

SUMMARY OF PROCEDURES, FINDINGS,
AND RECOMMENDATIONS RELATED TO THE
2025 STATEMENT OF CHARGES

Independent Audit Association



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Ernst & Young LLP
Suite 300
731 K Street
Sacramento, CA 95814

Tel: +1 916 218 1900
ey.com

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To the Representatives of the Independent Audit Association:

We have completed our engagement to perform procedures at the California Department of Water Resources (DWR) on behalf of the State Water Contractors Independent Audit Association (IAA) and its member agencies in areas designated as primary procedures by the IAA. Our engagement was performed in accordance with our Statement of Work (SOW) dated June 7, 2024, and our procedures were limited to those described in that SOW.

Our findings and recommendations resulting from our procedures are provided in the memoranda, summaries, and schedules included in the Summary of Procedures, Findings, and Recommendations Related to the 2025 Statement of Charges (Report). The procedures were performed based on information obtained principally by inquiries of officials and other personnel of the DWR and inspection of certain accounting related records and reports of the DWR. The specific sources of the various components of the information are indicated in the accompanying memoranda, summaries, and schedules. The information included in the Report, including the memoranda, summaries, and schedules, are solely those we received in response to our inquiries or obtained from documents furnished to us. Our work has been limited in scope and time, and we stress that more detailed procedures may reveal findings and recommendations that this engagement has not.

Except for ascertaining that certain information in tabulations and reports, received from the DWR, agreed with the accounting records (as specifically identified in the accompanying memoranda, summaries, and schedules), we were not requested to and did not perform procedures to evaluate the reliability or completeness of the information obtained. The procedures do not constitute an audit, a review or other form of assurance in accordance with any generally accepted auditing, review or other assurance standards, and accordingly we do not express any form of assurance. While the information obtained is substantially responsive to your request, we are not in a position to assess its sufficiency for your purposes.

Restrictions on the use of our work product

Consistent with our SOW, this Report is intended solely for the information and use of the IAA and is not intended to be and should not be used by anyone other than the IAA. Except where compelled by legal process (of which the IAA will immediately notify EY and tender to EY, if it so elects, the defense thereof), the IAA may not circulate, quote, disclose or distribute, the Report or any portion, abstract or summary thereof, or make any reference thereto or to EY in connection therewith, to any third party without obtaining the prior written consent of EY. To the extent the IAA is permitted to disclose the written Report as set forth herein, it shall disclose the Report only in the original, complete, and unaltered form provided by EY, with all restrictive legends and other agreements intact.

The IAA shall, among other responsibilities with respect to the Report, (i) make all management decisions and perform all management functions, including applying independent business judgment to the Report, making implementation decisions and determining further courses of action in connection with the Report; (ii) assign a competent employee within senior management to make all management decisions with respect to the Report, oversee the Report and evaluate the adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Report.

The ratings in our Report do not represent a conclusion on the assessment of the findings and recommendations resulting from our procedures. Rating definitions are as defined in our SOW dated June 7, 2024.

Ernst & Young LLP

March 14, 2025

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SECTION 1

EXECUTIVE SUMMARY OF PROCEDURES

The procedures were developed to consider the risks outlined in the areas of focus specified in the Statement of Work, dated June 7, 2024, which was signed by all participating State Water Contractors (Contractors). Procedures were focused on items designated as primary procedures by the Independent Audit Association (IAA). As a part of these procedures, regular meetings were held with the IAA to discuss progress and any updates or changes to the scope of work. Procedures were performed related to the following areas:

- Alpha Allocation Cycles (AAC)
- System Power Costs – Variable Transportation (PWR)
- Delta Water Charge (DWC)
- Statement of Charges (SOC)
- Transportation Minimum and Capital Direct and Indirect Analysis (TMC)
- Debt Service Procedures (DBT)

While we perform our procedures covering all Contractors that are part of the IAA, we further focus these procedures on selected Contractors each year. The selection process is approved by the IAA and includes a rotation of Contractors. Below are the Contractors that were selected in the current year:

- Alameda County Flood Control (FC) and Water Conservation District (WCD), Zone 7
- Coachella Valley Water Agency
- Desert Water Agency
- Kern County Water Agency (KCWA)
- San Geronio Pass Water Agency
- Tulare Lake Basin Water Storage District (WSD)

The current year procedures are performed on the 2025 SOC with a fiscal year end of June 30, 2024, which includes December 31, 2023 actual costs with projections thereafter. The procedures reference various periods that are defined, as follows:

- 2023 – Calendar year actual costs
- 2024 – Fiscal year ended June 30, 2024
- 2025 SOC – Includes actual costs through December 31, 2023 with projections thereafter

Findings and Recommendations

This section contains the findings and recommendations that resulted from the procedures performed related to the 2025 SOC. Findings specifically relate to observations with a dollar impact to the Contractors. Recommendations are process improvements identified for the Department of Water Resources (the “Department” or “DWR”), through current year procedures for which no dollar impact to the Contractors was determined. Throughout this report, the State Water Project Analysis Office (SWPAO) or the Division of Fiscal Services are also referred to as the Department. The findings and recommendations are highlighted in summary tables. The following is a summary of the findings and recommendations included in Section 2 of this report.

Findings:

Alpha Allocation Cycles

- Finding AUD-000657: The statewide FAD890 alpha cost centers did not allocate costs to the East Branch Extension (EBX) and Coastal Branch (CB) Reach (R) 33A (Devil's Den Pumping Plant) reaches. This resulted in a reallocation of costs among the Contractors of \$4,994. The Department should continue to correct the remaining alpha cost centers that are not allocating to the EBX and CB-R33A (Devil's Den Pumping Plant). The Department should also close off the Internal Orders (IOs) and Work Breakdown Structures (WBSs) to eliminate the costs charged to these alpha allocation cycles in the future.
- Finding AUD-000658: Costs in the amount of \$401,536 from alpha cost center 236OSAA903 were incorrectly included in the S-series cost pool. Removal of these costs would result in a redetermination of the S-series reach allocation factors. For 2023, a total of \$100,792,526 in costs are being allocated through S-series alpha cost centers. In addition, we observed alpha cost center 236OSAA903 being incorrectly mapped to the S_SERIES Process ID within Cost Allocation and Billing (an SAP module) (CAB). This resulted in a reallocation of costs among the Contractors of \$100,792,526. The Department should remove alpha cost center 236OSAA903 from the S-Series Process ID within CAB.
- Finding AUD-000659: Safety Management Systems LLC invoice related to claim 1393028 was double billed to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The original and revised invoice total were both billed. This resulted in an overstatement to the Contractors of \$10,947. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000660: Safety Management Systems LLC invoice related to claim 1396317 was double billed to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$25,720. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000661: Safety Management Systems LLC invoices related to claim 1396316 were double billed to the Delta Field Division through the M-FFE907 alpha allocation cycle and Oroville Field Division through the M-MFA010 alpha allocation cycle. This resulted in an overstatement to the following alpha allocation cycles: M-FFE907 of \$67,872 and M-MFA010 of \$8,854. The overall overstatement to the Contractors is \$76,726. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

- Finding AUD-000662: Johnson Controls Fire Protection, LP invoice related to claim 1437508 was double billed to the Delta Field Division through the M-FFE907 alpha allocation cycle. This resulted in an overstatement of costs to the Contractors of \$2,895. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000663: Johnson Controls Fire Protection, LP invoice related to claim 1445204 was double billed to the Upper Feather River Division through the M-FDA907 alpha allocation cycle. This resulted in an overstatement of costs to the Contractors of \$458. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000664: HDR Engineering, Inc. invoice related to claim 1403944 was double billed to statewide alpha allocation cycle M-GAC001. This resulted in an overstatement of costs to the Contractors of \$7,979. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

System Power Costs – Variable Transmission

- Finding AUD-000667: The Department incorrectly calculated the transportation variable plant unit rate per Table B-17 by including projected and actual water deliveries in their analysis. This resulted in an overstatement of variable costs in the amount of \$4,179,887. However, this error also had an impact on the downstream calculation. As a result, downstream that is collected through the minimum Operations, Maintenance, Power, and Replacements (OMP&R) component was understated by \$4,179,887. This resulted in an overstatement of variable costs of \$4,179,887 and an understatement of minimum costs of \$4,179,887 to the Contractors. The Department should remove projected water deliveries and only base their transportation variable plant unit rate calculation on actual water deliveries. In addition, the downstream calculation should only use actual water deliveries derived from the ZCAB_WATER_DELV report.
- Finding AUD-000668: The Department incorrectly calculated the 2023 Value of Recovery Generation (VORG) mill rate for Mojave. The incorrect amount for projected annual generation was used in the calculation. The original mill rate for Mojave per the SOC is \$245.27. The recalculation of the 2023 VORG mill rate for Mojave using the correct denominator in the formula is \$257.20. In summary, the total generation credit for Mojave should have increased by \$821,170 in Bulletin 132-24, Table B-3, *Power Cost and Credits, Transmission Costs and Annual Replacement Deposits for Each Aqueduct Pumping and Power Recovery Plant*. This resulted in an overstatement of costs to the Contractors of \$821,170. The Department should implement internal controls to ensure that the VORG mill rates are calculated correctly each year.

Delta Water Charge

- As a result of our procedures for the DWC, we identified no findings in the current year.

Statement of Charges

- Finding AUD-000672: The Coastal reallocation included allocations to the County of Butte, the Future Contractor – San Joaquin, the Plumas County FC and WCD, and the City of Yuba in the calculation, but these costs were being allocated to the Santa Barbara County FC and WCD and the San Luis Obispo County FC and WCD in the SOC in years 2000–2016. This resulted in an overstatement of costs of \$4,663 and \$235 to Santa Barbara FC and WCD and San Luis Obispo County FC and WCD, respectively, and an understatement of \$564, \$2,788, \$83, and \$1,463 to County of Butte, Future Contractor – San Joaquin, Plumas County FC and WCD, and the City of Yuba, respectively. The Department should allocate the costs to match the Coastal reallocation calculation.

