

CGB-400
WTR-4.00

«POC_Salutation» «POCManager_First» «POCManager_Last»
«Contract_Name»
«Mailing_Address_1»
«Mailing_Address_2»
«Mailing_City», «Mailing_State» «Mailing_Zip_4»

Subject: Update to 2021 Critical Year Notification and Water Accounting Methodology for
Sacramento River Settlement Contract (Settlement Contract) Number
«Contract_Number»-R-1 – Central Valley Project (Project), California

Dear «POC_Salutation» «POCManager_Last»:

This letter updates the 2021 Critical Year Notification letter dated February 22, 2021. Reclamation has been diligently working with a small group of Settlement Contractors, the California Department of Fish and Wildlife, National Oceanic Atmospheric Administration (NOAA) Fisheries and the State Water Resources Control Board to coordinate 2021 Project operations and develop, with more certainty, the actual water conditions. In discussions with these groups, it has been determined that reducing contract deliveries through voluntary reduction of surface diversion through crop idling or groundwater substitution will improve Project operations and conditions for aquatic threatened and endangered species.

To that end, Reclamation is providing the following guidance regarding the water accounting methodology to be employed during contract year 2021, and contract year 2021 only.

1. Unused Base Supply from the non-critical months can be rescheduled into the critical months¹. No Base Supply rescheduling fee will be charged as long as the Contractor submits a schedule, in accordance with Article 3(c) of the Settlement Contract, showing the Base Supply to be rescheduled is 65% or less of the Base Supply identified in Exhibit A. This schedule may be updated consistent with the requirements of the Settlement Contract.
 - a. If the Base Supply diverted and/or transferred exceeds 65% of the Base Supply identified in Exhibit A, all rescheduled Base Supply will be charged the regular rescheduling fee as per the Settlement Contract.

2. For contract year 2021, Reclamation will only charge the Contractor for Project Water actually diverted and/or transferred out waiving Article 8(a)(1) for this contract year only.

Notwithstanding, the afore described accounting practices and all other terms and conditions of the Settlement Contract shall remain in full force and effect.

If you have any questions, or need clarification on the water accounting methodology for 2021, please contact *Salutation Name number*, or via e-mail at *email*

Sincerely,

Adam M. Nickels
Regional Resources Manager,

¹ For most Settlement Contractors, the critical months are July, August, and September. For a few Sacramento River Settlement Contractors, the critical months are July and August. See Article 3(c)(2)(ii) of your Settlement Contract.