

## **Foreword**

**Background:** This foreword provides a summary of significant changes from prior years in amounts and/or procedures, including new legislative requirements and impacts; as well as, input received from water contractors, associated water authorities, and the Central Valley Project Water Association (CVPWA) on the 2009 Central Valley Project (CVP) water rates and the fiscal year 2007 water contractor accountings.

The fiscal year 2007 contractor accountings are provided in final form. Additional updates may occur as needed. Please note that Reclamation has a site on the Internet where the 2009 CVP water rate schedules are posted for reference. This site can be accessed at [www.usbr.gov/mp/cvpwaterrates](http://www.usbr.gov/mp/cvpwaterrates). If there are any problems accessing the site or viewing the schedules, please contact Ms. Kathryn Osborn at 916-978-5350.

### **East Bay Municipal Utility District (EMUD) Projected Deliveries**

The interim solution to use a 3-year average of 165,000 a/f or 55,000 a/f per year in consideration of the dry year provisions has been carried over to the 2009 water rates. The EBMUD 2009 projected deliveries will be 27,500 a/f (50% of the calculated contract entitlement).

### **Site Security Costs**

Security/guards and patrol costs are included in the 2009 water rates. The estimated costs for FY 2009 are \$2,894,145 for Irrigation and \$456,070 for M&I.

### **Capital Costs**

Projected capital costs for fiscal year 2009 were updated from amounts shown in the draft rates to reflect reduced amounts for the following items:

- Storage - Other Storage Costs
- Other Costs - Level 2 Refuge Water Supply
- Project Use Power – Capital Costs for Bureau of Reclamation

## **Trinity Public Utilities (PUD) Assessment**

In accordance with Public Law 106-377, Section 203, Reclamation will collect the PUD from water contractors of \$162,000 (indexed) annually and remit the amount to the Trinity Public Utility District. For 2009, the assessment will again be handled outside of the water rate setting calculations. The 2009 assessment rate has been calculated to be \$0.07 per acre foot. This assessment along with the restoration charges and Friant surcharges per acre foot will be shown in Schedule A-1 of the Irrigation and M&I water rate books under “Assessments and Charges”.

## **Projected Water Deliveries**

In past years, a formula was used to calculate the current year projected deliveries for M&I schedules A-15, A-14, and A-13; as well as, Irrigation schedules A-14 and A-13. For the 2009 rates, projected deliveries from schedule A-12 are used.

## **Water Marketing**

The Irrigation and M&I estimated general expense is based on 18.5 percent of the budgeted costs. For 2009, the Irrigation and M&I estimated general expense is \$663,000 (\$3,586,000 x 18.5%).

## **Renewed Contracts**

The following contractors renewed their contracts. The applicable rate has been updated accordingly:

- City of Avenal
- City of Coalinga
- City of Huron
- Panoche WD
- San Luis WD
- State of California

## **Rescheduled Water and Incremental Transfer Revenue**

Rescheduled water revenues (Irrigation or M&I) have been applied to storage capital beginning in fiscal year 2004 (refer to schedule A-4) in accordance with a prior Reclamation management decision. For 2009, incremental transfer revenue has also been applied as a credit to applicable capital and O&M components. A list of incremental revenue is included with the Final Water Rates Schedules as a supplemental schedule titled “Incremental Revenue.”

## **Project Use Energy (PUE) Costs for FY 2007 Accountings**

The PUE costs by component/facility included in the FY 2007 Accountings are based on the Schedule of Estimated PUE Costs (Schedule A-11) from the 2007 Rate book. It includes a True-up of FY 2006 PUE costs; FY 2006 estimated PUE for Bella Vista (McConnell Foundation water), true-up of FY 2005 PUE costs, and a true-up adjustment for FY 2005 Coleman costs. The breakdown of the FY 2007 PUE expenses is shown below:

• Estimated PUE Costs from 2007 Schedule A-11	\$17,602,307
• FY 2006 PUE True-up adjustment	(6,279,588)
• FY 2005 Coleman True Up	87,076
• FY 2005 True-up adjustment	(4,406,833)
• FY 2006 Bella Vista (McConnell Adj.)	4,274
○ Total Irrigation and M&I PUE Expenses in FY 2007	<b>\$ 7,007,236</b>

If you have any questions on the 2009 CVP water rates, please contact Ms. Autumn Wolfe at 916-978-5391, [awolfe@mp.usbr.gov](mailto:awolfe@mp.usbr.gov) or by fax at 916-978-5392.