

3.15.23

Summary of 2023 Water Year Initial District Data

Water Supply Remaining at February 28, 2023:

Total	<u>17,090</u> AF
District Bank	<u>-255</u> AF
Customer Accts	<u>16,835</u> AF

Carryover Charges Billed on February 28, 2023:

17,090 acre feet @ \$8.70/acre foot \$ 148,683.00

Water Availability Charges Billed on March 1, 2023:

41,172 acres + 1,334 SWPP acres + 1,267 District Bank acres = 43,773 acres @ \$51.00/acre \$ 2,232,423.00

Watershed Coalition Charges Billed on March 1, 2023:

38,043 acres @ \$7.98/acre \$ 303,583.14

Contract Conversion Assessment Billed on March 1, 2023:

41,100 acres - 5,750 Prepaid acres = 35,350 acres @ \$25.00/acre \$ 883,750.00

Sustainable Groundwater Management Act GSP Billed on March 1, 2023:

41,228 acres @ \$8.12/acre \$ 334,771.36

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Strategy for Changes to Central Valley Project Water Rights to Facilitate New Storage Projects

Purpose

Under the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016, Reclamation is studying the potential for Central Valley Project (CVP) water to be stored or conveyed through new non-federal projects as well as changes to federal storage projects. As part of these projects, Reclamation is determining what changes to CVP water rights would be required. One big concern of the State Water Resources Control Board (Board) is whether Reclamation is planning to petition to extend the beneficial use period of CVP water rights.

Background and History

The beneficial use period authorized under CVP water right permits ended in December of 1990. This is the point at which a water right holder is expected to either demonstrate full beneficial use and be granted a license or request the water right beneficial use period be extended. A request for extension must be accompanied by a justification for extension, typically some factor beyond the control of the water right holder – for example growing municipal and industrial demand.

Reclamation has petitioned the Board in the past to extend the beneficial use period of CVP water rights. That petition resulted in over 200 protests, which stalled the petition. One major theme of the protests was that Reclamation did not know the amounts of water developed under the permits (the maximum amount of storage in a year, the maximum amount of water direct diverted in a year, the maximum amount of water withdrawn from storage in a year).

Strategy

Reclamation has determined the most efficient water rights approach for these new projects is to petition for changes that fall within the existing developed amounts under CVP water rights. Developed amounts are the maximum volumes of water diverted and put to beneficial use in a single year within the beneficial use period prescribed by the water right permit (for the CVP this is through December 31, 1990); staying within developed amounts means that total CVP diversions and use, including diversions and use for the new projects, will not exceed the historical maxima. Preliminary results of the analysis suggest proposed storage projects can easily operate within developed amounts- especially given the impacts regulations have had since 1992.

Over the past decade, Reclamation has been working to determine developed amounts under each CVP water right – initially to determine whether each water right is ripe for licensing or warrants petition to extend the beneficial use period. Once maximum volumes are determined, they can be compared to the modeled changes for each proposed storage project and used to demonstrate that proposed water right changes fall within the existing developed amounts that are ready to be licensed (licensing would not be required – Board has very limited staff available to license water rights.)

Reclamation has developed water right accounting spreadsheets for each CVP storage facility (the full operational period) and for Sacramento River Settlement Contract deliveries. However, Reclamation is having difficulty finding monthly historic delivery data, which is needed to determine maximum direct diversion amounts. Reclamation is also working on documentation of the analysis and assumptions, which will become an appendix to future petitions for water right changes (as well as example spreadsheets for the top three years for maximum uses for each water right.) Reclamation is also utilizing meetings between Contra Costa Water District, the California Department of Water Resources, and the Board to ask clarifying questions on water rights accounting and licensing procedures.

How You Can Help

Reclamation is creating a spreadsheet that encompasses the history of project water delivery contracts to facilitate the collection of historic monthly delivery data. Reclamation will make this spreadsheet available to canal authorities when it requests assistance in filling in data gaps in the near future. If you have a good record of your project deliveries, please feel free to request a copy of the spreadsheet.

How You Can Learn More

Reclamation would like to be fully transparent on this effort. Reclamation has not determined the best outreach approach and is seeking input from CVP contractors. Reclamation would welcome review of draft documents and spreadsheets, as well as support on delivery data collection. Potential outreach could include large workshops, smaller regional meetings, and/or one-on-one meetings, as well as sharing of draft documents.

