

# PROPOSED WY 2020 O & M WATER RATES

FINANCE & ADMINISTRATION COMMITTEE  
FEBRUARY 3, 2020

BOARD OF DIRECTORS  
FEBRUARY 6, 2020



## **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**

WY20 - Fiscal Year 3/1/20-2/28/21

RO&M = \$15,217,122

1 EO&M = \$4,578,680

**2 Delivery Assumptions**

Ag - Contractor Estimates, 25%, with Contractor projections

M&I - Contractor Estimates, 50%, 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**

Intertie anticipated to be used in WY20, 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 2,400 a/f per GWD. Costs split between DPWD and SLWD.

**5 PUE SLDMWA Meters**

WY20 PUE estimates based on BOR PUE FYE 9/30/20

PUE Budget relating to WY20 - FY 3/1/20- 2/28/21 = \$26,050,000

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

**6 DWR San Luis Joint Use**

WY20 SLJU estimates based on DWR SLJU Calendar Year Budget Estimates

SLJU Budget relating to WY20 - FY 3/1/20- 2/28/21 = \$13,805,000

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

Federal cost allocation for 2016-2020 = 39.90%

**7 EO&M Funding**

Funding Obligation:

1 EO&M Funding Obligation WY20 FY3/1/20 - 2/28/21 = \$4,600,000, EO&M Budget = \$4,578,680

EO&M Rewind Estimated Debt Service Funding Obligation WY20 FY3/1/20 - 2/28/21 = \$400,000

**8 Overall Increase in Estimated Recoverable Costs over Prior Year.**

Total Estimated Recoverable Costs in Water Year 2020= \$ 63,312,124

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

Decrease \$ (226,661)

\* See page 4 for detail



**San Luis & Delta-Mendota Water Authority  
Proposed WY20 O&M Rates - @ 25% ALLOCATION**

FAC 2.3.20 / BOD 2.6.20

	<u>WY 2020 Rate</u> 3/1/20-2/28/21  <u>Proposed</u> <b>WY2020</b>	<u>WY 2019 Rate</u> 3/1/19-2/29/20  <u>Current</u> <b>WY2019</b>	<b>Variance</b>
<b>WATER SUPPLY</b>			
Irrigation	25%	75%	-50%
M&I	50%	100%	-50%
Refuge	100%	100%	0%
Exchange/Water Rights	100%	100%	0%
<b>RATES</b>			
Upper DMC	<b>\$22.69</b>	<b>\$17.56</b>	<b>\$5.13</b>
Upper DMC - Exchange/Wtr Rts	<b>\$18.53</b>	<b>\$15.18</b>	<b>\$3.35</b>
Lower DMC/Pool	<b>\$27.45</b>	<b>\$20.11</b>	<b>\$7.34</b>
Lower DMC/Pool - Exchange/Wtr Rts	<b>\$23.29</b>	<b>\$17.73</b>	<b>\$5.56</b>
San Felipe	<b>\$27.57</b>	<b>\$20.26</b>	<b>\$7.31</b>
SLC Above Dos Amigos	<b>\$55.60</b>	<b>\$29.76</b>	<b>\$25.84</b>
SLC Below Dos Amigos	<b>\$71.99</b>	<b>\$37.91</b>	<b>\$34.08</b>
Volta Wells	<b>\$47.16</b>	<b>\$31.93</b>	<b>\$15.23</b>
San Luis Drain	<b>\$0.34</b>	<b>\$0.17</b>	<b>\$0.17</b>



**SLDMWA - O&M Rates**  
**Proposed - WY2020 SELF-FUNDING O&M WATER RATES - @ 25% ALLOCATION**  
 Finance & Administration Committee 2.3.20  
 Board of Directors 2.6.20