Transportation Minimum and Capital Direct and Indirect Analysis

- Finding AUD-000681: Barnard Construction Company, Inc. invoice related to claim 1453869 was charged to Barker Slough Pumping Plant (North Bay Aqueduct (NBA) R1) for costs related to furnishing a mobile diesel engine generator. However, the mobile diesel engine generator has a primary location at Cordelia Pumping Plant (NBA-R3A) and will provide emergency power to both Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A). This resulted in a reallocation of costs among the Contractors of \$1,474,335. The Department should charge the work performed for this invoice through an alpha allocation cycle to Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A).
- Finding AUD-000682: The filing fee for the Delta Dams Rodent Burrow Remediation Project was charged to Patterson Dam (South Bay Aqueduct (SBA) R2), but the project includes work performed at Dyer Dam (SBA-R1), Patterson Dam (SBA-R2), and Clifton Court Forebay Dam (California Aqueduct (CA) R1). This resulted in a reallocation of costs among the Contractors of \$105,000. The Department should charge the filing fee to Dyer Dam (SBA-R1), Patterson Dam (SBA-R2), and Clifton Court Forebay Dam (CA-R1).
- Finding AUD-000683: K.W. Emerson, Inc. invoices related to claims 1439098 and 1448304 include costs related to the Clifton Court Forebay Dam (CA-R1), but had costs charged to the Patterson Dam (SBA-R2). This resulted in a reallocation of costs among the Contractors of \$500,316. The Department should charge the work performed for this invoice to the Clifton Court Forebay Dam (CA-R1).
- Finding AUD-000684: Patriot Environmental Services invoice was inappropriately billed to the Oroville Dam and Powerplant as the invoice was never paid. This resulted in an overstatement of costs to the Contractors of \$32,248. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000685: HDR Engineering, Inc. invoices related to claim 1394950 were double billed to CA-R29H. This resulted in an overstatement of costs to the Contractors of \$4,555. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

- Finding AUD-000686: HDR Engineering, Inc. invoice related to claim 1403938 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$133,354. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000687: All Terrain Water Corporation invoice related to claim 1362077 was double billed to CA-R1. This resulted in an overstatement of costs to the Contractors of \$8,145. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000688: Safety Management Systems LLC invoice related to claim 1397054 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$46,390. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000689: Voith Hydro, Inc. invoice related to claim 1391438 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$39,895. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000690: All Terrain Water Corporation invoice related to claim 1343315 was double billed to CA-R3A. This resulted in an overstatement of costs to the Contractors of \$3,885. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000691: HDR Engineering, Inc. invoice related to claim 1395128 was double billed to CA-R29H. This resulted in an overstatement of costs to the Contractors of \$256. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000692: HDR Engineering, Inc. invoice related to claim 1395719 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$8,970. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000693: HDR Engineering, Inc. invoice related to claim 1403941 was double billed to the Upper Feather Division including the Frenchman Dam and Lake, Antelope Dam and Lake, and Grizzly Valley Dam and Lake Davis. This resulted in an overstatement of costs to the Contractors of \$41,711. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

- Finding AUD-000694: All Terrain Water Corporation invoice related to claim 1363649 was double billed to SBA-R1. This resulted in an overstatement of costs to the Contractors of \$1,817. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000695: All Terrain Water Corporation invoice related to claim 1361683 was double billed to CA-R1. This resulted in an overstatement of costs to the Contractors of \$5,280. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000696: Safety Management Systems LLC invoice related to claim 1396317 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$63,395. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000697: Voith Hydro, Inc. invoice was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$514,904. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000698: Voith Hydro, Inc. invoices were inappropriately billed to the Oroville Dam and Powerplant as credit memos issued related to the invoices were not pushed down to the Contractors. This resulted in an overstatement of costs to the Contractors of \$652,234. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000699: Voith Hydro, Inc. invoice was double billed to CA-R3A. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$303,236. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000700: HDR Engineering, Inc. invoice related to claim 1394951 was double billed to CA-R29H. This resulted in an overstatement of costs to the Contractors of \$965. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000701: HDR Engineering, Inc. invoice related to claim 1390832 was double billed to CA-R28J, CA-R29H, EBX-R3B, and SBA-R5. This resulted in an overstatement of costs to the Contractors of \$132,094. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

- Finding AUD-000702: All Terrain Water Corporation invoice related to claim 1354467 was double billed to CA-R1. This resulted in an overstatement of costs to the Contractors of \$1,038. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000703: Safety Management Systems LLC invoice related to claim 1396311 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$24,903. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000704: Voith Hydro, Inc. invoice related to claim 1394240 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$10,392. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000705: Andritz Hydro Corporation invoice related to claim 1401858 was double billed to CA-R24, CA-R26A, CA-R29F, and CA-R29H. This resulted in an overstatement of costs to the Contractors of \$120,432. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000706: Quinn Rental Services invoice related to claim 1393243 was double billed to CA-R17E. This resulted in an overstatement of costs to the Contractors of \$1,448. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000707: Johnson Controls Fire Protection, LP invoice related to claim 1437508 was double billed to CA-R1 and SBA-R1. This resulted in an overstatement of costs to the Contractors of \$20,925. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000708: Johnson Controls Fire Protection, LP invoice related to claim 1445204 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$620. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000709: North Tree Enterprises, Inc. invoice related to claim 1369079 was double billed to CA-R16A. This resulted in an overstatement of costs to the Contractors of \$7,410. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

- Finding AUD-000710: North Tree Enterprises, Inc. invoices related to claim 1371703 were double billed to CA-R14A, CA-R15A, and CA-R16A. This resulted in an overstatement of costs to the Contractors of \$5,558. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000711: North Tree Enterprises, Inc. invoices related to claim 1377166 were double billed to CA-R14A and CA-R15A. This resulted in an overstatement of costs to the Contractors of \$4,180. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000712: HDR Engineering, Inc. invoices related to claim 1357560 were double billed to the Oroville Dam and Powerplant. The original and revised invoice totals were both billed. This resulted in an overstatement of costs to the Contractors of \$456,055. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
- Finding AUD-000713: HDR Engineering, Inc. invoice related to claim 1356349 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$222,219. The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.

Debt Service Procedures

- Finding AUD-000717: When processing the annual SOC, the Department used the latest Water System Revenue Bond (WSRB) file. The Department used Series A-BA for the 2021 SOC and Series A-BA for the 2020 SOC. If there was a new WSRB Series issuance, it would affect a future SOC in the amounts required to be collected. The Department does not currently true-up for the WSRB Surcharge by going back and adjusting for refunding of WSRB issuances on past SOC's. This resulted in an overstatement of WSRB Surcharge among the Contractors of \$10,506,426 plus an interest impact for the 2020 SOC year. Interest impact using the project interest rate is \$2,636,683 and interest impact using the Surplus Money Investment Fund (SMIF) is \$547,142. This resulted in an overstatement of WSRB Surcharge among the Contractors of \$9,711,545 plus an interest impact for the 2021 SOC year. Interest impact using the project interest rate is \$1,905,160 and interest impact using the SMIF is \$98,755. Actual interest impact to be determined at a later date. The Department should true-up the WSRB Surcharge by going back and adjusting for refunding of WSRB issuances on past SOC's.

- Finding AUD-000718: EBX direct billed debt service charged to San Bernardino Valley Municipal Water District (MWD) and San Gorgonio Pass Water Agency was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the EBX project. This resulted in an overstatement of debt service charges of \$5,103,125 from 1999 to 2025 plus an interest impact. Interest impact using the project interest rate is \$1,833,529 and interest impact using the SMIF is \$954,402. Actual interest impact to be determined at a later date. The Department should update the 2026 SOC to reflect the benefits of the refinanced debt service to San Bernardino MWD and San Gorgonio Pass Water Agency.
- Finding AUD-000719: SBA Enlargement direct billed debt service charged to Alameda County FC and WCD, Zone 7 was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the SBA Enlargement. This resulted in an overstatement of debt service charges of \$18,033,799 from 2004 to 2025 plus an interest impact. Interest impact using the project interest rate is \$11,030,587 and interest impact using the SMIF is \$1,554,238. Actual interest impact to be determined at a later date. The Department should update the 2026 SOC to reflect the benefits of the refinanced debt service to Alameda County FC and WCD, Zone 7.

Recommendations:

Alpha Allocation Cycles

- Recommendation AUD-000665: Through our invoice testing in PR5, we observed two entries being mapped to the same claim and invoice number. Upon further investigation, it was determined that the entries should be mapped to two different invoices. We would expect each entry to be mapped to the correct invoice within the system. We recommend that the Division of Fiscal Services update the system to ensure that invoice records are correctly maintained. The Division of Fiscal Services should ensure each expense entry within the PR5 system be mapped to the correct claim and invoice number.
- Recommendation AUD-000666: Alpha allocation cycles determined to have incorrect allocations are not disabled by the Department at the headquarters level resulting in recurring errors in the SOC. For example, the statewide FAD890 alpha cost centers still had costs present each year after it was previously determined that these alpha cost centers should no longer have costs charged to them. The Department should develop processes and procedures to disable functional areas in a timely manner at the headquarters level when determined costs should no longer be charged to those functional areas.

System Power Costs – Variable Transportation

- As a result of our procedures for System Power Costs – Variable Transportation, we identified no recommendations in the current year.

Delta Water Charge

- As a result of our procedures for the DWC, we identified no recommendations in the current year.

Statement of Charges

- Recommendation AUD-000669: Within Attachment 4A-FZ of the SOC for KCWA – Agricultural (Ag) and Dudley Ridge Water District (DRWD), the calculated component for calendar year 2025 does not include the relinquished capacity credit and does not agree to Bulletin 132-24 Table B-15 FZ, *Capital Cost Component of Transportation Charge for Each Contractor – FREEZE*. The Department should include a footnote on Attachment 4A-FZ discussing the exclusion of the relinquished capacity credit for 2025. There was no impact as the relinquished capacity credit was properly included in Attachment 4D-FZ and Invoice 1-T-Combined; however, a footnote should be included for proper disclosure. The Department should review future SOC's for internal consistency among attachments.

- Recommendation AUD-000670: Within Attachment 4A-FZ of the SOC for Alameda County FC and WCD, Zone 7, there was a difference in determining the current overpayment or underpayment for years 2001–2019. This difference is due certain payments made to the Department that were included only in payments received and not included in the current overpayment or underpayment and annual difference capitalized to 2025. This results in a discrepancy between the recalculation of the current overpayment or underpayment and the presented values in the 2025 SOC. These payments were excluded from the billing of the transportation capital cost component resulting in no impact to the amount billed to Alameda County FC and WCD, Zone 7. The Department should include a footnote or additional column on Attachment 4A-FZ to disclose that the payments are included in the payments received column. Additionally, a footnote should be added to disclose the nature of these payments and clarify that these payments are not included in the current overpayment or underpayment for years 2001–2019. The Department should review future SOC's for internal consistency among attachments.
- Recommendation AUD-000671: Within Attachment 3-FZ of the SOC for San Geronio Pass Water Agency, San Bernardino Valley MWD, and Santa Barbara FC and WCD, the Projected Allocation of Capital Cost of Project Transportation Facilities includes direct debt service amounts. The Projected Allocation of Capital Cost of Project Transportation Facilities per Attachment 3-FZ is included in the calculation of the calculated component of Attachment 4A-FZ. However, direct debt service is already being billed through Invoice 1-4 and Invoice 1-5. The Department should remove the direct debt service amounts included in the Projected Allocation of Capital Cost of Project Transportation Facilities per Attachment 3-FZ. There was no impact as the direct debt service amounts were not included in Table B-14, *Capital Costs of Transportation Facilities Allocated to Each Contractor* and Attachment 4A-FZ. The Department should review future SOC's for internal consistency among attachments.
- Recommendation AUD-000673: The variable OMP&R component for calendar year 2025 within Attachment 3-FZ does not agree to the adjusted calculated component for calendar year 2025 within Attachment 4C-FZ. In addition, the variable OMP&R component for calendar years 2024 and 2025 within Attachment 3-PG does not agree to the adjusted calculated component for calendar years 2024 and 2025 within Attachment 4C-PG. However, the sum of the component for the two years per Attachment 3-PG and Attachment 4C-PG agrees. The Department should update the variable OMP&R component for calendar year 2025 per Attachment 3-FZ and calendar years 2024 and 2025 per Attachment 3-PG to agree to the adjusted calculated components per Attachments 4C-FZ and 4C-PG. There was no impact as the 2025 adjusted calculated components per Attachment 4C-FZ and 4C-PG were properly included in Attachment 5. The Department should review future SOC's for internal consistency among attachments.
- Recommendation AUD-000674: The Relinquished Capacity credit for KCWA and DRWD was based on data from Bulletin 132-91 Table B-1 and has not been updated since the initial calculation. Per the Monterey Amendment, the calculation of the Relinquished Capacity credit to Ag Contractors was to be updated every five years if a Contractor requests it. While this is allowed per the Monterey Amendment, we recommend that KCWA and DRWD review and determine whether an update is desired every five years.

