

RECLAMATION

Managing Water in the West

August 5, 2011

FINAL
RESCHEDULING GUIDELINES FOR THE FEDERAL SHARE
OF STORAGE IN SAN LUIS RESERVOIR- MID-PACIFIC REGION
(For Water Rescheduled from 2011 to 2012)

GENERAL:

The following Guidelines will apply to the rescheduling of Central Valley Project (Project) water in the San Luis Reservoir from the 2011 Contract Year into the 2012 Contract Year. These Guidelines are intended to continue in effect throughout the 2012 Contract Year. The Bureau of Reclamation reserves the right to terminate, rescind, or amend these Guidelines if necessary. It is the intent of Reclamation that these Guidelines will remain substantially the same from year to year; however, dates, water rates, and other policy considerations will be addressed as necessary.

Rescheduled water shall be the first Project Water scheduled by and delivered to the Contractor in the 2012 Contract Year. Should the Contractor take delivery of any 2012 Project Water prior to taking delivery of all of their 2011 Rescheduled Water, the remaining Rescheduled Water will be deemed abandoned and no longer available to the Contractor.

A. STORAGE PRIORITY IN SAN LUIS RESERVOIR:

For purposes of these Guidelines, the 2012 Project Water allocation supply including 2012 water allocated/acquired by the United States pursuant to Section 3406(d)(1) of the Central Valley Project Improvement Act (CVPIA) of October 30, 1992, for refuge and wildlife habitat restoration (hereinafter referred to as Level II Refuge Water) shall have first priority of storage in the Federal share of San Luis Reservoir over 2011 rescheduled Project Irrigation and Municipal and Industrial (M&I) Water as solely determined by Reclamation. The complete schedule of priorities is:

1. 2012 Project Water including Level II Refuge Water
2. 2012 Level IV Refuge Water
3. 2011 Rescheduled Project Water
 - Irrigation Water
 - M&I Water and Level II Refuge Water
- c. 2011 Transferred Project Water
4. Cross Valley Canal Contractor Water
5. 2011 Level IV Refuge Water
6. San Joaquin River Restoration Settlement Interim Flows Water in San Luis Reservoir
7. Non-Project Water stored under active Warren Act Contracts²

B. APPROVAL AND SCHEDULING:

1. Request. No later than December 20, 2011, Contractors shall provide to Reclamation a preliminary estimate of the quantity of both rescheduled Project Water and remaining Non-Project Water that is subject to a Warren Act Contract, requested to be accommodated as of February 29, 2012. The Contractor shall submit a final written request to the South Central California Area Office (SCCAO) and to the San Luis & Delta Mendota Water Authority (SLDMWA) not later than February 20, 2012, identifying the estimated total quantity of undelivered 2011 water the Contractor desires to be rescheduled and/or stored, and containing an acknowledgement that the Contractor agrees to abide by these Guidelines for Rescheduling¹. On the basis of the then current hydrologic conditions, Project operations, and rescheduling requests received, Reclamation may request revised requests from the Contractors. Should adjustments need to be made after the end of Contract Year due to final calculations of delivered amounts, an amended request maybe submitted by the Contractor on or before March 12, 2012 to the South Central California Area Office (SCCAO) and to the San Luis & Delta Mendota Water Authority (SLDMWA).

Reclamation reserves the right to reject any request for rescheduling due to factors beyond Reclamation's control or due to circumstances not contemplated or foreseen when these Guidelines were prepared.

2. Limitations on Rescheduled Project Water. Not later than February 16, 2012, Reclamation shall inform the SLDMWA of any limitations to be placed on rescheduled 2011 water. However, the total volume of Project Water that may be rescheduled into 2012 may not exceed the actual quantity of Project Water in storage in the Federal share of the San Luis/O'Neill facilities at or near the end of the Contract Year.

The calculation of available water for rescheduling will be based on forecasted Project operations and the maximum amount of Project Water stored in the Federal share of the San Luis/O'Neill facilities between January 1, 2012, and February 29, 2012. As conditions change, Reclamation will reassess the quantity of Project Water that may be rescheduled.

Reclamation at its sole discretion may limit the delivery timing of rescheduled water during a portion of the 2012 Contract Year. This limitation will be based on the amount of water needed to satisfy 2012 Project operational requirements, contractual obligations, and schedules.

Non-Project Water stored pursuant to a Warren Act Contract will also be considered in Reclamation's evaluation of 2012 Project operations.

3. Limitation on M&I Water. Consistent with Section A of these Guidelines, rescheduled Irrigation Water shall have a priority over rescheduled M&I Water. M&I Water will only be accepted for rescheduling, if there remains sufficient capacity to accommodate it in San Luis Reservoir after all 2012 Project Water is accounted for, and 2011 Project Irrigation Water requests for rescheduling have been accommodated.

¹ Water delivery schedules submitted pursuant to a water service contract showing requested amounts to be rescheduled are acceptable.

4. Schedule. The SCCAO will review and consult with others as necessary, in order to provide the Contractor with written approval or denial of the Contractor's request to reschedule Irrigation and/or M&I Water. Upon receiving notification that the Contractor's rescheduling request has been approved, the Contractor will also submit to SCCAO a requested schedule for the delivery of rescheduled water, which may be approved by Reclamation. Any revisions to an approved schedule must be submitted to SCCAO no later than 24 hours prior to the proposed changes.

