

## **Foreword**

**Background:** The contractor accountings for FY 2011 and the Central Valley Project water rates for Contract Year 2013 have been completed and finalized.

If there are any problems accessing the site or viewing the schedules, please contact Mr. Sabir Ahmad at 916-978-5187.

## **Site Security Costs**

Projected security guards and patrol costs for FY 2013 are included in the water rates. The estimated total projected security costs for FY 2013 is \$8,388,388. The reimbursable portion of these estimated costs included in the water rates are \$3,209,711 for Irrigation and \$514,577 for M&I.

## **American River Pump Station Project**

The costs of the American River Pump Station Project are non-reimbursable pursuant to Public Law 122 SEC. 503 –May 8, 2008. Therefore, the amount previously included in Storage construction has been adjusted to exclude these costs.

## **American Recovery and Reinvestment Act (ARRA)**

ARRA funded O&M expenses are to be repaid over a 10-year period. Therefore, one-tenth of FY 2013 estimated ARRA costs are included in the O&M component of the water rate.

## **Trinity Public Utilities (PUD) Assessment**

In accordance with Public Law 106-377, Section 203, Reclamation is required to collect annually \$162,000 (indexed) for payment to the Trinity Public Utility District. The 2013 assessment rate per acre foot will be \$.05 cents. This assessment along with the restoration charges and Friant surcharges are due per acre foot.

## **Water Marketing**

The Water Marketing costs includes general expense of 18.5 percent of budgeted costs. For 2013, the Irrigation and M&I estimated general expense is \$887,000 (\$4,793,000 x 18.5%).

## **Rescheduled Water and Incremental Transfer Revenue**

Rescheduled water revenues (Irrigation or M&I) have been applied to storage construction beginning in fiscal year 2004 (refer to schedule A-4) in accordance with a prior Reclamation management decision. For 2013, incremental transfer revenue has also been applied as a credit to applicable construction cost components. A list of incremental revenue is included with the Final Water Accounting Schedule B-2.

Beginning in the FY 2009 accountings, incremental revenues for O&M direct pumping are credited to the transferees.

## **Project Use Energy (PUE) Costs for FY 2011 Accountings**

The PUE costs included in the FY 2011 Accountings are based on the Schedule of Estimated PUE Costs (Schedule A-11) from the 2011 Rate Book. It includes a True-up of FY 2010 PUE costs; FY 2010 True-up for Bella Vista (McConnell Foundation water). The breakdown of the FY 2011 PUE expenses is shown below:

- Estimated PUE Costs from 2011 Schedule A-11 \$22,900,000
- FY 2010 PUE True-up adjustment (51,973)
- FY 2010 PUE True-up adj. for Bella Vista 6,235  
(McConnell Adj.)
  - Total Irrigation and M&I PUE Expenses in FY2011 \$22,854,262

## **Kesterson Project**

The draft rates posted on October 1, 2013, reported no budgeted costs for the Kesterson project. Updated budget information has been obtained and WY 2013 rates have been modified to include \$200,000 of estimated reimbursable costs for Kesterson project.

## **M&I Interest Adjustment**

**An adjustment has been made to the interest previously assessed for CVP M&I Contractors. The previous calculation for computing current year interest overstated the annual interest assessed. The interest obligation has been recalculated and deficit balances adjusted. If the contractor's deficit balance has been fully repaid, the interest credit has been applied toward construction repayment.**

## **Schedule A-10**

Schedule A-10 for Irrigation and M&I is no longer used. Schedule A-11 provides same information.

## **Significant Changes from Draft to Final Rate**

- Schedule A-9, Reimbursable Irrigation security cost increased from \$1,785,801 to \$3,209,711. An increase of \$1,423,910.
- Schedule A-9, Reimbursable M&I security cost increased from \$288,119 to \$514,577. An increase of \$226,458.
- Schedule A-9, Reimbursable Delta Cross Channel estimated cost for Irrigation and M&I have been reduced. The total reduction is \$736,358.
- Schedule A-9, Reimbursable Black Butte, Buchanan, and Hidden Reservoir estimated cost for Irrigation and M&I have been reduced. The total reduction is \$607,938.
- Recovered water Account deliveries are removed for the calculation of O&M and Construction cost.

## **Capital Cost**

- To be consistent with legislation and policy the description "Capital cost" is changed to "Construction Cost" in rate Schedule.

### **Settlement Exchange Contractor**

- Pursuant to the terms and conditions, settlement exchange contractor water is delivered at no cost. These contractors are:
- Coelho Family Trust
- Dudley & Indart/Coelho/Hansen
- Meyers Farms Family Trust
- Fresno Slough Water District
- James ID
- Reclamation Dist. No. 1606
- Tranquillity ID
- Tranquillity PUD

Please direct any questions regarding the CVP FY 2011 final accountings or the CVP 2013 water rates to Mr. Sabir Ahmad at 916-978-5187, [sahmad@usbr.gov](mailto:sahmad@usbr.gov) or by fax at 916-978-5392.