



Financial Affairs Committee
January 28, 2000

1) Opening Business

The meeting was held at the offices of the Contra Costa Water District, 1331 Concord Avenue, Concord. Our sincere thanks to the good folks at CCWD for their hospitality in hosting this meeting.

The next Financial Affairs meeting will be held February 18 at the ACWA office in Sacramento, 910 "K" Street, Suite 100. The meeting will begin at 9:30 a.m.

2) Reclamation Reporting

a) Update on water accounting program (RAIN)

Jim Bjornsen reported that a Joint Application Development (JAD) process will be undertaken soon by Jarvis, the contractor for further RAIN improvements. Jarvis will review the system, develop core capability, and look for changes or improvements that would enhance the program.

b) 1999 Water Contractor Accountings

Jim reported that 1999 water delivery data would be finalized in February. FAC review of Fiscal Year 1999 O&M expenses has been somewhat delayed as CVP Financial Statements for the year have not yet been released. However, certain cost detail files have been made available to the FAC on disks which will facilitate review of FY 99 expenses.

c) CVP Cost Allocation

A public meeting has been scheduled by Reclamation on February 8 to present a comparison of the three Cost Allocation alternatives under consideration. This meeting will be at the Expo Inn, 1413 Howe Avenue, Sacramento and begins at 1:00 p.m. Reclamation will also solicit input for development of criteria to be used in evaluating the alternatives. A subsequent public meeting is also anticipated to review evaluations before final selection of an alternative.

Alan Thompson volunteered to chair a team for developing evaluation criteria for input by the water and power contractors.

d) 2000 Water Rates

The 2000 Water Rate books are expected to be released early in February. Copies will be available to contractors at the Water Authorities and Bureau Area Offices. It was suggested that, in the future, the data contained in/or supporting the Rate Books, also be made available to interested contractors in compact disk (CD) format. This suggestion will receive further consideration.

3) Update on issues regarding Tiered Pricing

Work continues in exploring issues surrounding Tiered Pricing including financial analyses of “what if “ scenarios.

4) Warren Act Reform Legislation

Ron reported that conceptually, the USBR and water contractors were in agreement with a number of issues relating to the proposed Warren Act legislation. Certain issues remain outstanding between the USBR and water contractors and will be reflected in the anticipated respective legislative proposals forthcoming.

5) Spring Budget Workshop

Tona Mederios volunteered to put together a list of expected data to be provided and topics to be covered at the workshops.

6) Remaining Issues—1998 Accountings

Jim Bjornsen mentioned that the one FAC issue remaining is being examined by the Bureau and that a report covering the issue would be provided at the February 18 FAC meeting.

7) Modification of Fiscal Agencies Responsibilities

Mike Finnegan advised the participants that the current procedures used by the Water Authorities for collecting and processing water payments involving monies owed the Bureau did not appear to be in accordance with Treasury regulations and the Solicitor’s Office had been requested to reevaluate the agreements relative to the Treasury regulations. He further mentioned that changes, as determined by the Solicitor, may need to be made to the agreements to assure conformance with regulations. However, he was most interested in working out the details with the contractors in such a way that the process would be beneficial to all parties.

8) Contract Renewal Update (no report)

Full-Cost Workshop. Following the FAC meeting, Larry Bauman and Jesus Reynoso (Ratesetting Staff) presented an overview of the principles and methods used in calculation of CVP Full Cost Water Rates.

