

ANNUAL FINANCIAL REPORT

CENTRAL VALLEY PROJECT IMPROVEMENT ACT Public Law 102-575, Title XXXIV

Revenues and Expenditures for the Periods:

October 1, 1996 - September 30, 1997 (Actual)

October 1, 1998 - September 30, 1999 (Projected)

June 1999

Bureau of Reclamation
United States Department of the Interior

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CENTRAL VALLEY PROJECT IMPROVEMENT ACT ANNUAL FINANCIAL REPORT

SUMMARY

Subsection 3407(f) of the Central Valley Project Improvement Act (Title XXXIV of Public Law 102-575) directs that the Secretary of the Interior shall submit an annual financial report to the Senate Committees on Energy and Natural Resources and on Appropriations, and the House Committees on Resources and on Appropriations. The annual financial report is to describe all Restoration Fund revenues and expenditures during the prior fiscal year and projected Restoration Fund revenues and expenditures during the next upcoming fiscal year.

This report is the fifth annual financial report prepared pursuant to Subsection 3407(f) of the Central Valley Project Improvement Act (CVPIA) and covers fiscal year 1997 revenues and expenditures and fiscal year 1999 projected revenues and expenditures. For purposes of this report revenues are actual collections processed, and expenditures are obligations incurred. Schedules 1 through 4 provide summary information on fiscal year 1997 Restoration Fund revenues and expenditures. Schedules 5 through 8 provide summary information on projected fiscal year 1999 Restoration Fund revenues and expenditures.

Fiscal Year 1997

Fiscal year 1997 Restoration Fund revenues totaled \$36,635,576. Fiscal year 1997 Restoration Fund expenditures were \$52,146,691. The fiscal year 1997 Restoration Fund balance, \$25,775,528 (fiscal year 1996 carryover \$41,250,257 + fiscal year 1997 expenditures exceeding revenues by \$15,511,115 + non-federal contributions \$36,386) was carried over into the fiscal year 1998 program. Schedule 1 summarizes fiscal year 1997 Restoration Fund revenues and expenditures, including the carryover from 1996, and the Restoration Fund balance at September 30, 1997. Schedules 2 and 3 provide detail information on fiscal year 1997 revenues, including power payments, and water (irrigation, and municipal and industrial) payments by water service area. Schedule 4 lists the fish and wildlife restoration activities funded during fiscal year 1997 and the amounts attributable to each activity.

Fiscal Year 1998

Fiscal year 1998 Restoration Fund revenues and expenditures are being compiled and reviewed at this time. Revenues and expenditures are expected to be approximately \$27 million and \$53 million respectively. Detailed fiscal year 1998 information will be in the next annual financial report.

Fiscal Year 1999

For fiscal year 1999, Restoration Fund revenues are projected to be \$48,018,000. Schedule 5 shows the projected revenue sources for fiscal year 1999 by authorizing subsection of the CVPIA.

Revenues:

Friant Division Surcharges	\$ 7,026,000
Transfer Revenues	10,000
M&I Surcharges	1,000
Restoration Payments	<u>40,981,000</u>
Total Projected Restoration Fund Revenues for Fiscal Year 1999	<u>\$48,018,000</u>

The Restoration Fund revenues attributable to Project Water were projected by applying the applicable Restoration Fund rate to the projected paid fiscal year 1999 water deliveries. Annual Project Water delivery projections are updated annually under the Project's Irrigation, and Municipal and Industrial (M&I) water ratesetting policies. These projections serve as the primary basis for projecting Restoration Fund revenues.

The Friant Division Surcharge rate for fiscal year 1999 is \$5 per acre-foot. Transfer Water Revenues are based on projected acre-feet subject times a projected difference between full cost and cost of service rates. The Restoration Payment rates for Project Water equate to a 1992 Consumer Price Index Urban (CPIU) indexed rate of \$6 per acre-foot for irrigation water and \$12 per acre-foot for M&I water. The M&I Surcharge rate equates to a 1992 CPIU indexed rate of \$25 per acre-foot of Project Water subject to this charge. These CPIU indexed rates are adjusted annually. No other Restoration Fund revenues are projected for fiscal year 1999, as provisions for such other charges are not anticipated to provide Restoration Funds in fiscal year 1999.

