

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



February 28, 2017

Nationally Recognized Municipal Securities Information Repositories (NRMSIRs)

Enclosed per S.E.C. Rule 15c2-12 is the State of California Department of Water Resources' Annual Report for the fiscal year ended June 30, 2016.

The annual report is consistent with the requirements of the Continuing Disclosure Certificates with respect to State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series V, Dated December 1, 1998, Series X, Dated May 1, 2002, Series AE, Dated May 1, 2008, Series AF, Dated March 19, 2009, Series AG, Dated December 2, 2009, Series AH, Dated November 9, 2010, Series AI, Dated September 7, 2011, Series AJ, Dated October 13, 2011, Series AK, Dated March 13, 2012, Series AL, Dated September 5, 2012, Series AN, Dated September 27, 2012, Series AO, Dated September 27, 2012, Series AM, Dated March 5, 2013, Series AP, Dated March 26, 2013, Series AQ, Dated June 18, 2013, Series AR, Dated March 6, 2014, Series AS, Dated October 30, 2014, Series AT, Dated November 6, 2014, Series AU, Dated September 2, 2015, Series AV, Dated May 24, 2016, and Series AW, Dated October 20, 2016. The annual report is also consistent with the requirements of (1) the Continuing Disclosure Certificate applicable to the Department of Water Resources with respect to the Kings River Conservation District Pine Flat Power Refunding Bonds, Series G, Dated January 20, 2010 and (2) the Continuing Disclosure Agreement applicable to the Department of Water Resources with respect to the Northern California Power Agency Lodi Energy Center Revenue Bonds, Issue Two (California Department of Water Resources), 2010 Series A and 2010 Series B, both series dated June 24, 2010.

The report contains the audited financial statements of the Department of Water Resources and updates of certain information contained in the Official Statements for the above mentioned series.

If you require additional information, please contact me at (916) 653-9836 or Antonio Perez at (916) 653-7925.

Sincerely,

A handwritten signature in blue ink that reads "Karen Louie-Tom".

Karen Louie-Tom, Acting Chief
Division of Fiscal Services

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

The State of California Department of Water Resources (the "Issuer") hereby provides its annual report for the fiscal year ended June 30, 2016 in connection with (1) the below described bonds issued by the Department of Water Resources, (2) the below described Pine Flat Power Revenue Refunding Bonds issued by the Kings River Conservation District, and (3) the below described Lodi Energy Center Revenue Bonds, Issue Two, issued by the Northern California Power Agency:

Bond Issues:

A. Bonds Issued by the Department of Water Resources that are covered by the Continuing Disclosure Certificate, dated December 1, 1995 and its supplements.

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series V, dated December 1, 1998 (the "Series V Bonds")

CUSIPs: 13067WLD2

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series X, dated May 1, 2002 (the "Series X Bonds")

CUSIPs: 13067WLF7

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AE, dated May 1, 2008 (the "Series AE Bonds")

CUSIPs:	13066EWG4	13066EWH2	13066EWJ8	13066EWK5	13066EWL3
	13066EWM1	13066EXJ7	13066EXK4	13066EXL2	13066EXN8
	13066EXP3	13066EXQ1	13066EXR9	13066EXS7	13066EXU2

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AF, dated March 19, 2009 (the "Series AF Bonds")

CUSIPs:	13066K6D6	13066K6E4	13066K6F1	13066K6G9	13066K6H7
	13066K6J3	13066K6K0	13066K6L8	13066K6M6	13066K6P9
	13066K6Q7	13066K6R5	13066K6S3	13066K6T1	13066K6V6
	13066K6W4	13066KYM5	13066KYN3	13066KYP8	

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AG, dated December 2, 2009 (the "Series AG Bonds")

CUSIPs:	13066K7H6	13066K7J2	13066K7K9	13066K7L7	13066K7M5
	13066K7N3	13066K7P8	13066K7Q6	13066K7R4	13066K7S2
	13066K7ZU6	13066K7V4	13067WMS8	13067WMT6	13067WMTU3

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AH, dated November 9, 2010 (the "Series AH Bonds")

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

CUSIPs:	13067WDF6	13067WDG4	13067WDH2	13067WDV1	13067WDW9
	13067WDX7	13067WDY5	13067WDZ2	13067WEA6	13067WEC2
	13067WED0	13067WEE8	13067WEF5	13067WLH3	

B. Bonds Issued by the Department of Water Resources that are covered by the Continuing Disclosure Certificate, dated September 7, 2011 and its supplements.

