

CENTRAL VALLEY PROJECT
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS
BY FACILITY AND/OR COMPONENT FOR FY 2003
2005 M&I WATER RATES

Component/Facility	O&M & Corps Expense 1/	Project Use Energy Costs	Total
<u>Storage</u>			
Black Butte O&M COE	115,180.30		115,180.30
American River (0353)	4,291.29		4,291.29
Auburn Access Corrective (0859)	46.25		46.25
Columbia-Mowry System	11,258.95		11,258.95
Clear Creek Tunnel (0416) (1910)	3,703.04		3,703.04
Delta Cross Channel (0863)	13,957.25		13,957.25
Folsom D&R (0353)	94,300.92		94,300.92
Folsom Pipeline (0353)	21,063.90		21,063.90
Folsom PP (0353)	45,325.50	1,008.79	46,334.29
Friant D&R (1785)	166,198.77	290.62	166,489.39
Gianelli, WR PGP (0805)	656,776.13	33,173.69	689,949.82
Regeneration Credit		(15,303.20)	(15,303.20)
San Felipe Unit	(126,120.72)	(6,370.34)	(132,491.06)
ClairHill, CA Whiskeytown Dam (0416)	24,124.13		24,124.13
Nimbus D&R (0353)	18,886.21		18,886.21
San Joaquin River	15,383.04		15,383.04
Sacramento River (0725)	50,728.63		50,728.63
Shasta D&R (1741)	229,384.74		229,384.74
Coleman Fish Hatchery (1741)	296,550.41	12,801.82	309,352.23
Sisk, BF San Luis Dam (0805)	908,916.58		908,916.58
Spring Creek Tunnel (0416)	8.07		8.07
Sugar Pine D&R (0353)	1,027.81		1,027.81
Trinity D&R (0416)	11,163.97		11,163.97
Total Storage	2,562,155.17	25,601.38	2,587,756.55
<u>Conveyance</u>			
Folsom South Canal	330,996.67		330,996.67
<u>Direct Costs - Pumping & Other</u>			
City of Fresno - Friant Water Authority Offset	1,677,807.00		1,677,807.00
Contra Costa PP (Contra Costa WD) (0863)		387,526.29	387,526.29
Cross Valley Canal Contractors (State Delta PP & Dos Amigos PP)			
County of Fresno		374.61	374.61
County of Tulare		840.37	840.37
P.V. PP (City of Coalinga) (0805)		4,283.13	4,283.13
San Benito County WD			
Gianelli, WR PGP	6,348.92	320.68	6,669.60
Pacheco PP		14,492.25	14,492.25
San Luis Relift PP (City of Coalinga) (0805)		298.56	298.56

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Component/Facility	O&M & Corps Expense 1/	Project Use Energy Costs	Total
<u>Direct Costs - Pumping & Other (continued)</u>			
Santa Clara Valley WD			
San Luis and Delta Mendota WA Offsets	759,294.88		759,294.88
Coyote PP (805)		61,273.19	61,273.19
Gianelli, WR PGP	3/ 119,771.80	6,049.66	125,821.46
Pacheco PP (0805)	4/	273,395.16	273,395.16
Westlands WD Relifts (0805)	34.34	14,974.41	15,008.75
Wintu PP (Bella Vista WD) (0725)		18,051.87	18,051.87
Total Direct Costs (Pumping & Other)	<u>2,563,256.94</u>	<u>781,880.18</u>	<u>3,345,137.12</u>
Sub Total	<u>5,456,408.78</u>	<u>807,481.56</u>	<u>6,263,890.34</u>
Water Marketing	1/ , 5/ 1,938,929.27		1,938,929.27
Total Costs to be Allocated	<u>7,395,338.05</u>	<u>807,481.56</u>	<u>8,202,819.61</u>
<u>Direct Billed Conveyance</u>			
Arroyo Pasajero (0805)	1,447.28		1,447.28
Delta Mendota Canal (0863)	2,219.67		2,219.67
Friant Kern Canal (1785)	1,368.03		1,368.03
Little Panoche Creek Det Dam (0805)	8.30		8.30
Los Banos Creek Det Dam (0805)	26.23		26.23
Red Bluff Dam (0725)	1b/ 3,922.76		3,922.76
San Luis Canal (0805)	3,061.30		3,061.30
San Luis Canal Turnouts (0805)	6.36		6.36
Stoney Creek CHO (0725)	21,491.19		21,491.19
Tehama-Colusa Canal (0725)	562.09		562.09
Tehama-Colusa Fish Fac (0725)	42.47		42.47
Toyon Pipeline (1741)	1b/ 3,906.51	15,240.51	19,147.02
Total Conveyance	<u>38,062.19</u>	<u>15,240.51</u>	<u>53,302.70</u>
<u>Conveyance Pumping</u>			
Dos Amigos PP (0805)	1.43	14,005.32	14,006.75
O'Neill PGP (0805)	5/ 7,590.08	13,056.59	20,646.67
Regeneration Credit		(616.22)	(616.22)
Tracy Pumping Plant (0863)	17,514.36	50,169.09	67,683.45
State-Delta PP			0.00
Total Conveyance Pumping	<u>25,105.87</u>	<u>76,614.78</u>	<u>101,720.65</u>
<u>Direct Pumping</u>			
Contra Loma (0863)	1b/	789.72	789.72
Total Costs to be Direct Billed	<u>63,168.06</u>	<u>92,645.01</u>	<u>155,813.07</u>
Grand Total	<u>7,458,506.11</u>	<u>900,126.57</u>	<u>8,358,632.68</u>

