



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Region
South-Central California Area Office
1243 N Street
Fresno, California 93721-1813

IN REPLY REFER TO:

SCC-440
WTR-4.00

FEB 26 2018

VIA ELECTRONIC MAIL AND U.S. POSTAL SERVICE

Board of Directors – Friant Division
(See Enclosed List)

Subject: 2018 Rescheduling Guidelines for Storage in Millerton Lake – Mid-Pacific Region
(For Water Rescheduled from 2017 to 2018) – Friant Division, Central Valley
Project (CVP), California

Dear Board Members:

The Bureau of Reclamation (Reclamation) authorizes the rescheduling of CVP water from the 2017 contract year to the 2018 contract year with regard to storage in Millerton Lake. Based on the current and projected reservoir storage levels at the time these guidelines were prepared, there is no expressed limit on the volume of water for rescheduling.

Reclamation will closely monitor rescheduled water requests to help ensure that no unintended or adverse impacts occur to the CVP. The South-Central California Area Office (SCCAO) will continue to assess conditions throughout the year to determine if modifications to the amount or delivery schedule for rescheduled water will be necessary. Based on this possibility, please be prepared to revise your rescheduled water delivery amounts and schedule upon 24 hour notice. If SCCAO is required to make modifications to the quantity of rescheduled water, the modifications will be accomplished utilizing the procedures set forth in the enclosed rescheduling guidelines.

All requests for rescheduled water are subject to approval by Reclamation. Rescheduling shall be implemented in accordance with the enclosed subject Rescheduling Guidelines and the Business Practice Guideline No. 8 dated October 15, 2014. Participating contractors ***must agree*** to abide by these guidelines, as they may be amended, updated and/or revised in order to participate in rescheduling/storage of water supplies from one contract year to the immediately following contract year. ***Subject to approval by Reclamation***, rescheduled project water will be eligible for transfer, exchanges and/or banking during the 2018 contract Year.

If you have questions concerning the implementation of these rescheduling guidelines, please contact Michael LeBarre at 559-487-5041, via email mlebarre@usbr.gov or for the hearing impaired at TDD 800-877-8339 or myself at 559-487-5116.

Sincerely,



Michael P. Jackson, P.E.
Area Manager

Enclosures – 2

Business Practice Guideline
Rescheduling Guidelines

cc: Ms. Frances Mizuno
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South Valley Water Association
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(each w/enclosures)

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(2/26/2018)

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RESCHEDULING (CARRYOVER) GUIDELINES
FRIANT DIVISION STORAGE IN MILLERTON LAKE
CENTRAL VALLEY PROJECT, CALIFORNIA

GENERAL:

The following guidelines will apply to the rescheduling of Central Valley Project (Project) water in Millerton Lake from the 2017 Contract Year (period from March 1 through the last day of February of the following year) into the upcoming 2018 Contract Year.

It is the intent of the Bureau of Reclamation (Reclamation) that these guidelines may change from year to year to ensure that rescheduling will not interfere with Project operations. Annual changes to these guidelines may also include but not be limited to, dates, water rates, and other policy considerations. Reclamation reserves the right to terminate, rescind, or amend these guidelines if necessary.

Consistent with these guidelines, Rescheduled water shall be the first Project water scheduled by and delivered to the contractor.

A. STORAGE PRIORITY IN MILLERTON LAKE:

For purposes of these guidelines, the upcoming Contract Year Project water allocation supply shall have first priority of storage in Millerton Lake over Rescheduled Project Water as solely determined by Reclamation.

B. APPROVAL AND SCHEDULING:

1. Request. On or about February 28, the contractors that expect to have a supply of rescheduled Project Water and acquired non-Project water shall provide to Reclamation a preliminary monthly estimate of the quantity of such water requested to be accommodated as of the last day of February. No later than **March 5, 2018** the contractor shall submit a final written request to the South-Central California Area Office (SCCAO) and to the Friant Water Authority that identifies the estimated total quantity of Rescheduled Project water and acquired non-Project water the contractor desires to reschedule/store, accompanied by an acknowledgement that the contractor agrees to abide by these Rescheduling Guidelines. A final quantity of Rescheduled Project water and acquired non-Project water request shall be submitted no later than **March 12, 2018**. Should adjustments need to be made on the basis of the then-current hydrologic conditions, Project operations, and rescheduling/storage requests received, Reclamation may require revised requests from the contractors prior to approving rescheduling any current 2017 Contract Year Project water.

