



# United States Department of the Interior

BUREAU OF RECLAMATION  
2800 Cottage Way  
Sacramento, CA 95825-1898



IN REPLY REFER TO:

CGB-3400  
2.2.4.22

To: All Central Valley Project Water Contractors

Subject: 2021 Central Valley Project (CVP) Water Rates

Dear Water Contractor:

The Bureau of Reclamation posted the final 2021 CVP water rates to the Reclamation website, <https://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>. As included on the website Foreword for 2021 Water Rates, Reclamation decided that it was appropriate to use the 7-year average of water deliveries to determine estimated deliveries for 2021 Operation and Maintenance rates.

Reclamation would like to notify the contractors that for 2021, the water year is critically dry for irrigation based on the current CVP water allocations. Reclamation expects that the water deliveries for 2021 will be significantly lower for irrigation than the estimated deliveries used for the O&M water rate calculation. The lower than average water deliveries will result in an underestimated O&M component of the irrigation water rate. For the 2021 water year, the CVP wide irrigation water rate for Water Marketing and Storage is calculated to be roughly \$28 per acre-foot where the rate is expected to be in the \$56 per acre-foot range based on the CVP water allocations.

The purpose of this letter is only to notify water contractors of the underestimated 2021 water rate, and to provide advance notice of the potential for O&M deficits to occur when the 2021 Annual Contractor Accountings are calculated in August 2022. This letter is for informational purposes only.

Additionally, it is encouraged that 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 2021 allocation of CVP O&M costs.

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

Sincerely,

ANN LUBAS-  
WILLIAMS

Digitally signed by ANN  
LUBAS-WILLIAMS  
Date: 2021.05.13  
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Ann Lubas-Williams  
Regional Financial Manager

INTERIOR REGION 10 • CALIFORNIA-GREAT BASIN

CALIFORNIA\*, NEVADA\*, OREGON\*

\* PARTIAL

cc: CGB 3400 (JReynoso), CGB 3600 (SAhmad), CGB 3000 (ALubas-Williams),  
CGB 110 (MWilliams)