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2005 M&I WATER RATES

RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/200:

M&I Revenue per Schedule (w/o VPs)	14,305,718.02	
Current year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2004	(59,675.19)	
Current year Voluntary Payments recorded in FFS and Ratesetting in current year (Contra Costa WD)	1,608,708.46	
Prior year revenue adjustments included in Ratesetting but will be recorded in FFS in 2004	(3,105.99)	
Prior year revenues recorded in FFS in current year but recorded in Ratesetting in prior year	2,482,300.71	
Prior year Voluntary Payments and Refunds included in FFS and Ratesetting in current year d/	(514.94)	
Prior year Voluntary Payments recorded in FFS in current year, but recorded in Ratesetting in prior year d/	1,015,819.00	
Prior year Refunds and Reallocations recorded in FFS in current year, but recorded in Ratesetting in prior year d/	(62,311.63)	
Prior year Voluntary Payments included in FFS and reapplied in Ratesetting in current year d/	173,620.71	
Prior year Voluntary Payments included in FFS but will be refunded in FY 2004 (City of West Sacramento & City of Roseville) d/	78,705.06	
Contra Costa WD, Current Year \$2.50 administrative charge applied to capital repayment (\$2.50 * 83,596 a/f)	208,990.00	
Contra Costa WD, FY 2004 Voluntary Payments recorded in FFS in 2003	68,266.00	
Conveyance Income - Delta Mendota	480,374.29	
M&I Revenues Per F/S (Sch. 21)	20,296,894.50	
Excess of Income Over Expense at 9/30/02 (2002 Accounting)		(229,171,996.59)
Adjustment due to rounding on interest adjustment to F/S		1.73
FY 2003 Activity per Ratesetting: O & M Expense	8,202,819.61	
Net change from F/S Costs 1/		
Other Adjustments to Expense 1b/	(1,929,100.46)	
Total O&M Expense	6,273,719.15	
Current year Interest on Investment recorded in F/S	32,131,809.31	
Prior year Interest on Investment recorded in F/S (Sacramento County WA)	(113,508.00)	
	38,292,020.46	
	(17,995,125.96)	
Total Costs to be Direct Billed	(155,813.07)	
Total Current Year Result per F/S (Sch. 20)		(18,150,939.02)

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2005 M&I WATER RATES

RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2003 (Continued)

Incorporated into Water Ratesetting in Prior Years but not in F/S

Revenue:

FY '02 rev. included in '02 acctg. but not included in F/S as of 9/30/02 (Diff. between WDR's @ 9/30 & 11/26)	(1,096,824.85)	
FY '02 rev. included in '02 acctg. but not included in F/S as of 9/30/02 (Contractor's response to WDR report)	(1,382,623.56)	
FY '02 rev. included in '02 acctg. but not included in F/S as of 9/30/02 (FY 2002 WAT Revenue Recon.)	(3,346.30)	
Del Puerto WD - FY 2001 adjustment (Unused 2*29.14)	(58.28)	
San Luis WD (DMC) - FY 2000 adjustment (3*19.75)	(59.25)	
San Luis WD (DMC) - FY 2001 rate adjustment (104*(-19.75+15.00))	494.00	
San Luis WD (SLC) - FY 2001 rate adjustment	(1.88)	
	(2,482,420.12)	

