



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

IN REPLY REFER TO:

MP-3400
2.2.4.22

JUN 29 2018

Dan Pope
Chief Operating Officer
Westlands Water District
P.O. Box 6056
Fresno, CA 93703-6056

Subject: Conversion From a Water Service Contract to a Repayment Contract as Authorized Under the Water Infrastructure Improvement for the Nation (WIIN) Act for Contracts(s) 14-06-200-495A-IR6, 14-06-200-7823J, 14-06-200-8092-IR16, 7-07-20-W0055-IR16-B, 147-06-200-8018-IR16-B, 14-06-200-365A-IR16, and 14-06-200-336C-IR16

Dear Mr. Pope:

The Bureau of Reclamation has received Westlands Water District's notification of interest to convert from a water service contract, to a repayment contract as outlined in the WIIN Act, Public Law 114-322, Section 4011. Under this section of the WIIN Act, Reclamation is required to provide an estimate of the Central Valley Project construction costs allocated to the contractor. The law provides for two choices of repayment. The contractor could choose to pay in a lump sum payment, or to pay within 3 years of the effective date of the repayment contract.

Your water service contracts with Reclamation currently have estimated unpaid costs for construction as outlined in the enclosed schedules. The costs take into account water service construction costs currently being allocated to Westlands Water District that are unpaid as of September 30, 2016.

Please note, the attached amounts are only estimated unpaid construction costs as they are required to be provided to you within 90 days of your request. Unpaid construction amounts identified for irrigation are discounted as required by the legislation based on ½ of the 20-year Treasury rate.

Also note there are other cost recovery and cost allocation provisions that are identified in the WIIN Act, Section 4011. I recommend that Westlands Water District representatives review the provisions included in the legislation, so there is a good understanding of requirements of the law. The cost recovery process can also be discussed further with Reclamation Finance Staff. Other questions can be discussed with your Reclamation Contract Representative.

If you have cost recovery questions, you may contact Jesus Reynoso at jreynoso@usbr.gov or by phone (916) 978-5362. If you have contract related questions, you may contact Barbara Hidleburg at bhidleburg@usbr.gov or by phone (916) 978-5193.

Sincerely,



Heriberto Abreo
Regional Financial Manager



Enclosure/s

Repayment Obligation - Current Calculation under the WIIN Act, Section 4011 (a) (2)

Represents an Estimate of Cost to Repay Construction Based on Unpaid Construction from the 2018 Water Rate Books

Contractor: Westlands Water District
Facility: Delta Mendota Pool (San Luis Canal and DD#2 provided separate)
Contract: 14-06-200-495A-IR6

Irrigation Construction Cost (2018 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)		
	Unpaid Cost	Discount
Construction Cost (Excludes Intertie):	\$ 1,513,569	\$ 1,363,601
Intertie Construction Cost:	\$ 220,141	\$ 157,386
Total	\$ 1,733,710	\$ 1,520,987
If Paid in Installments (Used 30 yr CMT)		
Due		
Payment 1 May 1 2018		\$ 394,853
Payment 2 May 1 2019		\$ 394,853
Payment 3 May 1 2020		\$ 394,853
Payment 4 May 1 2021		\$ 394,853
Total Installment Payments		\$ 1,579,414
20 yr CMT Rates - 4/23/2018		3.050%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		1.525%

M&I Construction Cost (2018 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	\$ -

Calculation Support:

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2018	\$ 1,513,569	\$ 116,428	\$ 114,679	\$ 220,141	\$ 4,786	\$ 4,714	\$ 119,393
2019	\$ 1,397,140	\$ 116,428	\$ 112,957	\$ 215,355	\$ 4,786	\$ 4,643	\$ 117,600
2020	\$ 1,280,712	\$ 116,428	\$ 111,260	\$ 210,570	\$ 4,786	\$ 4,573	\$ 115,833
2021	\$ 1,164,284	\$ 116,428	\$ 109,589	\$ 205,784	\$ 4,786	\$ 4,505	\$ 114,094
2022	\$ 1,047,855	\$ 116,428	\$ 107,943	\$ 200,998	\$ 4,786	\$ 4,437	\$ 112,380
2023	\$ 931,427	\$ 116,428	\$ 106,321	\$ 196,213	\$ 4,786	\$ 4,370	\$ 110,692
2024	\$ 814,999	\$ 116,428	\$ 104,724	\$ 191,427	\$ 4,786	\$ 4,305	\$ 109,029
2025	\$ 698,570	\$ 116,428	\$ 103,151	\$ 186,641	\$ 4,786	\$ 4,240	\$ 107,391
2026	\$ 582,142	\$ 116,428	\$ 101,602	\$ 181,856	\$ 4,786	\$ 4,176	\$ 105,778
2027	\$ 465,713	\$ 116,428	\$ 100,076	\$ 177,070	\$ 4,786	\$ 4,114	\$ 104,189
2028	\$ 349,285	\$ 116,428	\$ 98,573	\$ 172,284	\$ 4,786	\$ 4,052	\$ 102,624
2029	\$ 232,857	\$ 116,428	\$ 97,092	\$ 167,499	\$ 4,786	\$ 3,991	\$ 101,083
2030	\$ 116,428	\$ 116,428	\$ 95,633	\$ 162,713	\$ 4,786	\$ 3,931	\$ 99,564
2031-63				\$ 157,927	\$ 157,927	\$ 101,337	\$ 101,337
Total, Lump Sum Payment		\$ 1,363,601				\$ 157,386	\$ 1,520,987