- Recommendation AUD-000675: Certain invoices selected for testing lacked the necessary documentation to determine where costs should be charged. Accordingly, we were unable to assess whether the costs were charged to the proper cost object based on the supporting documentation. The Department should include enough supporting documentation on invoices to determine the purpose of each individual invoice in order to determine whether costs are being charged to the correct cost objects.
- Recommendation AUD-000676: Within Invoice 1-T-Combined and Invoice 1-PG of the SOC, the minimum DWC includes an adjustment related to the Current Overpayment or Underpayment of the Conservation Minimum Cost Component per Attachment 4H-PG. The Department should include a footnote or separate column disclosing the adjustments applied to the minimum DWC on Invoice 1-T-Combined and Invoice 1-PG. The current footnote B/ only discloses the rate and AF used in the minimum DWC calculation. The Department should review future SOC's for internal consistency among attachments.
- Recommendation AUD-000677: Within Invoice 1-T-Combined, Invoice 1-FZ, Invoice 1-PG, Attachment 3-FZ, and Attachment 4D-FZ of the SOC for Tulare Lake Basin WSD and Empire West Side Irrigation District, the Annual Table A Amounts in Acre-Feet (AF) disclosed in either the footnotes or for calendar year 2025 does not agree to 2025 in Table B-4, *Maximum Contractual Table A Amounts*. The AF agrees to the 2024 amount in Table B-4. The Department should update the footnote in Invoice 1-T-Combined, Invoice 1-FZ, Invoice 1-PG, and the Annual Table A Amounts in Attachment 3-FZ and Attachment 4D-FZ to the correct 2025 AF. There was no impact as the DWC and capital transportation charge used the 2025 AF in Table B-4. The Department should review future SOC's for internal consistency among attachments.
- Recommendation AUD-000678: Within Invoice 1-7 for Alameda County FC and WCD Zone 7, the calculation of 25% of the total bond principal and interest (P&I) charge does not agree to the total bond cover charge. This is due to the inclusion of the SBA Off-Peak Pumping cover in the total bond cover charge. In addition, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months. The Department should include a footnote or a separate column disclosing the inclusion of the SBA Off-Peak Pumping cover. In addition, we recommend a footnote for the "25 Percentage Bond Cover Charge" column disclosing that the total bond cover is billed evenly every six months. The Department should review future SOC's for internal consistency among attachments.
- Recommendation AUD-000679: Within Invoice 1-3-FZ for the East Branch Enlargement (EBE) Contractors, the calculation of 25% of the total bond P&I charge does not agree to the total bond cover charge. This is due to the inclusion of the Devil Canyon Second Afterbay cover in the total bond cover charge. In addition, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months. The Department should include a footnote or a separate column disclosing the inclusion of the Devil Canyon Second Afterbay cover. In addition, we recommend a footnote for the "25 Percentage Bond Cover Charge" column disclosing that the total bond cover is billed evenly every six months. The Department should review future SOC's for internal consistency among attachments.

- Recommendation AUD-000680: Within Invoice 1-4 and Invoice 1-5, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months. The Department should include a footnote for the "25 Percentage Bond Cover Charge" column disclosing that the total bond cover is billed evenly every six months. The Department should review future SOCs for internal consistency among attachments.

Transportation Minimum and Capital Direct and Indirect Analysis

- Recommendation AUD-000714: Through our invoice testing, we observed double billings within the PR5 system. Double billings involved an invoice being posted twice or a revised invoice with both its original invoice total and revised invoice total being posted. As the PR5 system interfaces with CAB, this results in overcharges to the Contractors. The Division of Fiscal Services should put in place additional internal controls to prevent and detect double billings in the PR5 system to ensure the Contractors are not billed more than once for a respective purchase. For revised invoices, the original invoice entry should be reversed, or an additional entry should be made to address the difference between the original and revised invoice totals. The double billings originated in the PR5 system.
- Recommendation AUD-000715: Construction project costs are billed monthly that includes a retention balance that is paid at the end of the project by the Department. The Contractors are billed the full amount of the contract (including retentions) monthly. The Department should develop a formal policy in writing over the billing of retentions to the Contractors. The details of the policy should be in compliance of the water supply contract. This policy should be reviewed and approved by the Contractors.
- Recommendation AUD-000716: The vendor, All Terrain Water Corporation, was not approved. However, charges of \$4,488,175 are associated to this vendor from 2015 through 2020. A block to utilize this vendor was not placed until June 19, 2023. The Division of Fiscal Services should put in place additional internal controls to prevent and detect unapproved vendors. All vendors should go through an approval process and should not have the opportunity to be entered into the system until proper approval has occurred. A review of vendors should be performed periodically to identify any unapproved vendors.

Debt Service Procedures

- Recommendation AUD-000720: Related to the completion of the cost/debt reconciliation project, there will be decisions made during the pricing report development, recalculation of the WSRB surcharge calculation from 1988 to present, direct debt service reconciliations, rate management credit 51(e) recalculation, debt service reserve fund recalculation, protest item resolutions, and payments/refunds to/from the Contractors. For example, the WSRB surcharge calculation will be recalculated from 1988 to present based on the data finalized as part of the cost/debt reconciliation project and it is important that all the steps and decisions made up to the final output (impact by Contractor) are properly documented. We recommend the Department work with the Contractors to ensure proper documentation is developed regarding the steps taken to resolve the allocation of costs and debt as a result of certain protest items.

The following table shows the estimated impact for each Contractor for all findings in the current year report (table does not include findings found in prior years):

Table 1 – Summary of All Findings by Contractor

Contractor	Overstatement of Charges	Understatement of Charges	Increase/ (Decrease) in Charges
Alameda County Water District	\$ (579,539)	\$ –	\$ (579,539)
Alameda County FC and WCD, Zone 7	(29,788,546)	252,171	(29,536,375)
Antelope Valley-East Kern Water Agency	(1,554,370)	15,734	(1,538,636)
County of Butte	(82,423)	584	(81,839)
Coachella Valley Water District	(4,152,439)	2,828	(4,149,611)
Crestline-Lake Arrowhead Water Agency	(268,379)	715	(267,664)
Desert Water Agency	(363,604)	783,585	419,981
DRWD	(350,071)	9,142	(340,929)
Empire West Side Irrigation District	(31,622)	475	(31,147)
Future Contractor – San Joaquin	(4,790)	4,151	(639)
Future Contractor – South Bay	(46)	1,834	1,788
KCWA	(5,605,563)	4,005,510	(1,600,053)
County of Kings	(60,808)	486	(60,322)
Littlerock Creek Irrigation District	(224,225)	263	(223,962)
Metropolitan Water District of Southern CA	(14,832,995)	9,328,971	(5,504,024)
Mojave Water Agency	(550,367)	4,564,235	4,013,868
Napa County FC and WCD	(265,098)	–	(265,098)
Oak Flat Water District	(52,165)	894	(51,271)
Palmdale Water District	(1,811,387)	1,976	(1,809,411)
Plumas County FC and WCD	(10,424)	85	(10,339)
San Bernardino Valley MWD	(11,107,557)	12,649	(11,094,908)
San Gabriel Valley MWD	(237,960)	32,461	(205,499)
San Geronio Pass Water Agency	(3,705,170)	2,132	(3,703,038)
San Luis Obispo County FC and WCD	(202,078)	2,854	(199,224)
Santa Barbara County FC and WCD	(947,012)	75,663	(871,349)
Santa Clara Valley Water District	(1,634,274)	–	(1,634,274)
Santa Clarita Valley Water Agency	(2,388,690)	6,883	(2,381,807)
Solano County Water Agency	(322,200)	3,429	(318,771)
Tulare Lake Basin WSD	(830,479)	18,763	(811,716)
Ventura County Watershed Protection District	(932,482)	2,297	(930,185)
City of Yuba	(28,772)	1,470	(27,302)
Total	\$ (82,925,535)	\$ 19,132,240	\$ (63,793,295)
Findings not quantified by Contractor ¹	(2,300,499)	2,300,499	–
Grand Total	\$ (85,226,034)	\$ 21,432,739	\$ (63,793,295)

¹ Finding AUD-000658 was not included in the findings not quantified by Contractor.

SECTION 2

DETAILED DISCUSSION OF PROCEDURES

<u>Areas of Focus</u>	<u>Page Reference</u>
• Alpha Allocation Cycles	2-3
• System Power Costs – Variable Transportation	2-36
• Delta Water Charge	2-46
• Statement of Charges	2-50
• Transportation Minimum and Capital Direct and Indirect Analysis	2-70
• Debt Service Procedures	2-98

Findings and Recommendations Summary Tables

Throughout the report, summary tables are categorized as findings or recommendations. Findings specifically relate to observations with a dollar impact to the Contractors. Recommendations are process improvements observed for the Department, specifically identified through current year procedures for which no dollar impact to the Contractors was determined.

The findings and recommendations summary tables throughout the report identify the risk of future occurrence. This risk rating provides the IAA with a meaningful measurement of the likelihood of similar findings in subsequent years if the finding is not addressed or corrected. The IAA has requested that we use the following risk rating definitions:

- High – it is highly likely (or probable) that the error or process failure will be repeated.
- Medium – it is more likely than not that the error or process failure will be repeated.
- Low – it is possible that the error or process failure will be repeated.

Internal Control Impact Framework

The internal control categories presented in the findings and recommendations summary tables detail the root cause of the finding or recommendation. We have summarized all findings and recommendations into internal control categories, which are presented in the Internal Control Impact Framework. This framework that has been developed by the IAA is as follows:

1. Control Activities:

- a. Internal Controls on Reconciliations, Approvals, Assets, Segregation of Duties – Findings in this category are the result of errant internal control measures or practices. This includes approvals, verifications, reconciliations, and segregation of duties.
- b. Internal Controls on Data Environment for Data Integrity – Findings in this category are the result of errant data control measures or practices. This includes practices that result in altered, damaged, or errant data included in calculations or reporting.

