



Financial Affairs Committee
August 18, 2000

1. Opening Business

The meeting was held at the Bureau of Reclamation's American River Water Education Center near the Folsom Dam. The meeting began at 9:45 a.m.

The next Financial Affairs Committee meeting will be held at **9:30 a.m. on September 15 in the ACWA Boardroom, 910 K Street, Sacramento, CA.**

2. Reclamation Reports (Reclamation was not present at this meeting but did submit the following report).

--*Update on Water Accounting Program (RAIN)*. Jim Bjornsen reported that the Bureau is in the process of selecting a contractor to develop the new water accounting program.

--*Update on 1999 Water Contractor Accountings (M&I)*. Jim Bjornsen reported that the 1999 M&I water contractor accountings have been completed and have been mailed to the contractors for their review.

--*Update on CVP Cost Allocation*. Jim Bjornsen reported that he had nothing new to offer on the cost allocation update.

--*Computation of 2001 Capital Water Rates*. Jim Bjornsen reported that he had no information on the status of the Bureau's capital water rate proposal.

--*Fall Budget Workshop*. In the near future, the Bureau will be conducting workshops in each of its area offices (Shasta, Folsom, and Fresno) and the Regional Office in regards to the FY 2003 proposed O&M budget. The first one will be held on September 20, from 9:00-12:00 noon, in Fresno, CA at the Bureau's South-Central California Area Office. Copies of the Bureau's letter announcing the workshop and summary FY 2003 draft activity plans will be E-mailed to each of the FAC members for review, comment, and prioritization. The Bureau has set August 31 as the deadline for receiving our input. We have requested copies of the detailed activity plans and plan to forward copies of the detailed activity plans to the FAC members that request them (from George Senn). We anticipate the individual activity plans will be quite voluminous, so please limit your requests if you do not feel you will be

able to review them prior to the September 20 meeting. Interested FAC members are encouraged to attend the workshops.

3. **Legislative Updates**

--*“Excess Capacity” Legislation.* Ron Jacobsma reported there was nothing new to add.

--*Safety of Dams Reauthorization.* Nothing new to report.

--*2001 Appropriations.* The California Water Commission will hold hearings on September 1, 2000 regarding the water and energy bill funding for Reclamation. The meeting will be held in the Resources building at 1416 Ninth Street, 1st floor, in Sacramento. The hearings are scheduled to begin at 9:30 a.m. and could last all day. A copy of the meeting notice and that portion of the Bureau’s budget to be discussed is being E-mailed separately to the FAC members in conjunction with these minutes.

4. **CVPWA Executive Session**

--*Advance Payment Reconciliation Assistance Proposal.* Bob Stackhouse mentioned that the Bureau has sent a number of completed Advance Payment Reconciliations to contractors for concurrence. According to Bureau representatives, many of the contractors have not yet responded to the Bureau regarding the reconciliations.

Bob Stackhouse proposed that we contact the applicable contractors and determine what assistance we can offer them in their review of the reconciliations. One thought would be for the FAC to obtain technical/accounting assistance for member contractors who need assistance in verifying the reconciled water delivery amounts with their records. The FAC could identify individuals (such as Lynn Hurley) who have expertise with the procedures, personnel and records used in the Bureau’s reconciliation process and inform the contractors that the subject individuals were available to work with them to reconcile their records with the Bureau’s. The contractors would contract with, and pay, the person providing the technical/accounting assistance. Anthea Hansen commented that the reconciliation process can get very complicated, but the results can be beneficial to the contractors. Her reconciliation efforts resulted in a rather large refund for her district. Russell Harrington’s reconciliation efforts also resulted in sizeable refunds.

After additional discussion, the FAC members agreed that we should move forward with the proposal. George Senn agreed to draft a letter outlining the assistance the FAC will provide and develop a list of individuals who could provide assistance.

--*Direct Funding Agreements.* The FAC was updated regarding the recent events that have occurred relative to the Transfer Agreements and concerns as to their compliance with Treasury regulations.

--*Contract Renewal Update.* Kathy Kitchell reported that the Financial Issues Team is about done with its work. She informed the group that the CVP water contractors caucused on August 17 to discuss issues raised by the Bureau. The Bureau provided comments on 64 issues, many of which it agreed with the contractors proposed language and many it did not. She said one big issue continues to be the contractors' right to subsequent renewals of the contract.

--*FAC Structure.* Ron Jacobsma commented that he has been the FAC Chairperson for quite some time and wondered if someone else would like to step up and take his place. He also suggested that we fill the vice chairperson vacancy that has existed for some time. It was suggested that we make this an agenda item for the next meeting and address it at that time. George Senn was asked to E-mail the membership a copy of the FAC mission statement.

--*2001 O&M Budget Analysis.* George Senn reported that the Bureau is addressing the questions the FAC prepared regarding the Bureau's proposed 2001 O&M budget. It is hoped that the Bureau can address them at the next FAC meeting.

5. Following the meeting, the FAC members were given a tour of the Folsom facilities.