

RECLAMATION

Managing Water in the West

Reconciliation Workshop

January 10, 2013



U.S. Department of the Interior
Bureau of Reclamation

Agenda

- Reconciliation Background
- Reconciliation Process
- Reconciliation Examples
 - No Activity Contractor – THIRSTY ID
 - Reconciliation balanced (Charges = Payments) Contractor – ABCD Farms
 - Remaining balance (Net Under/Overpayments) Contractor – DRY CREEK WD
- Proposed treatment of historical cost allocation adjustment
- Questions/Answers

Reconciliation Background

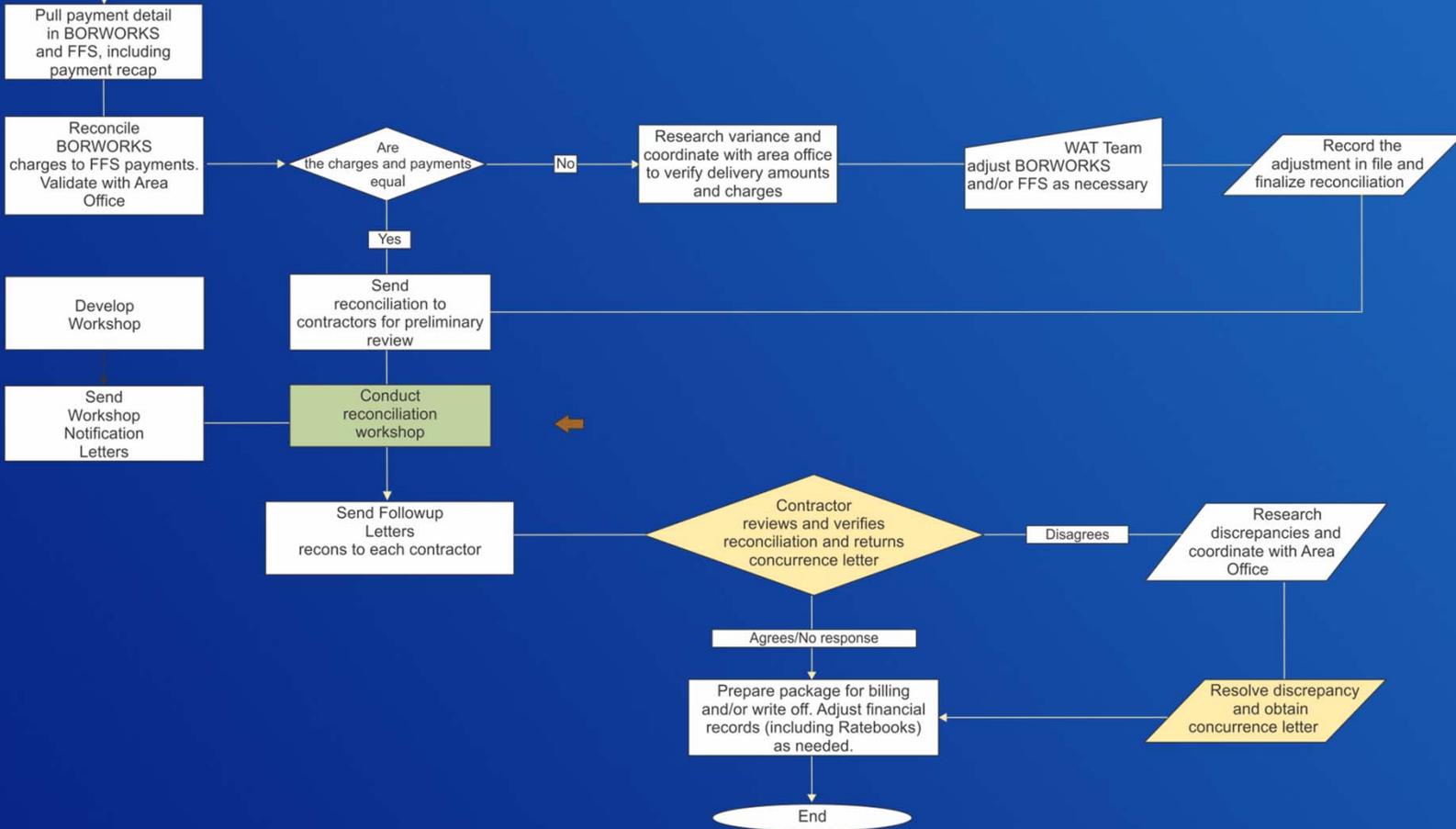
- **Verify the accuracy of and reconcile CVP Contract water charges and payments in Bureau of Reclamation Water Operation Record Keeping System (BORWORKS) and Federal Financial System (FFS)**
 - Advance Water Charge
 - Restoration Charge
 - Friant Surcharge
 - Reconciliation period is Contract Years 1986 through 2009
- **Current process incorporates a reconciliation of BORWORKS and FFS/FBMS annually for long-term contracts**