2. Control Environment:

- a. Policy: Determination of Beneficiary – Findings in this category are the result of no policy or lack of compliance with policy regarding full reimbursement of cost and having a defined beneficiary prior to providing service.
- b. Policy: Determination of Cost Categorization – Findings in this category are the result of no policy or lack of compliance with policy regarding controls and approvals of cost classification/codification prior to posting into a system of record.
- c. Policy: Accounting Standards for Consistency – Findings in this category are the result of the DWR adopting an accounting principle, method or practice and not consistently following the principle, method or practice in future accounting periods.
- d. Policy: Accounting Standards for Timeliness – Findings in this category are the result of the DWR not following the accounting principle of timeliness or the need for accounting information to be presented to the users in time to fulfill their decision-making needs.
- e. Procedures: No Procedures – Findings in this category are the result of the DWR not having established standardized processes or procedures.
- f. Procedures: Errant Procedures – Findings in this category are the result of the DWR having errant standardized processes or procedures creating a weakness in internal control processes.
- g. Procedures: Procedures not Being Followed – Findings in this category are the result of the DWR staff not following standardized processes or procedures creating a weakness in internal control processes.

Alpha Allocation Cycles

Procedures Performed

We performed the following procedures to assess the alpha allocation cycles used for 2023² costs:

- Assessed new alpha allocation cycles created or modified in the current year by the Department.
- Reperformed the F-series alpha allocation cycles update performed by SWPAO for selected 2023 actual costs and selected 2024 future estimated costs and assessed whether the percentages for alpha allocation cycles were updated.
- Reperformed the S-series alpha allocation cycles update performed by SWPAO for 2023 actual costs and selected 2024 future estimated costs and assessed whether the percentages for alpha allocation cycles were updated.
- Downloaded all cost centers from the Department's Accounting Software (SAP) module, CAB, assessed which cost centers represent cost centers allocated based on alpha allocation cycles, pulled the costs for each alpha cost center for 2023, and assessed all alpha cost centers with the largest total annual costs.
- Created an alpha allocation cycle matrix to display the percentage allocated to each reach for all alpha allocation cycles with the largest total annual costs in 2023, and any new alpha allocation cycles created in 2023 to display the percentage allocated to each reach.
- Assessed the largest IO or WBS within each alpha cost center assessed and selected an invoice to support the nature of activities being performed.
- Assessed whether costs within alpha cost centers were indirect or direct. Costs being allocated through an alpha allocation cycle should be indirect costs. If costs can be associated to a specific reach, they should be allocated directly to that reach.
- Assessed whether costs within alpha cost centers are reimbursable costs (i.e., not recreation).
- Assessed whether reaches to which costs are being allocated within the alpha cost centers are based on the project and costs identified (i.e., are the appropriate reaches paying for the project).

Findings and Recommendations

Alpha allocation cycles are used to distribute costs across multiple reaches. Costs that are allocated based on an alpha allocation cycle undergo several processes and allocations prior to being included in a Contractor's SOC billing component. This process can be separated into three steps:

1. Costs are posted to IOs or WBSs. Each IO or WBS is mapped to a functional area in the SAP module, PR5, which becomes a cost center in CAB (i.e., cost centers can have multiple related IOs and WBS numbers). If that cost center is an alpha cost center, this would indicate that these costs are allocated based on alpha allocation cycle percentages to various reaches (i.e., reaches that receive costs will be determined by basis and area of distribution). Refer to Figure 1 below.

² 2023 costs are the actual costs used for the 2025 SOC.

2. An alpha cost center is then allocated to a project purpose cost center. Depending on the reach feature (e.g., aqueduct, pumping plant, reservoir, dam), costs are separated by transportation, conservation, recreation, FC, or another project purpose. Some reaches do not have a recreation purpose and are allocated 100% to water supply (transportation and conservation) and are recovered from the Contractors. Likewise, some reaches do not have a water supply project purpose component and, therefore, are allocated 100% to recreation. Refer to Figure 2 below.
3. The State Water Project (SWP) reimbursable project purpose cost centers are then allocated to Contractors through the SOC. These costs generally are distributed among Contractors based on their Proportional Use of Facilities Factors (PUFF) outlined in Bulletin 132-24, Tables B-1, *Factors for Distributing Reach Capital Costs Among Contractors* and B-2, *Factors for Distributing Reach Minimum Operations, Maintenance, Power, and Replacements (OMP&R) Costs Among Contractors*, for capital and minimum costs, respectively. Additionally, if costs have been allocated to Delta or other conservation reaches or features, a portion of costs allocated based on an alpha allocation cycle will be included in the DWC and therefore allocated based on a Contractor's proportionate maximum contractual Table A amount. Refer to Figure 3 below.

Figure 1

* Amount of costs and allocations do not represent actual data. Data was created solely for illustration purposes.

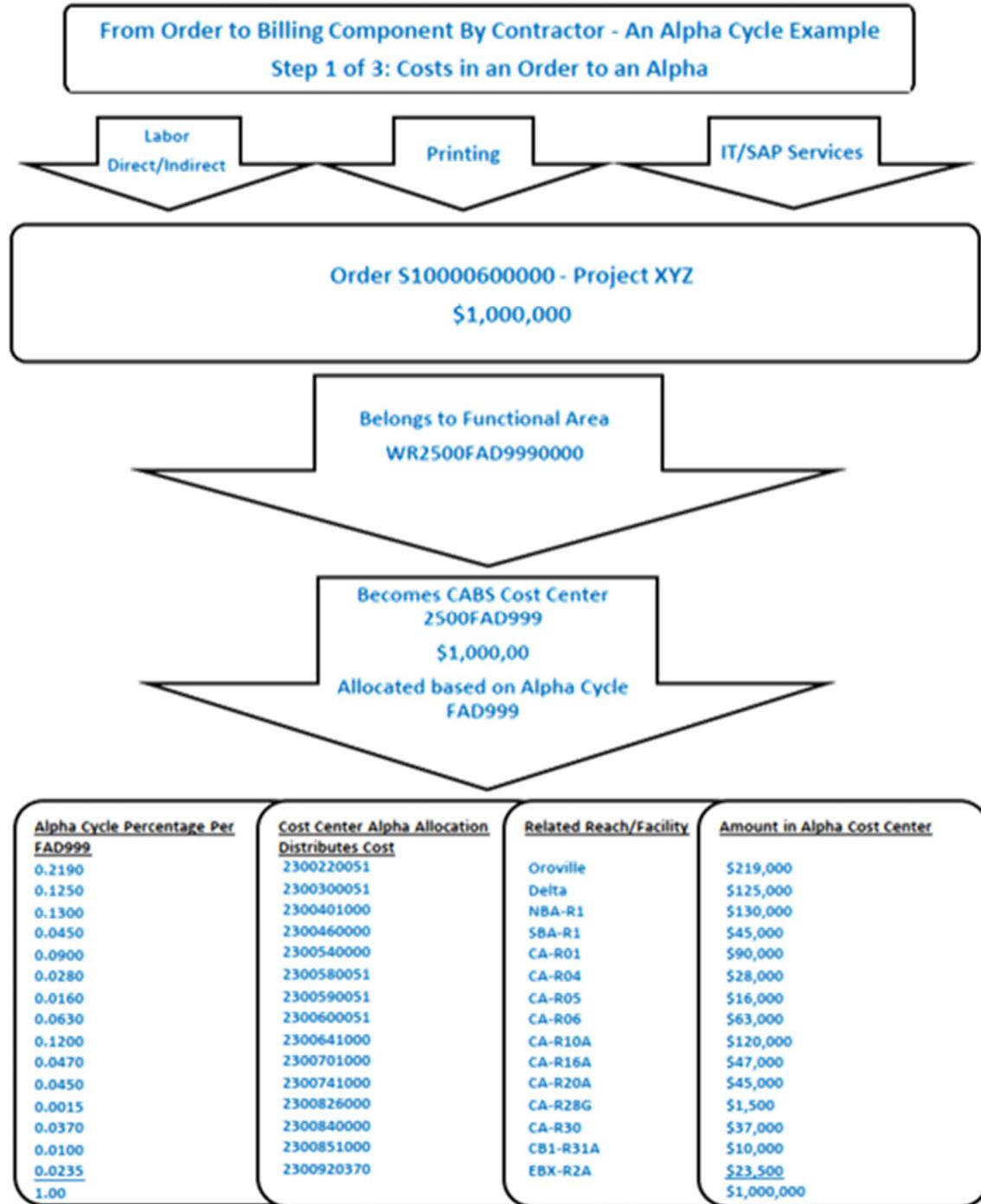


Figure 2

* Amount of costs and allocations do not represent actual data. Data was created solely for illustration purposes.

Step 2 of 3:
Alpha Cost Centers Allocated to Billing Component (Cost Center Group) Based on Project Purpose Allocation

From Figure 1						
Alpha Cost Center	Amt in Alpha CC	Project Purpose	Reach	Project Purpose Cost Center	Project Purpose Defined	Amt in PP CC
2300220051	\$ 219,000	21.00%	Oroville	M220051112	Conservation	\$ 45,990
		78.50%		M220051122	Conservation	171,915
		0.50%		M220051142	Recreation	1,095
2300300051	125,000	86.00%	Delta	M300051112	Conservation	107,500
		10.70%		M300051114	Conservation	13,375
		3.30%		M300051142	Recreation	4,125
2300401000	130,000	100.00%	NBA-R1	M401000212	Transportation	130,000
2300460000	45,000	100.00%	SBA-R1	M460000213	Transportation	45,000
2300540000	90,000	29.98%	CA-R1	M540000112	Conservation	26,982
		1.02%		M540000142	Recreation	918
		66.72%		M540000212	Transportation	60,048
		2.28%		M540000242	Recreation	2,052
2300580051	28,000	96.90%	CA-R4	M580051210	Transportation	27,132
		3.10%		M580051242	Recreation	868
2300590051	16,000	96.90%	CA-R5	M590051212	Transportation	15,504
		3.10%		M590051242	Recreation	496
2300600051	63,000	96.90%	CA-R6	M600051212	Transportation	61,047
		3.10%		M600051242	Recreation	1,953
2300641000	120,000	96.90%	CA-R10A	M641000212	Transportation	116,280
		3.10%		M641000242	Recreation	3,720
2300701000	47,000	96.90%	CA-R16A	M701000212	Transportation	45,543
		3.10%		M701000242	Recreation	1,457
2300741000	45,000	96.90%	CA-R20A	M741000212	Transportation	43,605
		3.10%		M741000242	Recreation	1,395
2300826000	1,500	96.90%	CA-R28G	M826000212	Transportation	1,453
		3.10%		M826000242	Recreation	47
2300840000	37,000	96.90%	CA-R30	M840000212	Transportation	35,853
		3.10%		M840000242	Recreation	1,147
2300851000	10,000	100.00%	CB1-R31A	M851000213	Transportation	10,000
2300920370	23,500	100.00%	EBX	M920370213	Transportation	23,500
Total	\$ 1,000,000					\$ 1,000,000

Recreation not included in Statement of Charges	\$ 19,273
Costs included in Statement of Charges	\$ 980,727
	\$ 1,000,000

Figure 3

* Amount of costs and allocations do not represent actual data. Data was created solely for illustration purposes.

