



# United States Department of the Interior

BUREAU OF RECLAMATION  
Interior Region 10  
2800 Cottage Way  
Sacramento, California 95825-1898

IN REPLY REFER TO:  
CGB-3400  
2.2.4.22

To: All Central Valley Project Water Contractors

Subject: 2020 Central Valley Project (CVP) Water Rates

Dear Water Contractor:

The Bureau of Reclamation (Reclamation) posted the final 2020 CVP water rates to the Reclamation website, <https://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>. As included on the website Foreword for 2020, Reclamation used the following for estimating irrigation O&M water deliveries: 35% of contract entitlement (CE) for the majority of water service contracts; 75% of CE for Sacramento River Settlement contractors; and, the higher of the 7-year average or 35% of CE for direct pumping contractors.

Based on CVP current water allocation, it has been brought to our attention that irrigation water deliveries for 2020 will be lower than the deliveries used for the O&M water rate calculations. The lower than average water deliveries will result in an underestimated O&M component of the irrigation water rate. For the 2020 water year, the CVP-wide irrigation water rate for Water Marketing and Storage is calculated to be roughly \$27.00 per acre-foot where the rate is expected to be in the \$30.00 per acre-foot range based on the CVP water allocations. This difference results in a potential under collection of Water Marketing and Storage O&M based on current CVP water allocation of approximately 12%.

The purpose of this letter is to notify water contractors of the underestimated 2020 water rate, and to provide advance notice of the potential for O&M deficits to occur when the 2020 Annual Contractor Accountings are calculated in August 2021. This letter is for informational purposes only.

Additionally, it is encouraged that irrigation contractors consider the underestimated O&M rates when selling and transferring water to other water contractors to ensure that enough revenue is received to pay for the 2020 allocation of CVP O&M costs.

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If you have any questions, please contact Jesus Reynoso, Ratesetting Branch Manager, at jreynoso@usbr.gov, or (916) 978-5362.

Sincerely,

**JESUS  
REYNOSO**

Digitally signed by  
JESUS REYNOSO  
Date: 2020.06.29  
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**Acting For**

Ann Lubas-Williams  
Regional Financial Manager

cc: CCAO (LBillingsley), CGB 3400 (JReynoso), CGB 3600 (SAhmad), CGB 110 (MWilliams), NCAO 440 (RRobertson), SCCAO 100 (MJackson)

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