

# **ANNUAL FINANCIAL REPORT**

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

**Revenues and Expenditures for the Periods:**

**October 1, 2004 - September 30, 2005 (Actual)**

**October 1, 2006 - September 30, 2007 (Projected)**

**September 2006**

**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) requires an annual financial report to the Senate Committee on Energy and Natural Resources, the Senate Committee on Appropriations, the House Committee on Natural Resources, and the House Committee on Appropriations. The annual financial report describes all Restoration Fund revenues (receipts) and expenditures (uses) during the prior fiscal year and projected Restoration Fund revenues and expenditures during the next upcoming fiscal year.

This report is the thirteenth annual financial report prepared pursuant to Subsection 3407(f) of the Central Valley Project Improvement Act (CVPIA) and covers fiscal year 2005 actual revenues and expenditures and fiscal year 2007 projected revenues and expenditures. For purposes of this report, revenues are actual collections processed. Schedules 1 through 4 provide summary information on fiscal year 2005 Restoration Fund revenues and expenditures. Schedules 5 through 8 provide summary information on fiscal year 2007 Restoration Fund projected revenues and expenditures.

This report does not include the Water and Related Resources Appropriations Account or State of California cost share funding. 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. Overlapping CVPIA and CALFED areas are 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 2005

Fiscal year 2005 Restoration Fund revenues totaled \$57.6M. Fiscal year 2005 Restoration Fund expenditures totaled \$43.7M. The balance in the Restoration Fund at the end of fiscal year 2005 was carried over into the fiscal year 2006 program. Schedule 1 summarizes fiscal year 2005 Restoration Fund revenues and expenditures. Schedules 2 and 3 provide detailed information on fiscal year 2005 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 2005 and the amounts attributable to each activity.

### Fiscal Year 2006

Fiscal year 2006 Restoration Fund revenues are projected to be \$52,219,000. Expenditures for this period are projected to be approximately equal to the revenues received. Detailed fiscal year 2006 information will be in the next annual financial report.

### Fiscal Year 2007

Fiscal year 2007 Restoration Fund revenues are projected to be \$41,556,000. Schedule 5 shows the projected revenue sources for fiscal year 2007 by authorizing subsection of the CVPIA. Restoration Fund revenue projections are determined by applying the applicable restoration fund rate to the estimated project water deliveries to be sold. Project water delivery projections are updated annually under the Central Valley Project's Irrigation and M&I water ratesetting policies.

The Friant Division Surcharge rate for fiscal year 2007 remains at \$7 per acre-foot. Tiered Water rates specified in the contracts for delivered project water are based on percentages of contractor's total project water entitlements and the difference between full cost and cost of service rates. Congress directed in the CVPIA use of 1992 dollars as the basis for several sources of revenues collected into the Restoration Fund. It was determined that the Consumer Price Index Urban (CPIU), developed and updated monthly by the Bureau of Labor Statistics within the Department of Labor, was appropriate to use when indexing collections to 1992 dollars. The M&I Surcharge rate equates to a 1992 CPIU indexed rate of \$25 per acre-foot of project water subject to this charge. The restoration payment rates for project water equate to a 1992 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 at the start of each fiscal year. No other Restoration Fund revenues are projected for fiscal year 2007.

The fiscal year 2007 Restoration Fund appropriation of \$41,478,000 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 2005**

**REVENUES**Non-Discretionary Revenues

Pre-Renewal Charges (Subsection 3404(c)(3))	\$0
Tiered Water Revenues (Subsection 3405(d))	246,909
Water Transfer Revenues (Subsection 3405(a)(1)(B)) /1	(8,216)
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 2	10,999,981
M&I Surcharges (Subsection 3407(d)(2)(A))	<u>425</u>
Subtotal - Non-Discretionary Revenues	<u>\$11,239,099</u>

Discretionary Revenues

Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 3	46,336,000
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Contributions