Amount of Reduction, Lump Sum \$ 149,968 \$ 62,755 \$ 212,722

Repayment Obligation - Current Calculation under the WIIN Act, Section 4011 (a) (2)

Represents an Estimate of Cost to Repay Construction Based on Unpaid Construction from the 2018 Water Rate Books

Contractor: Westlands Water District DD #1
Facility: San Luis Canal (Delta-Mendota Pool and DD#2 provided separate)
Contract: 14-06-200-0495A-IR6, 14-06-200-7823J, 14-06-200-8092-IR16, 7-07-20-W0055-IR16-B
 14-06-200-8018-IR16-B, 14-06-200-365A-IR16

Irrigation Construction Cost (2018 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)		
	Unpaid Cost	Discount
Construction Cost (Excludes Intertie):	\$ 341,111,144	\$ 307,313,094
Intertie Construction Cost:	\$ 18,368,546	\$ 13,132,306
Total	\$ 359,479,690	\$ 320,445,400
If Paid in Installments (Used 30 yr CMT)		
Due		
Payment 1 May 1 2018		\$ 83,188,707
Payment 2 May 1 2019		\$ 83,188,707
Payment 3 May 1 2020		\$ 83,188,707
Payment 4 May 1 2021		\$ 83,188,707
Total Installment Payments		\$ 332,754,826
20 yr CMT Rates - 4/23/2018		3.050%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		1.525%

M&I Construction Cost (2018 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	\$ 265,945

Calculation Support:

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2018	\$ 341,111,144	\$ 26,239,319	\$ 25,845,180	\$ 18,368,546	\$ 399,316	\$ 393,318	\$ 26,238,498
2019	\$ 314,871,825	\$ 26,239,319	\$ 25,456,961	\$ 17,969,230	\$ 399,316	\$ 387,410	\$ 25,844,371
2020	\$ 288,632,506	\$ 26,239,319	\$ 25,074,574	\$ 17,569,914	\$ 399,316	\$ 381,591	\$ 25,456,165
2021	\$ 262,393,187	\$ 26,239,319	\$ 24,697,930	\$ 17,170,597	\$ 399,316	\$ 375,859	\$ 25,073,789
2022	\$ 236,153,869	\$ 26,239,319	\$ 24,326,944	\$ 16,771,281	\$ 399,316	\$ 370,213	\$ 24,697,158
2023	\$ 209,914,550	\$ 26,239,319	\$ 23,961,531	\$ 16,371,965	\$ 399,316	\$ 364,652	\$ 24,326,183
2024	\$ 183,675,231	\$ 26,239,319	\$ 23,601,607	\$ 15,972,649	\$ 399,316	\$ 359,175	\$ 23,960,782
2025	\$ 157,435,912	\$ 26,239,319	\$ 23,247,089	\$ 15,573,332	\$ 399,316	\$ 353,780	\$ 23,600,868
2026	\$ 131,196,594	\$ 26,239,319	\$ 22,897,896	\$ 15,174,016	\$ 399,316	\$ 348,466	\$ 23,246,361
2027	\$ 104,957,275	\$ 26,239,319	\$ 22,553,948	\$ 14,774,700	\$ 399,316	\$ 343,231	\$ 22,897,179
2028	\$ 78,717,956	\$ 26,239,319	\$ 22,215,167	\$ 14,375,384	\$ 399,316	\$ 338,076	\$ 22,553,242
2029	\$ 52,478,637	\$ 26,239,319	\$ 21,881,474	\$ 13,976,068	\$ 399,316	\$ 332,997	\$ 22,214,472
2030	\$ 26,239,319	\$ 26,239,319	\$ 21,552,794	\$ 13,576,751	\$ 399,316	\$ 327,996	\$ 21,880,790
2031-63				\$ 13,177,435	\$ 13,177,435	\$ 8,455,542	\$ 8,455,542
Total, Lump Sum Payment			\$ 307,313,094			\$ 13,132,306	\$ 320,445,400

