



June 20, 2018

**Attention: Imported Water Committee**

**Status Report on Updating the Bay Delta Policy Principles and Developing Related Policy Statement on California WaterFix. (Information)**

**Purpose**

Progress report on the Bay Delta Policy Principles update and related Policy Statement on California WaterFix (WaterFix).

**Background**

The Water Authority has long been a proponent of a “Delta fix” in part because it recognizes that the fragile Bay Delta ecosystem is not sustainable under current conditions. The Board adopted the Bay-Delta Policy Principles in 2012 with the ultimate objective to support a Bay-Delta solution that is comprehensive, cost effective, environmentally sustainable, widely supported by stakeholders, and one that is fair to the Water Authority’s ratepayers.

The Board had delayed taking a formal position on WaterFix due to lack of critical information – most importantly, how the costs of the project would be allocated. Serious concerns have also been expressed by the Water Authority Board about how much risk Metropolitan Water District (MWD) may assume for the project given the lack of funding from CVP beneficiaries.

In April, the MWD Board took an action to support a WaterFix option that more than doubled MWD’s financial obligations toward the project with no increase in supply. An earlier disclosure in MWD’s cost of service report for 2019 and 2020 revealed MWD is treating WaterFix costs as a transportation rather than supply cost in rate calculations. Following MWD’s actions, Water Authority staff presented in May for the Board’s review a draft set of proposed updates to the Board’s Bay Delta Policy Principles in May intended to ensure the Water Authority, its member agencies, and their ratepayers are protected from undue financial harm.

The policy update was presented as an information item so Board feedback can be incorporated into the final update. Given that the State is proceeding with WaterFix, the Board voted to “direct staff to return at the next Board meeting with a position statement and policy principles that support current design and construction plans to complete the California WaterFix, and provide for actual costs by DWR to be categorized as envisioned by DWR Bulletin 132.”

**Discussion**

*July Action*

On June 8, the Board Officers requested that, with the exception of a few critical items, all other planned June action items be either moved to the consent agenda, or deferred to July in order to accommodate a Special Board Workshop schedule. Rather than requesting a Board action in June on the consent calendar, this memo will provide a status update and the updated policy principles and policy statement on WaterFix will be presented for Board consideration in July.

*Member Agency Managers' Input*

With the deferred schedule, the updated policy principles will be presented at a planned member agency managers' meeting on June 19. The July recommendation will incorporate feedback and input from that process.

*Characterization of WaterFix Costs*

Because MWD says it applies SWP costs to its rates and charges according to how DWR bills, if DWR changes its long-term definition of WaterFix type of facilities to be considered as transportation – as opposed to supply – it will have a disparately negative impact on the Water Authority, as it is the only MWD member agency that relies significantly on MWD to transport independent water supplies. While under the current rate structure, MWD member agencies can reduce their financial exposure to WaterFix by reducing their demand on MWD, the Water Authority's Colorado River transfer water does not vary and will bear a disproportionate share of the cost impact.

*State Water Project Contract Extension and Contract Amendments*

The water supply related costs of the State Water Project (SWP) are paid for by the 29 SWP contractors through uniform take-or-pay contracts, most of which expire in 2035. These contracts must be extended for DWR, as owner and operator, to issue revenue bonds with maturity dates beyond the current contract terms. In 2013 and 2014, DWR and the SWP contractors conducted a public contract extension negotiation process. While the need to extend the contract jump-started the negotiation process, concerns with financial liability associated with the then-Bay Delta Conservation Plan (BDCP) and the Delta Habitat Conservation and Conveyance Program (DHCCP), predecessors of WaterFix, caused a new objective -- allowing contractors the ability to opt-out of financial responsibilities for BDCP and DHCCP costs – to be added. In June 2014, DWR and the contractors reached an Agreement in Principle (AIP), without resolution on the added objective to address cost allocation for WaterFix.<sup>1</sup>

DWR and 25 SWP contractors have signed the AIP. DWR circulated the draft AIP environmental documents for review and the public comment period ended in October 2016. A SWP contract amendment has been prepared and must be submitted for review by the Legislature, pursuant to Water Code 147.5. In May, DWR submitted the proposed SWP contract extension packet and requested the Joint Legislative Budget Committee's review. An informational hearing before the Senate Natural Resources and Water Committee on this topic has been scheduled for July 3.

