

ANNUAL FINANCIAL REPORT

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

Revenues and Expenditures for the Periods:

October 1, 1997 - September 30, 1998 (Actual)

October 1, 1999 - September 30, 2000 (Projected)

January 2000

**Bureau of Reclamation
United States Department of the Interior**

TABLE OF CONTENTS

	<u>Page</u>
Summary	1
Actual Restoration Fund Revenues and Expenditures for Fiscal Year 1998 (Schedule 1)	3
Actual Friant Division Surcharges (Subsection 3406(c)(1)) for Fiscal Year 1998 (Schedule 2)	4
Actual Restoration Payments (Subsection 3407(c)&(d)) for Fiscal Year 1998 (Schedule 3)	5
Actual Restoration Payments (Subsection 3407(c)&(d)) Projected versus Actual for Fiscal Year 1998 (Schedule 3A) ...	7
Actual Expenditures for Fiscal Year 1998 (Schedule 4)	8
Projected Restoration Fund Revenues and Expenditures for Fiscal Year 2000 (Schedule 5)	9
Projected Friant Division Surcharges (Subsection 3406(c)(1)) for Fiscal Year 2000 (Schedule 6)	10
Projected Restoration Payments (Subsection 3407(c)&(d)) for Fiscal Year 2000 (Schedule 7)	11
Projected Expenditures for Fiscal Year 2000 (Schedule 8)	13

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) provides for an annual financial report to the Senate Committee on Energy and Natural Resources, the Committee on Appropriations of the Senate, the House Committee on Resources, and the Committee on Appropriations of the House of Representatives. 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 sixth annual financial report prepared pursuant to Subsection 3407(f) of the Central Valley Project Improvement Act (CVPIA) and covers fiscal year 1998 actual revenues and expenditures and fiscal year 2000 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 1998 Restoration Fund revenues and expenditures. Schedules 5 through 8 provide summary information on projected fiscal year 2000 Restoration Fund revenues and expenditures.

This report does not include the Water and Related Resources Appropriations Account or State of California cost share information. These two funding sources are in addition to the Restoration Fund, and with the Restoration Fund compose the annual CVPIA program. Each funding source is considered in allocating the Restoration Fund to individual CVPIA activities, and CVPIA funding is in turn coordinated with the CALFED Bay-Delta Program to best ensure compatibility with and to complement CALFED initiatives. Beginning in fiscal year 2001, overlapping areas between CVPIA and CALFED will be integrated as a way of using the strengths of both programs to maximize performance and meet program objectives. It is anticipated that these processes will result in a broad-based ecosystem management strategy wherein all parties join together in a partnership in their efforts toward mitigation and restoration of the environment.

Fiscal Year 1998

Fiscal year 1998 Restoration Fund revenues totaled \$24,631,621. Fiscal year 1998 Restoration Fund expenditures were \$28,312,950. The fiscal year 1998 Restoration Fund balance, \$22,094,223 (fiscal year 1997 carryover \$25,775,528 + fiscal year 1998 expenditures exceeding revenues by \$3,681,329 + non-federal contributions \$24) was carried over into the fiscal year 1999 program. Schedule 1 summarizes fiscal year 1998 Restoration Fund revenues and expenditures, including the carryover from 1997, and the Restoration Fund balance at September 30, 1998. Schedules 2 and 3 provide detail information on fiscal year 1998 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 1998 and the amounts attributable to each activity.

Fiscal Year 1999

Fiscal year 1999 Restoration Fund revenues and expenditures are being compiled and reviewed at this time. Revenues and expenditures are expected to be \$48,700,853 and \$55,086,193 respectively. Detailed fiscal year 1999 information will be in the next annual financial report.

Fiscal Year 2000

For fiscal year 2000, Restoration Fund revenues are projected to be \$47,346,000. Schedule 5 shows the projected revenue sources for fiscal year 2000 by authorizing subsection of the CVPIA.

Revenues:

Friant Division Surcharges	\$ 9,836,000
Tiered Water Revenues	300,000
Transfer Water Revenues	100,000
Restoration Payments	<u>37,110,000</u>
Total Projected Restoration Fund Revenues for Fiscal Year 2000	<u>\$47,346,000</u>

The Restoration Fund revenues attributable to Project Water were projected by applying the applicable Restoration Fund rate to the projected paid fiscal year 2000 water deliveries. Annual Project Water delivery projections are updated annually under the Project's Irrigation and 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 2000 is \$7 per acre-foot. Tiered Water rates specified in the contracts for delivered Project Water are based on percentages of contractors Project Water entitlements. 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. These CPIU indexed rates are adjusted annually. No other Restoration Fund revenues are projected for fiscal year 2000, as provisions for such other charges are not anticipated to provide Restoration Funds in fiscal year 2000.