Step 3 of 3: Reimbursable Project Purpose Cost Centers Allocated to Contractors Based on Bulletin 132 Table B2 for 2010 Cost Year
(Example Using Mojave Water Agency PUFF)

From Figure 2		Mojave B-2 PUFF or Included in Delta Water Rate		Mojave Transportation Charges		Conservation Charge for All Contractors	
Project Purpose Cost Center	Amnt in PP CC						
M220051112	\$ 45,990	Delta Water Rate	\$ -			\$ 45,990	
M220051122	171,915	Delta Water Rate	-			171,915	
M300051112	107,500	Delta Water Rate	-			107,500	
M300051114	13,375	Delta Water Rate	-			13,375	
M401000212	130,000	0	-			-	
M460000213	45,000	0	-			-	
M540000112	26,979	Delta Water Rate	-			26,979	
M540000212	60,051	0.0202694	1,217			-	
M580051210	27,132	0.021247	576			-	
M590051212	15,504	0.02124715	329			-	
M600051212	61,047	0.02124733	1,297			-	
M641000212	116,280	0.01994731	2,319			-	
M701000212	45,543	0.02777508	1,265			-	
M741000212	43,605	0.04945751	2,157			-	
M826000212	1,454	0	-			-	
M840000212	35,853	0	-			-	
M851000213	10,000	0	-			-	
M920370213	23,500	0	-			-	
Total	\$ 980,728		\$ 9,161			\$ 365,759	

Description	Amount	Tag
Conservation Charges for Order	\$ 365,759	
FV of Conservation Charge in 2012 SOC	\$ 400,260	A
PV of Future Water Deliveries' 2012 SOC (AF)	59,826,818	B
Delta Water Unit Rate for Order S10060000000	\$ 0.01	C=A/B
Mojave Table A Entitlement (AF)	82,800	D
Mojave Conservation Charge for Order S10060000000 in 2012 Statement of Charge*	\$ 554	E=C*D
Mojave Transportation Charge for Order S10060000000	\$ 9,161	F
Mojave Total Charges for Order S10060000000 in 2012 SOC	\$ 9,715	G=E+F

* As cost included in the Delta Water Rate are amortized at the project interest rate over remaining future water deliveries, the amount shown does not capture what Mojave would pay in total charges related to this fictitious order. The total conservation charges Mojave would pay related to this order, excluding interest would be approx. \$7,258 based on proportionate share of Table A entitlement.

We determined that there were 2,939 cost centers in CAB, of which 489 were identified as alpha cost centers. Included in these 489 alpha cost centers were 248 different alpha allocation cycles. This means there are 248 ways costs can be allocated to different reaches, based on different percentages. However, we observed from our procedures of the 2023 activity that only 168 alpha allocation cycles were used.

Alpha allocation cycles are defined by an alpha indicator (e.g., FAD, MAD, AAB) and a three-digit numeric (e.g., 908, 057, 080). The alpha indicator should indicate how these costs are to be allocated. Historical definitions of alpha indicators were provided by the Department, as follows:

- The first letter of the alpha allocation cycle represents the basis of the allocation used (e.g., Operations and Maintenance (O&M) Direct Labor, Salaries and Wages, and Plant Capacity).
- The second letter of the alpha allocation cycle represents the area of distribution (e.g., statewide, field divisions, and special projects).
- The last letter of the alpha allocation cycle provides further detail of the area of distribution (e.g., statewide beginning with Oroville and Field Division – Oroville Field Division).

The following tables represent examples for both statewide alpha allocation cycles and field division alpha allocation cycles:

Table AAC.1 – Statewide Alpha Allocation Cycles – Examples

Alpha Allocation Cycles	Basis	Distribution	Area of Distribution
SAA	Salaries and Wages	Statewide	Beginning with Upper Feather
FAD	O&M Direct Labor	Statewide	Beginning with Oroville
MAD	Plant Capacity	Statewide	Beginning with Oroville
MAF	Plant Capacity	Statewide	Beginning with North Bay

Table AAC.2 – Field Division Alpha Allocation Cycles – Examples

Alpha Allocation Cycles	Basis	Distribution	Area of Distribution
FFA	O&M Direct Labor	Field Division	Oroville
FFE	O&M Direct Labor	Field Division	Delta
FFJ	O&M Direct Labor	Field Division	San Luis
FFN	O&M Direct Labor	Field Division	San Joaquin

Alpha allocation cycles with the same basis and same area of distribution should allocate to the same reaches using the same percentages. However, these definitions are not being properly applied, because inconsistencies were identified in the allocation methodology. The following matrix was prepared to describe alpha allocation cycle indicators as defined above and implemented appropriately:

Table AAC.3 – Alpha Allocation Cycles with Defined Meanings

Alpha Allocation Cycles Description	Same Reaches	Same Percentage Allocated to Reaches	Different Reaches	Different Percentages Allocated to Reaches
Using the Same Basis and Same Area of Distribution	X	X		
Using the Same Basis and Different Area of Distribution			X	X
Using a Different Basis and Same Area of Distribution	X			X
Using a Different Basis and Different Area of Distribution			X	X

As a result, the Department is currently in the process of standardizing and updating the alpha allocation cycles. This process is intended to be completed, as follows:

- Recalculate the basis of allocation for all direct labor-related alpha allocation cycles (F-series) for 2007–2023 and salaries and wages-related (S-series) alpha allocation cycles for 2007–2023. This process updated the alpha allocation cycle percentages with actual data for each related year (i.e., the reaches to which alpha allocation cycles allocate costs were not changed; however, the percentages attributable to each reach were updated to reflect actual costs of the basis used), since many of these had not been updated for several years. All alpha allocation cycles with a basis of minimum O&M direct labor (F-series alpha allocation cycles) and salaries and wages (S-series alpha allocation cycles) were updated. This process has been completed and is represented in the 2025 SOC.
- Analyze the validity of remaining alpha allocation cycles. This process is intended to analyze the reaches that are allocated costs in order to determine whether the allocation is appropriate based on the costs incurred. The process for completing this process will include an analysis of the costs within the alpha cost centers, and discussions with project managers and Department personnel charging time to these alpha cost centers. The Department has instructed project managers not to charge costs to any alpha allocation cycles that are found to be inappropriate. The Department is in process of correcting the historical costs charged to these inappropriate alpha allocation cycles.

As of the 2024 SOC, there was a transition from the Utility Cost Allocation and Billing System (UCABS) (the legacy billing system) to CAB (new billing system). CAB is an SAP module with enhanced capabilities that reduce the burden of many manual calculations previously impacting various billing components. The F-series and S-series alpha allocation cycle percentages are now calculated within CAB; however, there are manual aspects of the steps such as identifying which functional areas to include in the calculation of direct labor charges to be used when creating the alpha allocation cycle percentages.

The process for updating the F-series alpha allocation cycles was performed by the Department, as follows:

1. The cost centers (prior year cost centers and any created in 2023) were maintained within CAB by SWPAO.
2. When maintaining the listing of cost centers within CAB, cost centers that contain cost element 770000100 – Direct Labor were categorized into “Yes” or “No” categories. The “Yes” cost centers consisted of annual facilities O&M, SWP dam safety program, certain Delta cost centers, Santa Ana division – EBX, and other miscellaneous cost centers. The “No” cost centers consisted of alpha allocation cycles, capital, certain Delta cost centers, extraordinary O&M projects, replacements, O&M property management, turnouts, federal annual facilities O&M, and other miscellaneous cost centers. Cost Centers categorized as “Yes” are denoted with an F-series Process Identification Number (ID) within CAB and utilized within the F-series update.
3. The total direct labor charges were pulled from SAP for all of the “Yes” cost centers as part of the work step in CAB.
4. The 2023 alpha allocation cycles were updated as part of a work step in CAB with the current dollars using the same reaches established in the prior years.
5. The 2024 alpha allocation cycles were updated as part of a work step in CAB by taking a three-year average of 2021, 2022, and 2023 direct labor charges using the same reaches established in the prior year.
6. The new alpha allocation cycles were calculated and updated within SAP.

We reperformed the process for 2023 and 2024 for selected alpha allocation cycles (FAD908, FDH907, and FAC947) and did not identify any differences between SWPAO’s schedule and our calculation. Tables AAC.4, AAC.5, AAC.6, AAC.7, AAC.8, and AAC.9 show our recalculation of the alpha allocation cycles for FAD908, FDH907, and FAC947 for 2023 and 2024, respectively, compared to SWPAO’s calculated alpha allocation cycles, as follows:

Table AAC.4 – 2023 FAD908 Alpha Allocation Cycle Recalculation

Alphanumeric	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAD908	Oroville Area	\$ 7,845,559	10.27%	10.27%	–
M-FAD908	Oroville Area	3,844,393	5.04%	5.04%	–
M-FAD908	NBA-R1	276,407	0.36%	0.36%	–
M-FAD908	NBA-R2	4,910	0.01%	0.01%	–
M-FAD908	NBA-R3A	37,378	0.05%	0.05%	–
M-FAD908	NBA-R3B	91,528	0.12%	0.12%	–
M-FAD908	SBA-R1	1,513,111	1.98%	1.98%	–

Table AAC.4 – 2023 FAD908 Alpha Allocation Cycle Recalculation (continued)

Alphanumeric	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAD908	SBA-R2	\$ 120,238	0.16%	0.16%	–
M-FAD908	SBA-R4	143,389	0.19%	0.19%	–
M-FAD908	SBA-R5	418,044	0.55%	0.55%	–
M-FAD908	SBA-R6	632	0.00%	0.00%	–
M-FAD908	SBA-R7	30,900	0.04%	0.04%	–
M-FAD908	SBA-R8	7,975	0.01%	0.01%	–
M-FAD908	SBA-R9	6,598	0.01%	0.01%	–
M-FAD908	CA-R1	6,786,312	8.88%	8.88%	–
M-FAD908	CA-R2A	399,120	0.52%	0.52%	–
M-FAD908	CA-R2B	608,900	0.80%	0.80%	–
M-FAD908	CA-R3A	3,506,500	4.59%	4.59%	–
M-FAD908	CA-R3	760,576	1.00%	1.00%	–
M-FAD908	CA-R4	2,847,805	3.73%	3.73%	–
M-FAD908	CA-R5	1,592,642	2.09%	2.09%	–
M-FAD908	CA-R6	165,731	0.22%	0.22%	–
M-FAD908	CA-R7	559,126	0.73%	0.73%	–
M-FAD908	CA-R8C	492	0.00%	0.00%	–
M-FAD908	CA-R8D	211,898	0.28%	0.28%	–
M-FAD908	CA-R9	154,934	0.20%	0.20%	–
M-FAD908	CA-R10A	200,477	0.26%	0.26%	–
M-FAD908	CA-R11B	17,732	0.02%	0.02%	–
M-FAD908	CA-R12D	165,953	0.22%	0.22%	–
M-FAD908	CA-R12E	358,531	0.47%	0.47%	–
M-FAD908	CA-R13B	259,245	0.34%	0.34%	–
M-FAD908	CA-R14A	3,724,329	4.88%	4.88%	–
M-FAD908	CA-R14B	240,864	0.32%	0.32%	–
M-FAD908	CA-R14C	128,247	0.17%	0.17%	–
M-FAD908	CA-R15A	2,983,264	3.91%	3.91%	–
M-FAD908	CA-R16A	3,424,289	4.49%	4.49%	–
M-FAD908	CA-R17E	4,020,575	5.27%	5.27%	–
M-FAD908	CA-R17F	102,814	0.13%	0.13%	–
M-FAD908	CA-R18A	857,639	1.12%	1.12%	–
M-FAD908	CA-R19	606,384	0.79%	0.79%	–
M-FAD908	CA-R20A	670,077	0.88%	0.88%	–
M-FAD908	CA-R20B	252,980	0.33%	0.33%	–
M-FAD908	CA-R21	301,448	0.39%	0.39%	–
M-FAD908	CA-R22A	289,591	0.38%	0.38%	–
M-FAD908	CA-R22B	4,174,134	5.46%	5.46%	–
M-FAD908	CA-R23	2,513,347	3.29%	3.29%	–
M-FAD908	CA-R24	760,537	1.00%	1.00%	–
M-FAD908	CA-R25	95,477	0.13%	0.13%	–