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AI, dated September 7, 2011 (the "Series AI Bonds")

CUSIPs:	13066KC80	13066KC98	13067WFC1	13067WFD9	13067WFE7
	13067WFF4				

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AJ, dated October 13, 2011 (the "Series AJ Bonds")

CUSIPs:	13066KM22	13067WBM3	13067WBN1	13067WBP6	13067WFJ6
	13067WFK3	13067WFL1	13067WFM9	13067WFN7	13067WFP2
	13067WFR8	13067WFZ0	13067WGA4	13067WGB2	13067WGC0
	13067WMV1				

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AK, dated March 13, 2012 (the "Series AK Bonds")

CUSIPs:	13066KQ36	13066KQ44	13066KQ51	13066KQ69	13066KR68
	13066KR92	13066KS42	13067WBX9	13067WGE6	13067WGF3
	13067WHA3	13067WLK6	13067WMX7	13067WMY5	13067WNF5
				13067WNG3	

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AL, dated September 5, 2012 (the "Series AL Bonds")

CUSIPs:	13067WHE5	13067WHF2	13067WHG0	13067WHH8	13067WHJ4
	13067WHK1	13067WHL9	13067WHM7		

C. Bonds Issued by the Department of Water Resources that are covered by the Continuing Disclosure Certificate, dated September 27, 2012 and its supplements.

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AN, dated September 27, 2012 (the "Series AN Bonds")

CUSIPs:	13066K2C2	13066K2D0	13067WCB6	13067WCC4	13067WCD2
	13067WHN5	13067WHP0	13067WHQ8	13067WHR6	13067WHS4
	13067WHT2	13067WMZ2	13067WNA6	13067WNB4	13067WNC2

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AO, dated September 27, 2012 (the "Series AO Bonds")

CUSIPs:	13066KX61	13066KX79	13067WJH6	13067WJJ2	13067WJK9
	13067WJL7	13067WJM5	13067WJN3	13067WJP8	13067WJQ6
	13067WJR4	13067WJS2	13067WJTO		

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AM, dated March 5, 2013 (the "Series AM Bonds")

CUSIPs:	13066KU72	13066KU80	13066KU98	13066KV22	13066KV30
	13066KV48	13066KV55	13066KV63	13066KV71	

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AP, dated March 26, 2013 (the "Series AP Bonds")

CUSIPs:	13066K2H1	13066K2J7	13066K2K4	13066K2L2	13066K2M0
	13066K2N8	13066K2U2	13066K2V0	13066K2W8	13066K2Y4
	13066K2Z1	13066K3A5	13066K3B3		

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AQ, dated June 18, 2013 (the "Series AQ Bonds")

CUSIPs:	13066K3E7	13066K3F4	13066K3G2	13066K3H0	13066K3J6
	13066K3K3	13066K3L1	13066K3M9	13066K3N7	13066K3Q0
	13066K3R8	13066K3S6	13066K3T4	13066K3U1	

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AR, dated March 6, 2014 (the "Series AR Bonds")

CUSIPs:	13066K3X5	13066K3Y3	13066K3Z0	13066K4A4	13066K4B2
	13066K4C0	13066K4D8	13066K4E6	13066K4F3	13066K4H9
	13066K4J5	13066K4K2	13066K4L0	13066K4M8	13066K4P1
	13066K4Q9	13066K4R7			

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AS, dated October 30, 2014 (the "Series AS Bonds")