The fiscal year 1999 Restoration Fund appropriation of \$33,130,000 is shown in schedule 8. The schedule lists the fish and wildlife restoration activities projected to be funded during the fiscal year and the amounts attributable to each activity.

**Central Valley Project Improvement Act
Restoration Fund Revenues and Expenditures
for Fiscal Year 1997**

Revenues	<u>Fiscal Year 1997</u>
<u>Non-Discretionary Revenues</u>	
Pre-Renewal Charges (Subsection 3404(c)(3))	\$0
Tiered Water Rates (Subsection 3405(d))	0
Transferred Water Rates (Subsection 3405(a)(1)(B))	0
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 2	6,040,929
M&I Surcharges (Subsection 3407(d)(2)(A))	<u>544</u>
Subtotal - Non-Discretionary Revenues	\$6,041,473
<u>Discretionary Revenues</u>	
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 3	<u>30,594,103</u>
Total Restoration Fund Revenues	\$36,635,576
 Expenditures	
Expenditures (Subsections 3406 & 3408) -- See Schedule 4	<u>52,146,691</u>
Excess of Restoration Fund Revenues over Expenditures for Fiscal Year 1997	(\$15,511,115)
 Contributions	
Non-Federal Contributions (Subsection 3407(a))	36,386
Restoration Fund Balance at September 30, 1996	<u>41,250,257</u>
Restoration Fund Balance at September 30, 1997	<u>\$25,775,528</u>

Central Valley Project Improvement Act
 Friant Division Surcharges (Subsection 3406(c)(1))
 for Fiscal Year 1997

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$4,238,528	\$508,257	\$4,746,785
CROSS VALLEY CANAL	564	0	564
MADERA CANAL	1,217,744	0	1,217,744
FRIANT DAM	77,304	708	78,012
MENDOTA POOL	(2,176) 1\	0	(2,176)
Total	<u>\$5,531,964</u>	<u>\$508,965</u>	<u>\$6,040,929</u>

1\ Negative numbers result from prior year overpayments that are refunded this year.

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 1997

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FOLSOM			
Folsom Dam & Reservoir	\$12,958	\$487,574	\$500,532
Folsom-South Canal	0	40,000	40,000
Sugar Pine Dam & Reservoir	0	9,246	9,246
Sly Park Dam & Reservoir	39,336	286,919	326,255
Total Folsom	52,294	823,739	876,033
TRACY			
Contra Costa Canal	3,740	1,505,874	1,509,614
Delta-Mendota Canal	1,890,844	147,677	2,038,521
San Luis Canal-Tracy	1,376,130	8,993	1,385,123
New Melones Dam & Reservoir	381,647	0	381,647
San Felipe Unit	364,264	1,503,853	1,868,117
Total Tracy	4,016,625	3,166,397	7,183,022
FRESNO			
San Luis Canal-Fresno	7,359,331	187,502	7,546,833
Friant Dam	128,413	2,567	130,980
Friant-Kern Canal	7,051,927	1,647,315	8,699,242
Cross Valley Canal	281,444	0	281,444
Madera Canal	2,031,413	0	2,031,413
Delta-Mendota Pool	389,028	0	389,028
Buchanan Unit	160,800	0	160,800
Hidden Unit	160,800	0	160,800
Total Fresno	17,563,156	1,837,384	19,400,540
SHASTA			
Clear Creek Unit	(28,635) 1\	21,376	(7,259)
Shasta Dam & Reservoir	0	26,699	26,699
Spring Creek Conduit	0	55,120	55,120
Cow Creek Unit	1,458	(24,814) 1\	(23,356)
Toyon Pipeline	0	41,335	41,335
Sacramento River - Shasta	5,248	10,594	15,842
Total Shasta	(21,929)	130,310	108,381

