

RECLAMATION

Managing Water in the West

San Luis Drainage Feature Re-evaluation

Feasibility Report



U.S. Department of the Interior
Bureau of Reclamation
Mid-Pacific Region
Sacramento, California

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Section 101(e) of the Continuing Appropriations Act of October 18, 1986 (Public Law 99-500) amended section 8 of the San Luis Unit Act of June 3, 1960 (74 Statute 156; Public Law 86-488) with the addition of section 8(b).

Section 8(b) prohibits the Secretary from directly or indirectly recovering from CVP power contractors the costs of drainage service. This amendment to the Act of 1960 prohibits the assignment of any costs from implementation of either action alternative to CVP power customers. Therefore, if either action alternative is implemented, this will require separate accounting of the OMR&E and capital repayment costs associated with the drainage service. If either action alternative is implemented, the Restoration Fund will be adversely affected because the charges that the San Luis Unit contractors are unable to pay cannot be assigned to power contractors.

Recommendations

The recommendation is to implement the In-Valley/Water Needs Land Retirement Alternative. In order to implement this alternative, it would require Congress to:

- Amend Public Law 96-488, the San Luis Unit, Central Valley Project Act of 1960 designating the In-Valley/Water Needs Land Retirement Alternative as a distribution systems and drains component of the San Luis Unit, increase the construction cost ceiling for distribution systems and drains by \$2.69 billion (2006 dollars), and authorize indexing.
- Provide relief from Section 5 of the Reclamation Extension Act of 1914 that requires full payment of the operation and maintenance (O&M) charges related to delivery of water. Authorize Federal appropriations to pay the O&M charges related to implementation of the In-Valley Water Needs Land Retirement Alternative that the Panoche Water District, Pacheco Water District, and San Luis Water District are unable to pay.
- Authorize the Secretary to defer without interest each San Luis Unit contractor's obligation to repay reimbursable capital and/or reimbursable O&M costs incurred to implement the In-Valley Water Needs Land Retirement Alternative, and if necessary, the repayment of some or all of the remaining reimbursable capital costs incurred to construct the pre-existing CVP facilities until the Secretary determines that such contractor has the independent ability to repay its share of such costs without unduly burdening its water users, provided such determinations are made at not more than 5-year intervals.