Presentation Overview

- Ratesetting Process
- Contract Administration and Compliance
- Current Issues – Where are we now?
- Solutions – What’s on the horizon?
Ratesetting Services Branch

Two teams work collectively to accomplish accounting of CVP:

- Water Accounting Team
- Rate Team
Overview of Water Accounting

Contractors Provide Data on Water Deliveries to Area Offices

Water Delivery Data Entered into BORWORKS by Area Office
  • acre feet delivered
  • charges computed

Monthly Water Statement Generated

Water Delivery Revenue (WDR) Report generated – summarizes annual (Fiscal Year) deliveries

• Corrections and adjustments from contractors may change delivery data
  • Water transfers

NOTE: Transfer guidelines are being finalized.
Overview of Ratesetting Process and Timeframes

Starting Point

- WDR Generated from BORWORKS for Water Revenue (Dec/Jan) 30 day review

- Expense Information on Actual O&M Costs used to prepare B6 (May)

- Interim Final Accounting Prepared Allocating O&M costs to contractors – Sch B1 (July)

- Final Accountings Prepared / Draft Rates Published for review and comment (Oct 1 – 60 day review period)

- Results of Operations Analysis completed (July) (WDR + Expense Info)

- Final Rates Computed & Posted on Web (Jan)
Results of Operation Analysis

Evaluate water revenue in comparison to contractors allocable costs.

Components reviewed include:
Water Revenue** (acre ft delivered x rate)
• Allocable O&M Costs
• Deficit Balance, if any
• Capital Recovery

**Note: In prior years analysis’ assumed water revenue was paid. The process for future analysis will be improved to verify that advance payments have been made in accordance with the contract.
Contract Administration and Compliance

Water Delivery Information & Reporting

- Monthly Delivery Report
- Payment Recaps
- Adjustments
  - Delivery
  - Payment
Solutions – What’s on the Horizon?

• Contract Administration and Compliance
• Technology
  – Planning
  – Payment Module
  – Issue Tracking System
Issue Tracking Process

Water Customer Question/Complaint

Submits to Reclamation Website 2CVPWORKS@mp.usbr.gov

Response submitted to Water Customer via 2CVPWORKS@mp.usbr.gov

Emails intercepted by designated staff and logged

Questions disseminated to proper staff

Accounting

Ratesetting

Water Accounting

Area Office

Systems

Responses returned
Solutions (cont.)

• Internal Controls
  – Control Activities
  – Training
    • Contractor Training Sessions (i.e. Lunch and Learn)

• Communication
  – Quarterly Newsletter
  – CVP Water Association
    • WORKS Subcommittee
CVP Water Accounting

CVP Water Accounting

The Central Valley Project, one of the largest water supply projects in the world, plays a major role in providing irrigation and municipal and industrial water to over 250 water districts, individual farmers, and municipalities in California’s Central Valley.

The complexity of the CVP goes beyond just water purposes. Like many major water resource projects designed and operated to serve multiple purposes, the CVP is an integrated project comprised of both single-purpose and multi-purpose facilities. In accordance with project authorizations, portions of the costs for CVP facilities are reimbursed by CVP water and power users. CVP water accounting includes this process, and much more, including:

- Cost allocation
- Water rate development
- Tracking of water deliveries and revenue
- Payment tracking
- Annual accounting

Each year this process accounts for over $90 million in revenue from water users alone.

Updates

- [2007 WORKS Contractor Assessment Results] (pdf - 1.5 MB)
- [Financial Considerations - Dolan SOO Briefing] (pdf - 120 KB)
- [Time PUC FAQ] (pdf - 89 KB)
- [Mandatory WORKS Upgrade] (pdf - 271 KB)
- [WORKS Update Mail 2007] (pdf - 522 KB)