Reconciliation Background (continued)

- **System functionality and Data reconciled**
 - **FFS**
 - FFS records and tracks contractor advanced water payments
 - Water payments are based upon projected water deliveries
 - **BORWORKS**
 - BORWORKS records and tracks contractor actual water deliveries and charges
 - **Reconciliation includes reviewing the accuracy of the data in each system and making adjustments as necessary**

Reconciliation Process

Stratify the order of the contractor reconciliations based on delivery volume, account balance, and previous reconciliation history



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Reconciliation No Activity Contractor

SAMPLE LETTER

MP-3400
WTR-1.10

THIRSTY ID
1000 Water Lane
Dry Land, CA 93770

Subject: Historical Reconciliation of Payments and Charges for Contract(s) Number 6-07-20-NOWTR1

Dear THIRSTY ID:

The Bureau of Reclamation is reconciling the payments and charges for each water service contractor for Contract Year (CY) 1986 through CY 2009. The reconciliation for your contract(s) has been completed. Our records indicate that there were no water deliveries. Therefore, no further adjustments will be made to the account for the reconciliation period.

If you have any questions concerning this reconciliation, please contact Ms. Claudine Sydnor at 916-978-5389 or csydnor@usbr.gov.

Sincerely,

Brenda Bryant
Regional Financial Manager

RECLAMATION

Reconciliation Balanced

SAMPLE LETTER

MP-3400
WTR-1.10

ABCD Farms
2020 Pipeline Drive
Snowfall, CA 91334

Subject: Historical Reconciliation of Payments and Charges for Contract(s) Number 14-07-20 wtr01

Dear Water Contractor:

The Bureau of Reclamation is reconciling the payments and charges for each water service contractor for Contract Year (CY) 1986 through CY 2009. The reconciliation for your contract(s) has been completed. Our records indicate that charges and payments balanced for the subject contract(s). Enclosed for your review is the following reconciliation information for your contract(s):

- Combined summary of charges and payments, Reclamation Reform Act, Restoration and Friant obligations for all contracts
- Summary of charges and summary of payments, by contract; along with support schedules

Please review the enclosed reconciliation package to verify that all deliveries, charges, and payments are correct. If the information is incorrect, please respond within 90 days from the date of this letter. If no response is received within 90 days, we will consider this a concurrence by the contractor that the reconciliation is correct. Therefore, no further adjustments will be made to the account for the reconciliation period. Immediately following the 90-day review period, any underpayment will be billed or overpayment applied pursuant to the Ratesetting Policy.

If you have any questions concerning this reconciliation, please contact Ms. Claudine Sydnor at 916-978-5389 or csydnor@usbr.gov.

Sincerely,

Brenda Bryant
Regional Financial Manager

RECLAMATION

Reconciliation Balanced Combined Summary of Charges and Payments

Contractor Name: ABCD Farms
Summary of Charges & Payments

A	B	C	D	E	F	G	H
				Total Charges for Period			
LN No.	Contract #	Period		Water	RRA	Restoration	Total
			ref				(E+F+G)
1	14-07-20-WRT01	CY2008	<1>	\$1,000.00	\$ -	\$ -	\$1,000.00
2		TOTAL CHARGES		\$1,000.00	\$ -	\$ -	\$1,000.00
3							
4							
5		TOTAL PAYMENTS	<2>	\$(1,000.00)	\$ -	\$ -	\$(1,000.00)
6							
7		NET UNDER <OVER> PAYMENT	(ln 2+ ln 5)	\$ -	\$ -	\$ -	\$ -