COST POOLS	SLDMWA ANNUAL O&M and POWER						SLDMWA		SLJU			TOTAL	
	UPPER Upper DMC/ JPP	UPPER Interite (Temporary Cost Pool)	JPP PWR	VOLTA WELLS	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M	RESERVES	RESERVES Unit 6 Rewind BOR Repayment	DWR COSTS		POWER		
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	DPWD SLWD	LowerDMC & MP Users	All Users "Direct"	All Users "Storage"	All Users	All Users	San Luis Canal O&M	Dos Amigos O&M	Dos Amigos Power	
COSTS TO BE ALLOCATED**	\$8,757,182	\$3,734,666	\$18,900,000	\$113,179	\$5,493,460	\$2,634,775	\$325,646	\$4,600,000	\$400,000	\$11,605,000	\$2,015,000	\$4,605,000	\$63,183,908
ACRE FEET	1,782,546	898,459	1,775,363	2,400	1,153,763	513,451	1,320,801	% of 10 Yr Historical Use	% of 10 Yr Historical Use	413,983	403,983	403,983	
RATE PER AF	\$4.91	\$4.16	\$10.65	\$47.16	\$4.76	\$5.13	\$0.25	\$2.50	\$0.22	\$28.03	\$4.99	\$11.40	

A                      Aa                      B                      C                      D                      E                      F                      G                      H                      I                      J                      K                      L

SLDMWA COMPONENT RATE PER ACRE FOOT - BY DELIVERY AREA / CONTRACTOR		
Upper DMC	\$22.69	A+Aa+B+F+G+H+I
Exchange/Wtr Rts (Upper)	\$18.53	A+B+F+G+H+I Excludes Interite
Lower DMC/Pool	\$27.45	A+Aa+B+D+F+G+H+I
San Felipe	\$27.57	A+Aa+B+E+G+H+I
San Luis Canal Above Dos Amigos	\$55.60	A+Aa+B+E+G+H+I+J
San Luis Canal Below Dos Amigos	\$71.99	A+Aa+B+E+G+H+I+J+K+L
Exchange/Wtr Rts (Lower)	\$23.29	A+B+D+F+G+H+I Excludes Interite
Refuge (Lower)	\$27.45	A+Aa+B+D+F+G+H+I
Volta Wells	\$47.16	C
San Luis Drain	\$0.34	\$128,214

Direct	Storage
O&M = \$0.96	O&M = \$0.05
O&M DWR = \$0.32	O&M DWR = \$0.02
Pwr = \$3.85	Pwr = \$1.18
DWR	\$ 0.96      \$0.05
PUE	\$ 3.85      \$0.18
	\$5.13      \$0.25

WATER SUPPLY ASSUMPTIONS	
Irrigation	25%
M&I	50%
Refuge	100%
Ex/Wtr Rts	100%

Note: Supply assumptions include Contractor Estimates

**COSTS TO BE ALLOCATED			
O&M Budget per above	\$15,088,910	Included in \$	
Required Reserve Funding	\$4,600,000	\$ 555,421.37	\$ 494,325.02
Estimated Rewind Reserve Funding - Debt Service	\$400,000		\$ 61,096.35
Estimated Rewind Reserve Funding - Unit 2	\$0		
San Luis Drain	\$128,214	\$ 555,421.37	
Volta Well Project- GWD - Monitoring	\$0		
Interite: DWR Wheeling POWER	\$3,240,000		
JPP	\$18,900,000		
Interite	\$325,000		
Volta Wells	\$0		
O'Neill	\$2,220,000	\$ 2,220,000.00	\$ 1,975,800.00
			\$ 244,200.00
			\$ 2,220,000.00
SAN LUIS JOINT USE			
DWR - San Luis Canal O&M	\$11,605,000		
DWR - Dos Amigos O&M	\$2,015,000		
DWR - O'Neill	\$185,000	\$ 185,000.00	\$ 164,650.00
			\$ 20,350.00
			\$ 185,000.00
POWER			
Dos Amigos	\$4,605,000		
	\$63,312,124		