Reclamation reserves the right to reject any request for rescheduling or request for storage of acquired non-Project water due to factors beyond Reclamation's control or due to circumstances not contemplated or foreseen when these guidelines were prepared.

The contractor must agree to abide by these guidelines as they may be amended in order to participate in rescheduling/storage of water supplies from one Contract Year to the immediately following Contract Year.

2. Quantity of Water That Can Be Rescheduled. The total volume of rescheduled Project water may not exceed the actual quantity of Project water in storage in Millerton Lake at or near the end of the current Contract Year.

3. Limitation on Rescheduled Water. Reclamation shall inform the Friant Division long term contractors of any limits to be placed on Rescheduled Water. Based on the current and projected reservoir storage levels in Millerton Lake at the time these guidelines were prepared, there is no express limit on the volume of water for rescheduling. However, SCCAO will continue to assess conditions throughout the year to determine if modifications to the quantity or delivery schedule of Rescheduled water will be necessary. Based on this possibility, please be prepared to revise your Rescheduled water delivery amounts and schedule upon 24 hours' notice.

4. Schedule. The SCCAO will review and consult with others as necessary in order to provide the contractor with approval or denial of the contractor's written request for all Rescheduled Project water and acquired non-Project water. Upon receiving notification that the contractor's rescheduling/storage request(s) have been approved, the contractor will also submit to SCCAO a delivery schedule for such water, which may be approved by Reclamation. Any revisions to an approved schedule must be submitted along with the required monthly water delivery schedule in a timely manner, but no later than 24 hours prior to the proposed change.

5. First Water Evacuated. All Rescheduled Project water and acquired non-Project water is subject to available conveyance and storage capacity. If there is insufficient storage space in Millerton Lake to store these supplies, such water must be evacuated as soon as possible upon notice from Reclamation. Consistent with Section A above, if additional categories of water are stored in Millerton Lake, these other supplies will be evacuated consistent with the storage priority in Section A.

6. Transfers/Exchanges and/or Banking of Rescheduled Water. *Subject to approval by Reclamation,* Rescheduled Project water will be eligible for transfers, exchanges and/or banking during the upcoming Contract Year.

7. Loss Criteria. Rescheduled Project water shall not be allowed to interfere with the upcoming Contract Year Project operations. Reclamation has the discretion to limit the amount of Rescheduled Project water in Millerton Lake if it impacts the upcoming Contract Year Project operations.

Reclamation will make reasonable efforts to keep contractors apprised of anticipated Project operations to assist in the prudent management of rescheduled and acquired non-Project water.

8. Section 215 Water. Contractors who have Rescheduled Project water and have not taken full delivery of such water may be allowed to enter into temporary contracts with Reclamation for non-storable or unmanageable flood flows of short duration (Section 215 water). Contractors will be required to forfeit an equal quantity of any rescheduled Project water and acquired non-Project water they may have remaining in Millerton Lake at the time they commence delivery of Section 215 water.

C. RESCHEDULED WATER PAYMENT:

The Mid-Pacific Region has established Business Practice Guideline (BPG) Number 8 dated October 15, 2014, that provides guidance for developing rates, identifying contractor obligations and payment requirements, and applying revenue for Rescheduled Project water. This BPG will be issued with these Rescheduling Guidelines and will be updated as appropriate to reflect applicable rates and charges. Please refer to this document to determine the rates, charges and fees applicable to rescheduled Project water.

Business Practice Guideline for Rescheduled Central Valley Project Water

NUMBER: Mid-Pacific Region Business Practice Guideline No. 8

DATE: October 15, 2014

SUBJECT: Developing Rates, Identifying Contractor Obligations and Payment Requirements, and Applying Revenue for Rescheduled Central Valley Project (CVP) Water.

Purpose

Provide technical instructions for charging contractors for CVP rescheduled water. This BPG is prepared to be consistent with the Rescheduling Guidelines for the Friant Division (FD) and San Luis Reservoir (SLR).

Applicability

These implementing instructions are effective until amended or rescinded.

Definitions

Contract Year: The year from which water is being rescheduled.

