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United States Department of the Interior
BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898



IN REPLY REFER TO

CGB-3600
1.3.11

To: Central Valley Project Water Contractors

Subject: Charges for the Central Valley Project (CVP) Restoration Fund, Central Valley Project Improvement Act (CVPIA), Public Law 102-575

Dear Water Contractor:

This letter provides notification of the CVP Restoration Fund charge/surcharge amounts for Fiscal Year 2022 (FY 2022) beginning October 1, 2021, through September 30, 2022. The FY 2022 amounts for mitigation and restoration charges, Friant surcharges, and Municipal and Industrial (M&I) surcharges are detailed here.

- The mitigation and restoration charges for FY 2022 are \$11.23 and \$22.46 per acre-foot of sold and delivered CVP agricultural and M&I water, respectively. Mitigation and restoration charges are assessed on all sold agricultural and M&I water delivered to the contractor or any approved transferee(s) receiving CVP water pursuant to the contractor's entitlement. The requirement to pay mitigation and restoration charges is the sole responsibility of the water contractor and may not be delegated to a transferee.
- The Friant Surcharge paid by Friant Division water contractors on delivered CVP water will remain at \$7.00 per acre-foot.
 - The reduction prescribed in the San Joaquin River Restoration Settlement Act will be a \$3.00 per acre-foot reduction to the Operations and Maintenance (O&M) rate paid by Friant Division Water Contractors.
- The M&I surcharge will be \$46.79 per acre-foot for CVP water delivered to water contractors that are subject to this charge.

These charges are payable to the Bureau of Reclamation before the end of the month following the month of delivery and must be consistent with the quantities of agricultural and M&I water deliveries as shown in Reclamation's monthly water statement. Past due payments will be assessed delinquent charges according to the Debt Collection Act of 1982.

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Subject: Charges for the Central Valley Project Restoration Fund, CVPIA, Public Law 102-575 2

Questions about CVP Restoration Fund charges/surcharges should be directed to Mr. Ryan Everest at reverest@usbr.gov, by telephone 530-892-6220, or for TTY access call the Federal Relay Service at 800-877-8339.

Sincerely,

**ANN LUBAS-
WILLIAMS**

Digitally signed by ANN LUBAS-WILLIAMS
Date: 2021.08.25 14:29:03 -07'00'

Ann Lubas-Williams
Regional Financial Manager

cc:

Regional Director
Pacific Southwest Region
U.S. Fish & Wildlife Service
2800 Cottage Way, Room W-2606
Sacramento, California 95825

Mr. Kevin Kasberg
Executive Director
Central Valley Project Water Association
1521 I Street
Sacramento, California 95814-2016

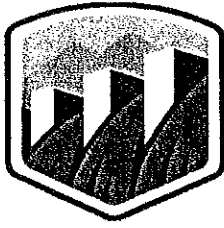
Mr. Donald Ratcliff
U.S. Fish & Wildlife Service
2800 Cottage Way, Room W-2605
Sacramento, California 95825

Ms. Ann Hayden
Environmental Defense Fund
123 Mission Street, 28th Floor
San Francisco, California 94105

Mr. Arun Sethi
Power Marketing Manager
Western Area Power Administration
114 Parkshore Drive
Folsom, California 95630-4710

Mr. Doug Obegi
Natural Resources Defense Council
111 Sutter Street, 20th Floor
San Francisco, California 94104

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RECLAMATION
 CVPIA CHARGES/SURCHARGES

