



United States Department of the Interior

BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898



IN REPLY REFER TO:

CGB-3400
2.2.4.22

To: Central Valley Project Water Contractors

Subject: Fiscal Year (FY) 2023 Central Valley Project (CVP) Contractor Annual Accounting Analysis for Irrigation and Municipal and Industrial (M&I) Water

Dear Water Contractor:

The CVP FY 2023 (October 2022 through September 2023) Irrigation and M&I annual accounting is complete. Enclosed for your review is the annual accounting analysis (analysis) for your contract.

Part One of the Analysis

This section identifies:

- Water charges for FY 2023
- Contractor's share of Project Use Energy O&M costs (Recovered on behalf of the Western Area Power Administration)
- Contractor's share of CVP operation and maintenance (O&M) costs (includes extraordinary operation and maintenance costs)
- Water charges applied to outstanding deficit and construction obligations (if any)
- Contractor's surplus or deficit for FY 2023

If your analysis shows a negative balance for part one, then your contract has a deficit for this period. Deficits for O&M may be paid pursuant to the voluntary payment policy which can be found on the Bureau of Reclamation's website at <http://www.usbr.gov/mp/cvp/laws.html>. If the deficit is not paid within 30 days from the date of this letter, interest will accrue on the balance and a deficit component will be included in future water rates to recover this obligation by the year 2030 for Irrigation and 2036 for M&I.

If your analysis shows a positive balance for part one, then your contract has a surplus for this period, and you may be eligible for a refund. You are eligible to receive a refund to the extent: 1. All water charges have been paid for the FY as part of part two; and 2. The surplus is greater than \$1,000. In accordance with the water service contract, if the amount is less than \$1,000, the amount will be applied toward any of the contractor's outstanding obligations. If the contractor does not have any outstanding obligations, the surplus amount will be refunded at the contractor's request.

Part Two of the Analysis

This section identifies:

- Water charges for FY 2023, and payments received
- Applicable surcharges for FY 2023, and payments received
- Calculation of over/under payment (if any) of water charges and surcharges

Detailed payment information is shown in the enclosed payment analysis, including the check number, payment total, and how the payment was applied to charges. If your analysis shows an overpayment of charges, this indicates that water charges were paid as required by the provisions of your contract and the overpayment can be applied toward other outstanding obligations, future water charges, or refunded. Reclamation anticipates refunds for FY 2023 overpayments may be delayed due to the Department of Interior's migration from Financial and Business Management System (FBMS) to S4HANA. Please notify the Bureau of Reclamation within 30 days of this letter regarding how you would like your overpayment applied. If no notification is received, overpayments will be applied based on ratesetting policy. Overpayments of CVP Improvement Act (CVPIA) and Trinity Public Utility District (TPUD) charges cannot be applied to water charges nor refunded; however, the overpayment can be applied toward future CVPIA or TPUD charges.

If your analysis shows an underpayment of charges, this indicates that your charges have not been fully paid as required by the provisions of your contract. Underpayment of charges identified in the enclosed analysis is due within 30 days of this letter. If not paid within 30 days, interest and penalties will be applied to the amount due. This billing will be formalized through a notice provided by Accounting Services, Financial Management Division.

Payments for underpaid water charges and voluntary payments of a deficit balance, if applicable, should be sent with a copy of this analysis to:

DOI – BOR Region: California Great Basin
P.O. Box 6200-24
Portland, OR 97228-6200

If you have any questions, please contact Sherry Fowler at 916-978-5395 or by e-mail at sfowler@usbr.gov.

Sincerely,

Sabir Ahmad
Regional Financial Manager