

CVP Cost Allocation Study Technical Team Recommendation on Reclamation Project Facilities

Date

February 27, 2014

Purpose of Paper

Technical team recommendation on Reclamation's Central Valley Project (CVP) facilities to be included in the Cost Allocation Study (CAS).

Current Status

Public Law 99-546 Section 102 (c) (2) provides authority for Reclamation to undertake a cost allocation study for the CVP. In 2010, the Regional Director directed an updated cost allocation for the CVP to determine the amount of project costs each project beneficiary must repay.

The Separable Costs Remaining Benefits Methodology will be used to determine and distribute the costs of multi-purpose CVP facilities among the seven congressionally-authorized purposes (*i.e.*, flood control, navigation, water supply, power, fish and wildlife, recreation, and water quality). The CAS will confirm or adjust allocations for CVP facilities in the following divisions and unit:

- Shasta and Trinity River Division
- Friant Division
- Sacramento River Division
- American River Division
- Delta Division
- San Felipe Division
- San Luis Unit
- San Joaquin Division
- Stanislaus Division

Attachment 1, CVP CAS Facilities List, identifies all facilities included in Reclamation's financial statement. The list differentiates between those facilities



which are included in the CAS, and those facilities excluding a supporting rationale for the disposition of those facilities is included. The list was obtained using Reclamation's Schedule No. 1 of the 2012 CVP Financial Statement and does not include facilities that are owned and operated by other entities such as the Western Area Power Administration; the list also identifies the construction costs for the Reclamation facilities. The criteria for inclusion in the list have the following common characteristics:

1. Construction work on the program or feature is substantially complete (required); AND
 - a. The program or feature provides/provided its intended purpose(s), benefits, and services; OR
 - b. The program or feature is generating project purpose revenue.

Although Reclamation's list identifies only those facilities which are completed or substantially complete, for the purposes of the overall study, additional cost allocation factors may need to be developed for other facilities which may be expected to become operational and capable of producing benefits within the period of analysis.

Recommendation

The Technical Team recommends presenting the draft CVP CAS Facilities List for public review and input

If you have further questions, please contact Brooke Miller-Levy at (916) 978-5296, or bmillerlevy@usbr.gov.