O'Neill Split  
89%/11%

San Luis & Delta-Mendota Water Authority  
 Self-Funding O&M Budget Comparison WY20/WY19  
 2.3.20 FAC / 2.6.20 BOD

	RO&M	EO&M Self-Funding Reserve Obligation	Self-Funding PUE	Self-Funding SLJU	Volta Wells Outside Service (GWD)	Intertie DWR Conveyance	Total, does not include <u>EO&amp;M Budget</u>
<b>WY20</b>	\$ 15,217,124	\$ 5,000,000	\$ 26,050,000	\$ 13,805,000	\$ -	\$ 3,240,000	\$ <b>63,312,124</b>
<b>WY19</b>	\$ (13,086,535)	\$ (8,625,000)	\$ (25,560,000)	\$ (13,350,000)	\$ (17,250)	\$ (2,900,000)	\$ <b>(63,538,785)</b>
<b>Variance</b>	\$ 2,130,589	\$ (3,625,000)	\$ 490,000	\$ 455,000	\$ (17,250)	\$ 340,000	\$ (226,661)

\* \* \* \* \*

\* Included in O&M Rate Calculation

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



## SLDMWA - WY20 Proposed O&M Water Rates - @ 25% ALLOCATION

### WY20/WY19 Deliveries Comparison

2.3.20 FAC / 2.6.20 BOD

COST POOLS	SLDMWA ANNUAL O&M and POWER							SLJU		
	UPPER Upper DMC/ JPP	UPPER Intertie (Temporary Cost Pool)	JPP PWR	Volta Wells	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M		DWR COSTS		POWER
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	BOR / DPWD/SLWD	LowerDMC & MP Users	All Users "Direct"	All Users "Storage"	San Luis Canal O&M	Dos Amigos O&M	Dos Amigos Power
WY20 ACRE FEET @ 25% allocation	1,782,546	898,459	1,775,363	2,400	1,153,763	513,451	1,320,801	413,983	403,983	403,983
WY19 ACRE FEET @ 75% allocation	2,326,761	1,444,000	2,324,415	2,025	1,169,749	1,187,931	1,315,399	1,007,972	997,972	997,972
<b>Variance</b>	<b>(544,215)</b>	<b>(545,541)</b>	<b>(549,052)</b>	<b>375</b>	<b>(15,986)</b>	<b>(674,480)</b>	<b>5,402</b>	<b>(593,989)</b>	<b>(593,989)</b>	<b>(593,989)</b>

**1 O&M Budget - Self Funded**

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1 EO&M = \$4,578,680

**2 Delivery Assumptions**

Ag - Contractor Estimates, 40%, with Contractor projections

M&I - Contractor Estimates, 65%, 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**

Intertie anticipated to be used in WY20, 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**

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**5 PUE SLDMWA Meters**

WY20 PUE estimates based on BOR PUE FYE 9/30/20

PUE Budget relating to WY20 - FY 3/1/20- 2/28/21 = \$26,050,000

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

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SLJU Budget relating to WY20 - FY 3/1/20- 2/28/21 = \$13,805,000

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

Federal cost allocation for 2016-2020 = 39.90%

**7 EO&M Funding**

Funding Obligation:

1 EO&M Funding Obligation WY20 FY3/1/20 - 2/28/21 = \$4,600,000, EO&M Budget = \$4,578,680

EO&M Rewind Estimated Debt Service Funding Obligation WY20 FY3/1/20 - 2/28/21 = \$400,000

**8 Overall Increase in Estimated Recoverable Costs over Prior Year.**

Total Estimated Recoverable Costs in Water Year 2020= \$ 63,312,124

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

Decrease \$ (226,661)