Contact

Lisa Holm, PE, Chief of Water Rights and Contracts, California Great Basin Region,
lholm@usbr.gov, 916-978-5250



MEMORANDUM

TO: SLDMWA Finance & Administration Committee Members, Alternates
SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer
Ray Tarka, Director of Finance

DATE: March 6, 2023

RE: Finance & Administration Committee Recommendation / Board Approval of
Revised Water Year 2023 OM&R Water Rates

BACKGROUND

The Water Authority Board of Directors adopted the initial Water Year (WY) 2023 OM&R rates on February 9, 2023 at a 10% agricultural water contractor allocation. The rates are calculated based on the approved FY24 OM&R budget and estimated deliveries on forecasted water supply allocations and supplemental water supply information provided by contractors. Costs to be recovered through the WY2023 OM&R water rates are those previously approved by the Board of Directors: (1) FY2024 Self-Funding OM&R budget of \$17,447,862, (2) FY2024 EO&M budget of \$6,690,391, (3) FY2024 Debt Service on repayment agreements for the Jones Pumping Plant Rewinds of Unit 6 and Unit 5 of \$380,441 and \$282,305 respectively, and (4) FY2024 Debt Service on the Series 2021A bonds of \$448,227. The FY2024 costs associated with each cost pool have been identified in the self-funding budget.

On February 22, 2023, the Bureau of Reclamation announced initial 2023 water supply contract allocations based on updated reservoir and hydrologic conditions. The water year is currently forecasted to be non-critical, which will allow settlement and Exchange contractors a 100% contract allocation. In addition, Reclamation announced initial allocations of 35% to south-of-Delta agricultural water contractors and 75% to south-of-Delta municipal and industrial contractors. Monthly updates to the allocation are expected, with the first update and possible change expected during the third week of March.

ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend, and the Board should approve, the revised Water Year 2023 OM&R water rates submitted as calculated based on a 35% agricultural contractor allocation.

Memo to SLDMWA Finance & Administration Committee, Board of Directors

March 6, 2023

Page 2 of 2

RECOMMENDATION

Staff recommends approval of Revised Water Year 2023 OM&R water rates as calculated on the 35% agricultural contractor allocation, 75% municipal and industrial allocation, and member-reported estimated deliveries applied retroactively to deliveries made on or after March 1, 2023 (see **Attachment 1**).

ANALYSIS

While it is not the Authority's standard practice to make frequent adjustments of OM&R rates, staff is recommending this adjustment as a result of the recent water allocation announcement by Reclamation.

Adjusting the rates to reflect the initial contract allocations will have the effect of decreasing the rates in the amounts identified in the attachment.

ATTACHMENT 1

WY 2023 O & M WATER RATES

AT 35 % AG ALLOCATION

Revised – Retroactive to March 1, 2023

FINANCE & ADMINISTRATION COMMITTEE
MARCH 6, 2023

BOARD OF DIRECTORS
MARCH 9, 2023



San Luis & Delta-Mendota Water Authority

LOS BANOS ADMINISTRATIVE OFFICE
TRACY FIELD OFFICE

LOS BANOS FIELD OFFICE
C.W. "BILL" JONES PUMPING PLANT

O'NEILL PUMPING PLANT

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San Luis & Delta-Mendota Water Authority
Notes to Support the Proposed WY23 O&M Rates to FAC 03.06.23/BOD 03.09.23

1 O&M Budget - Self Funded

WY23 - Fiscal Year 3/1/23-2/28/24

RO&M = \$17,531,811.79 total, \$17,447,861.91 SLDMWA Water Users, \$83,949.88 USBR