Table AAC.4 – 2023 FAD908 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAD908	CA-R26A	\$ 4,350,353	5.70%	5.70%	–
M-FAD908	CA-R28G	550,264	0.72%	0.72%	–
M-FAD908	CA-R28H	482,470	0.63%	0.63%	–
M-FAD908	CA-R28J	758,284	0.99%	0.99%	–
M-FAD908	CA-R29A	3,087,213	4.04%	4.04%	–
M-FAD908	CA-R29F	433,194	0.57%	0.57%	–
M-FAD908	CA-R29G	2,129,686	2.79%	2.79%	–
M-FAD908	CA-R29H	1,052,296	1.38%	1.38%	–
M-FAD908	CA-R29J	424,268	0.56%	0.56%	–
M-FAD908	CA-R30	1,185,792	1.55%	1.55%	–
M-FAD908	CB1-R31A	1,272,628	1.67%	1.67%	–
M-FAD908	CB2-R33A	1,402,879	1.84%	1.84%	–
M-FAD908	EBX-R1	1,730	0.00%	0.00%	–
M-FAD908	EBX-R2A	12,271	0.02%	0.02%	–
M-FAD908	EBX-R2B	104,485	0.14%	0.14%	–
M-FAD908	EBX-R2C	2,781	0.00%	0.00%	–
M-FAD908	EBX-R2D	16,070	0.02%	0.02%	–
M-FAD908	EBX-R2E	325,845	0.43%	0.43%	–
M-FAD908	EBX-R3A	329,947	0.43%	0.43%	–
M-FAD908	EBX-R3C	5,540	0.01%	0.01%	–
M-FAD908	EBX-R4A	7,204	0.01%	0.01%	–
M-FAD908	EBX-R4B	78,039	0.10%	0.10%	–
M-FAD908	EBX-R3B	243,030	0.32%	0.32%	–
M-FAD908	EBX-R3E	–	0.00%	0.00%	–
Total		\$ 76,339,301	100.00%	100.00%	

Table AAC.5 – 2023 FDH907 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FDH907	CA-R18A	\$ 857,639	8.23%	8.23%	–
M-FDH907	CA-R19	606,384	5.82%	5.82%	–
M-FDH907	CA-R20A	670,077	6.43%	6.43%	–
M-FDH907	CA-R20B	252,980	2.41%	2.41%	–
M-FDH907	CA-R21	301,448	2.89%	2.89%	–
M-FDH907	CA-R22A	289,591	2.78%	2.78%	–
M-FDH907	CA-R22B	4,174,134	40.04%	40.04%	–
M-FDH907	CA-R23	2,513,347	24.11%	24.11%	–
M-FDH907	CA-R24	760,537	7.29%	7.29%	–
Total		\$ 10,426,137	100.00%	100.00%	

Table AAC.6 – 2023 FAC947 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAC947	Upper Feather	\$ 233,204	0.30%	0.30%	–
M-FAC947	Upper Feather	203,750	0.26%	0.26%	–
M-FAC947	Upper Feather	250,220	0.32%	0.32%	–
M-FAC947	Upper Feather	1,666	0.00%	0.00%	–
M-FAC947	Oroville Area	7,845,559	10.18%	10.18%	–
M-FAC947	Oroville Area	3,844,393	4.99%	4.99%	–
M-FAC947	NBA-R1	276,407	0.36%	0.36%	–
M-FAC947	NBA-R2	4,910	0.01%	0.01%	–
M-FAC947	NBA-R3A	37,378	0.05%	0.05%	–
M-FAC947	NBA-R3B	91,528	0.12%	0.12%	–
M-FAC947	SBA-R1	1,513,111	1.96%	1.96%	–
M-FAC947	SBA-R2	120,238	0.16%	0.16%	–
M-FAC947	SBA-R4	143,389	0.19%	0.19%	–
M-FAC947	SBA-R5	418,044	0.55%	0.55%	–
M-FAC947	SBA-R6	632	0.00%	0.00%	–
M-FAC947	SBA-R7	30,900	0.04%	0.04%	–
M-FAC947	SBA-R8	7,975	0.01%	0.01%	–
M-FAC947	SBA-R9	6,598	0.01%	0.01%	–
M-FAC947	CA-R1	6,786,312	8.80%	8.80%	–
M-FAC947	CA-R2A	399,120	0.52%	0.52%	–
M-FAC947	CA-R2B	608,900	0.79%	0.79%	–
M-FAC947	CA-R3A	3,506,500	4.55%	4.55%	–
M-FAC947	CA-R3	760,576	0.99%	0.99%	–
M-FAC947	CA-R4	2,847,805	3.70%	3.70%	–
M-FAC947	CA-R5	1,592,642	2.07%	2.07%	–
M-FAC947	CA-R6	165,731	0.22%	0.22%	–
M-FAC947	CA-R7	559,126	0.73%	0.73%	–
M-FAC947	CA-R8C	492	0.00%	0.00%	–
M-FAC947	CA-R8D	211,898	0.28%	0.28%	–
M-FAC947	CA-R9	154,934	0.20%	0.20%	–
M-FAC947	CA-R10A	200,477	0.26%	0.26%	–
M-FAC947	CA-R11B	17,732	0.02%	0.02%	–
M-FAC947	CA-R12D	165,953	0.22%	0.22%	–
M-FAC947	CA-R12E	358,531	0.47%	0.47%	–
M-FAC947	CA-R13B	259,245	0.34%	0.34%	–
M-FAC947	CA-R14A	3,724,329	4.84%	4.84%	–
M-FAC947	CA-R14B	240,864	0.31%	0.31%	–
M-FAC947	CA-R14C	128,247	0.17%	0.17%	–
M-FAC947	CA-R15A	2,983,264	3.87%	3.87%	–
M-FAC947	CA-R16A	3,424,289	4.45%	4.45%	–
M-FAC947	CA-R17E	4,020,575	5.21%	5.21%	–

Table AAC.6 – 2023 FAC947 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAC947	CA-R17F	\$ 102,814	0.13%	0.13%	–
M-FAC947	CA-R18A	857,639	1.11%	1.11%	–
M-FAC947	CA-R19	606,384	0.79%	0.79%	–
M-FAC947	CA-R20A	670,077	0.87%	0.87%	–
M-FAC947	CA-R20B	252,980	0.33%	0.33%	–
M-FAC947	CA-R21	301,448	0.39%	0.39%	–
M-FAC947	CA-R22A	289,591	0.38%	0.38%	–
M-FAC947	CA-R22B	4,174,134	5.42%	5.42%	–
M-FAC947	CA-R23	2,513,347	3.26%	3.26%	–
M-FAC947	CA-R24	760,537	0.99%	0.99%	–
M-FAC947	CA-R25	95,477	0.12%	0.12%	–
M-FAC947	CA-R26A	4,350,353	5.64%	5.64%	–
M-FAC947	CA-R28G	550,264	0.71%	0.71%	–
M-FAC947	CA-R28H	482,470	0.63%	0.63%	–
M-FAC947	CA-R28J	758,284	0.98%	0.98%	–
M-FAC947	CA-R29A	3,087,213	4.01%	4.01%	–
M-FAC947	CA-R29F	433,194	0.56%	0.56%	–
M-FAC947	CA-R29G	2,129,686	2.76%	2.76%	–
M-FAC947	CA-R29H	1,052,296	1.37%	1.37%	–
M-FAC947	CA-R29J	424,268	0.55%	0.55%	–
M-FAC947	CA-R30	1,185,792	1.54%	1.54%	–
M-FAC947	CB1-R31A	1,272,628	1.65%	1.65%	–
M-FAC947	CB2-R33A	1,402,879	1.82%	1.82%	–
M-FAC947	EBX-R1	1,730	0.00%	0.00%	–
M-FAC947	EBX-R2A	12,271	0.02%	0.02%	–
M-FAC947	EBX-R2B	104,485	0.14%	0.14%	–
M-FAC947	EBX-R2C	2,781	0.00%	0.00%	–
M-FAC947	EBX-R2D	16,070	0.02%	0.02%	–
M-FAC947	EBX-R2E	325,845	0.42%	0.42%	–
M-FAC947	EBX-R3A	329,947	0.43%	0.43%	–
M-FAC947	EBX-R3C	5,540	0.01%	0.01%	–
M-FAC947	EBX-R4A	7,204	0.01%	0.01%	–
M-FAC947	EBX-R4B	78,039	0.10%	0.10%	–
M-FAC947	EBX-R3B	243,030	0.32%	0.32%	–
M-FAC947	EBX-R3E	–	0.00%	0.00%	–
Total		\$ 77,028,141	100.00%	100.00%	