CUSIPs:	13066K5E5	13066K5F2	13067WKK7	13067WKL5	13067WKM3
	13067WKN1	13067WKP6	13067WKQ4	13067WKR2	13067WKS0
	13067WKU5	13067WKV3	13067WKW1	13067WKX9	13067WKZ4

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AT, dated November 6, 2014 (the "Series AT Bonds")

CUSIPs: 13067WCE0

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AU, dated September 2, 2015 (the "Series AU Bonds")

CUSIPs: 13067WCF7

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AV, dated May 24, 2016 (the "Series AV Bonds")

CUSIPs: 13067WCG5 13067WCH3 13067WCJ9 13067WCK6 13067WCL4

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

13067WCM2	13067WCN0	13067WCP5	13067WCQ3	13067WCR1	13067WCS9
13067WCT7	13067WCU4	13067WCV2	13067WCW0	13067WCX8	13067WCY6
13067WCZ3					

State of California Department of Water Resources Central Valley Project Water System Revenue Bonds, Series AW, dated October 20, 2016 (the "Series AW Bonds")

CUSIPs:	13067WLL4	13067WLM2	13067WLN0	13067WLP5	13067WLQ3
	13067WLR1	13067WLS9	13067WLT7	13067WLU4	13067WLW0
	13067WLX8	13067WLY6	13067WLZ3	13067WMA7	13067WMB5
	13067WMD1	13067WME9			

D. Pine Flat Power Bonds Issued by the Kings River Conservation District

Kings River Conservation District Pine Flat Power Refunding Bonds, Series G, dated January 20, 2010 (the "Pine Flat Power Bonds Series G")

CUSIPs:	496156EK2	496156ELO	496156EM8
---------	-----------	-----------	-----------

E. Lodi Energy Center Bonds Issued by the Northern California Power Agency

Northern California Power Agency Lodi Energy Center Revenue Bonds, Issue Two (California Department of Water Resources), 2010 Series A dated June 24, 2010 (the "Lodi Energy Center Bonds Issue Two Series A")

CUSIPs:	664845DM3	664845DN1	664845DP6
---------	-----------	-----------	-----------

Northern California Power Agency Lodi Energy Center Revenue Bonds, Issue Two (California Department of Water Resources), 2010 Series B dated June 24, 2010 (the "Lodi Energy Center Bonds Issue Two Series B"; together with the Lodi Energy Center Bonds Issue Two Series A, collectively the "Lodi Energy Center Bonds")

CUSIPs:	664845DF8	664845DG6
---------	-----------	-----------

Note: The CUSIP numbers specified above are as of December 31, 2016. The CUSIP numbers are provided for the convenience of Bondholders. The Issuer is not responsible for the accuracy or completeness of such numbers.

Annual Report

Attached hereto is the Issuer's "annual report" for the fiscal year ended June 30, 2016 as required by (1) the Continuing Disclosure Certificate, dated December 1, 1995, and all subsequent Supplemental Continuing Disclosure Certificates and the Amended and Restated Continuing Disclosure Certificate dated December 2, 2009 thereto, (2) the Continuing Disclosure Certificate, dated September 7, 2011 and all subsequent Supplemental Continuing Disclosure Certificates thereto, and (3) the Continuing Disclosure Certificate, dated September 27, 2012 and all subsequent Supplemental Continuing Disclosure Certificates thereto (collectively the "Department's Bond Disclosure Certificates") for the above listed Department Bonds. The attached annual report also satisfies the Department of Water Resources requirements under the Continuing Disclosure Certificate, dated January 20, 2010, for the above listed Pine Flat Power Bonds Series G (the "Pine

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

Flat Power Bond Disclosure Certificate”), and the Continuing Disclosure Agreement, dated June 24, 2010, for the above listed Lodi Energy Center Bonds (the “Lodi Energy Center Disclosure Certificate”).

