

CENTRAL VALLEY PROJECT
CFO ADJUSTMENT DEFERRED AND ASSOCIATED CONTRACTORS PFR ADJUSTMENT
2007 M&I WATER RATES

Note: PFR credit does not include an adjustment for past interest charges.

Facility/Contractor	CFO Adjustment 1/	PFR Credit 1/	Net 1/	Annual Cost	Annual PFR Adjustment Cost 2/	Adjusted Annual Cost 4/	Projected 2007 Deliveries (Sch A-12)	20 % of Contract Maximum	CFO/PFR Adjustment Rate
<u>Black Butte D & R</u>									
County of Colusa	522.15	10.42	511.73	102.35	0.36	102.70	24	8	4.28
Elk Creek CSD	175.01	3.88	171.13	34.23	(0.03)	34.20	12	3	2.85
US Forest Service - BB Whitney Const Inc.	746.64	6.97	739.67	147.93	(0.26)	147.68	22	5	6.71
Total BB D & R	1,443.80	21.27	1,422.53	284.51	0.07	284.57			
<u>Clear Creek Unit</u>									
Clear Creek CSD	22,670.70	518.35	22,152.35	4,430.47	0.09	4,430.56	1,937	2,060	2.15
<u>Contra Costa Canal</u>									
Contra Costa WD									
<u>Cow Creek Unit</u>									
Bella Vista WD	5/ 39,294.52	964.75	38,329.76	7,665.95	(0.06)	7,665.89	3,199	1,516	2.62
<u>Cross Valley Canal</u>									
County of Fresno	504.25	26.61	477.64	95.53	(1.35)	94.18	300		0.31
County of Tulare									
Total CV Canal	504.25	26.61	477.64	95.53	(1.35)	94.18			
<u>Delta-Mendota Canal</u>									
Byron Bethany ID	6/ 2,481.15	190.88	2,290.27	458.05	2.97	461.02	1,040	208	0.44
City of Tracy									
Del Puerto WD									
Department of VA	113.54	8.24	105.30	21.06	(0.04)	21.02	63	90	0.23
Panoche WD - DMC									
San Luis WD - DMC									
Total DM Canal	2,594.69	199.12	2,395.57	479.11	2.93	482.04			
<u>Folsom D & R</u>									
City of Roseville									
El Dorado ID - FD&R	88,830.35	1,900.80	86,929.55	17,385.91	(0.05)	17,385.86	5,397	1,510	3.22
Sacramento County WA	596.15	20.48	575.66	115.13	0.12	115.25	3,632	4,400	0.03
San Juan WD	124,531.86	2,205.44	122,326.42	24,465.28	(0.39)	24,464.89	7,502	4,840	3.26
Total Folsom D & R	213,958.36	4,126.72	209,831.63	41,966.33	(0.32)	41,966.01			
<u>Folsom-South Canal</u>									
East Bay MUD	333,065.16	9,582.85	323,482.31	64,696.46	0.71	64,697.17	27,165	11,000	2.38
Sacramento MUD	106,746.12	4,124.98	102,621.15	20,524.23	30.00	20,554.22		6,000	3.43
Total FS Canal	439,811.29	13,707.83	426,103.45	85,220.69	30.71	85,251.40			

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<u>Friant Dam</u>									
County of Madera	1,126.55	75.64	1,050.91	210.18	0.16	210.34	113	40	1.86
Fresno County WW #18	1,740.44	821.45	918.99	183.80	45.86	229.66	148	30	1.55
Total Friant Dam	2,866.98	897.09	1,969.89	393.98	46.02	440.00			
<u>Friant-Kern Canal</u>									
Arvin-Edison WSD									
City of Fresno	582,056.74	51,442.84	530,613.90	106,122.78	(4,317.79)	101,804.99	59,581	12,000	1.71
City of Lindsay	27,970.68	1,091.40	26,879.28	5,375.86	(6.65)	5,369.21	1,700	500	3.16
City of Orange Cove									
Delano-Earlimart ID									
Lindsay-Strathmore ID									
Shafter-Wasco ID									
Terra Bella ID									
Total FK Canal	610,027.42	52,534.24	557,493.18	111,498.64	(4,324.44)	107,174.20			
<u>Sacramento River</u>									
City of Redding - SR	49,284.59	1,369.24	47,915.35	9,583.07	0.06	9,583.13	2,820	752	3.40
City of West Sacramento	35,623.82	1,059.74	34,564.07	6,912.81	(0.06)	6,912.75	6,871	1,936	1.01
Lake California P.O.A.	2,389.30	56.50	2,332.80	466.56	(0.01)	466.55	200	40	2.33
Meyer Crest Ltd.	2,068.85	87.95	1,980.90	396.18	0.38	396.56	115	46	3.45
Riverview Golf & CC	366.98	8.38	358.60	71.72	0.10	71.82	25	5	2.87
Total Sacramento River	89,733.54	2,581.81	87,151.73	17,430.35	0.45	17,430.80			
<u>San Felipe Unit</u>									
SB County WD - IB									
SC Valley WD - IB	1,063,230.34	33,374.35	1,029,855.98	205,971.20	(141.66)	205,829.53	99,706	26,000	2.06
Total SF Unit	1,063,230.34	33,374.35	1,029,855.98	205,971.20	(141.66)	205,829.53			
<u>San Luis Canal - Fresno</u>									
City of Avenal	26,519.33	2,453.55	24,065.78	4,813.16	(9.86)	4,803.29	2,738	700	1.75
City of Coalinga									
City of Huron	12,225.72	1,902.63	10,323.09	2,064.62	(77.09)	1,987.53	830	600	2.40
State of CA	83.40	11.72	71.68	14.34	(0.32)	14.02	10	2	1.40
Westlands WD									
Total SLC - Fresno	38,828.44	4,367.89	34,460.55	6,892.11	(87.27)	6,804.83			