Following DWR's certification of environmental documents for WaterFix last July, and several major SWP contractors' support for the project, this February, DWR and contractors began a public negotiation process to address WaterFix allocation. This process is ongoing. A significant amount of time in the early part of the process has been spent on ways to enhance management tools (transfers, exchanges and storage). In mid-May, the contractors presented a set of "talking

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<sup>1</sup> See Water Authority July 16, 2014 memo "State Water Project Contract Extension Negotiations" for additional details on the SWP contract extension negotiations and AIP (pages 102-138): [https://www.sdcwa.org/sites/default/files/files/board/2014\\_Agendas/2014\\_07\\_24%20Formal%20Board%20Packet%20secured.pdf](https://www.sdcwa.org/sites/default/files/files/board/2014_Agendas/2014_07_24%20Formal%20Board%20Packet%20secured.pdf)

points” that offered a new definition for WaterFix: CWF Facilities. The talking points opine that the “purpose of the CWF Facilities is water conservation and/or transportation.” This is a stark contrast to the manner in which DWR’s uniform contracts had long defined WaterFix-like facilities (i.e., peripheral canal). In both DWR’s uniform water supply contracts with contractors, and DWR’s vehicle to implement SWP (DWR’s Bulletin 132, *Management of California Water Project*, and Appendix B to Bulletin 132, *Data and Computations Used to Determine Water Charge*), WaterFix like facilities have always been defined as “project conservation facilities” and are treated as a supply cost. The Water Authority Chair Mark Muir has submitted a comment letter to DWR calling to its attention how the new definition could potentially impact the Water Authority’s ratepayers.

Prepared by: Amy Chen, Director of MWD Program

Reviewed by: Glenn Farrel, Government Relations Manager

Approved by: Dennis A. Cushman, Assistant General Manager

Attachment: Water Authority’s June 11, 2018 Comment letter on SWP Contract Amendment



June 11, 2018

Karla Nemeth, Director  
 Department of Water Resources  
 1416 9<sup>th</sup> Street  
 Sacramento, CA 95814

MEMBER AGENCIES

Carlsbad  
 Municipal Water District

City of Del Mar

City of Escondido

City of National City

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City of Poway

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OTHER  
 REPRESENTATIVE

County of San Diego

RE: Amendment of State Water Project Contract for California WaterFix  
 Comments on State Water Contractors May 14, 2018 Talking Points (#SWCCWF-0038) and DWR's  
 May 29, 2018 Consolidated Talking Points (#00086)

Dear Ms. Nemeth,

One of the key objectives and desired outcomes for negotiating an agreement between the Department of Water Resources (DWR) and the State Water Project (SWP) contractors is to amend the existing Water Supply Contract with DWR to implement California (CA) WaterFix in a manner that equitably allocates costs and benefits of the project (see DWR Objectives for SWP Contract Amendment, Objective 1; see also SWC Submission #SWCCWF-0001). I write to you on behalf of the San Diego County Water Authority Board of Directors to formally advise you of specific facts and circumstances concerning Water Authority ratepayers in regard to this objective, and to request your assistance to ensure that our ratepayers are not unfairly disadvantaged as result of the CA WaterFix negotiations.