Other Matters

This annual report is provided solely for purposes of the Department’s Bond Disclosure Certificates, the Pine Flat Power Bond Disclosure Certificate, and the Lodi Energy Center Disclosure Certificate. The filing of this report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the Issuer, the Series V, X, AE, AF, AG, AH, AI, AJ, AK, AL, AN, AO, AM, AP, AQ, AR, AS, AT, AU, AV or AW Bonds, the Pine Flat Power Bonds, or the Lodi Energy Center Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this report relates (other than as referred to in this report), or that no other information exists, which may have a bearing on the Issuer's financial condition, the security for the Series V, X, AE, AF, AG, AH, AI, AJ, AK, AL, AN, AO, AM, AP, AQ, AR, AS, AT, AU, AV or AW Bonds, the Pine Flat Power Bonds, or the Lodi Energy Center Bonds, or an investor's decision to buy, sell, or hold the Series V, X, AE, AF, AG, AH, AI, AJ, AK, AL, AN, AO, AM, AP, AQ, AR, AS, AT, AU, AV or AW Bonds, the Pine Flat Power Bonds, or the Lodi Energy Center Bonds. The information contained in this report has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this annual report should be construed as a prediction or representation about future financial performance of the Issuer. The information provided herein may relate to bonds or other obligations of the Issuer in addition to the ones listed above.

Dated: February 28, 2017

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By 
Acting Chief, Division of Fiscal Services

**State of California,
 Department of Water Resources
 S.E.C. Rule 15c-2
 Annual Report as of June 30, 2016**

TABLE OF CONTENTS¹

Audited Financial Statements (Continuing Disclosure Certificate, item 1)	7
Debt Service Reserve Account (Continuing Disclosure Certificate, item 2a –Department's Bond Disclosure Certificates only)	8
Investments (Continuing Disclosure Certificate, item 2b).....	8
Water Supply (Continuing Disclosure Certificate, items 2c, 2d).....	8
Source of Power for Operating the State Water Project (Continuing Disclosure Certificate, items 2e).....	9
Contractor Water Deliveries from and Payments to State Water Project (Continuing Disclosure Certificate, items 2f, 2g)	10
Selected Financial Data for Certain Contractors (Continuing Disclosure Certificate, item 2h - Department Bonds Disclosure Certificate and Pine Flat Power Bond Disclosure Certificate only)	11
Selected Financial Data for Certain Contractors (Continuing Disclosure Certificate, item 2i – Lodi Energy Center Disclosure Certificate only).....	12
DWR Audited Financial Statements.....	Appendix A
Selected Financial Data for Certain Contractors	Appendix B
B-1: Audited Financial Statements of Certain Contractors	
B-2: Estimated Direct and Overlapping Debt of Certain Contractors	
Selected Financial Data for Certain Contractors	Appendix C
C-1: Audited Financial Statements of Certain Contractors	
C-2: Estimated Direct and Overlapping Debt of Certain Contractors	

¹ Unless otherwise indicated, the information provided for each Continuing Disclosure Certificate item is responsive to each of the three categories of continuing Disclosure Certificates referred to in this report (the Department's Bond Disclosure Certificates, the Pine Flat Power Bonds Disclosure Certificate, and the Lodi Energy Center Disclosure Certificate).

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016 (Continuing Disclosure Certificate, Item 1)

The State Water Resources Development System audited Comprehensive Annual Financial Report for the years ended June 30, 2016 and 2015 are attached hereto in **Appendix A** and are incorporated herein by this reference.

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

DEBT SERVICE RESERVE ACCOUNT (Continuing Disclosure Certificate, item 2a – Department’s Bond Disclosure Certificates only)

As of December 31, 2016, the amount on deposit in the Debt Service Reserve Account was \$171,278,097, which is at least equal to the Reserve Account Requirement for the outstanding bonds. Of this amount, \$111,876,675 is invested in the State Treasurer's Pooled Money Investment Account (PMIA), and \$59,401,422 is invested in U.S. Government securities.

