department of Water Resources

The 1998 Turn-back Water Pool Program closed on April 1, 1998. Four State Water Project contractors purchased 90,300 acre-feet of the 189,120 acre-feet of water offered for sale through Pool B.

The Department of Water Resources consulted with the SWP contractors in accordance with Article 56(d)(2) of the long-term Water Supply Contracts. The Department will purchase any Pool B water not withdrawn by the selling contractors. This water will provide additional carryover storage for contractors to support 1999 water allocations. The attached copy of a letter from the State Water Contractors' General Manager documents the consultation. The cost for purchasing Pool B water was \$5.70 per acre-foot (25 percent of the Delta Water Rate).

The attached table summarizes the results of Pool A and Pool B sales and purchases. If you have any questions regarding the 1998 Turn-back Water Pool Program, please contact Donald R. Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or Tom Hanson of his staff at (916) 653-0190.

Attachments

State Water Contractors

455 Capitol Mall, Suite 220 • Sacramento, CA 95814-4502
Steve Macaulay, General Manager (916) 447-7357 • FAX 447-2734



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March 25, 1998

Mr. David N. Kennedy, Director
Department of Water Resources
P. O. Box 942836
Sacramento, CA 94236-0001

Dear Dave:

The purpose of this letter is to request that the Department of Water Resources purchase any water remaining in Turnback Pool B on April 1, 1998, after the purchase requests of individual contractors are met, for State Water Project carryover to the 1998-99 water year. DWR staff reviewed current water supply conditions at the March 19, 1998 SWC Board of Directors meeting. Based on current DWR projections, the amount of carryover storage at San Luis Reservoir in December 1998 is expected to be relatively low for drier hydrologic conditions. For these drier conditions, turnback pool purchases would increase December 1998 carryover storage and allow an increase in the initial 1999 State Water Project allocations of about 3-4 percent.

Although there is still a relatively high probability that any purchased turnback water would be "spilled" from San Luis storage during 1999, the turnback water purchases can be considered relatively cheap insurance. As indicated by DWR staff at the March SWC Board meeting, purchase of 100,000 acre-feet likely to be available after individual contractor purchases of Turnback Pool B would add about \$0.01 per acre-foot to the Delta Water rate.

Based on the foregoing considerations, the SWC Board recommends that DWR purchase any available Turnback Pool water on April 1, 1998. The SWC Board also requested that DWR work with SWC staff to document the basis for the turnback pool purchases. If you have any questions, please call me at (916) 447-7357.

Sincerely,

Steve Macaulay
General Manager

Cc: Member Agencies

COPY

**1998 TURN-BACK WATER POOL PROGRAM
RESULTS**

S.W.P. CONTRACTORS	POOL A				POOL B			
	SELLERS' OFFER	AMOUNT SOLD TO BUYERS	AMOUNT PURCHASED BY BUYERS	REMAIN. WATER	SELLERS' OFFER	AMOUNT SOLD TO BUYERS	AMOUNT PURCHASED BY BUYERS	REMAIN. WATER PURCHASED BY DWR
FEATHER RIVER: County of Butte Plumas County Yuba City	400	30		370	370	177		193
NORTH BAY: Napa County Solano County								
SOUTH BAY: Alameda County-Zone 7 Alameda County WD Santa Clara Valley WD								
SAN JOAQUIN VALLEY: Oak Flat WD County of Kings Castaic Lake WA Dudley Ridge WD Empire West Side ID Kern County WA Tulare Lake B. WSD			7,300 2,300				3,000 12,300	
CENTRAL COASTAL: San Luis Obispo County Santa Barbara County	1,842 6,463	132 463		1,710 6,000	2,174 10,773	1,038 5,144		1,136 5,629
SOUTHERN CALIFORNIA: AVEK WA Castaic Lake WA Coachella Valley WD Crestline WA Desert WA Littlerock Creek ID Mojave WA MWDSC Palmdale WD San Bernardino VMWD San Gabriel Valley MWD San Geronio Pass Ventura County FCD	44,554 16,000 59,580 5,040	3,195 1,147 4,272 361		41,359 14,853 55,308 4,679	70,685 18,853 75,828 10,437	33,750 9,002 36,206 4,983	55,000 20,000	36,935 9,851 39,622 5,454
TOTAL	133,879	9,600	9,600	124,279	189,120	90,300	90,300	98,820