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Reconciliation Balanced Summary of Charges

Schedule No: 1 | Contractor: ABCD Farms

Summary of Charges					
A	B	C	D	E	F
Contract #	Period	Water	RRA	Restoration	Total
		<1A>	<1B>	<1C>	(C+D+E)
8-07-20-WRT01	Mar-08	\$ -	\$ -	\$ -	\$ -
	Apr-08	\$ -	\$ -	\$ -	\$ -
	May-08	\$ -	\$ -	\$ -	\$ -
	Jun-08	\$ -	\$ -	\$ -	\$ -
	Jul-08	\$ -	\$ -	\$ -	\$ -
	Aug-08	\$1,000.00	\$ -	\$ -	\$1,000.00
	Sep-08	\$ -	\$ -	\$ -	\$ -
	Oct-08	\$ -	\$ -	\$ -	\$ -
	Nov-08	\$ -	\$ -	\$ -	\$ -
	Dec-08	\$ -	\$ -	\$ -	\$ -
	Jan-09	\$ -	\$ -	\$ -	\$ -
	Feb-09	\$ -	\$ -	\$ -	\$ -
	WY 2008		\$1,000.00	\$ -	\$ -

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Reconciliation Balanced Summary of Payments

Schedule No: 2 | Contractor: ABCD Farms | Contract No: WRT01

Summary of Payments					
A	B	C	D	E	F
Contract #		Total Payments for Period			Total
Contract #	Recap Dated	Water	RRA	Restoration	Total
		<2A>	<2B>	<2C>	
8-07-20-WRT01	Sep-08	\$(1,000.00)	\$ -	\$ -	\$(1,000.00)
TOTAL PAYMENTS		\$(1,000.00)	\$ -	\$ -	\$(1,000.00)

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Reconciliation Balanced Monthly Water Deliveries and Charges

207 8WTR01
 ABCD FARMS
 CONTRACT No. 8-07-20-WRT01
 CONTRACT TYPE: ACTIVE
 DATE LAST UPDATED: 2008/05
 SACRAMENTO RIVER (WILLIOW)

United States DEPARTMENT of the Interior
 Bureau of Reclamation
 Monthly Water Deliveries and Charges
 SEPTEMBER 2008

Page 1
 Run Date 12/13/2008

Type			Transfers	Quantity Charged Contractor	Water Charges	Transportation Charges				
Type Subtype	Month	Allotment	Water Rate	Trans Rate	Actual Delivery	In	Out			
AG B1	Sept		\$2.00	\$0.00	500	0	0	500	\$1,000.00	\$0.00
	Contract YTD	0			500	0	0	500	\$1,000.00	\$0.00
		Current Delivery			500			Current Charges	\$1,000.00	\$0.00
		Year to Date Delivery			500					
Contract To Date Totals										
Contract Year						Fiscal Year				
Balance Forward			\$	0.00					Payments	\$0.00
Payments			\$1,000.00					Water Charges	\$0.00	
Water Charges			\$1,000.00					Transportation	\$0.00	
Transportation			\$	0.00					Penalty/Adm Chg	\$0.00
Penalty/Adm Chg			\$	0.00						
Net Balance			\$	0.00						

Contract Year Summary of Notes for Contractor 8WTR01
 DATE: 2008/09
 NOTE: \$500.00 Administrative Charge Recorded this Month

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Reconciliation Remaining Balance

SAMPLE LETTER

MP-3400
WTR-1.10

Dry Creek WD
7777 Channel Street
Orchard CA, 98522

Subject: Historical reconciliation of Payments and Charges for Contract(s) Number 14-06-20-wdry1

Dear Water Contractor:

The Bureau of Reclamation is reconciling the payments and charges for each water service contractor for Contract Year (CY) 1986 through CY 2009. The reconciliation for your contract(s) has been completed. Enclosed for your review is the following reconciliation information for your contract(s):

- Combined summary of charges and payments, Reclamation Reform Act, Restoration and Friant obligations for all contracts
- Summary of charges and summary of payments, by contract; along with support schedules

Please review the enclosed reconciliation package to verify that all deliveries, charges, and payments are correct. If the information is incorrect, please respond within 90 days from the date of this letter. If no response is received within 90 days, we will consider this a concurrence by the contractor that the reconciliation is correct. Therefore, no further adjustments will be made to the account for the reconciliation period. Immediately following the 90 day review period any underpayment will be billed or overpayment applied pursuant to the Ratesetting Policy.