5. First Water Evacuated. All rescheduled water is subject to available conveyance and storage capacity, and subject to the storage priority schedule outlined in Section A above. Rescheduled 2011 Project Water will not be allowed to interfere with 2012 Contract Year Project operations and water deliveries, including 2012 Level II Refuge Water stored in San Luis Reservoir. Rescheduled water shall be the first Project Water scheduled by and delivered to the Contractor in the 2012 Contract Year. Should the Contractor take delivery of any 2012 Project Water prior to taking delivery of all of their 2011 Rescheduled Water, the remaining Rescheduled Water will be deemed abandoned and no longer available to the Contractor. If there is insufficient storage space in San Luis Reservoir to store the rescheduled water, such water must be evacuated as soon as possible upon notice from Reclamation. Consistent with Section A above, if additional categories of water are stored in San Luis Reservoir, these other supplies will be evacuated prior to the rescheduled water.

6. Transfer of Rescheduled Water. Rescheduled Project Water will not be eligible for transfer, other than for transfers between Project contractors during the 2012 Contract Year. Rescheduled Project Water may be eligible for banking during the 2012 Contract Year, subject to approval by the Contracting Officer in consultation with the Operations Manager.

7. Loss Criteria. As stated above, rescheduled Project Water shall not interfere with 2012 Contract Year Project Water deliveries. Reclamation has discretion to limit the amount of rescheduled water in San Luis Reservoir if it appears that it may impact the 2012 Project operations. The loss of rescheduled Project Water as San Luis Reservoir fills will be in accordance with the following conditions to avoid impacts to 2012 allocated Project Water deliveries:

In the event the Federal share of San Luis Reservoir does not fill prior to a sustained drawdown:

1. The rescheduled Project Water and stored Non-Project Water will be considered to "float" on top of the 2012 Project Water storage and will be deemed as having no impact on 2012 Project supplies. Rescheduled water shall be the first Project Water scheduled by and delivered to the Contractor in the 2012 Contract Year. Should the Contractor take delivery of any 2012 Project Water prior to taking delivery of all of their 2011 Rescheduled Water, the remaining Rescheduled Water will be deemed abandoned and no longer available to the Contractor.
2. In the event the Federal share of San Luis Reservoir fills and water from the immediately preceding Contract Year is in the Reservoir:

Total rescheduled water shall be reduced by the amount it impedes 2012 Project pumping. A quantification of the necessary reduction, however, shall not be made until the occurrence of a sustained 3-day drawdown in the Federal share of San Luis Reservoir as determined solely by

Reclamation. Following a 3-day sustained drawdown in the Federal share of San Luis Reservoir, the remaining quantity of rescheduled water shall be reduced by an amount equal to the foregone

Project pumping resulting from the accumulated rescheduled water, as determined solely by Reclamation.

Any necessary reduction shall be progressively and sequentially applied to the various categories of water starting with the lowest rescheduling priority as listed in Section A above.

Delivery of the adjusted amount of rescheduled water shall be permitted after the drawdown, consistent with the priority schedule outlined in Section A of these Guidelines.

8. Section 215 Water. Contractors who have rescheduled 2011 Project Irrigation Water or 2011 Project M&I Water and have not taken delivery of such water will be allowed to enter into temporary contracts with the United States for non-storable or unmanageable flood flows of short duration (Section 215 water); however, Contractors will not be allowed to take delivery of Section 215 water until such time as all rescheduled 2011 Project Water has been either delivered to or abandoned by the Contractor.

C. PAYMENT:

1. Water Rate for Rescheduled Water. For 2011 Project Water rescheduled into the 2012 Contract Year, if not otherwise paid in advance, the Contractor must pay the appropriate 2011 Project Water rate when the Contractor receives approval of its rescheduling request and must be made in advance of water delivery. In the event that water rescheduled in storage at San Luis Reservoir is lost due to a necessary evacuation or other cause, the Project Water rate advanced by a Contractor with an interim, amended, repayment, or renewed long-term water service contract will not be refunded, but will be applied to the individual Contractor's other water service contract obligations, exclusive of the Rescheduling Fee described in the following paragraph. All other Contractors will not receive a refund nor will the amount advanced be applied to other water service obligations. Reclamation will develop and provide a final Standard Operating Procedure (SOP) for application of revenues for unused water by August 30, 2011. This SOP will quantify the Rescheduling Fee for 2011 Project Water, and provide specific application and implementation of accounting and ratesetting procedures.

2. Rescheduling Fee. For 2011 Project Water rescheduled into the 2012 Contract Year, the Contractor must pay a Rescheduling Fee at the time the Contractor submits its final request for the quantity of water to be rescheduled (prior to February 29, 2011). If rescheduled water is approved at San Luis Reservoir on behalf of a Contractor, but lost due to a necessary evacuation or other cause, the Rescheduling Fees will not be refunded, and will not be applied to the Contractor's other water service obligations. Please see the SOP referenced in Section C.1 (above) for application of rescheduled water fees. The requirement for payment of the Rescheduling Fee applies to both Contractors who have contractual minimum payment requirements, and Contractors who only pay for actual water delivered. Rescheduling Fees paid on water that is later determined not to be available to the Contractor due to end of Contract Year calculations will be applied toward other obligations.

3. Restoration Fund Charge. For 2011 Project Water rescheduled into the 2012 Contract Year, the Contractor must pay the Fiscal Year 2012 Restoration Fund charge by the end of the month following the month in which the rescheduled water was delivered. The Restoration Fund charges will not be incurred unless the rescheduled water is delivered to the Contractor.

4. Trinity Public Utilities District (TPUD) Assessment. For 2011 Project Water rescheduled into the 2012 Contract Year, the Contractor must pay the published Reclamation 2012 TPUD Assessment Rate by the end of the month following the month in which the rescheduled water was delivered.

5. Contractor Payments for Rescheduling Water. Project Contractors will remit both the appropriate Rescheduling Fees specified in Section C.2 (above), Restoration Fund Charges specified in Section C.3 (above), and TPUD Assessment specified in Section C.4 (above) to Reclamation in the same manner as the Project Contractor submits its water rate payments to Reclamation under its Project water service contract.