Non-Federal Contributions (Subsection 3407(a))	<u>0</u>
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Total Restoration Fund Revenues	<u><u>\$57,575,099</u></u>
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**EXEPNDITURES**

Expenditures (Subsections 3406 & 3408) -- See Schedule 4	43,722,167
Expenditures of Non-Federal Contributions	<u>0</u>
Total Restoration Fund Expenditures	<u><u>43,722,167</u></u>

<b>Net Increase/Decrease (Revenues less Expenditures)</b>	<u><u>13,852,932</u></u>
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/1 Revenues were received and incorrectly processed into the Restoration Fund account for water transfers. It was later determined that the revenues should have been processed into the advance account for water. A standard voucher was processed to correct the error and the revenues were transferred to the contractors's advance account.

**Central Valley Project Improvement Act  
Friant Division Surcharges (Subsection 3406(c)(1))  
for Fiscal Year 2005**

<u>SERVICE AREA</u>	<u>WATER REVENUES (\$)</u>		
	<u>IRRIGATION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$9,114,566	\$433,181	\$9,547,747
CROSS VALLEY CANAL	148,953	0	148,953
MADERA CANAL	1,244,353	0	1,244,353
FRIANT DAM	57,899	1,029	58,928
MENDOTA POOL	0	0	0
	<hr/>	<hr/>	<hr/>
Total	<u>\$10,565,771</u>	<u>\$434,210</u>	<u>\$10,999,981</u>

Central Valley Project Improvement Act  
Restoration Payments (Subsection 3407(c) & (d))  
for Fiscal Year 2005

<u>SERVICE AREA</u>	<u>WATER REVENUES (\$)</u>		
	<u>IRRIGATION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
<b>FOLSOM</b>			
Folsom Dam & Reservoir	\$107,845	\$479,785	\$587,630
Folsom-South Canal	25,000	71,906	96,906
Sugar Pine Dam & Reservoir	0	15,129	15,129
Sly Park Dam & Reservoir	(18,357)	263,507	245,150
Total Folsom	114,488	830,327	944,815
<b>TRACY</b>			
Contra Costa Canal	0	1,504,065	1,504,065
Delta-Mendota Canal	1,333,304	215,184	1,548,488
San Luis Canal-Tracy	1,222,195	13,298	1,235,493
New Melones Dam & Reservoir	0	0	0
San Felipe Unit	453,872	1,219,333	1,673,205
Total Tracy	3,009,371	2,951,880	5,961,251
<b>FRESNO</b>			
San Luis Canal-Fresno	5,895,015	215,091	6,110,106
Friant Dam	54,307	2,347	56,654
Friant-Kern Canal	9,209,760	1,170,140	10,379,900
Cross Valley Canal	439,128	0	439,128
Madera Canal	1,202,398	0	1,202,398
Delta-Mendota Pool	302,632	0	302,632
Buchanan Unit	179,160	0	179,160
Hidden Unit	95,160	0	95,160
Total Fresno	17,377,560	1,387,578	18,765,138
<b>SHASTA</b>			
Clear Creek Unit	0	30,639	30,639
Shasta Dam & Reservoir	0	27,877	27,877
Spring Creek Conduit	0	65,979	65,979
Cow Creek Unit	0	12,362	12,362
Toyon Pipeline	71	30,730	30,801
Sacramento River - Shasta	64,355	12,943	77,298
Total Shasta	64,426	180,530	244,956

Central Valley Project Improvement Act  
Restoration Payments (Subsection 3407(c) & (d))  
for Fiscal Year 2005

SERVICE AREA	WATER REVENUES (\$)		
	IRRIGATION	M&I	TOTAL
<b>WILLOWS</b>			
Corning Canal	0	109	109
Tehama-Colusa Canal	0	2,421	2,421
Black Butte Dam & Reservoir	0	478	478
Colusa Basin Drain	0	0	0
Feather River	66,137	0	66,137
Sacramento River - Willows	1,302,147	85,301	1,387,448
<b>Total Willows</b>	<b>1,368,284</b>	<b>88,309</b>	<b>1,456,593</b>
Restoration Payments Irrigation and M&I	<u>\$21,934,129</u>	<u>\$5,438,624</u>	<u>\$27,372,753</u>
Restoration Payment - Irrigation	\$21,934,129		
Restoration Payment - M&I	5,438,624		
Restoration Payment - Power	18,963,247		
<b>Total</b>	<u><u>\$46,336,000</u></u>		

