



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825-1898

IN REPLY REFER TO:

MP-3400
FIN-4.03

AUG 11 2016

To: Central Valley Project Water Contractors

Subject: Fiscal Year (FY) 2015 Central Valley Project (CVP) Contractor Annual Accounting Analysis for Irrigation and Municipal and Industrial (M&I) Water

Dear Water Contractor:

The CVP FY 2015 (October 2014 through September 2015) Irrigation and M&I annual accounting is complete. Enclosed for your review is the annual accounting analysis (analysis) for your contract.

Part One of the Analysis

This section identifies:

- Water charges for FY 2015;
- Contractor's share of Project Use Energy O&M costs (Recovered on behalf of the Western Area Power Administration);
- Contractor's share of CVP operation and maintenance (O&M) costs.
 - Water Marketing costs for FY 2013 and FY 2014 have been added and allocated separately based on the applicable deliveries of those years. Please refer to the supplemental schedules included on the Ratesetting web site for the cost and cost distribution (Schedule B-4Bb and Schedule B-4Bc);
- Contractor's share of CVP extraordinary operation and maintenance (XO&M) costs;
- Water charges applied to outstanding deficit and construction obligations (if any); and,
- Contractor's surplus or deficit for FY 2015.

If your analysis shows a negative balance for part one, then your contract has a deficit for this period. Deficits for O&M may be paid pursuant to the voluntary payment policy which can be found on Reclamation's website at <http://www.usbr.gov/mp/cvp/laws.html>. If the deficit is not paid within 30 days, interest will accrue on the balance and a deficit component will be included in future water rates to recover this obligation by the year 2030.

If your analysis shows a positive balance for part one, then your contract has a surplus for this period, and you may be eligible for a refund. You are eligible to receive a refund to the extent:
1. All water charges have been paid for the FY as part of part two; and 2. The surplus is greater

than \$1,000. In accordance with the water service contract, if the amount is less than \$1,000, the amount will be applied toward any of the contractor's outstanding obligations. If the contractor does not have any outstanding obligations, the surplus amount will be refunded at the contractor's request.

Part Two of the Analysis

This section identifies:

- Water charges due for water delivered in FY 2015, and payments received;
- Applicable surcharges for water delivered in FY 2015, and payments received; and,
- Calculation of over/under payment (if any) of water charges and surcharges.

Detailed payment information is shown in the enclosed payment analysis, including the check number, payment total, and how payment was applied to charges. If your analysis shows an overpayment of charges, this indicates that water charges were paid as required by the provisions of your contract and the overpayment can be applied toward other outstanding obligations, future water charges, or refunded. Please notify the Bureau of Reclamation within 30 days of this letter regarding how you would like your overpayment applied. If no notification is received, overpayments will be applied based on ratesetting policy.

If your analysis shows an underpayment of charges, this indicates that your charges have not been fully paid as required by the provisions of your contract. Underpayment of charges identified in the enclosed analysis is due within 30 days of this letter. If not paid within 30 days, interest and penalties will be applied to the amount due.

Payments for underpaid water charges and voluntary payments of a deficit balance, if applicable, should be sent with a copy of this analysis to:

Bureau of Reclamation
Mid-Pacific Region
PO Box 301502
Los Angeles, CA 90030-1502

If you have any questions, please contact Mr. Jesus Reynoso at 916-978-5362, by e-mail at jreynoso@usbr.gov or by fax at 916-978-5392.

Sincerely,



Rodney Whitfield
Regional Financial Manager

Enclosure(s)