

**RESCHEDULING GUIDELINES FOR THE FEDERAL SHARE
OF STORAGE IN THE SAN LUIS RESERVOIR
CENTRAL VALLEY PROJECT, CALIFORNIA**

GENERAL:

The following guidelines will apply to the rescheduling of Central Valley Project (Project) water in the San Luis Reservoir (SLR) 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 SAN LUIS RESERVOIR:

For purposes of these guidelines, the upcoming Contract Year Project water allocation supply including upcoming Contract Year water allocated/acquired by the United States pursuant to Section 3406(d)(1) of the Central Valley Project Improvement Act (CVPIA) of October 30, 1992, for refuge and wildlife habitat restoration (hereinafter referred to as Level II Refuge Water) shall have first priority of storage in the Federal share of SLR over rescheduled Project irrigation and municipal and industrial (M&I) water as solely determined by Reclamation. The complete schedule of priorities is as follows:

1. Upcoming Contract Year Project water including Level II Refuge Water.
2. Upcoming Contract Year Level IV Refuge Water.
3. Rescheduled Project water:
 - a. Irrigation water
 - b. M&I water and Level II Refuge Water
 - c. Transferred Project water
4. Cross Valley Canal contractor water.
5. Current Contract Year. Level IV Refuge Water.
6. Non-Project water supplies acquired by existing South-of-Delta Project contractors¹.
7. San Joaquin River Restoration Settlement interim flow water in SLR.

¹For purposes of these guidelines, an existing Project contractor is defined as those entities located in and south of the CVP Delta export facilities which held interim or long-term water service contracts for Project water at the time of enactment of P.L. 111-11.

8. All other non-Project water.

B. APPROVAL AND SCHEDULING

1. Request. On or about December 20, 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 February 21, the contractor shall submit a final written request to the South Central California Area Office (SCCAO) and to the San Luis & Delta Mendota Water Authority (SLDMWA), identifying 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 Guidelines². A final quantity of rescheduled Project water and acquired non-Project water request shall be submitted no later than March 10. 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 the rescheduling any current 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. Limitation on M&I Water. Consistent with Section A of these guidelines, rescheduled irrigation water shall have a priority over rescheduled M&I water. M&I water will only be accepted for rescheduling if there remains sufficient capacity in SLR to accommodate it after all upcoming Contract Year water is accounted for, and all current Contract Year rescheduled Project irrigation water requests have been accommodated.

3. Schedule. The SCCAO will review and consult with others as necessary in order to provide the contractor with written 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 will 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.

4. 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 SLR 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 SLR, these other supplies will be evacuated consistent with the storage priority in Section A.

5. Transfers/Exchanges and/or Banking of Rescheduled Water. Rescheduled Project water

² Water delivery schedules submitted pursuant to a water service contract identifying requested amounts to be rescheduled are acceptable.

will be eligible for transfers, exchanges and/or banking subject to approval by Reclamation prior to the end of the current Contract Year.

6. Quantity of Water That Can Be Rescheduled and Loss Criteria. Rescheduled Project water shall not interfere with the upcoming Contract Year Project operations. Reclamation has the discretion to limit the amount of rescheduled Project water in SLR if it impacts the upcoming Contract Year Project operations. The total volume of rescheduled Project water may not exceed the actual quantity of Project water in storage in the Federal share of the San Luis/O'Neill facilities at or near the end of the current Contract Year. The loss of rescheduled water (Project and non-Project) as San Luis fills will be in accordance with the following conditions to avoid impacts to upcoming Contract Year allocations.

1. In the event the Federal share of SLR does not fill prior to a sustained drawdown:
 - a. The rescheduled Project Water and acquired non-Project Water will be considered to "float" on top of upcoming Contract Year Project water and will be deemed as having no impact on upcoming Contract Year Project supplies. Rescheduled Project Water must be the first water scheduled and used in the upcoming Contract Year.
2. In the event the Federal share of SLR is deemed full on March 1, or fills prior to a sustained drawdown, Reclamation will maintain a record of foregone pumping from the time Federal San Luis filled until the conclusion of a sustained 3-day drawdown and the loss of rescheduled water will be calculated by Reclamation as follows:
 - a. Total rescheduled water shall be reduced by the amount it impedes upcoming Contract Year Project pumping. A quantification of the necessary reduction, however, shall not be made until the occurrence of a sustained 3-day drawdown in Federal San Luis as determined solely by Reclamation. Following a 3-day sustained drawdown in the Federal share of San Luis Reservoir, the remaining quantity of rescheduled water, if any, shall be reduced by an amount equal to the foregone Pumping resulting from the accumulated rescheduled water, as determined solely by Reclamation.
 - b. Any necessary reduction shall be progressively and sequentially applied to the various categories of rescheduled water starting with the lowest rescheduling priority as outlined in Section A of these Guidelines.
 - c. If applicable foregone pumping exceeds the total volume of rescheduled water remaining as of the sustained drawdown, all remaining rescheduled water shall be lost.

In advance of any reductions in rescheduled Project water and acquired non-Project water quantities attributable to foregone pumping, Reclamation will make all reasonable effort to notify contractors of Section 215 water availability during the time that such foregone pumping occurs.

Delivery of the volume of rescheduled Project water available for use after the sustained

drawdown shall be consistent with the priority schedule outlined in Section A of these guidelines. In the unlikely event that sustained drawdown does not occur until after April 1, Reclamation shall consult with the contractors and may modify its calculation of the volume of rescheduled Project water lost, consistent with the principle that rescheduled Project water shall not interfere with Project operations or Reclamation's ability to make Project water available to its contractors.

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. To the extent necessary, Reclamation shall inform the SLDMWA of the total quantity of rescheduled and acquired non-Project water that may be lost due to foregone pumping.

7. Section 215 Water. Contractors who have rescheduled Project irrigation or M&I 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). Except to the extent contractors can demonstrate that Section 215 water will satisfy additional demand, contractors will be required to forfeit an equal quantity of any rescheduled Project water and acquired non-Project water they may have remaining in SLR at the time they commence delivery of Section 215 water.

D. RESCHEDULED WATER PAYMENT:

The Mid-Pacific Region has established Business Practice Guideline (BPG) No. 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.