If you have any questions concerning this reconciliation, please contact Ms. Claudine Sydnor at 916-978-5389 or csydnor@usbr.gov.

Sincerely,

Brenda Bryant
Regional Financial Manager

RECLAMATION

Reconciliation Remaining Balance Combined Summary of Charges and Payments

Dry Creek WD

Summary of Charges & Payments

A	B	C	D	E	F	G	H	I	
				Total Charges for Period					
LN No.	Contract #	Period		Water	RRA/Trust	Restoration	TPUD	Total	
			ref					(E+F+G+H)	
1	14-06-200-WDRY1	CY2005	<1>	\$ 77,282.00	\$ -	\$26,962.00		\$104,244.00	
2		CY2006	<1>	\$ -	\$ -	\$ -	\$ -	\$ -	
3		CY2007	<1>	\$ 60,200.00	\$ -	\$17,160.00	\$220.00	\$ 77,580.00	
4		CY2008	<1>	\$ 55,429.10	\$ -	\$16,156.02	\$128.66	\$ 71,713.78	
	TOTAL CHARGES			\$ 192,911.10	\$ -	\$60,278.02	\$348.66	\$253,537.78	
	TOTAL PAYMENTS		<2>	\$(244,107.55)	\$ -	\$ -	\$(653.59)	\$(244,761.14)	
	REFUND			\$ -	\$ -	\$ -	\$ -	\$ -	
	NET UNDER <OVER> PAYMENT		(In 47-In 52)	\$ 51,196.45)	\$ -	\$60,278.02	\$(304.93)	\$ 8,776.64	

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Reconciliation Remaining Balance Summary of Charges

Schedule No: 1 | Contractor: Dry Creek WD

A	B	C	D		E	F
Contract #	Period	Water	RRA/Trust	TPUD	Restoration/ Friant	Total
		<1A>	<1B>	<1B>	<1C>	(C+D+E)
14-06-200-WDRY1	Mar-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Apr-05	\$ -	\$ -	\$ -	\$ -	\$ -
	May-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Jun-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Jul-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Aug-05	\$77,282.00	\$ -	\$ -	\$26,962.00	\$104,244.00
	Sep-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Oct-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Nov-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Dec-05	\$ -	\$ -	\$ -	\$ -	\$ -
	Jan-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Feb-06	\$ -	\$ -	\$ -	\$ -	\$ -
	WY 2005	\$77,282.00	\$ -	\$ -	\$26,962.00	\$104,244.00

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Reconciliation Remaining Balance Summary of Charges (cont.)

Schedule No: 1 | Contractor: Dry Creek WD

A	B	C	D		E	F
Contract #	Period	Water	RRA/Trust	TPUD	Restoration/ Friant	Total
		<1A>	<1B>	<1B>	<1C>	(C+D+E)
14-06-200-WDRY1	Mar-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Apr-06	\$ -	\$ -	\$ -	\$ -	\$ -
	May-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Jun-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Jul-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Aug-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Sep-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Oct-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Nov-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Dec-06	\$ -	\$ -	\$ -	\$ -	\$ -
	Jan-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Feb-07	\$ -	\$ -	\$ -	\$ -	\$ -
	WY 2006	\$ -	\$ -	\$ -	\$ -	\$ -

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Reconciliation Remaining Balance Summary of Charges (cont.)