Expense:

PEIS capitalized		
FY 1992 through FY 1998 (see 99MFB8AE.Z03)	(2,206,215.99)	
Adjustment to F/S in FY 1999 (see 1999 F/S Sch. 26)	2,134,366.00	
	(71,849.99)	

PEIS not capitalized

Cost through 10/92	33,490.33	
FY 1993 cost	3,753.00	
	37,243.33	

Friant D&R , Drum Gates capitalized through FY 2002		(744,984.30)
Tracy PP, upgrade SCDA System capitalized (FY 1999)		(6,214.00)
Trinity Water Quality Monitor cost for 1999 - 2002 (Non-Reimbursable)		(76,253.28)
FY 1993 Adjustment (see FY 1995 M&I and IRR Water Rates Book)		1,670.11
Dos Amigos PP adjustment to F/S		387.41
O'Neill Dam prior year adjustment not included in Schs 22 & 25		(185.66)
Shasta D&R (Coleman Fish Hatchery) recorded in F/S twice.		(548,119.97)
CFO Adjustment deferred over a 5-year period		(2,207,625.45)
Provision for Replacement credit included in Ratesetting (2001 & 2002 accountings)		(163,602.59)
Arroyo Pasajero (0805) FY 2002 Conveyance Expense not included in FY 2002 accounting		(6,938.84)
SLDMWA Offsets transferred from IRR (Sch 19) - Santa Clara Valley WD, San Luis WD (DMC & SLC)		1,103,384.38

FY 2002 Voluntary Payments included in Ratesetting, but not in F/S (See 2002 Sch B-7, Pg 5 & 7)		(1,015,819.00)
Contra Costa WD, FY 2003 Voluntary Payments included in F/S		40,981.00
FY 2002 refunds & reapplications included in Ratesetting, but not in F/S (see 2002 Sch B-7, Pg 5 & 7)		62,311.63
Provision for Replacement costs not recorded in Sch.22 (FY1998 thru 2000)		33,966.00

Interest Adjustments:

FY 2002 interest adjustment to F/S	225,580.67	
FY 1997 interest adjustment to F/S - Contra Costa WD's interest not included in Ratesetting	(179,495.00)	
Sacramento County WA - adjustment to reduce interest inadvertently calculated	(113,508.00)	
	(67,422.33)	

PUE Costs

Direct Billed for FY's 1998 through 2002	(2,356,373.14)	
Adjustment to F/S (FY 1998 & 2000)	(437,910.76)	
	(2,794,283.90)	

Conveyance Income

Tehama Colusa - FY 1999	148.58	
Delta Mendota - FY's 1999 through 2002	2,313,165.69	
	2,313,314.27	

Equity Adjustment for FY 2001 multipurpose allocation for CFO Statement (Deferred CFO/PFR)		2,502,952.41
Equity Adjustment for FY 2001 multipurpose allocation for CFO Statement (Deferred CFO/PFR)		(396,971.16)
Prior Year Contract Admin. Fees		3,200.00
Warren Act Contractor Revenue		1,678,958.00
		(2,804,322.04)

Cumulative Recorded Excess of Income Over Expense at 9/30/2003 per F/S (Sch. 12)

(250,127,255.92)

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2005 M&I WATER RATES

RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2003 (Continued)

Transactions Incorporated into Water Rates but not in F/S at 9/30/2003

Revenue:

Current year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2004	d/	59,675.19	
Prior year revenues recorded in Ratesetting in current year but will be recorded in FFS in 2004	d/	3,105.99	
Prior year adjustment included in ratesetting in prior year, but will be recorded in FFS in 2004			
Del Puerto WD - FY 2001 adjustment (Unused 2 a/f * \$29.14), SX#: 040320KB008		58.28	
San Luis WD (DMC) - FY 2000 adjustment 3 a/f not in FFS, SX#: 040320KB014		59.25	
San Luis WD (SLC) - FY 2001 rate change not in FFS, SX#: 040320KB006		1.88	
		119.41	

Expense:

PEIS capitalized			
FY 1992 through FY 1998 (see 98MFB8AE.Z03)		2,206,215.99	
Adjustment to F/S in FY 1999 (see FY 1999 F/S Sch. 26)		(2,134,366.00)	
		71,849.99	
PEIS not capitalized			
Costs through Oct. 31, 1992		(33,490.33)	
FY 1993 costs		(3,753.00)	
		(37,243.33)	
Friant Dam & Reservoir, Drum Gates capitalized (Through FY 2002 - 744,984.30, FY 2003 - 83.08)		745,067.38	
Tracy PP, Upgrade SCDA System capitalized (1999)		6,214.00	
FY 1993 adjustment (see FY 1995 M&I & IRR Rates Books)		(1,670.11)	
Shasta D&R (Coleman Fish Hatchery) recorded in F/S twice		548,119.97	
Black Butte O&M COE 0214COE4 (FFS Input Error) 1b/		193,689.74	
Banks Pumping Plant adjustment (FY 1999 - FY 2002)		(36,111.57)	
Dos Amigos PP adjustment to F/S		1,126.36	
O'Neill Dam - FY 1998 adjustment not included in Schs 22 & 25 (see FY 1999 F/S)		185.66	
Deferred (2004 - 2007) Chief Financial Officer (CFO) adj (Conv. & WM only) plus amounts not allocated b/		1,939,893.89	
Chief Financial Officer (CFO) adjustment included in 2001, 2002 and 2003 accounting (PUE only)		(100,144.33)	
Equity Adjustment for FY 2001 multipurpose allocation for CFO Statement (Deferred CFO/PFR)		(2,502,952.41)	
FY 2003 Adjustment		396,971.16	
		(2,105,981.25)	
CFO adjustment for San Felipe Division (09216530; WM) is in plant account and will be moved to expense account in 2004		(206,620.97)	
Provision for Replacement credit included in Ratesetting in 2001, 2002 and 2003 (see CFO & PFR ADJ worksheet)		290,985.43	
Arroyo Pasajero (0805) - FY 2002 onveyance expense not included in 2002 accounting		6,938.84	
SLDMWA Offsets transferred from IRR (Sch 19) - Santa Clara Valley WD, San Luis WD (DMC & SLC) ('02 & '03 accountings)		(1,862,679.26)	
City of Fresno - Friant Water Authority Offset recorded in Irr account		(1,677,807.00)	
Current year Voluntary Payment included in Ratesetting in current year, but will be recorded in FFS in FY 2004 d/		204,938.52	
Current year O&M surplus refund will be recorded in FFS in FY 2004 (City of Shasta Lake)		(51,775.76)	
Prior year Voluntary Payments not included in Ratesetting		(78,705.06)	
Contra Costa WD, FY 2004 Voluntary Payments recorded in FFS in 2003		(68,266.00)	
Provision for Replacement costs for FYs 1998 - 2000 not recorded in Sch. 22 (11,322 * 3)		(33,966.00)	
Interest Adjustments:			
FY 2003 interest adjustment to F/S		5,275,927.09	
FY 1997 Interest for Contra Costa WD (repayment contracts) not included in ratesetting a/		179,495.00	
PUE Costs			
Direct Billed for FY's 1998 through 2002 c/		2,356,373.14	
FY 2003 Direct Billed		155,813.07	
Adjustment to be recorded in F/S for FY's 1998 - 2000 (See 98MFB8AE.Z02)		437,910.76	
		2,950,096.96	
Conveyance Income			
Tehama Colusa - FY 1999 (148.58)		(148.58)	
Delta-Mendota - FY '99 -02(2,313,165.69) & '03 (480,374.29)		(2,793,539.98)	
		(2,793,688.56)	
Warren Act Contractor Revenues thru FY 2003		(2,487,017.21)	
Contract Administrative Fees		(3,200.00)	
Title Transfer Revenues		(413,225.00)	
Prior year capital adjustment included in Ratesetting in 2003 but will be recorded in FFS in 2004		19,910,054.66	
Prior deficit adjustment included in Ratesetting in 2003 but will be recorded in FFS in 004		64,328,657.59	
EI Dorado ID & Foresthill PUD Capital Repayment Balances as of 9/30/02 removed from Sch A-6A		(3,891,548.53)	

Reconstructed Excess of Income Over Expense at 9/30/2003

80,866,491.73
(169,260,764.19)