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<u>San Luis Canal - Tracy</u>									
Broadview WD	283.80	22.49	261.31	52.26	0.37	52.63	20	4	2.63
Pacheco WD - SLC									
Panoche WD - SLC									
San Luis WD - SLC									
Total SLC - Tracy	<u>283.80</u>	<u>22.49</u>	<u>261.31</u>	<u>52.26</u>	<u>0.37</u>	<u>52.63</u>			
<u>Shasta Dam</u>									
Centerville CSD	147.07		147.07	29.41		29.41	944	580	0.03
Mountain Gate CSD	5/ 4,084.92	110.01	3,974.91	794.98	0.50	795.48	779	270	2.64
Shasta CWA	5/ 13,646.16	392.67	13,253.49	2,650.70	0.17	2,650.86	293	104	2.25
Total Shasta Dam	<u>17,878.15</u>	<u>502.68</u>	<u>17,375.47</u>	<u>3,475.09</u>	<u>0.67</u>	<u>3,475.76</u>			
<u>Spring Creek Conduit</u>									
City of Redding - SCC	10,155.26	333.54	9,821.71	1,964.34	(0.11)	1,964.23	4,436	1,098	0.44
Shasta CWA - SCC	1,657.38	41.24	1,616.14	323.23	0.06	323.29	186	100	1.74
Shasta CSD	7,644.43	197.14	7,447.29	1,489.46	0.03	1,489.49	625	200	2.38
Total SC Conduit	<u>19,457.07</u>	<u>571.92</u>	<u>18,885.15</u>	<u>3,777.03</u>	<u>(0.02)</u>	<u>3,777.01</u>			
<u>Tehama-Colusa Canal</u>									
Colusa County WD	271.21	8.83	262.38	52.48	0.21	52.68	150	30	0.35
<u>Toyon Pipeline</u>									
City of Redding - TP									
City of Shasta Lake									
US Forest Service	129.71	8.29	121.42	24.28	(1.43)	22.86	10	2	2.29
Total Toyon Pipeline	<u>129.71</u>	<u>8.29</u>	<u>121.42</u>	<u>24.28</u>	<u>(1.43)</u>	<u>22.86</u>			
Sub Total	<u>2,562,984.26</u>	<u>114,434.26</u>	<u>2,448,550.00</u>	<u>489,710.00</u>	<u>(4,475.04)</u>	<u>485,234.96</u>			
Foresthill PUD	3/ 9,575.57		9,575.57	1,915.11					
Other	15,430.88	6,874.00	8,556.88	1,711.38					
Grand Total	<u>2,587,990.71</u>	<u>121,308.26</u>	<u>2,466,682.45</u>	<u>493,336.49</u>	<u>(4,475.04)</u>	<u>485,234.96</u>			

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FOOTNOTES

1/	CFO Adjustment	PFR Credit	Net
Balance as of 9/30/2001 (2003 Water Rates, Sch A-2A)	2,632,476.56	129,524.16	2,502,952.40
Less: Adjustment (included in 2002 accounting - 2004 Water Rates, Sch B-1)			
City of Orange Cove	12,734.05	3,188.39	9,545.66
City of Redding - TP	925.55	770.22	155.33
City of Shasta Lake	30,826.25	4,257.29	26,568.96
	<u>44,485.85</u>	<u>8,215.90</u>	<u>36,269.95</u>
Adjusted Balance as of 9/30/2001 (2005 Water Rates, Sch A-2Ab)	<u>2,587,990.71</u>	<u>121,308.26</u>	<u>2,466,682.45</u>

2/ Adjustment to the FY 2003 PFR Adjustment Allocation was made in the 2004 Water Rates. Annual PFR adjustment cost is calculated by dividing the adjustment amount by the remaining four years.
Ref: PFR M&I INT CHR G ADJ SUMMARY (2004 Water Rates)

3/ Contractor is no longer included under the permanent contractors. The contractor's share of CFO adjustment is included in water marketing beginning with the fiscal year 2004 accounting.
(2004 - \$ 3,830.24, 2005 through 2007 - \$ 1,915.11 annually)

4/ Adjusted Annual Cost	485,234.96
Deferred Amount to be included in the 2006 through 2007 accountings	X <u> 2</u> 970,469.92
Foresthill PUD - to be included in the 2006 through 2007 accountings	3,830.23
Other - less FY 03 - 05 distribution for Contra Costa WD (los Vaqueros) cost	<u>7,719.30</u>
Per M&I Application of CFO & PFR Audit Adj. analysis at 9/30/05	<u>982,019.45</u>

5/ CFO/PFR Adjustment Rate has been adjusted due to the assignment. See Sch A-12 and A-6 for details.

	Adjusted Annual Cost	Adjustment	Total	Projected 2007 Deliveries	20% of Contract Maximum	CFO/PFR Adjustment Rate
Bella Vista WD	7,665.89	729.62	8,395.51	3,199	1,516	2.62
Mountain Gate CSD	795.48	1,262.32	2,057.80	779	270	2.64
Shasta CWA	2,650.86	(1,991.94)	658.93	293	104	2.25

6/ Formerly Diamonds Lands Corp.