Table AAC.7 – 2024 FAD908 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAD908	Oroville Area	\$ 7,130,316	9.97%	9.97%	–
M-FAD908	Oroville Area	3,382,815	4.73%	4.73%	–
M-FAD908	NBA-R1	354,562	0.50%	0.50%	–
M-FAD908	NBA-R2	93,594	0.13%	0.13%	–
M-FAD908	NBA-R3A	69,747	0.10%	0.10%	–
M-FAD908	NBA-R3B	132,091	0.18%	0.18%	–
M-FAD908	SBA-R1	1,443,460	2.02%	2.02%	–
M-FAD908	SBA-R2	249,633	0.35%	0.35%	–
M-FAD908	SBA-R4	193,924	0.27%	0.27%	–
M-FAD908	SBA-R5	486,704	0.68%	0.68%	–
M-FAD908	SBA-R6	10,837	0.02%	0.02%	–
M-FAD908	SBA-R7	32,938	0.05%	0.05%	–
M-FAD908	SBA-R8	17,890	0.03%	0.03%	–
M-FAD908	SBA-R9	45,648	0.06%	0.06%	–
M-FAD908	CA-R1	6,585,926	9.21%	9.21%	–
M-FAD908	CA-R2A	427,177	0.60%	0.60%	–
M-FAD908	CA-R2B	545,130	0.76%	0.76%	–
M-FAD908	CA-R3A	2,954,548	4.13%	4.13%	–
M-FAD908	CA-R3	593,337	0.83%	0.83%	–
M-FAD908	CA-R4	2,517,077	3.52%	3.52%	–
M-FAD908	CA-R5	983,245	1.37%	1.37%	–
M-FAD908	CA-R6	246,711	0.34%	0.34%	–
M-FAD908	CA-R7	719,753	1.01%	1.01%	–
M-FAD908	CA-R8C	5,316	0.01%	0.01%	–
M-FAD908	CA-R8D	307,129	0.43%	0.43%	–
M-FAD908	CA-R9	201,863	0.28%	0.28%	–
M-FAD908	CA-R10A	293,935	0.41%	0.41%	–
M-FAD908	CA-R11B	71,469	0.10%	0.10%	–
M-FAD908	CA-R12D	111,855	0.16%	0.16%	–
M-FAD908	CA-R12E	263,139	0.37%	0.37%	–
M-FAD908	CA-R13B	205,753	0.29%	0.29%	–
M-FAD908	CA-R14A	3,421,391	4.78%	4.78%	–
M-FAD908	CA-R14B	241,145	0.34%	0.34%	–
M-FAD908	CA-R14C	87,028	0.12%	0.12%	–
M-FAD908	CA-R15A	2,695,855	3.77%	3.77%	–
M-FAD908	CA-R16A	3,000,036	4.19%	4.19%	–
M-FAD908	CA-R17E	4,440,400	6.21%	6.21%	–
M-FAD908	CA-R17F	58,915	0.08%	0.08%	–
M-FAD908	CA-R18A	1,206,806	1.69%	1.69%	–
M-FAD908	CA-R19	489,473	0.68%	0.68%	–
M-FAD908	CA-R20A	435,980	0.61%	0.61%	–

Table AAC.7 – 2024 FAD908 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAD908	CA-R20B	\$ 248,834	0.35%	0.35%	–
M-FAD908	CA-R21	202,189	0.28%	0.28%	–
M-FAD908	CA-R22A	169,030	0.24%	0.24%	–
M-FAD908	CA-R22B	4,183,408	5.85%	5.85%	–
M-FAD908	CA-R23	2,192,563	3.07%	3.07%	–
M-FAD908	CA-R24	752,490	1.05%	1.05%	–
M-FAD908	CA-R25	95,330	0.13%	0.13%	–
M-FAD908	CA-R26A	3,757,975	5.25%	5.25%	–
M-FAD908	CA-R28G	352,686	0.49%	0.49%	–
M-FAD908	CA-R28H	343,495	0.48%	0.48%	–
M-FAD908	CA-R28J	783,847	1.10%	1.10%	–
M-FAD908	CA-R29A	2,655,962	3.71%	3.71%	–
M-FAD908	CA-R29F	305,075	0.43%	0.43%	–
M-FAD908	CA-R29G	1,731,818	2.42%	2.42%	–
M-FAD908	CA-R29H	961,666	1.34%	1.34%	–
M-FAD908	CA-R29J	281,316	0.39%	0.39%	–
M-FAD908	CA-R30	1,222,299	1.71%	1.71%	–
M-FAD908	CB1-R31A	1,579,044	2.21%	2.21%	–
M-FAD908	CB2-R33A	1,758,671	2.46%	2.46%	–
M-FAD908	EBX-R1	1,371	0.00%	0.00%	–
M-FAD908	EBX-R2A	5,130	0.01%	0.01%	–
M-FAD908	EBX-R2B	130,257	0.18%	0.18%	–
M-FAD908	EBX-R2C	5,925	0.01%	0.01%	–
M-FAD908	EBX-R2D	10,200	0.01%	0.01%	–
M-FAD908	EBX-R2E	285,002	0.40%	0.40%	–
M-FAD908	EBX-R3A	266,788	0.37%	0.37%	–
M-FAD908	EBX-R3C	22,743	0.02%	0.02%	–
M-FAD908	EBX-R4A	5,546	0.01%	0.01%	–
M-FAD908	EBX-R4B	155,120	0.22%	0.22%	–
M-FAD908	EBX-R3B	304,141	0.43%	0.43%	–
M-FAD908	EBX-R3E	–	0.00%	0.00%	–
Total		\$ 71,524,472	100.00%	100.00%	

Table AAC.8 – 2024 FDH907 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FDH907	CA-R18A	\$ 1,206,806	12.21%	12.21%	–
M-FDH907	CA-R19	489,473	4.95%	4.95%	–
M-FDH907	CA-R20A	435,980	4.41%	4.41%	–
M-FDH907	CA-R20B	248,834	2.52%	2.52%	–
M-FDH907	CA-R21	202,189	2.05%	2.05%	–
M-FDH907	CA-R22A	169,030	1.71%	1.71%	–
M-FDH907	CA-R22B	4,183,408	42.34%	42.34%	–
M-FDH907	CA-R23	2,192,563	22.19%	22.19%	–
M-FDH907	CA-R24	752,490	7.62%	7.62%	–
Total		\$ 9,880,773	100.00%	100.00%	

Table AAC.9 – 2024 FAC947 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAC947	Upper Feather	\$ 185,725	0.26%	0.26%	–
M-FAC947	Upper Feather	197,407	0.27%	0.27%	–
M-FAC947	Upper Feather	205,665	0.29%	0.29%	–
M-FAC947	Upper Feather	555	0.00%	0.00%	–
M-FAC947	Oroville Area	7,130,316	9.89%	9.89%	–
M-FAC947	Oroville Area	3,382,815	4.69%	4.69%	–
M-FAC947	NBA-R1	354,562	0.49%	0.49%	–
M-FAC947	NBA-R2	93,594	0.13%	0.13%	–
M-FAC947	NBA-R3A	69,747	0.10%	0.10%	–
M-FAC947	NBA-R3B	132,091	0.18%	0.18%	–
M-FAC947	SBA-R1	1,443,460	2.00%	2.00%	–
M-FAC947	SBA-R2	249,633	0.35%	0.35%	–
M-FAC947	SBA-R4	193,924	0.27%	0.27%	–
M-FAC947	SBA-R5	486,704	0.67%	0.67%	–
M-FAC947	SBA-R6	10,837	0.02%	0.02%	–
M-FAC947	SBA-R7	32,938	0.05%	0.05%	–
M-FAC947	SBA-R8	17,890	0.02%	0.02%	–
M-FAC947	SBA-R9	45,648	0.06%	0.06%	–
M-FAC947	CA-R1	6,585,926	9.13%	9.13%	–
M-FAC947	CA-R2A	427,177	0.59%	0.59%	–
M-FAC947	CA-R2B	545,130	0.76%	0.76%	–
M-FAC947	CA-R3A	2,954,548	4.10%	4.10%	–
M-FAC947	CA-R3	593,337	0.82%	0.82%	–
M-FAC947	CA-R4	2,517,077	3.49%	3.49%	–
M-FAC947	CA-R5	983,245	1.36%	1.36%	–
M-FAC947	CA-R6	246,711	0.34%	0.34%	–
M-FAC947	CA-R7	719,753	1.00%	1.00%	–
M-FAC947	CA-R8C	5,316	0.01%	0.01%	–
M-FAC947	CA-R8D	307,129	0.43%	0.43%	–
M-FAC947	CA-R9	201,863	0.28%	0.28%	–
M-FAC947	CA-R10A	293,935	0.41%	0.41%	–
M-FAC947	CA-R11B	71,469	0.10%	0.10%	–
M-FAC947	CA-R12D	111,855	0.16%	0.16%	–
M-FAC947	CA-R12E	263,139	0.36%	0.36%	–
M-FAC947	CA-R13B	205,753	0.29%	0.29%	–
M-FAC947	CA-R14A	3,421,391	4.74%	4.74%	–
M-FAC947	CA-R14B	241,145	0.33%	0.33%	–
M-FAC947	CA-R14C	87,028	0.12%	0.12%	–

Table AAC.9 – 2024 FAC947 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Direct Labor	EY Alpha	SWPAO Alpha	Difference
M-FAC947	CA-R15A	\$ 2,695,855	3.74%	3.74%	–
M-FAC947	CA-R16A	3,000,036	4.16%	4.16%	–
M-FAC947	CA-R17E	4,440,400	6.17%	6.17%	–
M-FAC947	CA-R17F	58,915	0.08%	0.08%	–
M-FAC947	CA-R18A	1,206,806	1.67%	1.67%	–
M-FAC947	CA-R19	489,473	0.68%	0.68%	–
M-FAC947	CA-R20A	435,980	0.60%	0.60%	–
M-FAC947	CA-R20B	248,834	0.35%	0.35%	–
M-FAC947	CA-R21	202,189	0.28%	0.28%	–
M-FAC947	CA-R22A	169,030	0.23%	0.23%	–
M-FAC947	CA-R22B	4,183,408	5.80%	5.80%	–
M-FAC947	CA-R23	2,192,563	3.04%	3.04%	–
M-FAC947	CA-R24	752,490	1.04%	1.04%	–
M-FAC947	CA-R25	95,330	0.13%	0.13%	–
M-FAC947	CA-R26A	3,757,975	5.21%	5.21%	–
M-FAC947	CA-R28G	352,686	0.49%	0.49%	–
M-FAC947	CA-R28H	343,495	0.48%	0.48%	–
M-FAC947	CA-R28J	783,847	1.09%	1.09%	–
M-FAC947	CA-R29A	2,655,962	3.68%	3.68%	–
M-FAC947	CA-R29F	305,075	0.42%	0.42%	–
M-FAC947	CA-R29G	1,731,818	2.40%	2.40%	–
M-FAC947	CA-R29H	961,666	1.33%	1.33%	–
M-FAC947	CA-R29J	281,316	0.39%	0.39%	–
M-FAC947	CA-R30	1,222,299	1.69%	1.69%	–
M-FAC947	CB1-R31A	1,579,044	2.19%	2.19%	–
M-FAC947	CB2-R33A	1,758,671	2.44%	2.44%	–
M-FAC947	EBX-R1	1,371	0.00%	0.00%	–
M-FAC947	EBX-R2A	5,130	0.01%	0.01%	–
M-FAC947	EBX-R2B	130,257	0.18%	0.18%	–
M-FAC947	EBX-R2C	5,925	0.01%	0.01%	–
M-FAC947	EBX-R2D	10,200	0.01%	0.01%	–
M-FAC947	EBX-R2E	285,002	0.40%	0.40%	–
M-FAC947	EBX-R3A	266,788	0.37%	0.37%	–
M-FAC947	EBX-R3C	22,743	0.03%	0.03%	–
M-FAC947	EBX-R4A	5,546	0.01%	0.01%	–
M-FAC947	EBX-R4B	155,120	0.22%	0.22%	–
M-FAC947	EBX-R3B	304,141	0.42%	0.42%	–
M-FAC947	EBX-R3E	–	0.00%	0.00%	–
Total		\$ 72,113,824	100.00%	100.00%	

Based on our procedures of the process (i.e., the “Yes” and “No” cost centers), we observed that there are general assumptions that should be used to identify the cost centers to use in the analysis, which are as follows:

1. “Yes” Cost Centers:
 - 2300 Cost Centers (Annual Facilities O&M)
 - 2310 Cost Centers (Santa Ana Division – EBX)
 - 2340 Cost Centers (SWP Dam Safety Program)
2. “No” Cost Centers:
 - 2200 Cost Centers (Capital)
 - 2301 or 2341 Cost Centers (Extraordinary O&M)
 - 2500 Cost Centers (Turnouts)
 - Cost Centers Ending in 388 (Replacements)
 - Alpha Cost Centers (Indirect Costs)
 - Cost Centers Ending in 071 (Recreation)
 - Cost Centers allocating to reach 290 (Suspended Costs)

There were also cost centers that did not fall under these general assumptions that required more in-depth research by SWPAO, as follows:

- Inquiries of Mike Cunnagin, former Chief of O&M Program Control Branch (made in prior years when Mike served in this position); Pedro Villalobos, former Chief of Project Cost Branch (made in prior years when Pedro served in this position); Avery Estrada, Manager, SWP Program Management; and Erik Goodman, Manager, SWP Cost Recovery Section.
- Analysis of the description and dollars for each cost center in SAP.