As you know, under the existing Water Supply Contract, costs to the contractors are made up of two major charges: 1) the Delta Water Charge (which is a supply charge); and 2) the Transportation Charge. The Delta Water Charge is the cost of conservation facilities which include the Oroville facilities, the Delta facilities, the San Luis facilities, and a portion of the aqueduct leading from the San Luis facilities to the Delta facilities. Most importantly, the Delta Water Charge was to include within it facilities for the "transfer of water across the Delta," such as the proposed WaterFix (see below). It is a unit charge applied to each acre-foot of SWP water that SWP contractors are to receive, in accordance with their contracts. In contrast, the Transportation Charge covers the use of facilities required to deliver SWP water to the service area of each SWP water contractor.

Under the existing SWP contract, the CA WaterFix would unquestionably be categorized as "project conservation facilities" as defined in Article 1(f) and (g)(2), based on Water Code § 12934(d)(3), serving the purposes of water conservation in the Delta, water supply in the Delta, and transfer of water across the Delta. The CA WaterFix costs would thus constitute a Delta Water Charge under the current agreement and law. Similarly, DWR's Bulletin 132 categorizes Peripheral Canal facilities -- the forerunner of CA WaterFix -- as conservation facilities, with costs generally allocated accordingly. In unexplained contrast to Water Code § 12934(d)(3), the existing SWP contract, and DWR Bulletin 132, the draft Statement of Principles abruptly, and without explanation, changes the legal and agreed-upon methodology that would define the CA WaterFix as a Delta Water Charge for conservation, now adding transportation: "[t]he purpose of the [CA WaterFix] Facilities is water conservation *and/or* transportation." While this statement, and any corresponding charges as "transportation," may have no relevance to the cost share borne by other contractors or their member agency customers, it potentially has a substantial and grossly unfair impact on Water Authority ratepayers.

DWR is no doubt well aware of the appellate decision *San Diego County Water Authority v. Metropolitan Water District of Southern California* 12 Cal. App. 5th 1124 (2017), in which the Court of Appeal applied terms of the DWR-MWD contract to allow MWD to bill transportation costs identified in the existing SWP

Ms. Nemeth  
June 11, 2018  
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contract to the Water Authority's Exchange Agreement payments. Conversely, the Delta Water Charge costs were not billed as transportation and there is no legal or substantive basis for changing that now in the allocation of CA WaterFix costs.


MWD has widely published to San Diego ratepayers that the cost of CA WaterFix is estimated to be \$3.90 per month, and in any case no more than the \$5 per household per month that has been estimated for the rest of the MWD service territory (all stated in 2017 dollars). And yet, if WaterFix costs are charged to transportation (now or in the future), the estimated cost per San Diego household skyrockets to \$15-23 per month or more when the project is fully implemented. All of these numbers are estimates, but it gives you an idea of the different impacts depending on whether costs are allocated to transportation or supply. Thus, this is not an insignificant issue, but rather one that presents a material and uniquely unfair potential cost impact and future risk for San Diego County ratepayers.

We request that the sentence quoted from the Statement of Principles be stricken, and that it be made clear that the CA WaterFix costs are intended to be allocated in a manner that is consistent with the existing SWP contract and Water Code § 12934(d)(3) as a Delta Water Charge supply cost.

We would welcome the opportunity to meet with you to provide further information if that would be helpful. The Water Authority's Board of Directors will be meeting in the near future to adopt a formal position on the CA WaterFix and I know this issue is of critical importance.

Thank you for your cooperation and understanding of the importance of this issue.

Very truly yours,



Mark Muir, Chairman of the Board of Directors

Attachment 1: DWR SWP Contract Amendment for California Water Fix – Objective 1

Attachment 2: SWC Submission SWCCWF-0038

Attachment 3: Water Code 12934

Attachment 4: Table 2, Appendix B to Bulletin 132-17

cc: Governor Jerry Brown  
Senate President pro Tem Toni Atkins  
San Diego Legislative Delegation  
Water Authority Board of Directors  
Maureen A. Stapleton, General Manager  
MWD Board of Directors  
Jeff Kightlinger, MWD General Manager