1 EO&M = \$6,690,391.23- includes indirect

2 Delivery Assumptions

Ag - Contractor Estimates, 35%, with Contractor projections

M&I - Contractor Estimates 75%, with Contractor projections

Refuge - 100% used BOR Refuge Estimate

Exchange/Water Rights - 100%

Estimated Rescheduled Water

Pump-Ins

Miscellaneous Transfers

Mendota Pool Pumpers

Volta Well Pumping

3 Intertie

Conveyance not included in Proposed Draft -Preliminary rates

Intertie anticipated to be used in WY23, estimated at 1,293,609 a/f per SLDMWA

Final cost allocation for Intertie O&M, Intertie PUE and

DWR Conveyance remains undetermined

Intertie DWR Wheeling budgeted costs reduced to zero

4 Volta Wells

Volta Wells Program estimated at 2,400 a/f - Costs split between DPWD and SLWD

5 PUE SLDMWA Meters

Not Included in Proposed Draft -Preliminary rates

WY23 PUE estimates based on BOR PUE FYE 9/21/23 Billing Plan

PUE Budget relating to WY22- FY 3/1/22- 2/28/23 = \$19,070,926

PUE Budget relating to WY23- FY 3/1/23- 2/28/24 = \$20,209,382

6 DWR San Luis Joint Use

Not included in Proposed Draft -Preliminary rates

WY23 SLJU costs based on DWR Calendar Year Budget Estimates & Historical Actuals

SLJU projection relating to WY22 - FY 3/1/22- 2/28/23 = \$19,070,926

SLJU Budget relating to WY23 - FY 3/1/23- 2/28/24 = \$15,980,436

Federal cost allocation for 2016-2020 = 39.90%

7 EO&M Funding

Funding Obligation:

1 EO&M Funding Obligation WY23 FY 3/1/23 - 2/28/24 = \$6,690,391.23, EO&M Budget = \$6,698,391.23

Rewind Debt Service Funding Obligation-BOR Repayment Contract(Unit 6) WY21 FY 3/1/23-2/28/24 = \$380,441

Rewind Estimated Debt Service Funding Obligation-BOR Repayment Contract Unit 5 WY21 FY 3/1/23-2/28/24 = \$308,000

Rewind Debt Service Funding Obligation-2021A Bonds WY21 FY 3/1/23-2/28/24 = \$448,227

8 Overall Increase In Estimated Recoverable Costs over Prior Year.

Total Estimated Recoverable Costs in Water Year 2023 = \$ 61,704,456

Total Estimated Recoverable Costs in Water Year 2022 = \$ 57,164,174

* See page 4 for Detail

112



San Luis & Delta-Mendota Water Authority

Proposed Revision WY23 O&M Rates

Using Member Projection of WY23 Deliveries, based on 35% Ag Allocation

FAC 03.06.23/BOD 03.09.23

	<u>WY 2023 Rate</u> 3/1/23-2/28/24 <u>Revised</u> WY2023	<u>WY 2023 Rate</u> 3/1/22-2/28/23 <u>Current</u> WY2023	Variance
WATER SUPPLY			
Irrigation	35%	10%	25%
M&I	75%	60%	15%
Refuge	100%	100%	0%
Exchange/Water Rights	100%	100%	0%
RATES			
Upper DMC	\$15.75	\$21.17	(\$5.42)
Upper DMC - Exchange/Wtr Rts	\$15.21	\$20.36	(\$5.15)
Lower DMC/Pool	\$18.18	\$24.27	(\$6.09)
Lower DMC/Pool - Exchange/Wtr Rts	\$17.64	\$23.46	(\$5.82)
San Felipe	\$21.26	\$32.02	(\$10.76)
SLC Above Dos Amigos	\$38.47	\$67.26	(\$28.79)
SLC Below Dos Amigos	\$50.14	\$91.15	(\$41.01)
Volta Wells	\$29.14	\$29.14	\$0.00
San Luis Drain	\$0.36	\$0.76	(\$0.40)



SLDMWA - O&M Rates

WY2023 SELF-FUNDING SLDWMA O&M WATER RATES - @ 35% Ag ALLOCATION

Revised March 1, 2023
 Finance & Administration Committee 03.06.23
 Board of Directors 03.09.23

COST POOLS	SLDMWA ANNUAL O&M & PWR		SLDMWA RESERVES		SLDMWA RESERVES		SLDMWA RESERVES		SLDMWA RESERVES		SLDMWA RESERVES		SLDMWA RESERVES		SLDMWA RESERVES		TOTAL	
	UPPER DMC/JPP	UPPER Intente (Temporary Cost Pool)	JPP PWR	VOLTA WELLS	LOWER DMC/ Mandate Pool	O'NEILL P/G O'NEILL O&M & PWR	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users	RESERVES All Users		POWER
PARTICIPANTS	All Users																	
COSTS TO BE ALLOCATED*	\$10,328,519	\$270,806	\$13,742,380	\$69,936	\$3,327,038	\$4,887,614	\$5,690,391	\$380,441	\$282,365	\$448,227	\$12,242,258	\$3,472,786	\$4,243,970	\$80,991,737				
ACRE FEET	2,132,340	1,293,609	2,102,664	2,400	1,371,954	820,246	% of 10 Yr Historical Use	% of 10 Yr Historical Use	% of 10 Yr Historical Use	% of 10 Yr Historical Use	771,990	661,593	661,593					
RATE PER AF	\$4.85	\$0.21	\$6.54	\$29.14	\$2.43	\$5.96	\$0.17	\$0.13	\$0.22	\$0.32	\$17.21	\$5.25	\$6.42					

Direct	Storage
O&M = \$0.38	O&M = \$27
OSU DWR = \$2.29	O&M DWR = \$1.02
Pwr = \$5.19	Pwr = \$1.16
O&M \$	\$0.27
DWR \$	0.26
PUE \$	2.16
	\$0.19
	\$6.86
	\$0.45

WATER SUPPLY ASSUMPTIONS
 Irrigation 35%
 M&I 75%
 Refugs 100%
 Ev/Wtr Ris 100%

Note: Supply assumptions are based on contractor estimates.