INVESTMENTS (Continuing Disclosure Certificate, item 2b)

The Department uses the State's Centralized Treasury System. Moneys on deposit in the State's Centralized Treasury System are invested by the Treasurer in the Pooled Money Investment Account (the "PMIA"). As of December 31, 2016, the PMIA held approximately \$52.1 billion of State moneys, and \$21.6 billion of moneys invested for about 2,461 local governmental entities through the Local Agency Investment Fund. The assets of the PMIA as of December 31, 2016, are shown in the following table:

Type of Security	Amount (in millions)	Percent of Total
U.S. Treasury Bills and Notes	\$ 32,690	44.33%
Federal Agency Debentures	1,968	2.67%
Certificates of Deposit	11,050	14.99%
Bank Notes	600	0.81%
Federal Agency Discount Notes	7,173	9.73%
Time Deposits	5,286	7.17%
Commercial Paper (corporate)	6,584	8.93%
FHLMC/REMICs	49	0.07%
AB 55 Loans	530	0.72%
Loans Per Government Code	7,606	10.32%
Other	200	0.27%
Total	\$ 73,736	100.00%

WATER SUPPLY (Continuing Disclosure Certificate, items 2c, 2d)

In the year ending December 31, 2015, the State Water Project delivered 20 percent of Contractor water requests. As of April 21, 2016 the Department approved deliveries for 60 percent of requested deliveries for the year ending December 31, 2016.

State of California,
 Department of Water Resources
 S.E.C. Rule 15c-2
 Annual Report as of June 30, 2016

SOURCE OF POWER FOR OPERATING THE STATE WATER PROJECT FOR THE YEAR ENDED DECEMBER 31, 2016 (Continuing Disclosure Certificate, item 2e)

(In Gigawatt Hours)

SOURCES:

State Water Project Hydroelectric Plants		
Gianelli (San Luis)	87	
Castaic	445	
Devil Canyon	852	
William E. Warne (Pyramid)	280	
Hyatt-Thermalito (Oroville)	1,656	
Alamo	65	
Thermalito Diversion Dam	20	
Mojave Siphon	52	
Total	3,457	
State Water Project Thermal Plant (Reid Gardner)	0	
Power Purchases	2,398	
Energy via Exchanges	0	
TOTAL SOURCES	5,855	
LESS POWER SALES	753	
LESS NET TRANSACTIONS THROUGH CAISO*	-1,428	
SWP LOAD	6,530	

*A negative amount implies net purchase transactions while a positive amount implies net sales transactions.

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

**CONTRACTOR WATER DELIVERIES FROM AND PAYMENTS TO STATE WATER PROJECT
FOR THE YEAR ENDED DECEMBER 31, 2016 (Continuing Disclosure Certificate, items 2f, 2g)**

	Deliveries (in acre-feet)	Payments (in thousands)
Alameda County Flood Control and Water Conservation District, Zone 7	53,484	\$32,525
Alameda County Water District	27,357	9,908
Antelope Valley-East Kern Water Agency	41,356	39,678
Castaic Lake Water Agency	37,828	29,876
City of Yuba City	1,229	754
Coachella Valley Water District	69,422	57,495
County of Butte	2,518	2,161
County of Kings	3,660	1,079
Crestline-Lake Arrowhead Water Agency	1,084	2,056
Desert Water Agency	21,893	20,687
Dudley Ridge Water District	19,308	5,474
Empire West Side Irrigation District	1822	326
Kern County Water Agency	638,926	132,429
Littlerock Creek Irrigation District	-	624
The Metropolitan Water District of Southern California	1,083,900	635,607
Mojave Water Agency	22,284	29,528
Napa County Flood Control and Water Conservation District	8,993	9,106
Oak Flat Water District	1,855	594
Palmdale Water District	10,516	6,710
Plumas County Flood Control and Water Conservation District	387	233
San Bernardino Valley Municipal Water District	62,676	53,362
San Gabriel Valley Municipal Water District	16,088	10,363
San Geronio Pass Water Agency	10,816	21,355
San Luis Obispo County Flood Control and Water Conservation District	4,199	7,119
Santa Barbara County Flood Control and Water Conservation District	34,085	38,864
Santa Clara Valley Water District	107,164	33,913
Solano County Water Agency	23,605	12,167
Tulare Lake Basin Water Storage District	42,387	10,574
Ventura County Flood Control District	3,000	4,394
Total	<u>2,351,842</u>	<u>\$1,208,961</u>