**DEPARTMENT OF WATER RESOURCES**

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**SWP CONTRACT AMENDMENT  
FOR CALIFORNIA WATERFIX****Department of Water Resources' Objectives****WaterFix and Water Management Actions:**

**Objective 1:** The California Department of Water Resources will ensure that the terms and conditions for the proposed Contract Amendments allow for the continued financial integrity of the State Water Project (SWP). The terms and conditions will: 1) be made in compliance with all legal requirements, 2) provide a fair and equitable approach for repayment of SWP Contractor costs to address the addition of the California WaterFix facilities to the SWP, and 3) confirm and supplement DWR's position on water management actions available to the State Water Project Contractors under the contracts.



SWC Submission #: **SWCCWF-0038**  
 STATE WATER CONTRACTORS  
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 (916) 447-7357 | www.swc.org  
 Page: 1 of 5

**DATE:** May 14, 2018

**SUBJECT:** The State Water Project<sup>1</sup> (SWP) Public Water Agencies' (PWAs)<sup>2</sup> Talking Points for Objective Two Concerning the Allocation and Repayment of Costs Associated with California WaterFix (CWF).

These talking points provide a proposed Statement of Principles (Principles) for the allocation and repayment of costs for construction, operation and maintenance of facilities associated with CWF (CWF Facilities). Under these Principles, the State, acting by and through the California Department of Water Resources (DWR), would be fully reimbursed for all such costs. These costs would be billed to and collected from SWP PWAs participating in the SWP portion of CWF (Participating PWAs), except those situated north of the Delta<sup>3</sup> (Non-Participating PWAs), through their annual Statement of Charges (SOC). The SWP portion of CWF is up to two-thirds of CWF Facilities costs. The amount remaining will be reimbursed separately from SWP and/or Central Valley Project PWAs interested in additional conveyance capacity in CWF Facilities. These Principles are intended to serve as the foundation for a contract amendment to the existing long-term water service contracts (Contracts) between DWR and the SWP PWAs.

## STATEMENT OF PRINCIPLES

- 1. CWF Facilities Definition:** CWF Facilities shall mean those facilities that are constructed to convey water from the north Delta to the south Delta through facilities as described in the California WaterFix Final EIR/EIS SCH #2008032062. In general, CWF Facilities will divert water from the Sacramento River through three intakes on the east bank of the Sacramento

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<sup>1</sup> The State Water Project is the name commonly used to refer to the State Water Resources Development System (Water Code Section 12931).

<sup>2</sup> The SWP PWAs are those public water agencies that hold contracts with DWR for the delivery of SWP water: Alameda County Flood Control and Water Conservation District (Zone 7), Alameda County Water District, Antelope Valley-East Kern Water Agency, Castaic Lake Water Agency, City of Yuba City, Coachella Valley Water District, County of Butte, County of Kings, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Dudley Ridge Water District, Empire West Side Irrigation District, Kern County Water Agency, Littlerock Creek Irrigation District, The Metropolitan Water District of Southern California, Mojave Water Agency, Napa County Flood Control and Water Conservation District, Oak Flat Water District, Palmdale Water District, Plumas County Flood Control and Water Conservation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Geronio Pass Water Agency, San Luis Obispo County Flood Control and Water Conservation District, Santa Barbara County Flood Control and Water Conservation District, Santa Clara Valley Water District, Solano County Water Agency, Tulare Lake Basin Water Storage District, and Ventura County Flood Control District.

<sup>3</sup> These Non-Participating PWAs are.: City of Yuba City, County of Butte, Plumas County Flood Control and Water Conservation District, Napa County Flood Control and Water Conservation District, and Solano County Water Agency.



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River, through pipelines and tunnels to the south Delta, to new pumping plants northeast of a reconfigured Clifton Court Forebay, and finally to connections with the Jones and Banks pumping plants.