The fiscal year 2000 Restoration Fund appropriation of \$42,138,000 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 1998**

Revenues	<u>Fiscal Year 1998</u>
<u>Non-Discretionary Revenues</u>	
Pre-Renewal Charges (Subsection 3404(c)(3))	\$0
Tiered Water Revenues (Subsection 3405(d))	0
Transfer Water Revenues (Subsection 3405(a)(1)(B))	2,634
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 2	3,731,935
M&I Surcharges (Subsection 3407(d)(2)(A))	<u>0</u>
Subtotal - Non-Discretionary Revenues	\$3,734,569
<u>Discretionary Revenues</u>	
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 3	<u>20,897,052</u>
Total Restoration Fund Revenues	\$24,631,621
Expenditures	
Expenditures (Subsections 3406 & 3408) -- See Schedule 4	<u>28,312,950</u>
Excess of Restoration Fund Revenues over Expenditures for Fiscal Year 1998	(\$3,681,329)
Contributions	
Non-Federal Contributions (Subsection 3407(a))	24
Restoration Fund Balance at September 30, 1997	<u>25,775,528</u>
Restoration Fund Balance at September 30, 1998	<u>\$22,094,223</u>

Central Valley Project Improvement Act
 Friant Division Surcharges (Subsection 3406(c)(1))
 for Fiscal Year 1998

WATER SALES REVENUES (\$)

<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$2,967,016	\$18,897	\$2,985,913
CROSS VALLEY CANAL	98	0	98
MADERA CANAL	709,027	0	709,027
FRIANT DAM	36,300	597	36,897
MENDOTA POOL	0	0	0
	<hr/>	<hr/>	<hr/>
Total	<u>\$3,712,441</u>	<u>\$19,494</u>	<u>\$3,731,935</u>

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 1998

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FOLSOM			
Folsom Dam & Reservoir	(\$3,950)	\$549,383	\$545,433
Folsom-South Canal	0	15,000	15,000
Sugar Pine Dam & Reservoir	0	7,878	7,878
Sly Park Dam & Reservoir	24,150	241,114	265,264
Total Folsom	<u>20,200</u>	<u>813,375</u>	<u>833,575</u>
TRACY			
Contra Costa Canal	2,455	1,016,837	1,019,292
Delta-Mendota Canal	1,023,138	105,793	1,128,931
San Luis Canal-Tracy	566,027	5,837	571,864
New Melones Dam & Reservoir	212,404	137,556	349,960
San Felipe Unit	311,756	510,449	822,205
Total Tracy	<u>2,115,780</u>	<u>1,776,472</u>	<u>3,892,252</u>
FRESNO			
San Luis Canal-Fresno	4,792,830	141,780	4,934,610
Friant Dam	23,117	1,902	25,019
Friant-Kern Canal	3,634,788	56,695	3,691,483
Cross Valley Canal	72,081	0	72,081
Madera Canal	857,232	0	857,232
Delta-Mendota Pool	56,800	0	56,800
Buchanan Unit	165,120	0	165,120
Hidden Unit	165,120	0	165,120
Total Fresno	<u>9,767,088</u>	<u>200,377</u>	<u>9,967,465</u>
SHASTA			
Clear Creek Unit	(2,791)	21,170	18,379
Shasta Dam & Reservoir	0	43,358	43,358
Spring Creek Conduit	0	59,755	59,755
Cow Creek Unit	4,610	37,286	41,896
Toyon Pipeline	0	33,760	33,760
Sacramento River - Shasta	834	(6,821)	(5,987)
Total Shasta	<u>2,653</u>	<u>188,508</u>	<u>191,161</u>

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 1998

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
WILLOWS			
Corning Canal	0	348	348
Tehama-Colusa Canal	(2,365)	1,829	(536)
Black Butte Dam & Reservoir	483	(344)	139
Colusa Basin Drain	124,741	0	124,741
Feather River	35,682	0	35,682
Sacramento River - Willows	956,905	49,625	1,006,530
Total Willows	<u>1,115,446</u>	<u>51,458</u>	<u>1,166,904</u>
Restoration Payments			
Irrigation and M&I	<u>\$13,021,167</u>	<u>\$3,030,190</u>	<u>\$16,051,357</u>
Restoration Payment - Irrigation	\$13,021,167		
Restoration Payment - M&I	3,030,190		
Restoration Payment - Power	4,845,695		
Total	<u>\$20,897,052</u>		

Central Valley Project Improvement Act
Restoration Payments (Subsection 3407(c) & (d))
Projected versus Actual
for Fiscal Year 1998