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 1997

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
WILLOWS			
Corning Canal	0	196	196
Tehama-Colusa Canal	7,904	2,823	10,727
Black Butte Dam & Reservoir	314	1,790	2,104
Colusa Basin Drain	0	0	0
Feather River	40,754	0	40,754
Sacramento River - Willows	1,057,824	(30,908) 1\	1,026,916
Total Willows	<u>1,106,796</u>	<u>(26,099)</u>	<u>1,080,697</u>
Restoration Payments			
Irrigation and M&I	<u>\$22,716,942</u>	<u>\$5,931,731</u>	<u>\$28,648,673</u>
Restoration Payment - Irrigation	\$22,716,942		
Restoration Payment - M&I	5,931,731		
Restoration Payment - Power	1,945,430		
Total	<u>\$30,594,103</u>		

1\ Negative numbers result from prior year overpayments that are refunded this year.

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
Projected versus Actual
for Fiscal Year 1997

WATER SALES REVENUES (\$)			
SERVICE AREA	PROJECTED	ACTUAL	DIFFERENCE
Black Butte Dam & Reservoir	\$1,598	\$2,104	\$506
Buchanan Unit	159,780	160,800	1,020
Clear Creek Unit	60,569	(7,259) 1\	(67,828)
Colusa Basin Drain	153,788	0	(153,788) 2\
Contra Costa Canal	1,334,079	1,509,614	175,535
Corning Canal	0	196	196
Cow Creek Unit	125,117	(23,356) 1\	(148,473)
Cross Valley Canal	2,116	281,444	279,328
Delta-Mendota Canal	1,367,547	2,038,521	670,974 3\
Delta-Mendota Pool	353,593	389,028	35,435
Feather River	66,575	40,754	(25,821)
Folsom Dam & Reservoir	485,473	500,532	15,059
Folsom-South Canal	66,538	40,000	(26,538)
Friant Dam	3,327	130,980	127,653
Friant-Kern Canal	10,592,511	8,699,242	(1,893,269) 4\
Hidden Unit	159,780	160,800	1,020
Madera Canal	2,608,409	2,031,413	(576,996)
New Melones Dam & Reservoir	133,150	381,647	248,497
Sacramento River - Shasta	131,072	15,842	(115,230)
Sacramento River - Willows	1,280,057	1,026,916	(253,141)
San Felipe Unit	1,317,811	1,868,117	550,306
San Luis Canal-Fresno	7,258,222	7,546,833	288,611
San Luis Canal-Tracy	1,059,377	1,385,123	325,746
Shasta Dam & Reservoir	20,800	26,699	5,899
Sly Park Dam & Reservoir	219,593	326,255	106,663
Spring Creek Conduit	59,192	55,120	(4,072)
Sugar Pine Dam & Reservoir	10,812	9,246	(1,566)
Tehama-Colusa Canal	5,160	10,727	5,567
Toyon Pipeline	37,421	41,335	3,914
Restoration Payments - Water	\$29,073,467	\$28,648,673	(\$424,794)
Restoration Payment - Water (Irrigation and M&I)		\$28,648,673	
Restoration Payment - Power		1,945,430	
Total		\$30,594,103	

**Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
Projected versus Actual
for Fiscal Year 1997**

Footnotes:

- 1\ Negative revenues result from prior year overpayments that are refunded this year.
- 2\ Colusa Drain MWC was issued a bill for over \$100,000. The bill is currently in dispute, and negotiations are ongoing.
- 3\ Based on average water allocations and deliveries, Delta-Mendota Canal water districts were projected to take approximately 200,000 a-f of project water. However, the water districts took approximately 100,000 a-f of project water greater than projected.
- 4\ Based on average water allocations and deliveries, Friant-Kern Canal water districts were projected to take approximately 1,500,000 a-f of project water. However, water districts took approximately 300,000 a-f less project water than projected.