2. **CWF Facilities Charge Components** - The purpose of the CWF Facilities is water conservation and/or transportation. Accordingly, all capital and minimum operations, maintenance, power and replacement (OMP&R) costs associated with the CWF Facilities are 100% reimbursable and shall be recovered by the DWR from Participating PWAs through their annual SOC's. These costs shall be allocated to and billed under two new charges as follows:
  - a. CWF Facilities Capital Charge Component
  - b. CWF Facilities Minimum OMP&R Component
  
3. **CWF Capital Charge Component Method of Computation**
  - a. Recover actual annual debt service created by financing activities (Financing Method) for CWF Facilities.
  - b. Each Financing Method shall provide an annual repayment schedule, which includes all Financing Costs.
  - c. Financing Costs shall mean the following:
    - i. Principal of and interest on Revenue Bonds,
    - ii. Debt service coverage required by the applicable bond resolution or indenture in relation to such principal and interest,
    - iii. Deposits to reserves required by the bond resolution or indenture in relation to such Revenue Bonds, and
    - iv. Premiums for insurance or other security obtained in relation to such Revenue Bonds.
  - d. Financing Method shall be divided into four categories:
    - i. CWF Facilities Capital Costs paid with the proceeds of Water System Facility Revenue Bonds,
    - ii. CWF Facilities Capital Costs paid with amounts in the State Water Resources Development System Reinvestment Account,
    - iii. CWF Facilities Capital Costs paid annually for assets that will have a short Economic Useful Life or the costs of which are not substantial, and
    - iv. CWF Facilities Capital Costs prepaid by the Participating PWAs.
  - e. CWF Facilities Capital Charge Component should be allocated to the Participating PWAs in proportion to the CWF Facilities Allocation Factors for each calendar year.
  
4. **CWF Facilities Minimum OMP&R Charge Component Method of Computation**
  - a. Recovery estimated and/or actual annual OMP&R costs for the CWF Facilities each year.





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- b. CWF Facilities Minimum OMP&R Charge Component shall be allocated to the Participating PWAs in proportion to the CWF Facilities Allocation Factors for each calendar year.
- 5. CWF Facilities Variable OMP&R Charge Component Method of Computation** - The operations, maintenance, power and replacement costs for the CWF facilities pumping plants (CWF Pumping Plants) that are (1) necessary to deliver water to a Participating PWA and (2) incurred in an amount which is dependent upon and varies with the amount of project water delivered to the PWA and allocated to the PWA pursuant to Article 26 (a)(1) and (2) of the Contracts. The CWF Facilities Variable OMP&R costs are 100% reimbursable and shall be recovered by DWR from the Participating PWAs through their annual SOCs as follows:
- a. Costs shall be included in the Participating PWAs Variable Charge
  - b. Costs shall not be included in the Non-Participating PWAs' Variable Charge.
    - i. The Non-Participating PWAs' shall not be charged for any direct costs of conveying water through CWF Pumping Plants.
    - ii. The unit rate for the CWF Pumping Plants shall not be included in the Non-Participating PWAs accumulated pumping plant rates used to calculate their Transportation Variable Component Charge.
- 6. CWF Facilities Allocation Factors.** The following table is a preliminary allocation of CWF Facilities participation percentages for the Non-Participating PWAs and the Participating PWAs. Only Participating PWAs would be billed for CWF through their annual SOC, using the CWF Facility Allocation Factors described in the table. Non-Participating PWAs would not be billed for repayment of costs for construction, operation and maintenance of facilities associated with CWF, except to the extent there is a permanent transfer of Table A from a Participating PWA to a Non-Participating PWA as set forth in principle 10.