State of California,
 Department of Water Resources
 S.E.C. Rule 15c-2
 Annual Report as of June 30, 2016

SELECTED FINANCIAL DATA FOR CERTAIN CONTRACTORS FOR THE YEAR ENDED JUNE 30, 2016 (Continuing Disclosure Certificate, Item 2h – Department’s Bond Disclosure Certificates and Pine Flat Power Bond Disclosure Certificate only)

B-1: Audited Financial Statements of Certain Contractors

The audited financial statements of the Metropolitan Water District of Southern California, Santa Barbara County Flood Control, Water Conservation District/Central Coast Water Authority for the year ended June 30, 2016, and Kern County Water Agency for the year ended June 30, 2015 are attached in **Appendix B-1**. These financial statements are incorporated herein by this reference.

DWR did not prepare or assist in the preparation of such financial statements. No expressed or implied representation is made hereby as to the relative importance of the financial condition of any such water contractor to the creditworthiness of any of DWR's Central Valley Project Water System Revenue Bonds. Please refer to the most recent official statement relating to such bonds for a description of such relative importance.

B-2: Estimated Direct and Overlapping Debt of Certain Contractors

The data presented in **Appendix B-2** summarize certain information regarding taxes and tax-supported debt outstanding within the service territory of each of the three Contractors that are expected to provide the largest amounts of Revenue for payment of the Bonds based on projected payments to the Department through the final maturity of the Bonds. These three Contractors and the expected percentage contribution of each to such Revenues over the term of the Bonds are as follows (these percentages may change over time).

CVP Contractor	Projected Percentage Contribution
The Metropolitan Water District of Southern California	40%
Santa Barbara County Flood Control and Water Conservation District/Central Coast Water Authority	14%
Kern County Water Agency	9%
Twenty-six other Contractors	37%
Total	100%

The Department has made no independent verification of the data contained in the Appendix and makes no representations as to its correctness, completeness, or comparability.

**State of California,
Department of Water Resources
S.E.C. Rule 15c-2
Annual Report as of June 30, 2016**

SELECTED FINANCIAL DATA FOR CERTAIN CONTRACTORS FOR THE YEAR ENDED JUNE 30, 2016 (Continuing Disclosure Certificate, Item 2i – Lodi Energy Center Disclosure Certificate only)

C-1: Audited Financial Statements of Certain Contractors

The audited financial statements of the Metropolitan Water District of Southern California for the year ended June 30, 2016 and Kern County Water Agency for the year ended June 30, 2015 are attached in **Appendix B-1**. The audited financial statements of the Coachella Valley Water District, for the year ended June 30, 2016 are attached in **Appendix C-1**. These financial statements are incorporated herein by this reference.

DWR did not prepare or assist in the preparation of such financial statements. No expressed or implied representation is made hereby as to the relative importance of the financial condition of any such water contractor to the creditworthiness of any of the Lodi Energy Center Bonds. Please refer to the most recent official statement relating to such bonds for a description of such relative importance.

C-2: Estimated Direct and Overlapping Debt of Certain Contractors

The data presented in **Appendix B-2** relating to the Metropolitan Water District of Southern California and Kern County Water Agency, and **Appendix C-2** relating to Coachella Valley Water District, summarize certain information regarding taxes and tax-supported debt outstanding within the service territory of each of the three Contractors that are expected to provide the largest payments (other than payments allocable to CVP Revenue Bond financed facilities) to the Department under the Water Supply Contracts. These three Contractors and their expected percentage of such payment to the Department under the Water Supply Contracts are as follows:

Lodi Energy Center		
Contractor	Projected Percentage Contribution	Appendix Reference
The Metropolitan Water District of Southern California	55%	B-2
Kern County Water Agency	13%	B-2
Coachella Valley Water District	5%	C-2
Twenty-six other Contractors	27%	
Total	100%	

The Department has made no independent verification of the data contained in the Appendix and makes no representations as to its correctness, completeness, or comparability.