\* See page 4 for detail



**San Luis & Delta-Mendota Water Authority  
Proposed WY20 O&M Rates - @ 40% ALLOCATION**

FAC 2.3.20 / BOD 2.6.20

	<u>WY 2020 Rate</u> 3/1/20-2/28/21  <u>Proposed</u> <b>WY2020</b>	<u>WY 2019 Rate</u> 3/1/19-2/29/20  <u>Current</u> <b>WY2019</b>	<b>Variance</b>
<b>WATER SUPPLY</b>			
Irrigation	40%	75%	-35%
M&I	65%	100%	-35%
Refuge	100%	100%	0%
Exchange/Water Rights	100%	100%	0%
<b>RATES</b>			
Upper DMC	\$19.51	\$17.56	\$1.95
Upper DMC - Exchange/Wtr Rts	\$16.26	\$15.18	\$1.08
Lower DMC/Pool	\$24.26	\$20.11	\$4.15
Lower DMC/Pool - Exchange/Wtr Rts	\$21.01	\$17.73	\$3.28
San Felipe	\$22.81	\$20.26	\$2.55
SLC Above Dos Amigos	\$41.79	\$29.76	\$12.03
SLC Below Dos Amigos	\$52.80	\$37.91	\$14.89
Volta Wells	\$47.16	\$31.93	\$15.23
San Luis Drain	\$0.22	\$0.17	\$0.05





**SLDMWA - O&M Rates**  
**Proposed - WY2020 SELF-FUNDING O&M WATER RATES - @ 40% ALLOCATION**  
 Finance & Administration Committee 2.3.20  
 Board of Directors 2.6.20

COST POOLS	SLDMWA ANNUAL O&M and POWER						SLDMWA		SLJU			TOTAL	
	UPPER Upper DMC/ JPP	UPPER Interite (Temporary Cost Pool)	JPP PWR	VOLTA WELLS	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M	RESERVES	RESERVES Unit 6 Rewind BOR Repayment	DWR COSTS		POWER		
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	DPWD SLWD	LowerDMC & MP Users	All Users "Direct"	All Users "Storage"	All Users	All Users	San Luis Canal O&M	Dos Amigos O&M	Dos Amigos Power	
COSTS TO BE ALLOCATED**	\$8,757,182	\$3,734,666	\$18,900,000	\$113,179	\$5,493,460	\$2,634,775	\$325,646	\$4,600,000	\$400,000	\$11,605,000	\$2,015,000	\$4,605,000	\$63,183,908
ACRE FEET	2,034,156	1,150,069	2,029,973	2,400	1,156,050	742,238	1,345,424	% of 10 Yr Historical Use	% of 10 Yr Historical Use	611,535	601,535	601,535	
RATE PER AF	\$4.31	\$3.25	\$9.31	\$47.16	\$4.75	\$3.55	\$0.25	\$2.20	\$0.19	\$18.98	\$3.35	\$7.66	

A                      Aa                      B                      C                      D                      E                      F                      G                      H                      I                      J                      K                      L

Component	Rate	Allocation	Notes
Upper DMC	\$19.51	A+Aa+B+F+G+H+I	
Exchange/Wtr Rts (Upper)	\$16.26	A+B+F+G+H+I	Excludes Interite
Lower DMC/Pool	\$24.26	A+Aa+B+D+F+G+H+I	
San Felipe	\$22.81	A+Aa+B+E+G+H+I	
San Luis Canal Above Dos Amigos	\$41.79	A+Aa+B+E+G+H+I+J	
San Luis Canal Below Dos Amigos	\$52.80	A+Aa+B+E+G+H+I+J+K+L	
Exchange/Wtr Rts (Lower)	\$21.01	A+B+D+F+G+H+I	Excludes Interite
Refuge (Lower)	\$24.26	A+Aa+B+D+F+G+H+I	
Volta Wells	\$47.16	C	
San Luis Drain	\$0.22		\$128,214

	Direct	Storage
O&M	\$0.67	\$0.05
O&M DWR	\$0.22	\$0.02
Pwr	\$2.66	\$0.18
DWR	\$0.67	\$0.05
PUE	\$2.66	\$0.18
	\$3.55	\$0.25