SLDMWA COMPONENT RATE PER ACRE FOOT - BY DELIVERY AREA / CONTRACTOR

Contractor	Rate
Upper DMC	\$15.25
Exchange/Wtr Ris (Upper)	\$15.21
Lower DMC/Pool	\$18.16
San Felipe	\$21.28
San Luis Canal Above Dos Amigos	\$38.47
San Luis Canal Below Dos Amigos	\$91.14
Exchange/Wtr Ris (Lower)	\$17.84
Relief (Lower)	\$18.18
Volta Wells	\$29.74
San Luis Drain	\$0.36

COSTS TO BE ALLOCATED

O&M Budget per above - (excludes Volta Wells O&M)	\$17,386,125
Required Reserve Funding	\$6,690,391
Rewind Reserve Funding - Debt Service Unit 6 BOR Rmt Contract	\$380,441
Rewind Reserve Funding (E&I) - Debt Service Unit 6 BOR Rmt Contract	\$282,305
Rewind Reserve Funding - 2021A Bonds	\$448,227
San Luis Drain	\$245,213
Volta Wells - DPWD/SLWD	\$69,936
Intente: DWR Wheeling	\$0
JPP	\$13,742,380
Intente	\$202,094
Volta Wells	\$0
O'Neill	\$2,020,938
SAN LUIS JOINT USE	
DWR - San Luis Canal O&M	\$12,242,958
DWR - Dos Amigos O&M	\$3,472,786
DWR - O'Neill	\$265,412
POWER	
Dos Amigos	\$4,243,970
Total	\$81,704,656



San Luis & Delta-Mendota Water Authority

4

Self-Funding O&M Budget Comparison WY23/WY22

3.6.23 FAC / 3.9.23 BOD

	RO&M	EO&M Self-Funding Reserve Obligation	Self-Funding PUE	Self-Funding SLJU	Volta Wells (DPWD & SLWD Only)	Intertie DWR Conveyance	TOTALS
WY23	\$ 17,643,338	\$ 7,801,365	\$ 20,209,382	\$ 15,980,436	\$ 69,935	\$ -	\$ 61,704,456
WY22	\$ (16,013,972)	\$ (7,830,000)	\$ (19,070,926)	\$ (13,199,596)	\$ (76,050)	\$ (973,630)	\$ (57,164,174)
Variance	\$ 1,629,366	\$ (28,635)	\$ 1,138,456	\$ 2,780,840	\$ (6,115)	\$ (973,630)	\$ 4,540,282
	*	*	*	*	*	*	*

* Included in O&M Rate Calculations

- O&M
- Reserve Obligations
- Project Use Energy (PUE)
- San Luis Joint Use (SLJU)
- Volta Wells (DPWD & SLWD only)
- Intertie DWR Conveyance

115

DRAFT

2023-24 Agricultural Water Rate

3.15.23 REVISED FINAL
Component:

	Ag
Bureau Cost of Service Rate (estimate per 2023 Ratebooks)	35.81
USBR O&M Rate set using a 7-year historical average (36,973 AF) Ag Service Allocation for O & M	\$ 35.81
Authority O & M Rate Revised 3.9.23	\$ 15.89
Estimate based on projected actual deliveries of all water types at a 15% CVP Ag Service Allocation, 60% M&I Allocation and 100% Allocation to Refuges and Exchange/Water Rights Contractors	\$ 15.89
Restoration Fund Rate (thru 9/30/23) (Final)	\$ 12.02
Trinity Public Utilities District Assessment (Final)	\$ 0.15
Rounding Profit/(Subsidy) of Basic Rate from Rate Stabilization Fund	\$ 4.13
Estimated Cost by Supply Type	\$ 68.00

IX A.

116

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IX.B.