**Central Valley Project Improvement Act  
Expenditures for Fiscal Year 2005**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	4,605,886
Other CVP Impacts	3406(b)(1) Other	1,471,011
Dedicated Project Yield	3406(b)(2)	926,724
Water Acquisition	3406(b)(3)	11,787,322
Flow Fluctuation Study	3406(b)(9)	17,526
Trinity River Restoration	3406(b)(23)	2,280,138
San Joaquin River Basin Res Mgt Initiative	3406(c)(1)	754,191
San Joaquin Basin Action Plan	3406(d)	2,314,415
Refuge Water Supply/Conveyance	3406(d)(1)(2)(5)	6,062,456
Ecosystem/Water Operations Study	3406(g)	3,597,828
Land Retirement	3408(h)	2,403,193
Other Fish and Wildlife Restoration Activities		
Tracy Pumping Plant & Fish Test Facility	3406(b)(4)	731
Coleman Fish Hatchery	3406(b)(11)	388
Clear Creek Restoration	3406(b)(12)	813,197
Spawning Gravel	3406(b)(13)	669,736
CVP Project Assessment/Monitoring Program	3406(b)(16)	561,797
Anadromous Fish Screen Program	3406(b)(21)	5,455,628
Total Expenditures Fiscal Year 2005		<u>\$43,722,167</u>

**Central Valley Project Improvement Act  
Projected Restoration Fund Revenues and Expenditures  
for Fiscal Year 2007**

**REVENUES**

Pre-Renewal Charges (Subsection 3404(c)(3))	/1	\$0
Tiered Water Revenues (Subsection 3405(d))		300,000
Water Transfer Revenues (Subsection 3405(a)(1)(B))		0
Friant Division Surcharges (Subsection 3406(c)(1)) -- See Schedule 6		7,500,000
M&I Surcharges (Subsection 3407(d)(2)(A))	/2	1,000
Restoration Payments (Subsection 3407(c) & (d)) -- See Schedule 7		33,755,000
Contributions		
Non-Federal Contributions (Subsection 3407(a))	/3	<u>0</u>
Total Projected Restoration Fund Revenues		<u>\$41,556,000</u>

**EXPENDITURES**

Expenditures (Subsections 3406 & 3408) -- See Schedule 8		<u>\$ 41,478,000</u>
<b>Net Increase/Decrease (Revenues less Expenditures)</b>		<u><u>\$78,000</u></u>

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

/2 M&I Surcharges have been about \$1,000 per year and 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 2007**

WATER REVENUES (\$)			
<u>SERVICE AREA</u>	<u>IRRIGATION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
FRIANT-KERN CANAL	\$6,126,082	\$445,501	\$6,571,583
MADERA CANAL	926,100	0	926,100
FRIANT DAM	0	2,317	2,317
	\$7,052,182	\$447,818	\$7,500,000
Total	\$7,052,182	\$447,818	\$7,500,000

Central-Valley Project Improvement Act  
Projected Restoration Payments (Subsection 3407(c) & (d))  
for Fiscal Year 2007