Schedule No: 1 | Contractor: Dry Creek WD

A	B	C	D	E	F	
Contract #	Period	Water	RRA/Trust	TPUD	Restoration/Friant	Total
		<1A>	<1B>	<1C>	C+D+E	
14-06-200-WDRY1	Mar-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Apr-07	\$ -	\$ -	\$ -	\$ -	\$ -
	May-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Jun-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Jul-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Aug-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Sep-07	\$60,200.00	\$ -	\$220.00	\$17,160.00	\$77,580.00
	Oct-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Nov-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Dec-07	\$ -	\$ -	\$ -	\$ -	\$ -
	Jan-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Feb-08	\$ -	\$ -	\$ -	\$ -	\$ -
	WY 2007		\$60,200.00	\$ -	\$220.00	\$17,160.00

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Reconciliation Remaining Balance Summary of Charges (cont.)

Schedule No: 1 | Contractor: Dry Creek WD

A	B	C	D	E	F	
Contract #	Period	Water	RRA/Trust	TPUD	Restoration/Friant	Total
		<1A>	<1B>	<1C>	C+D+E	
14-06-200-WDRY1	Mar-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Apr-08	\$ -	\$ -	\$ -	\$ -	\$ -
	May-08	\$ 27,117.00	\$ -	\$63.00	\$ 7,911.00	\$ 35,091.00
	Jun-08	\$ 28,261.94	\$ -	\$65.66	\$ 8,245.02	\$ 36,572.62
	Jul-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Aug-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Sep-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Oct-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Nov-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Dec-08	\$ -	\$ -	\$ -	\$ -	\$ -
	Jan-09	\$ -	\$ -	\$ -	\$ -	\$ -
	Feb-09	\$ 50.16	\$ -	\$ -	\$ -	\$ -
	WY 2008		\$ 55,429.10	\$ -	\$128.66	\$16,156.02
Total		\$192,911.10	\$ -	\$348.66	\$60,278.02	\$253,537.78

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**Reconciliation Remaining Balance
Monthly Water Deliveries and Revenues**

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Reconciliation Remaining Balance Summary of Payments

Schedule No: 2 | Contractor: Dry Creek WD | Contract No.: WDRY1

A	C	D	E	F	G
		Total Payments For Period			
Contract No.	Recap Dated	Water	TPUD	Restoration/Friant	Total
		<2A>	<2B>	<2C>	
14-06-200-WDRY1	12/29/2006	\$ 0	-\$304.93	\$ -	-\$ 304.93
	10/23/2008	-\$253,487.62	\$ 0	\$ -	-\$253,487.62
	05/21/2009	-\$ 50.16	-\$348.66	\$ -	-\$ 398.82
SX09032R410AB	01/22/2009	\$ 9,430.23	\$ 0	\$ -	\$ 9,430.23
Total Payments		-\$244,107.55	-\$653.59	\$ -	-\$244,761.14

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**Reconciliation Remaining Balance
Water Deliveries and Revenues (Adjustments)**

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Next Steps

- **Concurrence letters will be sent in January 2013**
- **Contractor to return the concurrence letter June 30, 2013**
- **No response will be interpreted as concurrence**
- **Contact Claudine Sydnor @916-978-5389 to resolve any discrepancies**

RECLAMATION

Historical Cost Allocation Adjustment - For O&M Cost

- **How water delivery adjustments will be applied to adjust historical cost**
 - Summarize water delivery and revenue adjustments by contractor (1986-2009)
 - Summarize historical water deliveries by contractor (1986-2009)
- **Materiality threshold and treatment**
 - If the adjustments are less than or equal to 3% for each contractor, adjustment of allocation of cost will be determined by the component
 - For CYs 1986-2009
 - Adjustment will be applied prospectively
 - If the adjustment is greater than 3%
 - Contractors will be provided an opportunity to comment on Reclamation's proposed treatment of the adjustment
 - Adjustment will be applied prospectively

RECLAMATION

Historical Cost Allocation Adjustment

Construction Cost

- **Deliveries adjusted will be included for allocation (irrigation, M&I) and pro-ration purposes (by water contractor) prospectively**

Revenue Application to cost if materiality threshold is less than 3%

- **The revenue adjustment will be applied in the following order:**
 - **Current year expenses (including adjustment)**
 - **Deficit**
 - **Construction cost**

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Questions & Answers

- Presentation handout and Q&As will be posted on the Bureau of Reclamation, Mid-Pacific Region website @ <http://www.usbr.gov/mp/cvp/laws.html>
- Point of Contact is Claudine Sydnor @ 916-978-5389

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