United States Department of the Interior

BUREAU OF RECLAMATION
Northern California Area Office
16349 Shasta Dam Boulevard
Shasta Lake, CA 96019-8400

IN REPLY REFER TO
NC-442
2.2.4.22

April 14, 2022

VIA ELECTRONIC MAIL

John Currey
Manager
Anderson-Cottonwood Irrigation District
2810 Silver Street
Anderson, California 96007

Subject: Second Update to Notification of Critical Year (Our letter of March 14, 2022)

Dear Mr. Currey:

On March 14, 2022, Reclamation sent a letter to all Sacramento River Settlement (SRS) Contractors providing an update to the February 15, 2022, Notification of Critical Year. In that letter, we notified you that Reclamation was analyzing the March 1 data and assessing the impacts to our Critical Year Notification. Also in our letter of March 14, 2022, we asked that you plan for considerably less water than you have done in prior Critical Years; and we committed to communicate with you in the coming months. The purpose of this letter is to inform you of the persistent conditions that are affecting hydrology and water available for diversion under your contract. In addition, Reclamation is offering flexibility on certain contract provisions, so you can most efficiently manage water available to you.

Despite a promising start to the water year, April storage in Shasta Reservoir is predicted to be at or about 1.8 million acre-feet and forecasted inflow into the reservoir is well below the Critical Year level of 4.0 million acre-feet for 2022 (predicted to be *less than 3.0 million acre-feet).* Water supply conditions this year do not allow for full diversions under the SRS Contracts. For all SRS Contractors, Reclamation estimates water available from Shasta Reservoir releases to be approximately 18% of the Contract Total, unless otherwise notified by Reclamation.

However, we estimate for most SRS Contractors sufficient tributary flows and natural accretion exists upstream of the SRS Contractors' point(s) of diversion and is available for diversion under the SRS Contracts through the end of April 2022 while not affecting Shasta operations. Beginning May 1, there may be no additional water available for diversion and the 18% of Contract Total will be in effect. In recognition of the limited supply available for diversion under the SRS Contracts and in furtherance of maximizing flexibility to meet the multiple

beneficial purposes of the CVP, for contract year 2022 only, Reclamation agrees to account for water diverted under your SRS Contract, May 1 through October 31, 2022, as follows:

1. If the water is used within the service area depicted on Exhibit B of your SRS Contract, it will be treated as Base Supply. Reclamation will waive the requirement of Articles 8(a), 3(c)(1) and 3(c)(2)(ii).

2. If the water is transferred out to another in-basin CVP contractor in accordance with the Accelerated Water Transfer Program, it will be treated as Project Water; and the Rate, Restoration Charge, and Trinity PUD Assessment will be applicable. Reclamation will waive the requirement of Article 8(a).

3. The provisions in 1. and 2. above will not apply in the event that total diversions, including any water transferred out, under your SRS Contract exceed 18% of the Contract Total.

4. Diversions exceeding 18% of the Contract Total will be considered as exceeding the amount available and will be handled on a case-by-case basis.

Should additional water become available during the May 1 through October 31 period, Reclamation will notify you; and such water will be additive to the 18% of Contract Total.

In accordance with Article 3(c) of your SRS Contract and consistent with the limits on diversions described above, please submit a schedule as soon as possible, but no later than May 1, 2022, indicating the Contract Total to be diverted each month, to the Bureau of Reclamation, Northern California Area Office, 1140 West Wood Street, Willows, CA 95988. Please note, this schedule can be updated at any time, and we kindly ask you to do so as communication will be key to successfully managing through this difficult and trying year. Also, please be advised that in accordance with the State Water Resources Control Board's (SWRCB) April 4, 2022, Temporary Urgency Change Order, Reclamation will submit updated monthly water year operations outlook reports to the SWRCB identifying the amounts scheduled for diversion under your Settlement Contract each month.

The challenges ahead of us are difficult and the available water supply is extremely limited. We will continue to communicate the progress of any drought relief funding and its availability. Please reach out to Jake Berens at 530-892-6203, or jberens@usbr.gov, if you have any questions regarding the above matter.

Sincerely,

Donald Bader
Area Manager