Schedule B-7
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RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2003 (Continued)

a/ Interest for the period 1/97-9/97: 31,372.00 (Contra Costa Canal) + 77,682.00 (Contra Loma D&R) + 70,436.00 (Contra Costa New Facility) = 179,495.00
b/ Chief Financial Officer (CFO) Adjustment, Ref: CFO & PFR ADJ worksheet, CFO M&I Audit Adjustment Summary - Deferred.Z07, M&I Application of CFO & PFR Audit Adj Analysis.Z07

Storage (included in Water Marketing in Ratesetting)

Trinity River Division (0416)	806,473.26	
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Carriage

Sacramento River Division (0725)	20,989.00	
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Water Marketing

Trinity River Division (0416)	294,144.95	
Sacramento River Division (0725)	176,541.27	
Delta Division (0863)	2,621,069.29	
San Felipe Division (0921)	589,839.52	
	3,681,595.03	

Total CFO adjustment	4,509,057.29	
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Less: Adjustment included in the 2001 & 2003 accountings	(2,089,485.64)	
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Total adjustment deferred over a 5-year period	2,419,571.65	
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Less: Annual distribution amount included in the FY 2003 accounting	(479,677.76)	
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Remaining balance to be distributed for FY 2004 - FY 2007 plus amounts not allocated	1,939,893.89	
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c/ PUE Costs - Direct billed through FY 2002

FY 1998 Direct Billed	99,125.32	
FY 1999 Direct Billed	430,720.81	
FY 2000 Direct Billed	473,440.66	
FY 2001 Direct Billed	589,479.98	
FY 2002 Direct Billed	763,606.37	

2,356,373.14

d/ **RECONCILIATION OF INCOME TO FINANCIAL STATEMENT AT 9/30/2003**

Current year revenues recorded in Ratesetting in current year but will be recorded in FFS in '04 (See Sch B-2 Worksheet:CY ADJ)

Bella Vista WD (14*63.30)	886.20	
Broadview WD (2*41.02)	82.04	
City of Avenal (123*11.29)	1,388.67	
City of Coalinga (354*13.32)	4,715.28	
City of Fresno (-4*10.00), (-19*10.00), (-26*10.00)	(490.00)	
City of Huron (103*13.52)	1,392.56	
City of Lindsay (-1*34.88)	(34.88)	
City of Orange Cove (23*51.60)	1,186.80	
City of Redding - Sacramento River -Shasta (56*23.11)	1,294.16	
City of Redding - Sacramento River -Shasta (594*9). Adjustment needs to be reversed.	5,346.00	
City of Redding - Sacramento River -Shasta, Rate Change (15*(19.81-23.11)) SX#: 040320JS006	(49.50)	
City of Redding - SCC (540*17.47)	9,433.80	
City of Redding - SCC (172*(16.69-17.47)) SX#: 040320JS006	(134.16)	
City of Redding - TP (8*15.00)	120.00	
City of Roseville (3,538*9.00) (unused 6,095*\$9)	86,697.00	
City of Shasta Lake (112*21.93), (253*26.05), (82*21.93)	10,845.07	
City of Tracy ((72+75)*32.10)	4,718.70	
City of West Sacramento (1,365*19.17)	26,167.05	

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d/ RECONCILIATION OF INCOME TO FINANCIAL STATEMENT AT 9/30/2003 (Continued)