Following Year: The year in which rescheduled water is planned to be delivered.

Source of Rates

<http://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>

Rate Development and Payment Requirements for Rescheduled Water	
Water Rate	The water rate is the contract rate from the contract year being rescheduled (Irrigation or M&I Water Rates Book, Schedule A-1). Consistent with contract terms, advance payment of the water rate is due two months prior to scheduled delivery.
Rescheduling Fee	The rescheduling fee is 50% of the contract year storage construction and operation and maintenance (O&M) component rates, as published in the following year Special Water Rates Book (Schedule O-1). The rescheduling fee is due when the contractor submits its final request for rescheduled water, and is non-refundable on the acre-feet of water approved by Reclamation, whether delivered or not. The rescheduling fee should be separately identified on a payment recap when payment is submitted.
Central Valley Project Improvement Act (CVPIA) Charges	Mitigation and Restoration Fund charges and Friant surcharges (if applicable) are contractor obligations upon delivery, and payable before the end of the month following water delivery. Refer to the Irrigation or M&I Water Rates Book, Schedule A-1, for the current (rescheduled year) charge.
Trinity Public Utility District (TPUD) Assessment	TPUD assessments are contractor obligations upon delivery, and payable before the end of the month following water delivery. Refer to the Irrigation or M&I Water Rates Book, Schedule A-1, for the TPUD assessment in effect for the month of delivery.
Late Payments	In accordance with the contract, the contractor shall be subject to interest, administrative and penalty charges on delinquent payments.

Recordkeeping

Payments, deliveries, and charges for rescheduled water delivered will be recorded in the Bureau of Reclamation's Water Operations Record Keeping System (BOR-WORKS) as follows:

Advance Payment of the Water Rate: Advance payment will be recorded in the contractor's advance account. Advances will not be refunded if water cannot be delivered, but will be available to apply to a contractor's other water charges. For non-renewed contracts, advance payments for water will be applied per contract terms.

Rescheduling Fees: Reclamation will assess and record rescheduling fees when requests to reschedule are approved. These fees are non-refundable and may not be applied to other contractor specific obligations.

Charges and TPUD Assessments: The water rate charges, applicable CVPIA charges, and the TPUD assessment will be recorded as revenue in the month rescheduled water is delivered. Any rescheduled water not taken will be charged and recorded as revenue at the end of the contract year, but only in cases where contractors are required to pay for unused water per their contract terms.

Illustration of Rate, Charges, Fees, and Assessments

Example Computation of Applicable Rate, Charges, Fees, and Assessments for 2012 Water Rescheduled for Delivery in March 2013	
Water Rate	Determine the 2012 contract rate from source (2012 CVP Irrigation Water Rates Book, Schedule A-1, column B). (http://www.usbr.gov/mp/cvpwaterrates/ratebooks/irrigation/2012/index.html). Example: Use applicable contractor contract rate.
Rescheduling Fee	Refer to source (2013 CVP Water Rates Book, Special Water Rates Book, Schedule O-1). Example: \$6.91 per acre-foot for irrigation, and \$4.95 per acre-foot for M&I.
CVPIA Charges	Mitigation and Restoration Fund charges and Friant surcharges (if applicable) are contractor obligations upon delivery, and payable before the end of the month following water delivery. Refer to the Irrigation or M&I Water Rates Book, Schedule A-1, for the current (rescheduled year) charge.
Trinity Public Utility District (TPUD) Assessment	<p>Mitigation and Restoration Fund Charge: Use rate in effect on date rescheduled water is delivered (March 2013).</p> <p>Example: \$9.79 per acre-foot for irrigation water, and \$19.58 per acre-foot for M&I water.</p> <p>Friant surcharge (for water diverted from the Friant Division): Use \$7.00 per acre-foot for both irrigation and M&I water.</p> <p>See source (2013 CVP Irrigation or M&I Water Rates Book), Schedule A-1.</p>
TPUD Assessment	<p>\$.05 per acre-foot for both irrigation and M&I water.</p> <p>(Use rate in effect on date rescheduled water is delivered (March 2013).</p> <p>See source (2013 CVP Irrigation or M&I Water Rates Book), Schedule A-1.</p>

Note: Annual CVP Water Rates Books are available on January 1 each year.