**Central Valley Project Improvement Act
Expenditures (Obligations) for Fiscal Year 1997**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
General Investigations		
Habitat Restoration, Improvement, & Acquisition San Joaquin River Basin Resource Mgt Initiative	3406(c)(1)	(\$1,475) 1\
Construction		
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	5,264,785
Other CVP Impacts	3406(b)(1) Other	5,714,954
Dedicated Project Yield	3406(b)(2)	957,328
Water Acquisition	3406(b)(3)	11,008,949
CVP Water Augmentation Program (FWS)	3406(b)(3),3408(j)	490
Evaluate Project Operations	3406(b)(9)(19)	67,451
San Joaquin Basin Action Plan	3406(d)	5,070,960
Refuge Water Supply	3406(d)(1-4)	926,905
Refuge Wheeling	3406(d)(5)	3,458,458
Private Wetlands Investigation	3406(d)(6)	1,193,497
CVPIA Supporting Investigations	3406(e)	335,996
Project Fisheries Impacts	3406(f)	(392,131) 1\
Ecosystem/Water Operations Study	3406(g)	(98,862) 1\
Land Retirement	3408(h)	1,843,243
Water Conservation	3408(i)	30
Other Fish and Wildlife Restoration Activities		
Shasta Temperature Control Device	3406(b)(6)	7,040,602
Fish Passage Program	3406(b)(10)	(30,227) 1\
Research Pumping Plant Evaluation	3406(b)(10)	(24,851) 1\
Coleman National Fish Hatchery	3406(b)(11)	1,081,694
Keswick Fish Trap Modification	3406(b)(11)	299,425
Clear Creek Restoration	3406(b)(12)	461,594
Spawning Gravel	3406(b)(13)	529,406
CVP Project Assessment/Monitoring Program	3406(b)(16)	856,694
Anderson-Cottonwood ID	3406(b)(17)	7,186
Unscreened Diversions	3406(b)(21)	6,510,299
Flood Agr Lands for Waterfowl/Yld Enhancement	3406(b)(22)	64,291
Total Expenditures Fiscal Year 1997		<u>\$52,146,691</u>

1\ Negative numbers result from prior year obligations that are deobligated this year.

**Central Valley Project Improvement Act
Projected Restoration Fund Revenues and Expenditures
for Fiscal Year 1999**

Revenues**Fiscal Year 1999**

Pre-Renewal Charges (Subsection 3404(c)(3))	\$0 1\
Tiered Water Revenues (Subsection 3405(d))	0 2\
Transfer Revenues (Subsection 3405(a)(1)(B))	10,000 2\
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 6	7,026,000
M&I Surcharges (Subsection 3407(d)(2)(A))	1,000 2\
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 7	<u>40,981,000</u>
Total Projected Restoration Fund Revenues	\$48,018,000

Expenditures

Expenditures (Subsections 3406 & 3408) -- See Schedule 8	33,130,000
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Contributions

Non-Federal Contributions (Subsection 3407(a))	<u>0 3\</u>
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Net Projected Restoration Fund Balance (Deficit) at September 30, 1999	<u>\$14,888,000</u>
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- 1\ Pre-Renewal Charges of less than \$1,000 from one contractor (Elk Creek CSD) are expected.
- 2\ These projections have been updated to reflect the most current information as of June 1999. Consequently they do not match the submitted Central Valley Project Restoration Fund FY 1999 President's Budget.
- 3\ Non-Federal Contributions (Subsection 3407(a)) are not projected until a historic basis for projecting such receipts is available.