Amount of Reduction, Lump Sum \$ 33,798,049 \$ 5,236,240 \$ 39,034,290

Repayment Obligation - Current Calculation under the WIIN Act, Section 4011 (a) (2)

Represents an Estimate of Cost to Repay Construction Based on Unpaid Construction from the 2018 Water Rate Books

Contractor: Westlands Water District DD #2
 Facility: San Luis Canal (DD#1 and Delta-Mendota Pool provided separate)
 Contract: 14-06-200-336C-IR16

Irrigation Construction Cost (2018 Irrigation Ratebook, Schedule A-2Ba and A-2Bc)		
	Unpaid Cost	Discount
Construction Cost (Excludes Intertie):	\$ 549,011	\$ 494,614
Intertie Construction Cost:	\$ 51,256	\$ 36,645
Total	\$ 600,267	\$ 531,258
If Paid in Installments (Used 30 yr CMT)		
Due		
Payment 1 May 1 2018		\$ 137,916
Payment 2 May 1 2019		\$ 137,916
Payment 3 May 1 2020		\$ 137,916
Payment 4 May 1 2021		\$ 137,916
Total Installment Payments		\$ 551,666
20 yr CMT Rates - 4/23/2018		3.050%
Discount Rate (1/2 of the Treasury Rate per the WIIN Act, Section 4011(a)(2)(A))		1.525%

M&I Construction Cost (2018 M&I Ratebook, Sch A-2Ba)	
	Unpaid Cost
Construction Cost:	\$ -

Calculation Support:

Fiscal Yr	Unpaid Allocated Construction Cost			Unpaid Intertie Construction Cost			Total
	Beginning Balance	Straight Line Repayment	Present Value	Beginning Balance	Straight Line Repayment	Present Value	Present Values
2018	\$ 549,011	\$ 42,232	\$ 41,597	\$ 51,256	\$ 1,114	\$ 1,098	\$ 42,695
2019	\$ 506,779	\$ 42,232	\$ 40,972	\$ 50,142	\$ 1,114	\$ 1,081	\$ 42,053
2020	\$ 464,548	\$ 42,232	\$ 40,357	\$ 49,027	\$ 1,114	\$ 1,065	\$ 41,422
2021	\$ 422,316	\$ 42,232	\$ 39,751	\$ 47,913	\$ 1,114	\$ 1,049	\$ 40,800
2022	\$ 380,085	\$ 42,232	\$ 39,154	\$ 46,799	\$ 1,114	\$ 1,033	\$ 40,187
2023	\$ 337,853	\$ 42,232	\$ 38,566	\$ 45,685	\$ 1,114	\$ 1,018	\$ 39,583
2024	\$ 295,621	\$ 42,232	\$ 37,986	\$ 44,570	\$ 1,114	\$ 1,002	\$ 38,989
2025	\$ 253,390	\$ 42,232	\$ 37,416	\$ 43,456	\$ 1,114	\$ 987	\$ 38,403
2026	\$ 211,158	\$ 42,232	\$ 36,854	\$ 42,342	\$ 1,114	\$ 972	\$ 37,826
2027	\$ 168,926	\$ 42,232	\$ 36,300	\$ 41,228	\$ 1,114	\$ 958	\$ 37,258
2028	\$ 126,695	\$ 42,232	\$ 35,755	\$ 40,113	\$ 1,114	\$ 943	\$ 36,698
2029	\$ 84,463	\$ 42,232	\$ 35,218	\$ 38,999	\$ 1,114	\$ 929	\$ 36,147
2030	\$ 42,232	\$ 42,232	\$ 34,689	\$ 37,885	\$ 1,114	\$ 915	\$ 35,604
2031-63				\$ 36,771	\$ 36,771	\$ 23,595	\$ 23,595
Total, Lump Sum Payment			\$ 494,614			\$ 36,645	\$ 531,258

Amount of Reduction, Lump Sum \$ 54,397 \$ 14,611 \$ 69,009