

PROPOSED RECALCULATED WY 2019 O & M WATER RATES

FINANCE & ADMINISTRATION COMMITTEE
JULY 1, 2019

BOARD OF DIRECTORS
JULY 11, 2019



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

1 O&M Budget - Self Funded

WY19 - Fiscal Year 3/1/19-2/29/20

RO&M = \$13,086,535

a EO&M = \$2,692,707

b EO&M Unit 2 Rewind = \$5,213,200

2 Delivery Assumptions

Ag - Contractor 75%, with Contractor projections

M&I - Contractor Estimates, 100%, with Contractor projections

Refuge - 100% used BOR Refuge Estimate

Exchange/Water Rights - 100%

Estimated Rescheduled Water

Pump-Ins

Miscellaneous Transfers

Mendota Pool Pumps

Volta Well Pumping

3 Intertie

Intertie anticipated to be used in WY19, estimated at 150,000 a/f per SLDMWA

Final cost allocation for Intertie O&M, Intertie PUE and DWR Conveyance remains undetermined.

4 Volta Wells

Volta Wells Program estimated at 2,025 a/f per GWD. Costs split between DPWD and SLWD.

5 PUE SLDMWA Meters

WY19 PUE estimates based on BOR PUE FYE 9/30/19 information,

factoring in a 1% increase for overlapping BOR/SLDMWA fiscal years.

PUE Budget relating to WY19 - FY 3/1/19- 2/29/20 = \$25,560,000

PUE Budget relating to WY18 - FY 3/1/18- 2/28/19 = \$18,190,000

6 DWR San Luis Joint Use

WY19 SLJU estimates based on DWR SLJU Calendar Year Budget Estimates

dated 7/16/18 for multiple years, adjusted by Rob Dunlop, DWR 1.25.19

SLJU Budget relating to WY19 - FY 3/1/19- 2/29/20 = \$13,350,000

SLJU Budget relating to WY18 - FY 3/1/18- 2/28/19 = \$13,150,000

Federal cost allocation for 2016-2020 = 39.90%

7 EO&M Funding

Funding Obligation:

a EO&M Funding Obligation WY19 FY3/1/19 - 2/29/20 = \$2,700,000, EO&M Budget = \$2,692,707

* EO&M Emergency Reserve Replenishment WY19 FY3/1/19 - 2/29/20 = \$200,000, Unit 6 Rewind \$665,713.57 anticipated funding from Emergency Reserves must be replenished within 5 years

EO&M Rewind Estimated Debt Service Funding Obligation WY19 FY3/1/19 - 2/29/20 = \$500,000

b EO&M Unit 2 Funding Obligation WY19 FY3/1/19 - 2/29/20 = \$5,225,000, EO&M Budget = \$5,213,200

8 Overall Increase in Estimated Recoverable Costs over Prior Year.

Total Estimated Recoverable Costs in Water Year 2019= \$ 63,538,785

Total Estimated Recoverable Costs in Water Year 2018= \$ (50,107,711)

Increase \$ 13,431,074

*Notes: Recalculated WY19 Rates includes this Emergency Reserve Replenishment of \$200,000 for a total WY19 Reserve Cost of \$2,900,000 (2,700,000 + 200,000)
:The estimate of \$665,713.57 for funding of Unit 6 Rewind from Emergency Reserves is subject to revision



**San Luis & Delta-Mendota Water Authority
Proposed RECALCULATED WY19 O&M Rates**

FAC 7.1.19 / BOD 7.11.19

	<u>WY 2019 Rate</u> 3/1/19-2/29/20 <u>Proposed RECALCULATED</u> WY2019	<u>WY 2019 Rate</u> 3/1/19-2/29/20 <u>CURRENT(BOD Approved 3.7.19)</u> WY2019	Variance
WATER SUPPLY			
Irrigation	75%	50%	25%
M&I	100%	75%	25%
Refuge	100%	100%	0%
Exchange/Water Rights	100%	100%	0%
RATES			
Upper DMC	\$17.56	\$19.04	(\$1.48)
Upper DMC - Exchange/Wtr Rts	\$15.18	\$16.48	(\$1.30)
Lower DMC/Pool	\$20.11	\$21.78	(\$1.67)
Lower DMC/Pool - Exchange/Wtr Rts	\$17.73	\$19.22	(\$1.49)
San Felipe	\$20.26	\$22.24	(\$1.98)
SLC Above Dos Amigos	\$29.76	\$33.44	(\$3.68)
SLC Below Dos Amigos	\$37.91	\$43.06	(\$5.15)
Volta Wells	\$31.93	\$31.93	\$0.00
San Luis Drain	\$0.17	\$0.20	(\$0.03)



SLDMWA - O&M Rates
Proposed RECALCULATED - WY2019 SELF-FUNDING O&M WATER RATES - 75% Ag Allocation
 Finance & Administration Committee 7.1.19
 Board of Directors 7.11.19