WATER SALES REVENUES (\$)			
SERVICE AREA	PROJECTED	ACTUAL /1	DIFFERENCE
Black Butte Dam & Reservoir	\$1,079	\$139	(\$940)
Buchanan Unit	161,966	165,120	3,154
Clear Creek Unit	23,607	18,379	(5,228)
Colusa Basin Drain	101,229	124,741	23,512
Contra Costa Canal	1,352,364	1,019,292	(333,072)
Corning Canal	297	348	51
Cow Creek Unit	72,845	41,896	(30,949)
Cross Valley Canal	177,960	72,081	(105,879)
Delta-Mendota Canal	1,721,953	1,128,931	(593,022)
Delta-Mendota Pool	324,452	56,800	(267,652)
Feather River	53,989	35,682	(18,307)
Folsom Dam & Reservoir	557,133	545,433	(11,700)
Folsom-South Canal	67,450	15,000	(52,450)
Friant Dam	1,686	25,019	23,333
Friant-Kern Canal	8,820,441	3,691,483	(5,128,958)
Hidden Unit	161,966	165,120	3,154
Madera Canal	2,212,191	857,232	(1,354,959)
New Melones Dam & Reservoir	364,326	349,960	(14,366)
Sacramento River - Shasta	81,891	(5,987)	(87,878)
Sacramento River - Willows	759,325	1,006,530	247,205
San Felipe Unit	1,435,978	822,205	(613,773)
San Luis Canal-Fresno	5,824,273	4,934,610	(889,663)
San Luis Canal-Tracy	916,456	571,864	(344,592)
Shasta Dam & Reservoir	30,433	43,358	12,925
Sly Park Dam & Reservoir	283,310	265,264	(18,046)
Spring Creek Conduit	61,163	59,755	(1,408)
Sugar Pine Dam & Reservoir	9,443	7,878	(1,565)
Tehama-Colusa Canal	944	(536)	(1,480)
Toyon Pipeline	38,203	33,760	(4,443)
Restoration Payments - Water	\$25,618,353	\$16,051,357	(\$9,566,996)
Restoration Payments - Water (Irrigation and M&I)		\$16,051,357	
Restoration Payments - Power		4,845,695	
Total		\$20,897,052	

/1 Fiscal Year 1998 actual revenues were below expectations for several reasons, however the primary reason was California's abundant rainfall. This lowered the need and demand for Project Water, and as a result, Restoration Payments revenues (which are a surcharge on Project Water sold and delivered) were also below normal.

Central Valley Project Improvement Act
Expenditures (Obligations) for Fiscal Year 1998

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	5,616,206
Other CVP Impacts	3406(b)(1) Other	2,657,707
Dedicated Project Yield	3406(b)(2)	718,235
Water Acquisition	3406(b)(3)	1,903,966
CVP Water Augmentation Program (FWS)	3406(b)(3),3408(j)	0
Evaluate Project Operations	3406(b)(9)(19)	72,658
Stanislaus River Basin Water Needs	3406(c)	121,538
San Joaquin Basin Action Plan	3406(d)	3,886,109
Refuge Water Supply	3406(d)(1-4)	1,852,708
Refuge Wheeling	3406(d)(5)	3,785,295
Private Wetlands Investigation	3406(d)(6)	49,099
CVPIA Supporting Investigations	3406(e)	202,804
Project Fisheries Impacts	3406(f)	0
Ecosystem/Water Operations Study	3406(g)	82,582
Land Retirement	3408(h)	751,575
Water Conservation	3408(i)	4,383
Other Fish and Wildlife Restoration Activities		
Tracy Pumping Plant	3406(b)(4)	39,743
Shasta Temperature Control Device	3406(b)(6)	(211,122)
Fish Passage Program	3406(b)(10)	0
Research Pumping Plant Evaluation	3406(b)(10)	(4,632)
Coleman National Fish Hatchery	3406(b)(11)	3,152,885
Keswick Fish Trap Modification	3406(b)(11)	(934)
Clear Creek Restoration	3406(b)(12)	358,090
Spawning Gravel	3406(b)(13)	261,179
CVP Project Assessment/Monitoring Program	3406(b)(16)	1,262,759
Anderson-Cottonwood ID	3406(b)(17)	37,546
Unscreened Diversions	3406(b)(21)	1,093,366
Flood Agr Lands for Waterfowl/Yld Enhancement	3406(b)(22)	619,205
Total Expenditures (Obligations) Fiscal Year 1998		<u>\$28,312,950</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 2000**

Revenues	<u>Fiscal Year 2000</u>
Pre-Renewal Charges (Subsection 3404(c)(3))	\$0 /1
Tiered Water Revenues (Subsection 3405(d))	300,000
Transfer Water Revenues (Subsection 3405(a)(1)(B))	100,000
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 6	9,836,000
M&I Surcharges (Subsection 3407(d)(2)(A))	0 /2
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 7	<u>37,110,000</u>
Total Projected Restoration Fund Revenues	\$47,346,000
Expenditures	
Expenditures (Subsections 3406 & 3408) -- See Schedule 8	42,138,000
Contributions	
Non-Federal Contributions (Subsection 3407(a))	<u>0 /3</u>
FY 2000 Projected Revenues over (under) Expenditures	\$5,208,000
Restoration Fund Balance at September 30, 1999	<u>15,708,883</u>
Restoration Fund Balance Projected at September 30, 2000	\$20,916,883

/1 Pre-Renewal Charges of less than \$1,000 from one contractor (Elk Creek CSD) are expected.

