

**U.S. Bureau of Reclamation’s Assessment of
Costs and Benefits to Federal Government of Westlands’ Drainage Settlement
(Presented in Present (2015) Net Worth)**

Benefits to Federal Government	Costs to Federal Government
<p>\$1.3 billion saved¹ <i>\$2.5 billion (estimated cost of drainage for Westlands) <u>minus</u> \$1.2 billion (present value of Westlands construction repayment)</i></p>	<p>\$295 million in 2015 dollars³ <i>(Westlands repayment of CVP capitalized construction obligations of \$375 million, discounted to value in 2015)</i></p>
<p>\$0 to \$2 billion saved² <i>(Takings claims)</i></p>	<p>\$13.6 million San Luis Drain Feature Re-Evaluation (SLDFRE)⁴ <i>(Westlands repayment of SLDFRE capitalized construction costs of \$23.6 million, discounted to value in 2015)</i></p>
	<p>\$2.6 million Grasslands Bypass⁵ <i>(Westlands O&M obligation for Grasslands Bypass)</i></p>
	<p>Total of \$19.9 million over next 15 years⁶ <i>(Reclamation Reform Act Relief)</i></p>
<p>Total Savings: \$1.3 to \$3.3 billion</p>	<p>Total Costs: \$331.1 million</p>

¹ Total drainage construction costs (as provided for under the 2007 Record of Decision) indexed to April 2015 are \$3,798,393,390. Northerly Area portion of drainage costs were removed leaving \$2,535,021,682 related to Westlands Water District. Assuming annual spending is straight-lined over a 15 year period, the annual straight-lined expense to implement drainage is compounded to the year 2030 at an inflation rate of 3%, resulting in the annual escalation of costs. An additional \$1,236,868,997 is subtracted to account for the assumed 40 year construction repayment with no interest beginning in 2030 discounted to 2015 dollars at a 3% discount rate.

² Estimated range of damages and pay compensation for takings claims arising out of Etchegoinberry v. U.S. litigation.

³ Present value calculation (using 3% discount rate) for Westlands remaining CVP capitalized construction obligation. Assumed Westlands would continue to repay \$375 million until year 2030 with no interest.

⁴ Present value calculation (using a 3% discount rate) for Westlands repayment obligation for capitalized construction costs associated with San Luis Drain Feature Re-Evaluation, with repayment beginning in 2016. Assumed Westlands would repay \$23.6 million over 40 years.

⁵ Estimated O&M obligation for Westlands (Broadview assignment only) for drainage costs associated with Grasslands Bypass. These costs were previously designated as capitalized construction costs and were not recovered on an annual basis when the expenditures occurred.

⁶ Estimated Reclamation Reform Act (RRA) revenue Reclamation could have received by 2030. Amount varies year to year and is dependent on annual allocation and application of water placed on to full cost lands pursuant to the RRA.