WATER SUPPLY ASSUMPTIONS

Irrigation	40%
M&I	65%
Refuge	100%
Ex/Wtr Rts	100%

Note: Supply assumptions include Contractor Estimates

Category	Amount	Included in \$	Rate	Allocation
O&M Budget per above	\$15,088,910	\$ 555,421.37	\$ 494,325.02	0.665992605
Required Reserve Funding	\$4,600,000	\$ 61,096.35	\$ 0.045410481	
Estimated Rewind Reserve Funding - Debt Service	\$400,000			
Estimated Rewind Reserve Funding - Unit 2	\$0			
San Luis Drain	\$128,214	\$ 555,421.37		
Volta Well Project- GWD - Monitoring	\$0			
Interite: DWR Wheeling POWER	\$3,240,000			
JPP	\$18,900,000			
Interite	\$325,000			
Volta Wells	\$0			
O'Neill	\$2,220,000	\$ 2,220,000.00	\$ 1,975,800.00	2.661949402
		\$ 244,200.00	\$ 0.181504121	
		\$ 2,220,000.00		
SAN LUIS JOINT USE				
DWR - San Luis Canal O&M	\$11,605,000			O'Neill Split
DWR - Dos Amigos O&M	\$2,015,000			89%/11%
DWR - O'Neill	\$185,000	\$ 185,000.00	\$ 164,650.00	0.221829117
		\$ 20,350.00	\$ 0.015125343	
		\$ 185,000.00		
POWER				
Dos Amigos	\$4,605,000			
	\$63,312,124			

San Luis & Delta-Mendota Water Authority  
 Self-Funding O&M Budget Comparison WY20/WY19  
 2.3.20 FAC / 2.6.20 BOD

	RO&M	EO&M Self-Funding Reserve Obligation	Self-Funding PUE	Self-Funding SLJU	Volta Wells Outside Service (GWD)	Intertie DWR Conveyance	Total, does not include <u>EO&amp;M Budget</u>
<b>WY20</b>	\$ 15,217,124	\$ 5,000,000	\$ 26,050,000	\$ 13,805,000	\$ -	\$ 3,240,000	\$ <b>63,312,124</b>
<b>WY19</b>	\$ (13,086,535)	\$ (8,625,000)	\$ (25,560,000)	\$ (13,350,000)	\$ (17,250)	\$ (2,900,000)	\$ <b>(63,538,785)</b>
<b>Variance</b>	\$ 2,130,589	\$ (3,625,000)	\$ 490,000	\$ 455,000	\$ (17,250)	\$ 340,000	\$ (226,661)

\* \* \* \* \*

\* Included in O&M Rate Calculation

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



**SLDMWA - WY20 Proposed O&M Water Rates - @ 40% ALLOCATION**  
**WY20/WY19 Deliveries Comparison**

2.3.20 FAC / 2.6.20 BOD

COST POOLS	SLDMWA ANNUAL O&M and POWER							SLJU		
	UPPER Upper DMC/ JPP	UPPER Intertie (Temporary Cost Pool)	JPP PWR	Volta Wells	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M		San Luis Canal O&M	DWR COSTS Dos Amigos O&M	POWER Dos Amigos Power
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	BOR / DPWD/SLWD	LowerDMC & MP Users	All Users "Direct"	All Users "Storage"	All SLJU Users	Dos Amigos Users	Dos Amigos Users
WY20 ACRE FEET @ 40% allocation	2,034,156	1,150,069	2,029,973	2,400	1,156,050	742,238	1,345,424	611,535	601,535	601,535
WY19 ACRE FEET @ 75% allocation	2,326,761	1,444,000	2,324,415	2,025	1,169,749	1,187,931	1,315,399	1,007,972	997,972	997,972
<b>Variance</b>	<b>(292,605)</b>	<b>(293,931)</b>	<b>(294,442)</b>	<b>375</b>	<b>(13,699)</b>	<b>(445,693)</b>	<b>30,025</b>	<b>(396,437)</b>	<b>(396,437)</b>	<b>(396,437)</b>