Anthea Hansen

From: Reclamation Office of Communications <publicaffairs@usbr.gov>
Sent: Thursday, March 9, 2023 10:01 AM
To: Anthea Hansen
Subject: News: President's Fiscal Year 2024 Budget Requests \$1.4 Billion for the Bureau of Reclamation



Bureau of Reclamation News Release

For Release: March 9, 2022

Contact: press@usbr.gov

President's Fiscal Year 2024 Budget Requests \$1.4 Billion for the Bureau of Reclamation

Proposed investments continue efforts to enhance water and hydropower reliability across the west

The Biden-Harris administration today released the President's Budget for fiscal year 2024. The \$1.4 billion budget for the Bureau of Reclamation makes critical, targeted investments in the American people that will promote greater prosperity and economic growth for decades to come.

"The President's budget proposal lends significant support to Reclamation's priorities to secure and modernize our nation's water infrastructure to ensure our work progresses with stakeholders to sustainability address drought, climate change and issues of equity," said Commissioner of Reclamation Camille Calimlim Touton. "This will allow our dedicated professionals to develop innovative solutions and support adaptive management of precious resources, for today and into the future."

At the Bureau of Reclamation, the President's budget request will:

Prioritize climate resiliency and drought mitigation:

117

As communities across the Colorado River Basin continue to face the impacts the ongoing drought crisis, the Biden-Harris administration is acting to improve and protect the stability and sustainability of the Colorado River System now and into the future. The Department of the Interior is pursuing a collaborative, consensus-based approach to both deploy resources that conserve water and increase the efficiency of water use in the Colorado River Basin.

The budget proposal includes a \$49 million request for the Lower Colorado River Operations Program, including \$16.8 million to build on the work of Reclamation, Colorado River basin partners and stakeholders to implement drought contingency plans. It also includes \$2.7 million for the Upper Colorado River Operations Program to support Drought Response Operations and \$200.3 million to find long-term, comprehensive water supply solutions for farmers, families, and communities in California. The budget includes \$62.9 million for the WaterSMART Program to support Reclamation's collaboration with non-federal partners in efforts to address emerging water demands and water shortage issues in the West.

Prioritize underserved communities:

Reclamation's request continues to support Racial and Economic Equity through commitments to underserved communities and Tribal areas. A request of \$57.8 million advances the construction and continues the operations and maintenance of authorized rural water projects. The budget request also provides \$35.5 million for the Native American Affairs Program, which provides technical support and assistance to tribal governments to develop and manage their water resources.

Address aging infrastructure needs:

Reclamation's dams and reservoirs, water conveyance systems, and power generating facilities continue to represent a primary focus area of organizational operations. The budget includes \$210.2 million for the Dam Safety Program to effectively manage risks to the downstream public, of which \$182.6 million is for modification actions. Another focus area for infrastructure is \$105.3 million requested for extraordinary maintenance activities across Reclamation. This is part of a strategy to improve asset management and deal with aging infrastructure to ensure continued reliable delivery of water and power.

These funding amounts are included in the \$1.3 billion budget request for Reclamation's principal operating account (Water and Related Resources), which funds planning, construction, water conservation, efforts to address fish and wildlife habitat needs, and operation, maintenance and rehabilitation activities at Reclamation facilities.

Additionally, funding of \$33 million is requested to implement the California Bay-Delta Program and address California's current water supply and ecological

challenges, while \$48.5 million is for the Central Valley Project Restoration Fund to protect, restore, and enhance fish, wildlife, and associated habitats in California's Central Valley and Trinity River Basins.

The request also provides \$66.8 million for Policy and Administration to develop, evaluate, and directly implement Reclamation-wide policy, rules and regulation as well as other administrative functions.

This budget request is complemented by nearly \$1.7 billion in funding Reclamation will receive in FY 2024 from the Bipartisan Infrastructure Law, an historic investment to provide clean, reliable drinking water to rural and Tribal communities, protect the stability and sustainability of the Colorado River System, and increase water efficiency across the West.

For more information on the President's FY 2024 Budget, please visit:
<https://www.whitehouse.gov/omb/budget/>.

About Reclamation: The Bureau of Reclamation is a federal agency under the U.S. Department of the Interior and is the nation's largest wholesale water supplier and second largest producer of hydroelectric power. Our facilities also provide substantial flood control, recreation opportunities, and environmental benefits.

Connect with us on:



If you would rather not receive future communications from Bureau of Reclamation, let us know by clicking [here](#).
Bureau of Reclamation, Denver Federal Center, Alameda & Kipling Street PO Box 25007, Denver, CO 80225 United States

119

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