/2 M&I Surcharges have been less than \$1,000 per year from one contractor (U.S. Forest Service).
FY 2000 M&I Surcharges are expected to continue at this rate.

/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 2000**

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$7,342,709	\$592,621	\$7,935,330
MADERA CANAL	1,868,302	0	1,868,302
FRIANT DAM	30,766	1,602	32,368
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$9,241,777</u>	<u>\$594,223</u>	<u>\$9,836,000</u>

Central Valley Project Improvement Act
Projected Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 2000

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
FOLSOM			
Folsom Dam & Reservoir	\$0	\$527,153	\$527,153
Folsom-South Canal	0	28,266	28,266
Sugar Pine Dam & Reservoir	0	9,893	9,893
Sly Park Dam & Reservoir	35,332	254,390	289,722
Total Folsom	<u>35,332</u>	<u>819,702</u>	<u>855,034</u>
TRACY			
Contra Costa Canal	3,534	1,491,010	1,494,544
Delta-Mendota Canal	1,521,106	118,942	1,640,048
San Luis Canal-Tracy	916,865	7,349	924,214
New Melones Dam & Reservoir	144,861	211,992	356,853
San Felipe Unit	337,597	993,536	1,331,133
Total Tracy	<u>2,923,963</u>	<u>2,822,829</u>	<u>5,746,792</u>
FRESNO			
San Luis Canal-Fresno	5,716,718	185,493	5,902,211
Friant Dam	23,743	2,473	26,216
Friant-Kern Canal	5,666,603	914,689	6,581,292
Cross Valley Canal	142,755	0	142,755
Madera Canal	1,440,032	0	1,440,032
Delta-Mendota Pool	335,491	0	335,491
Buchanan Unit	169,594	0	169,594
Hidden Unit	169,594	0	169,594
Total Fresno	<u>13,664,530</u>	<u>1,102,655</u>	<u>14,767,185</u>
SHASTA			
Clear Creek Unit	0	21,199	21,199
Shasta Dam & Reservoir	0	39,148	39,148
Spring Creek Conduit	0	64,460	64,460
Cow Creek Unit	0	70,664	70,664
Toyon Pipeline	0	31,262	31,262
Sacramento River - Shasta	15,716	67,201	82,917
Total Shasta	<u>15,716</u>	<u>293,934</u>	<u>309,650</u>

Central Valley Project Improvement Act
Projected Restoration Payments (Subsection 3407(c) & (d))
for Fiscal Year 2000

<u>WATER SALES REVENUES (\$)</u>			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&I</u>	<u>TOTAL</u>
WILLOWS			
Corning Canal	0	283	283
Tehama-Colusa Canal	0	1,766	1,766
Black Butte Dam & Reservoir	565	565	1,130
Colusa Basin Drain	92,570	0	92,570
Feather River	70,664	0	70,664
Sacramento River - Willows	904,205	0	904,205
Total Willows	<u>1,068,004</u>	<u>2,614</u>	<u>1,070,618</u>
Restoration Payments			
Irrigation and M&I	<u>\$17,707,545</u>	<u>\$5,041,734</u>	<u>\$22,749,279</u>
Restoration Payment - Irrigation	\$17,707,545		
Restoration Payment - M&I	5,041,734		
Restoration Payment - Power	14,360,721		
Total	<u>\$37,110,000</u>		

**Central Valley Project Improvement Act
Projected Expenditures (Obligations) for Fiscal Year 2000**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	\$7,000,000
Other CVP Impacts	3406(b)(1) Other	2,700,000
Dedicated Project Yield	3406(b)(2)	1,000,000
Water Acquisition	3406(b)(3)	9,000,000
Flow Fluctuation Study	3406(b)(9)	50,000
Reservoir Storage	3406(b)(19)	50,000
Stanislaus River Basin Water Needs	3406(c)	100,000
Refuge Water Supply	3406(d)(1),(2), & (5)	12,500,000
Land Retirement	3408(h)	5,138,000
Other Fish and Wildlife Restoration Activities		
Clear Creek Restoration	3406(b)(12)	50,000
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)	2,000,000
Flood Agr Lands for Waterfowl/Yld Enhancement	3406(b)(22)	1,000,000
		<hr/>
Total Projected Expenditures (Obligations) Fiscal Year 2000		<u>\$42,138,000</u>