SERVICE AREA	WATER REVENUES (\$)		
	IRRIGATION	M&I	TOTAL
<b>FOLSOM</b>			
Folsom Dam & Reservoir	\$74,666	\$1,153,311	\$1,227,977
Folsom-South Canal	0	885,583	885,583
Sugar Pine Dam & Reservoir	1,527	16,965	18,492
Sly Park Dam & Reservoir	42,424	305,374	347,798
Total Folsom	118,617	2,361,233	2,479,850
<b>TRACY</b>			
Contra Costa Canal	0	1,996,804	1,996,804
Delta-Mendota Canal	1,712,962	280,587	1,993,549
San Luis Canal-Tracy	882,173	11,350	893,523
New Melones Dam & Reservoir	0	0	0
San Felipe Unit	298,436	2,017,077	2,315,513
Total Tracy	2,893,571	4,305,818	7,199,389
<b>FRESNO</b>			
San Luis Canal-Fresno	6,537,250	284,659	6,821,909
Friant Dam	0	5,615	5,615
Friant-Kern Canal	4,749,197	1,079,716	5,828,913
Cross Valley Canal	313,055	9,636	322,691
Madera Canal	1,122,539	0	1,122,539
Delta-Mendota Pool	406,880	0	406,880
Buchanan Unit	203,635	0	203,635
Hidden Unit	203,635	0	203,635
Total Fresno	13,536,191	1,379,626	14,915,817
<b>SHASTA</b>			
Clear Creek Unit	0	152,025	152,025
Shasta Dam & Reservoir	0	70,440	70,440
Spring Creek Conduit	0	103,148	103,148
Cow Creek Unit	0	111,852	111,852
Toyon Pipeline	0	41,378	41,378
Sacramento River - Shasta	28,755	205,094	233,849
Total Shasta	28,755	683,937	712,692

**Central Valley Project Improvement Act  
Projected Restoration Payments (Subsection 3407(c) & (d))  
for Fiscal Year 2007**

SERVICE AREA	<u>IRRIGATION</u>	<u>WATER REVENUES (\$)</u>	
		<u>M&amp;I</u>	<u>TOTAL</u>
<b>WILLOWS</b>			
Corning Canal	0	0	0
Tehama-Colusa Canal	0	2,511	2,511
Black Butte Dam & Reservoir	118	1,849	1,967
Colusa Basin Drain	403,876	0	403,876
Feather River	115,392	0	115,392
Sacramento River - Willows	1,373,456	0	1,373,456
Total Willows	<u>1,892,842</u>	<u>4,360</u>	<u>1,897,202</u>
Restoration Payments Irrigation and M&I	<u>\$18,469,976</u>	<u>\$8,734,974</u>	<u>\$27,204,950</u>
Restoration Payment - Irrigation	\$18,469,976		
Restoration Payment - M&I	8,734,974		
Restoration Payment - Power	6,550,050		
Total	<u>\$33,755,000</u>		

**Central Valley Project Improvement Act  
Projected Expenditures for Fiscal Year 2007**

<u>FISH AND WILDLIFE RESTORATION ACTIVITIES</u>	<u>SUBSECTION</u>	<u>AMOUNT (\$)</u>
Habitat Restoration, Improvement, & Acquisition		
Anadromous Fish Program	3406(b)(1)	\$4,200,000
Other CVP Impacts	3406(b)(1) Other	1,500,000
Dedicated Project Yield	3406(b)(2)	900,000
Water Acquisition	3406(b)(3)	10,886,000
Flow Fluctuation Study	3406(b)(9)	50,000
San Joaquin River Basin Res Mgt Initiative	3406(c)(1)	2,000,000
Refuge Water Supply/Conveyance	3406(d)(1)(2)(5)	11,208,000
Ecosystem/Water Operations Study	3406(g)	4,334,000
Land Retirement	3408(h)	1,500,000
Other Fish and Wildlife Restoration Activities		
Coleman National Fish Hatchery	3406(b)(11)	200,000
Clear Creek Restoration	3406(b)(12)	800,000
Spawning Gravel / Riparian Habitat	3406(b)(13)	500,000
CVP Project Assessment/Monitoring Program	3406(b)(16)	400,000
Anadromous Fish Screen Program	3406(b)(21)	<u>3,000,000</u>
 Total Projected Expenditures Fiscal Year 2007		 <u>\$41,478,000</u>