Current year revenues recorded in Ratesetting in current year but will be recorded in FFS in '04 (See Sch B-2 Worksheet:CY ADJ) (continued)		
Clear Creek CSD (283 * 45.99)	13,015.17	
Colusa County WD (16*28.76)	460.16	
Contra Costa WD (-3,654*37.14)	(135,709.56)	
Contra Costa WD (-15,242*-7.47), (15,376*3.68), (4003 * (3.73-6.22)), (26899 *(-8.02+8.72))	(48,412.23)	
Corning WD (6*78.87)	473.22	
Delano-Earlimart ID (19*26.63)	505.97	
Dept of VA (7*33.96)	237.72	
Dos Palos Power Authority (70*18.89)	1,322.30	
Dunnigan WD (27*52.25)	1,410.75	
El Dorado ID - FD&R ((682+733)*21.71)	30,719.65	
El Dorado ID - SP ((1,413+2,295)*15.00)	55,620.00	
Fresno County WW#18 (2*15.00)	30.00	
Lindsay-Strathmore ID (80*28.16)	2,252.80	
Plain View WD ((35+29+74+2)*26.20), ((45+85)*8.4)	4,760.00	
SMUD (35*12.96)	453.60	
Sacramento County WA (444*17.20)	7,636.80	
Sacramento County WA (351*(17.20-16.80)), SX#: 040320OA006	140.40	
Sacramento Suburban WD (2,584*21.29)	55,013.36	
San Benito County WD I/B (-244*36.13), O/B (-244*43.00) SX#: 040320OA004	(19,307.72)	
San Benito County WD I/B (-109*36.13), O/B (-109*43.00)	(8,625.17)	
San Juan WD (132*18.59), (1,750*11.34)	22,298.88	
San Luis WD - DMC (25*16.99) (11*15.00)	589.75	
San Luis WD - SLC (58*63.89)	3,705.62	
Santa Clara Valley WD I/B (-500*45.71),O/B (-500*43.00)	(44,355.00)	
Santa Clara Valley WD I/B (-2,715*45.71),O/B (-2,715*43.00), 2003 Annual Adjustment	(240,847.65)	
Shasta CSD (56*9.00)	504.00	
Shasta County #25 (23*9.00)	207.00	
Shasta CWA (674*9.00)	6,066.00	
State of CA (6*36.32)	217.92	
Stoney Creelk (5 a/f * \$26.49)	132.45	
Stoney Creelk (-1a/f * \$26.49)	(26.49)	
Terra Bella ID ((3,925+1,937)*29.25)	171,463.50	
US Forest Service - Toyon Pipeline (10*20.00)	200.00	
Westlands WD ((130+53+322)*47.44)	23,957.20	
	59,675.19	
Current year Voluntary Payment included in Ratesetting in current yer, but will be recorded in FFS in FY 2004		
Contra Costa WD	191,143.52	
Contra Costa WD	13,795.00	
	204,938.52	
Prior year revenue adjustment included in ratesetting but will be recorded in FFS in '04		
Clear Creek CSD - Non-Permanent (373 a/f *\$8.38) SX#: 040320JB020	3,125.74	
San Luis WD - DMC (-1 a/f *\$19.75), SX#:040320KB007	(19.75)	
	3,105.99	
Prior year revenues djustments recorded in FFS in current year, but recorded in Ratesetting in prior year (See 03M&I PY Adjustments.Z07.xls & M&I 2002 Sch B-2 F.Z06.xls)		
Bella Vista WD	43,925.08	
City of Redding - SCC (Transportation rate change)	(3,348.54)	
City of Redding - Shasta D&R (Transportation rate change)	(18.00)	
City of Redding - Sac Riv (City counsel Dir of Pub Wrks, Rate change)	3,826.74	
Contra Costa WD	130,165.00	
Contra Costa WD (\$2.50 admin. fees)	9,297.50	
Contra Costa WD (Non-Project Water)	5,137.72	
County of Madera	2,572.00	
Delano-Earlimart ID	961.41	
El Dorado ID -Folsom D&R (2,876 a/f * \$21.71)	62,437.96	
El Dorado ID - Folsom D&R (222 a/f * \$21.71)	4,819.62	
El Dorado ID - Sly Park (1,004 a/f * \$15.00)	15,060.00	
El Dorado ID (Sly Park)	156,000.00	

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d/ **RECONCILIATION OF INCOME TO FINANCIAL STATEMENT AT 9/30/2003 (Continued)**