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<b>Non-Participating PWA</b>	<b>CWF Facilities Allocation Factors</b>
City of Yuba City	0.0000%
County of Butte	0.0000%
Plumas County FC&WCD	0.0000%
Napa County FC&WCD	0.0000%
Solano County Water Agency	0.0000%
<b>Participating PWA</b>	<b>CWF Facilities Allocation Factors</b>
Alameda County FC&WCD, Zone 7	1.9875%
Alameda County Water District	1.0355%
Santa Clara Valley Water District	2.4654%
Dudley Ridge Water District	1.0194%
Empire-West Side Irrigation District	0.0740%
Kern County Water Agency-Total	24.2278%
County of Kings	0.2294%
Oak Flat Water District	0.1405%
Tulare Lake Basin Water Storage District	2.1565%
San Luis Obispo County FC&WCD	0.6163%
Santa Barbara County FC&WCD	1.1214%
Antelope Valley-East Kern Water Agency	3.5709%
Santa Clarita Valley Water Agency	2.3470%
Coachella Valley Water District	3.4108%
Crestline-Lake Arrowhead Water Agency	0.1430%
Desert Water Agency	1.3744%
Littlerock Creek Irrigation District	0.0567%
Mojave Water Agency	2.2139%
Palmdale Water District	0.5251%
San Bernardino Valley Municipal Water District	2.5295%
San Gabriel Valley Municipal Water District	0.7100%
San Geronio Pass Water Agency	0.4265%
The Metropolitan Water District of Southern California	47.1253%
Ventura County Watershed Protection District	0.4931%
<b>Total</b>	<b>100.000%</b>

7. **Repayment Schedule Table** - The amount to be paid by the Participating PWAs for each year under the CWF Facilities Capital and Minimum OMP&R Charge Components shall be set forth in a Repayment Schedule Table.
8. **Charge Redetermination** - The CWF Facilities Capital and Minimum OMP&R Charge Components shall be subject to Charge Redetermination.



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- 9. Annual Statement of Charges** - The CWF Facilities Capital and Minimum OMP&R Charge Components shall be included in a separate invoice that is included in the annual SOC and shall be subject to the time and method of payment for Capital and Minimum OMP&R Components.
- 10. Permanent Transfer of Contract Rights** – Any permanent transfer of Table A contract rights of a Participating PWA shall be accompanied by a pro-rata transfer of that PWAs rights and responsibilities with respect to CWF.
- 11. CWF Facilities Use Of Facilities Charge** –If a Non-Participating PWA transfers allocated Table A to a Participating PWA, then no fee will be charged to the PWAs involved in the transaction. Other transactions may result in a fee sufficient to cover all (1) capital, (2) minimum operations, maintenance, power and replacement (OMP&R) costs, and (3) variable OMP&R costs, associated with this usage.
- 12. Water Delivery Principles** - Participating PWAs moving water in excess of their CWF Facilities Allocation Factor shall schedule deliveries in a manner that does not harm other participating PWAs and shall be subject to the delivery priorities set forth in Article 12(f) of the Contract.

### Cal Wat Code § 12934

Deering's California Codes are current through Chapter 10 of the 2018 Regular Session.

***Deering's California Codes Annotated > WATER CODE > Division 6 Conservation, Development, and Utilization of State Water Resources > Part 6 Water Development Projects > Chapter 8 Water Resources Development Bonds***

## **§ 12934. Definitions**

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As used in this chapter and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

- (a) "Committee" shall mean the California Water Resources Development Finance Committee created by Section 12933.
- (b) "Board" or "department" shall mean the Department of Water Resources.
- (c) "Fund" shall mean the California Water Resources Development Bond Fund created by Section 12935.
- (d) "State Water Facilities" shall mean the following facilities:
  - (1) A multiple purpose dam and reservoir on the Feather River in the vicinity of Oroville, Butte County, and dams and reservoirs upstream therefrom in Plumas County in the vicinity of Frenchman, Grizzly Valley, Abbey Bridge, Dixie Refuge and Antelope Valley;
  - (2) An aqueduct system which will provide for the transportation of water from a point or points at or near the Sacramento-San Joaquin Delta to termini in the Counties of Marin, Alameda, Santa Clara, Santa Barbara, Los Angeles and Riverside, and for delivery of water both at such termini and at canal-side points en route, for service in Solano, Napa, Sonoma, Marin, Alameda, Contra Costa, Santa Clara, San Benito, Santa Cruz, Fresno, Tulare, Kings, Kern, Los Angeles, Ventura, San Bernardino, Riverside, Orange, San Diego, San Luis Obispo, Monterey and Santa Barbara Counties.
 