Fiscal Year	FY Dates	Mitigation & Restoration Charges - IRR	Mitigation & Restoration Charges - M&I	Friant Surcharges	M&I Surcharges	Pre-Renewal Charges - IRR	Pre-Renewal Charges - M&I
1993	10/1/1992 - 9/30/1993	6.00	12.00	4.00	25.00	-	-
1994	10/1/1993 - 9/30/1994	6.20	12.40	4.00	25.69	-	-
1995	10/1/1994 - 9/30/1995	6.35	12.69	4.00	26.36	-	-
1996	10/1/1995 - 9/30/1996	6.53	13.06	4.00	27.10	-	-
1997	10/1/1996 - 9/30/1997	6.70	13.39	4.00	27.91	-	-
1998	10/1/1997 - 9/30/1998	6.88	13.76	5.00	28.49	-	-
1999	10/1/1998 - 9/30/1999	6.98	13.96	5.00	28.92	-	-
2000	10/1/1999 - 9/30/2000	7.10	14.20	7.00	29.59	-	-
2001	10/1/2000 - 9/30/2001	7.28	14.56	7.00	30.34	10.92	21.84
2002	10/1/2001 - 9/30/2002	7.54	15.08	7.00	31.42	11.31	22.62
2003	10/1/2002 - 9/30/2003	7.69	15.38	7.00	32.04	11.53	23.06
2004	10/1/2003 - 9/30/2004	7.82	15.64	7.00	32.58	11.73	23.46
2005	10/1/2004 - 9/30/2005	7.93	15.87	7.00	33.06	11.90	23.80
2006	10/1/2005 - 9/30/2006	8.24	16.49	7.00	34.35	12.36	24.74
2007	10/1/2006 - 9/30/2007	8.58	17.15	7.00	35.74	12.87	25.74
2008	10/1/2007 - 9/30/2008	8.79	17.57	7.00	36.61	13.19	26.36
2009	10/1/2008 - 9/30/2009	9.06	18.12	7.00	37.75	13.59	27.18
2010	10/1/2009 - 9/30/2010	9.11	18.23	7.00	37.97	13.67	27.35
2011	10/1/2010 - 9/30/2011	9.29	18.59	7.00	38.72	13.94	27.89
2012	10/1/2011 - 9/30/2012	9.39	18.78	7.00	39.13	14.09	28.17
2013	10/1/2012 - 9/30/2013	9.79	19.58	7.00	40.80	14.69	29.37
2014	10/1/2013 - 9/30/2014	9.99	19.98	7.00	41.63	14.99	29.97
2015	10/1/2014 - 9/30/2015	10.07	20.14	7.00	41.97	15.11	30.21
2016	10/1/2015 - 9/30/2016	10.21	20.41	7.00	42.52	15.32	30.62
2017	10/1/2016 - 9/30/2017	10.23	20.45	7.00	42.61	15.35	30.68
2018	10/1/2017 - 9/30/2018	10.47	20.94	7.00	43.63	15.71	31.41
2019	10/1/2018 - 9/30/2019	10.63	21.26	7.00	44.29	15.95	31.89
2020	10/1/2019 - 9/30/2020	10.91	21.82	7.00	45.46	16.37	32.73
2021	10/1/2020 - 9/30/2021	11.11	22.23	7.00	46.31	16.67	33.35
2022	10/1/2021-9/30/2022	11.23	22.46	7.00	46.79	16.85	33.69

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Financial Affairs Committee (FAC) Contractors Only Meeting Agenda

10:00 a.m. October 15, 2021

MS Teams with call-in 279-666-3100 / ID 279 424 615#

1. Opening Business and Next Meetings

- November 19, 2021 (10:00-11:30 p.m.) – Conference call and/or MS Teams
- December 17, 2021 (10:00 - 11:30 p.m.) – FAC Contractors Only Conference call and/or MS Teams

2. Conversation with Richard Welsh Discussion on Projects in Planning

3. Report on Executive Committee Meeting

1. Opening Business
2. CVPIA
3. Remediation of CVP Costs
4. Annual Budget Process
5. Follow – Up Items
 - Contracting & Charging for Non-Project Use of Excess Capacity in Reclamation Project Facilities – Revenue collection prior to new 2023 rates
 - P.L. 116-260 Aging Infrastructure Account – 2021 Appropriations
 - San Luis Joint Use O&M Cost Reallocation Study
 - Trinity PUD – Converting to a PUE type account
 - Brown-Bag Seminars hosted by CVPWA/USBR on BOR-Works

4. Annual Budget Process

- Discuss benefits of reinstating regional budget meetings and workshops

5. CVPIA Accounting BPGs Letter and Next Steps

- Recommend a new CPAR report

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Financial Affairs Committee (FAC) Meeting Notes
10:00 a.m. September 17, 2021
MS Teams with call-in 279-666-3100 / ID 288 067 807#

The meeting began at 10:00 a.m. and adjourned at 11:55 a.m.