COST POOLS	SLDMWA ANNUAL O&M and POWER				LOWER DMC/ Mendoza Pool	ONEILL PIG O'Neill O&M	RESERVES Unit 6 Rewind BOR Replacement	RESERVES Unit 2 Rewind Self-Funded	DWR COSTS San Luis Canal O&M	SLJU Dos Amigos O&M	POWER Dos Amigos Power	TOTAL
	UPPER Upper DMC/ JPP	UPPER Intertie (Temporary Cost Pool)	JPP PWR	VOLTA WELLS								
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	DPWD SLWD	Lower DMC & MP Users	All Users "Direct" "Storage"	All Users	All Users	All SLJU Users	Dos Amigos Users	Dos Amigos Users	
COSTS TO BE ALLOCATED**	\$7,591,649	\$3,438,136	\$18,900,000	\$64,652	\$2,979,953	\$3,612,161	\$2,900,000	\$5,225,000	\$9,580,000	\$3,575,000	\$4,560,000	\$63,372,986
ACRE FEET	2,326,761	1,444,000	2,324,415	2,025	1,169,749	1,187,931	% of 10 Yr Historical Use	% of 10 Yr Historical Use	1,007,972	997,972	997,972	
RATE PER AF	\$3.26	\$2.38	\$8.13	\$31.93	\$2.55	\$3.04	\$0.20	\$2.10	\$9.50	\$3.58	\$4.57	

SLDMWA COMPONENT RATE PER ACRE FOOT - BY DELIVERY AREA/ CONTRACTOR		WATER SUPPLY ASSUMPTIONS	
A	B	C	D
Upper DMC	\$17.56	A+A+B+F+G+H+I	Storage
Exchange/Wtr Rts (Upper)	\$18.18	A+B+F+G+H+I	O&M = \$1.47
Lower DMC/Pool	\$20.11	A+A+B+D+F+G+H+I	O&M = \$1.16
San Felipe	\$20.26	A+A+B+D+F+G+H+I	O&M DWR = \$0.20
San Luis Canal Above Dos Amigos	\$29.76	A+A+B+E+G+H+I+J	Pwr = \$1.16
San Luis Canal Below Dos Amigos	\$37.91	A+A+B+E+G+H+I+J+K+L	
Exchange/Wtr Rts (Lower)	\$17.73	A+B+D+F+G+H+I	
Refuge (Lower)	\$20.11	A+A+B+D+F+G+H+I	
Volta Wells	\$31.93	C	
San Luis Drain	\$0.17		

**COSTS TO BE ALLOCATED		Included in \$	
Required Reserve Funding, including Emergency Reserve Replenishment	Estimated Rewind Reserve Funding - Debt Service	San Luis Drain	Volta Well Project
\$12,920,748	\$2,900,000	\$1,983,607.31	\$17,250
\$5,225,000	\$5,225,000	\$1,983,607.31	\$2,900,000
\$165,787	\$165,787	\$1,983,607.31	\$1,900,000
\$18,900,000	\$18,900,000	\$1,983,607.31	\$1,983,607.31
\$200,000	\$200,000	\$1,983,607.31	\$1,983,607.31
\$0	\$0	\$1,983,607.31	\$1,983,607.31
\$1,900,000	\$1,900,000	\$1,983,607.31	\$1,983,607.31
\$9,580,000	\$9,580,000	\$1,983,607.31	\$1,983,607.31
\$3,575,000	\$3,575,000	\$1,983,607.31	\$1,983,607.31
\$195,000	\$195,000	\$1,983,607.31	\$1,983,607.31
\$4,560,000	\$4,560,000	\$1,983,607.31	\$1,983,607.31
\$63,372,986	\$63,372,986	\$1,983,607.31	\$1,983,607.31

Note: Supply assumptions include Contractor Estimates

O'Neill Split 89%/11%



SLDMWA - WY19 RECALCULATED O&M Water Rates

WY19 Deliveries Comparison

Approved 3.7.19 at 50% Ag alloc vs. RECALCULATED 7.1.19 at 75% Ag alloc

FAC 7/1/19 / BOD 7.11.19

COST POOLS	SLDMWA ANNUAL O&M and POWER									
	UPPER Upper DMC/ JPP	UPPER Interlie (Temporary Cost Pool)	JPP PWR	Volta Wells	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M	DWR COSTS San Luis Canal O&M	POWER Dos Amigos Power	DWR COSTS Dos Amigos O&M	POWER Dos Amigos Users
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	BOR/ DPWD/SLWD	Lower DMC & MP Users	All Users "Direct"	All SLJU Users	Dos Amigos Users	Dos Amigos Users	Dos Amigos Users
WY 19 ACRE FEET - 75% Alloc	2,326,761	1,444,000	2,324,415	2,025	1,169,749	1,187,931	1,007,972	997,972	997,972	997,972
WY19 ACRE FEET - 50% Alloc	2,142,782	1,345,066	2,139,936	2,025	1,088,603	1,015,476	855,339	845,339	845,339	845,339
Variance	183,979	98,934	184,479	0	81,146	172,455	152,633	152,633	152,633	152,633