Said aqueduct system shall consist of intake and diversion works, conduits, tunnels, siphons, pipelines, dams, reservoirs, and pumping facilities, and shall be composed of a North Bay aqueduct extending to a terminal reservoir in Marin County; a South Bay aqueduct extending to terminal reservoirs in the Counties of Alameda and Santa Clara; a reservoir near Los Banos in Merced County; a Pacheco Pass Tunnel aqueduct from a reservoir near Los Banos in Merced County to a terminus in Pacheco Creek in Santa Clara County; a San Joaquin Valley-Southern California aqueduct extending to termini in the vicinity of Newhall, Los Angeles County, and Perris, Riverside County, and having a capacity of not less than 2,500 cubic feet per second at all points north of the northerly boundary of the County of Los Angeles in the Tehachapi Mountains in the vicinity of Quail Lake and a capacity of not less than 10,000 cubic feet per second at all points north of the initial offstream storage reservoir; a costal aqueduct beginning on the San Joaquin Valley-Southern California aqueduct in the vicinity of Avenal, Kings County, and extending to a terminal at the Santa Maria River;
  - (3) Master levees, control structures, channel improvements, and appurtenant facilities in the Sacramento-San Joaquin Delta for water conservation, water supply in the Delta, transfer of water across the Delta, flood and salinity control, and related functions.
  - (4) Facilities for removal of drainage water from the San Joaquin Valley.
  - (5) Facilities for the generation and transmission of electrical energy.

## Cal Wat Code § 12934

- (6) Provision for water development facilities for local areas as provided in Chapter 5 (commencing at *Section 12880*) of Part 6 of Division 6 of the Water Code as the same may now or hereafter be amended.
- (7) Including for the foregoing (1 through 5) the relocation of utilities and highways and acquisition of all lands, rights of way, easements, machinery, equipment, apparatus, and all appurtenances necessary or convenient therefor.

## History

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Added Stats 1959 ch 1762 § 1, effective November 8, 1960.

Annotations

## Commentary

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### Legislative Counsel's Opinions:

State water resources development. 1963 AJ 1523.

## Notes to Decisions

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### 1. Generally

That Water Resources Development Bond Act lists Oroville dam as one of "State Water Facilities" enumerated in that act does not mean that Oroville dam is no longer authorized by Central Valley Project Act (Wat C §§ 11100 et seq.), which empowers Department of Water Resources to construct and operate various water facilities, including the Oroville dam; Water Resources Development Bond Act expressly continues, rather than precludes, operation of Central Valley Project Act, and nothing in former act shows that facility authorized as part of Central Valley Project is no longer to be so regarded where it is also enumerated as one of "State Water Facilities." *Warne v. Harkness* (Cal. Dec. 12, 1963), 60 Cal. 2d 579, 35 Cal. Rptr. 601, 387 P.2d 377, 1963 Cal. LEXIS 264.

## Research References & Practice Aids

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### Cross References:

Inapplicability to timberland preserve zone: Gov C § [51153](#).

### Treatises:

Cal. Legal Forms, (Matthew Bender) § [28D.15\[3\]\[a\]](#).