Attendees (28):

Ana Ulloa - EBMUD	Ann Lubas-Williams – USBR
Ansel Lundberg – SMUD	Brooke White – USBR
Anthea Hansen – Del Puerto WD	Cynthia Calvillo – USBR
David Coxey - BVWD	Fernando Castro-Alvarez - USBR
Eric Quinley – DEID	Jesus Reynoso – USBR
Frances Mizuno – SLDMWA	Richard Sanchez – USBR
Jeff Sutton – TCCA	Ryan Everest – USBR
Jonathan Bauer - EBMUD	Sabir Ahmad – USBR
Kevin Kasberg - CVPWA	Steven Melavic – USBR
Minnie Moreno – Del Puerto WD	
Nicole Branum – Westlands	
Pablo Arroyave – SLDMWA	
Sean Bigley – Roseville	
Shelly Murphy – CCWD	
Skye Grass – Kern-Tulare WD	
Tiffany Montooth – DEID	
Cori Stewart -WAPA	
Judith Shimek -WAPA	
Melinda Rollo -WAPA	

1. Opening Business and Next Meetings

- October 15, 2021 (10:00 a.m.) Conference Call - *Contractors Only*
- November 19, 2021 (10:00 a.m.) Conference Call

Save the Date: Water User's Conference planned for Jan 2022 Reno, NV

Confirmation hearing for Camille Touton as Commissioner of Reclamation September 21, 2021

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2. Report on Executive Committee Meeting

➤ Staffing

*Jesus Reynoso to retire October 31, Sabir Ahmad to take role of Ratesetting Branch Chief
Search for new Accounting Services Branch Chief in progress
Fernando Castro-Alvarez detail in CBG region ends October 7*

➤ CVPIA Accounting BPG

Reclamation was unable to provide an update on where this effort stands.

➤ Remediation of CVP Costs

i. *Two Efforts:*

1. *Historic remediation 2014-2019*

- a. *True-up still in process and credits/underpayments not finalized*
- b. *No significant impacts expected through true-up, except for contractors that have not paid construction costs in the recent past*

2. *Development of XM rate for extended repayment near completion*

- a. *XM rate details to be shared with FAC in the fall, language on use of XM rate in draft Basis of Negotiation (BON) language currently under internal review at Reclamation*
- b. *BON language defines criteria for eligibility and repayment to be able to support projects that range in useful life, cost, and location. Project must meet the XM rate criteria otherwise will have to develop a project-specific repayment contract*
- c. *XM rate options for reserved works or transferred works*
- d. *Expected to be available for use in 2023*

➤ CAS True-Up

The calculations of credits and overpayments due to the finalized Cost Allocation Study are complete and Reclamation will be engaging with contractors in September and October. Each contractor will determine how to apply a credit (if applicable) or make up the underpayment (if applicable). Credits due to overpayment cannot be refunded but can be moved to advanced accounts for future costs. Underpayments can be made in a lump sum, keep it in rates and pay off by 2030, or repayment contract amortized up to 10 years. The effort this year will remediate most of required the changes from CAS by 2030 except for IDC or IOI accounts.

➤ Trinity PUD PUE Account

Reclamation seeks 2-3 contractors to volunteer to pre-pay the annual cost with credit applied toward annual rates. This will reduce administrative effort of Trinity PUD collections.

➤ Future Costs

Reclamation and CVPWA members would like to develop a spreadsheet that contains upcoming costs in the near term or are in the early stages of feasibility or planning. For each project/program, the spreadsheet would provide information on cost allocation, funding authority, beneficiaries, and other information that may help contractors understand potential rate impacts. Furthermore, for those projects that are in planning, it would be helpful to know if there is an opportunity for other contractors to engage or

➤ Other

The “r” (replacement) component of the Warren Act contract rates is with internal review and expected to be in use for 2023.

3. SLDMWA Update

➤ San Luis Transmission Project (Frances Mizuno)

Frances provided an update on the San Luis Transmission Project. The last update on this project included Duke as a project partner. Duke is no longer involved and after review of additional funding options, SLDMWA decided to self-fund this project. The final details on funding are in progress, all other planning documents are complete. For more information, the PowerPoint presentation is attached and the project website.

➤ San Luis SOD and Dam Raise (Pablo Arroyave)

The SOD is moving forward and the dam raise is being considered as a connected action. WIIN Act funding is being pursued, and feasibility was determined, but the construction schedule required by WIIN may be too aggressive. The configuration of new capacity from the raise is being evaluated, which impacts the cost allocation, and is top priority at this time. Please review SLDMWA Board Packet and Water Resources Committee Activities

4. CVPIA

➤ Update from Reclamation (Brooke White) – *was not covered due to time limitation*

5. Annual Budget Process

➤ Discussion led by Reclamation (Ann Lubas-Williams) – *was not covered due to time limitation*

6. Other

➤ SB 559 – *was not covered due to time limitation*

➤ Update from Power community – *was not covered due to time limitation*

➤ Webinar Recording from July 21 on grants.gov application process Link for MS Teams Recording – *was not covered due to time limitation*

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