Prior year adjustments recorded in FFS in current year, but recorded in Ratesetting in prior year(continued)		
Lake California P.O.A. (200 a/f * \$9)	1,800.00	
Panoche WD - DMC (Rate change)	(6.33)	
Panoche WD - DMC (3 a/f * \$36.49)	109.47	
San Luis WD - DMC (2001 adj. 104 a/f * (19.75+15.00))	(494.00)	
San Luis WD - SLC (Rate change)	(464.75)	
Panoche WD - SLC (Rate change)	(1.82)	
Santa Clara Valley WD	679,518.60	
Santa Clara Valley WD (I/B - 15,893 a/f * \$45.71, O/B - 15,893 a/f * \$43.00)	1,409,868.03	
Sacramento Suburban WD (Rate change)	3,359.00	
Shasta County #25 (-290 a/f * \$9.00)	(2,610.00)	
Stockton-East WD (-1,545 a/f * \$25.69)	(39,691.05)	
Stoney Creek WD	77.07	
	2,482,300.71	
Prior year Voluntary Payments and Refunds included in FFS and Ratesetting in current year		
Plainview WD	(531.80)	
Riverview Golf & CC	16.86	
	(514.94)	
Prior year Voluntary Payments included in FFS and reapplied in Ratesetting in current year		
Terra Bella ID - applied to prior year	319.24	
Terra Bella ID - reapplied to current year	2,039.22	
	2,358.46	
City of Roseville - reapplied to current year	171,262.25	
City of Roseville - refunded	66,924.02	
	238,186.27	
	240,544.73	
Prior year Voluntary Payments included in FFS in current year, but included in Ratesetting in prior year		
City of Redding - Sacramento River	18,152.63	
Contra Cost WD (SX#: 030320CS038)	521,737.50	
Contra Cost WD (SX#: 030320CS005)	333,037.50	
Santa Clara Valley WD (transferred from 2001 Irr VP, SX#: 030320MR002)	141,974.03	
Shafter-Wasco ID	917.34	
	1,015,819.00	
Prior year Refunds and Reallocations included in FFS in current year, but included in Ratesetting in prior year		
Arvin-Edison WSD - 2002 water charges (SX#: 030320MA004)	(9,416.93)	
City of Shasta Lake - refund (SX#: 030320MA002)	(21,100.97)	
City of Orange Cove - 2002 water charges (SX#: 030320MA005)	(1,643.58)	
Del Puerto WD - refund (SX#: 030320MA004)	(28.10)	
El Dorado ID - Sly Park - water charges (SX#: 030320MA003, 030320MA006)	(29,256.88)	
Fresno County WW#18 - 2002 water charges (SX#: 030320MA005)	(865.17)	
	(62,311.63)	
Prior year Voluntary Payments included in FFS but will be refunded in FY 2004		
City of West Sacramento - refunded 2002 O&M deficit payment		11,781.04

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Footnotes

1/ Financial Statement Costs are taken from Schedules 22 & 25 of the 2003 CVP Consolidated Financial Statement (F/S). For certain facilities, the power costs have been isolated and shown under "Project Use Energy". FY 2003 O&M Expenses are as follows:

	Joint Expense Recorded in F/S Sch 25	Expenses or Credits Not Recorded in F/S Sch 25 a/	Total Per F/S Sch 22	Other Adjustments to Expense b/	Total Expenses per Ratesetting	Total Expenses to be Direct Billed per Ratesetting	Total Expenses to be Allocated per Ratesetting
Storage	2,593,891.44	0.00	2,593,891.44	(6,134.89)	2,587,756.55		2,587,756.55
Carriage	895,132.71	331,384.09	1,226,516.80	2,605,430.06	3,831,946.86	155,813.07	3,676,133.79
Water Marketing c/	2,589,187.23	19,936.74	2,609,123.97	(670,194.70)	1,938,929.27		1,938,929.27
Financial Statement Balance	6,078,211.38	351,320.83	6,429,532.21	1,929,100.46	8,358,632.68	155,813.07	8,202,819.61

a/ Detail of financial statement expenses or credits in Schedule 22 but not recorded in the Multipurpose Expense Schedule 25.

<u>Storage</u>	<u>Carriage</u>	<u>Water Marketing</u>
	Folsom South Canal	Contra Loma Dam
	Dos Amigos PP	Toyon Pipeline
		CFO Adj FFS input Corr (0725)
		CFO Adj FFS input Corr (0863)
		CFO Adj FFS input Corr (0921)
Total	<u>0.00</u>	<u>19,936.74</u>

b/ Detail of Ratesetting O&M Expense Adjustments to Reconcile with F/S Schedule 22:

Storage:		Total
Black Butte O&M COE moved from Water Marketing	308,870.04	
Black Butte O&M COE 0214COE4 (FFS Input Error)	(193,689.74)	
Gianelli WR PGP costs moved to Direct Pumping	(132,491.06)	
Columbia-Mowry System moved from Water Marketing	11,258.95	
Friant Dam Drum Gates capitalized	(83.08)	
	<u>(6,134.89)</u>	
Carriage:		
Contra Loma Dam - Power - moved from Water Marketing	789.72	
Toyon Pipeline moved from Water Marketing	19,147.02	
Gianelli WR PGP costs moved from Storage	132,491.06	
Dos Amigos PP - Adjustment to F/S (transfer cost from M&I to Irr)	(1,126.36)	
Dos Amigos PP - FY 2002 Adjustment included in 2002 accounting	(387.42)	
Tracy PP Intake included as part of CFO Adj.in '01 but should not have been included.	17,414.15	
Friant Water Authority Offset transferred from Irrigation - City of Fresno (Sch 19)	1,677,807.00	
SLDMWA Offsets transferred from Irrigation (Sch 19)	610,083.04	
SLDMWA Offsets adjustment to FY 2002 allocation	149,211.85	
	<u>2,605,430.06</u>	
Water Marketing:		
Black Butte O&M COE moved to Storage	(308,870.04)	
Trinity Water Quality Monitor (0416) - adjustment for the period 1999 - 2002 f/	76,253.28	
Banks Pumping Plant Adjustment (FY 1999 - FY 2002)	36,111.57	
Toyon Pipeline moved to Carriage	(19,147.02)	
Contra Loma Dam - Power - moved to Carriage	(789.72)	
Columbia-Mowry System moved to Storage	(11,258.95)	
Dos Palos Joint Power Authority e/	321,952.71	
Non-Permanent Contractor Revenue (Includes Non-Project Water Revenue) d/	(764,446.53)	
	<u>(670,194.70)</u>	
Total	<u>1,929,100.46</u>	

c/ Includes General and Administrative Expenses.

d/ Non-Project water revenue - Contra Costa WD's revenue related to Los Vaqueros.

e/ The contract has been determined to be a Warren Act Contract, therefore, revenues for the period FY 1999 through 2002 have been transferred to Warren Act Contractor Revenue.

f/ O&M costs were treated as Non-Reimbursable for the period 1999 through 2002, but they should have been reimbursable and included in prior year accountings.

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Footnotes (continued)

3/ Determination of FY 2003 Gianelli, WR Pump Generator "Storage" costs allocated to the San Felipe Unit are as follows:

	San Felipe Unit (Storage)			All Other Storage Contractors	Total
	Total	San Benito	Santa Clara		
2003 Storage Deliveries (A/F)	69,788	3,513	66,275	293,627	363,415
Ratios	0.19203	0.05034	0.94966	0.80797	1.00000
Allocated Gianelli,WR Pump Generator Costs (Excludes Regeneration Credit) - 2003:					
Direct Costs	126,120.72	6,348.92	119,771.80	530,655.41	656,776.13
Project Use Costs	6,370.34	320.68	6,049.66	26,803.35	33,173.69
Total Allocated Costs	132,491.06	6,669.60	125,821.46	557,458.76	689,949.82

4/ Allocation of Pacheco Pumping Plant costs - Allocation is based on same water delivery ratios as shown in 3/ above.

Total	San Benito	Santa Clara
287,887.41	14,492.25	273,395.16

Note: Storage Expense Allocation

(The following calculations are provided for use on Schedule of CVP Allocated Municipal and Industrial Storage Expense)

	San Felipe Unit		All Other Contractors	Total
	Other Storage Expense	Direct Pumping Gianelli, WR PGP		
Allocated Gianelli, WR PGP Costs:				
Direct Costs (see 5/ above)		126,120.72	530,655.41	656,776.13
PUE Costs/Excludes Regenerating Credit (see pg 1)		6,370.34	26,803.35	33,173.69
Regeneration Credit			(15,303.20)	(15,303.20)
Less: Gianelli, WR PGP Costs Allocated to Direct Pumping		132,491.06		(132,491.06)
Sub-total				542,155.56
Allocated Other Storage O&M Expense	392,816.76		1,652,784.23	2,045,600.99
Total Allocable Storage Expense	392,816.76		2,194,939.79	2,587,756.55

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Footnotes (continued)

5/ These costs include the following prior year adjustments.

Carriage Adjustment

San Luis Unit (O'Neill Dam - 0805981A) - In 1995 San Luis costs were transferred from 02149810 to 08059810 (Los Banos SOD MOD). They should have been transferred to 0805981A. 7,914.59

Water Marketing Adjustment

Miscellaneous Project (CVP General - Irrigation and Drainage - 02148941), labor adjustment (1,166.06)
Delta Division (Long Term Contract Renewal - Interim Bio Opinion Implementation - 08638943) (55.95)

Water & Power Operations (Controllers Dispatchers - 17863372) (9.87)

Source: 2003 CVP Financial Statement
M&I 2003 Sch B-2 F.Z07.XLS