Central Valley Project Improvement Act
Projected Friant Division Surcharges (Subsection 3406(c)(1))
for Fiscal Year 1999

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$5,150,640	\$310,485	\$5,461,125
MADERA CANAL	1,530,400	0	1,530,400
FRIANT DAM	33,600	875	34,475
Total	<u>\$6,714,640</u>	<u>\$311,360</u>	<u>\$7,026,000</u>

Central Valley Project Improvement Act
Projected Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 1999

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FOLSOM			
Folsom Dam & Reservoir	\$0	\$613,166	\$613,166
Folsom-South Canal	0	69,520	69,520
Sugar Pine Dam & Reservoir	0	12,514	12,514
Sly Park Dam & Reservoir	41,712	250,272	291,984
Total Folsom	41,712	945,472	987,184
TRACY			
Contra Costa Canal	3,476	1,536,392	1,539,868
Delta-Mendota Canal	1,657,593	116,321	1,773,914
San Luis Canal-Tracy	936,782	7,230	944,012
New Melones Dam & Reservoir	187,704	208,560	396,264
San Felipe Unit	279,992	1,009,430	1,289,422
Total Tracy	3,065,547	2,877,933	5,943,480
FRESNO			
San Luis Canal-Fresno	4,928,968	268,695	5,197,663
Friant Dam	46,717	2,433	49,150
Friant-Kern Canal	7,464,098	899,881	8,363,979
Cross Valley Canal	181,461	473	181,934
Madera Canal	2,127,868	0	2,127,868
Delta-Mendota Pool	334,231	0	334,231
Buchanan Unit	166,848	0	166,848
Hidden Unit	166,848	0	166,848
Total Fresno	15,417,039	1,171,482	16,588,521
SHASTA			
Clear Creek Unit	0	20,856	20,856
Shasta Dam & Reservoir	0	38,236	38,236
Spring Creek Conduit	0	61,039	61,039
Cow Creek Unit	0	65,349	65,349
Toyon Pipeline	0	30,756	30,756
Sacramento River - Shasta	1,759	83,049	84,808
Total Shasta	1,759	299,285	301,044

Central Valley Project Improvement Act
Projected Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 1999

WATER SALES REVENUES (\$)			
SERVICE AREA	IRRIGATION	M&I	TOTAL
WILLOWS			
Corning Canal	0	362	362
Tehama-Colusa Canal	1,043	2,085	3,128
Black Butte Dam & Reservoir	556	0	556
Colusa Basin Drain	104,280	0	104,280
Feather River	55,616	0	55,616
Sacramento River - Willows	970,437	0	970,437
Total Willows	<u>1,131,932</u>	<u>2,447</u>	<u>1,134,379</u>
Restoration Payments			
Irrigation and M&I	<u>\$19,657,989</u>	<u>\$5,296,619</u>	<u>\$24,954,608</u>
Restoration Payment - Irrigation	\$19,657,989		
Restoration Payment - M&I	5,296,619		
Restoration Payment - Power	16,026,392		
Total	<u>\$40,981,000</u>		

Central Valley Project Improvement Act
Projected Expenditures for Fiscal Year 1999

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Construction		
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	\$6,524,000
Other CVP Impacts	3406(b)(1) Other	2,733,000
Dedicated Project Yield	3406(b)(2)	1,000,000
Water Acquisition	3406(b)(3)	7,273,000
Flow Fluctuation Study	3406(b)(9)	200,000
San Joaquin Basin Action Plan	3406(d)	2,220,000
Refuge Water Supply (Construction)	3406(d)(1),(2)	1,380,000
Refuge Water Supply (Wheeling)	3406(d)(5)	5,400,000
Land Retirement	3408(h)	1,000,000
Other Fish and Wildlife Restoration Activities		
Coleman National Fish Hatchery	3406(b)(11)	1,750,000
Restore Spawning Gravel	3406(b)(13)	50,000
CVP Project Assessment/Monitoring Program	3406(b)(16)	1,500,000
Anadromous Fish Screening Program	3406(b)(21)	1,100,000
Flood Agr Lands for Waterfowl/Yld Enhancement	3406(b)(22)	1,000,000
Total Projected Expenditures Fiscal Year 1999		<u>\$33,130,000</u>