## State Notes

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## Research References & Practice Aids

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Cal Wat Code § 12934

**Hierarchy Notes:**

Cal Wat Code Div. 6

Cal Wat Code Div. 6, Pt. 6

Cal Wat Code Div. 6, Pt. 6, Ch. 8

Deering's California Codes Annotated  
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**Table 2 Project Purpose Cost Allocation Factors (percentages)<sup>a</sup>**

PROJECT FACILITIES	Water Supply and Power Generation		All Other Purposes (Nonreimbursable)	
	Capital Costs	Minimum OMP&R Costs	Capital Costs	Minimum OMP&R Costs
<b>Project Conservation Facilities</b>				
Frenchman Dam and Lake	21.5	0.0	78.5	100.0
Antelope Dam and Lake	0.0	0.0	100.0	100.0
Grizzly Valley Dam and Lake Davis	1.0	1.8	99.0	98.2
Oroville Division <sup>b</sup>	97.1	99.5	2.9	0.5
California Aqueduct, Delta to Dos Amigos Pumping Plant	96.6	96.7	3.4	3.3
Delta Facilities				
Peripheral Canal Related	86.0	86.0	14.0	14.0
Remaining of Delta Facilities	96.6	96.7	3.4	3.3
<b>Transportation Facilities</b>				
Grizzly Valley Pipeline	100.0	100.0	0.0	0.0
North Bay Aqueduct	100.0	100.0	0.0	0.0
South Bay Aqueduct				
Del Valle Dam and Lake del Valle	25.2	22.0	74.8 <sup>c</sup>	78.0 <sup>d</sup>
Remainder of South Bay Aqueduct	100.0	100.0	0.0	0.0
California Aqueduct				
Delta to Dos Amigos Pumping Plant	96.6	96.6	3.4	3.4
Dos Amigos Pumping Plant to termini (excluding Coastal Branch) <sup>ef</sup>	94.3 / 99.6	96.9 / 99.6	5.7 / 0.4	3.1 / 0.4
Aqueduct and Plants <sup>ef</sup>	94.3 / 99.6	96.9 / 99.6	5.7 / 0.4	3.1 / 0.4
Pyramid Dam and Lake <sup>ef</sup>	94.3 / 96.1	96.9 / 96.1	5.7 / 3.9	3.1 / 3.9
Castaic Dam and Lake <sup>ef</sup>	94.3 / 91.1	96.9 / 91.1	5.7 / 8.9	3.1 / 8.9
Silverwood Dam and Lake <sup>ef</sup>	94.3 / 85.3	96.9 / 85.3	5.7 / 14.7	3.1 / 14.7
Perris Dam and Lake <sup>ef</sup>	94.3 / 67.7	96.9 / 67.7	5.7 / 32.3	3.1 / 32.3
Coastal Branch	100.0	100.0	0.0	0.0

<sup>a</sup> Percentages indicated apply to the majority of the facilities with minor exceptions.

<sup>b</sup> Percentages indicated are applicable to the remaining costs of division after excluding costs allocated to flood control that are reimbursed by the federal government (22 percent of capital costs) and excluding specific power costs of Hyatt and Thermalito powerplants and switchyards.

<sup>c</sup> Percentage indicated consists of 48.0 percent of costs allocated to recreation and 26.8 percent to flood control.

<sup>d</sup> Percentage indicated consists of 44.9 percent of costs allocated to recreation and 33.1 percent to flood control.

<sup>e</sup> Percentage indicated is used for 2012 and previous years.

<sup>f</sup> Percentage indicated is used for 2013 and forward.

Amendment 5 to Metropolitan's contract requires that additional costs for modifications to the Santa Ana Pipeline (required for enlargement of Lake Perris) will be allocated to Metropolitan and returned to the State through payments of the Transportation Charge. The additional costs to be repaid through Metropolitan's capital cost component for the aqueduct reach from Devil Canyon Powerplant to Barton Road

total about \$6.7 million (see Bulletin 132-72, page 98).

Table B-10 presents the actual and projected annual capital costs of each aqueduct reach that will eventually be returned to the State, with interest, through contractors' payments of the capital cost component of the Transportation Charge and payment of debt service under the Devil Canyon-Castaic contracts.