We performed procedures over the cost centers included and excluded in the analysis. We observed that the general assumptions were implemented based on the cost center descriptions within SAP. We also analyzed the costs charged to the cost centers that required more in-depth research but were unable to determine whether these costs were appropriate. This would require in-depth knowledge of all of the projects charged to these cost centers.

Finding AUD-000657	
Finding:	The statewide FAD890 alpha cost centers did not allocate costs to the EBX and CB-R33A (Devil's Den Pumping Plant) reaches.
Dollar Amount:	2111FAD890 – \$4,994
Type:	Reallocation of costs among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	All Contractors
Recommendation:	The Department should continue to correct the remaining alpha cost centers that are not allocating to the EBX and CB-R33A (Devil's Den Pumping Plant). The Department should also close off the IOs and WBSs to eliminate the costs charged to these alpha allocation cycles in the future.
Department Response:	The Department's program control personnel are implementing procedures to educate personnel not to charge costs to these alpha cost centers going forward.

We examined the costs included in FAD890, observing these costs represent non-specific costs to be allocated statewide, and therefore should be allocated using the same basis and distribution as FAD908, which allocates to the EBX and CB-R33A. We observed that FAD908 was not implemented in SAP until 2002. Given the nature of the costs included in FAD890 alpha cost centers, exclusion of the EBX and CB-R33A does not appear justified on a go-forward basis.

The process for updating the S-series alpha allocation cycles was performed by the Department, as follows:

1. All salaries and wages cost centers (prior year cost centers and any created in 2023) with cost elements 7700000100 (Direct Labor), 7700000120 (Line Management), and 7700000130 (General Management) were maintained within CAB and denoted with an S-series Process ID.
2. The total salaries and wages were pulled from SAP for all of the salaries and wages cost centers as part of the work step in CAB.
3. All numeric reaches were included in the calculation (except delta habitat conservation and conveyance program, Bay Delta Conservation Plan (BDCP), NBA alternative intake, administration, reach 215 (upper feather river), suspended costs, Los Banos Grandes, Reid Gardner, San Joaquin drain, and turnouts), as these projects are in various stages of development.
4. All capital and field division alpha cost centers were included in the calculation. The alpha costs included were allocated to each reach, based on the allocation percentages for that alpha cost center.
5. The numeric costs for each reach were combined with the alpha costs.
6. The alpha allocation cycle percentages were then calculated as part of a work step in CAB by taking the reach total over the total salaries and wages for all reaches to arrive at the allocation percentages.
7. Each alpha allocation cycle was updated with the current dollars using the same reaches established in prior years as part of a CAB work step.
 - a. The 2023 alpha allocation cycles were updated with 2023 dollars using the same reaches established in the prior years.
 - b. The 2024 alpha allocation cycles were updated by taking a three-year average of 2021, 2022, and 2023 salaries and wages using the same reaches established in the prior year.
8. The new alpha allocation cycles were calculated and updated within CAB.

We reperformed the process for 2023 and 2024 for selected alpha allocation cycles (M-SAA903, M-SAA904, M-SAA913, M-SAA923, M-SAA943, and M-SFJ913).

Finding AUD-000658	
Finding:	Costs in the amount of \$401,536 from alpha cost center 2360SAA903 were incorrectly included in the S-series cost pool. Removal of these costs would result in a redetermination of the S-series reach allocation factors. For 2023, a total of \$100,792,526 in costs are being allocated through S-series alpha cost centers. In addition, we observed alpha cost center 2360SAA903 being incorrectly mapped to the S_SERIES Process ID within CAB.
Dollar Amount:	\$401,536 (dollars impacting the S-series calculation) \$100,792,526 (dollars reallocated)
Type:	Reallocation of costs among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should remove alpha cost center 2360SAA903 from the S-Series Process ID within CAB.
Department Response:	The Department will make updates to correct the S_SERIES Process ID within CAB.

We identified an error in the calculation of the S-series alpha allocation update. Alpha cost center 2360SAA903 was incorrectly included in the S-series cost pool (given the purpose of this calculation is to determine the allocation for S-series alpha cost centers and not to include those in the calculation). We observed costs in the amount of \$401,536 being incorrectly included in the S-series cost pool. Additionally, we observed alpha cost center 2360SAA903 being incorrectly mapped to the S_SERIES Process ID within CAB (there were no costs incurred for this alpha cost center that impacted the calculation).

Tables AAC.10 and AAC.11 below display our recalculation of the alpha factors for M-SAA903 for 2023 and 2024 compared to SWPAO's calculated alpha factors. Finding AUD-000658 resulted in a difference when comparing to the SWPAO calculated alpha factors; however, these differences did not extend to the second decimal point.

Table AAC.10 – 2023 SAA903 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Salaries and Wages	EY Alpha	SWPAO Alpha	Difference
M-SAA903	Upper Feather Area	\$ 890,542	0.27%	0.27%	–
M-SAA903	Upper Feather Area	876,282	0.26%	0.26%	–
M-SAA903	Oroville Area	3,928,684	1.18%	1.18%	–
M-SAA903	Oroville Area	30,681,497	9.19%	9.19%	–
M-SAA903	Oroville Area	11,937,585	3.58%	3.58%	–
M-SAA903	Lower Feather River	342,242	0.10%	0.10%	–
M-SAA903	Yolo Bypass	10,697,163	3.21%	3.21%	–
M-SAA903	Delta Facilities	40,469,132	12.13%	12.13%	–
M-SAA903	Suisun Marsh	5,149,350	1.54%	1.54%	–
M-SAA903	NBA-R1	1,843,067	0.55%	0.55%	–
M-SAA903	NBA-R2	32,448	0.01%	0.01%	–

Table AAC.10 – 2023 SAA903 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Salaries and Wages	EY Alpha	SWPAO Alpha	Difference
M-SAA903	NBA-R3A	\$ 625,398	0.19%	0.19%	–
M-SAA903	NBA-R3B	758,712	0.23%	0.23%	–
M-SAA903	SBA-R1	7,544,373	2.26%	2.26%	–
M-SAA903	SBA-R2	908,918	0.27%	0.27%	–
M-SAA903	SBA-R4	646,294	0.19%	0.19%	–
M-SAA903	SBA-R5	2,619,596	0.79%	0.79%	–
M-SAA903	SBA-R6	32,540	0.01%	0.01%	–
M-SAA903	SBA-R7	154,333	0.05%	0.05%	–
M-SAA903	SBA-R8	64,499	0.02%	0.02%	–
M-SAA903	SBA-R9	61,122	0.02%	0.02%	–
M-SAA903	CA-R1	27,775,930	8.32%	8.32%	–
M-SAA903	CA-R2A	2,119,045	0.64%	0.64%	–
M-SAA903	CA-R2B	2,335,395	0.70%	0.70%	–
M-SAA903	CA-R3A	18,875,675	5.66%	5.66%	–
M-SAA903	CA-R3	2,485,013	0.75%	0.75%	–
M-SAA903	CA-R4	12,023,745	3.61%	3.61%	–
M-SAA903	CA-R5	10,156,059	3.05%	3.05%	–
M-SAA903	CA-R6	885,251	0.27%	0.27%	–
M-SAA903	CA-R7	4,053,873	1.22%	1.22%	–
M-SAA903	CA-R8C	98,224	0.03%	0.03%	–
M-SAA903	CA-R8D	1,043,091	0.31%	0.31%	–
M-SAA903	CA-R9	1,067,293	0.32%	0.32%	–
M-SAA903	CA-R10A	1,737,310	0.52%	0.52%	–
M-SAA903	CA-R11B	602,201	0.18%	0.18%	–
M-SAA903	CA-R12D	1,284,209	0.39%	0.39%	–
M-SAA903	CA-R12E	1,376,951	0.41%	0.41%	–
M-SAA903	CA-R13B	1,120,705	0.34%	0.34%	–
M-SAA903	CA-R14A	9,550,975	2.86%	2.86%	–
M-SAA903	CA-R14B	789,526	0.24%	0.24%	–
M-SAA903	CA-R14C	458,126	0.14%	0.14%	–
M-SAA903	CA-R15A	8,070,980	2.42%	2.42%	–
M-SAA903	CA-R16A	9,131,225	2.74%	2.74%	–
M-SAA903	CA-R17E	12,915,709	3.87%	3.87%	–
M-SAA903	CA-R17F	246,959	0.07%	0.07%	–
M-SAA903	CA-R18A	1,957,288	0.59%	0.59%	–
M-SAA903	CA-R19	1,387,530	0.42%	0.42%	–
M-SAA903	CA-R20A	1,525,490	0.46%	0.46%	–
M-SAA903	CA-R20B	732,086	0.22%	0.22%	–
M-SAA903	CA-R21	653,928	0.20%	0.20%	–
M-SAA903	CA-R22A	663,785	0.20%	0.20%	–

Table AAC.10 – 2023 SAA903 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Salaries and Wages	EY Alpha	SWPAO Alpha	Difference
M-SAA903	CA-R22B	\$ 10,690,331	3.21%	3.21%	–
M-SAA903	CA-R23	5,596,943	1.68%	1.68%	–
M-SAA903	CA-R24	2,435,900	0.73%	0.73%	–
M-SAA903	CA-R25	245,589	0.07%	0.07%	–
M-SAA903	CA-R26A	11,832,762	3.55%	3.55%	–
M-SAA903	CA-R28G	1,333,739	0.40%	0.40%	–
M-SAA903	CA-R28H	1,153,601	0.35%	0.35%	–
M-SAA903	CA-R28J	5,445,027	1.63%	1.63%	–
M-SAA903	CA-R29A	6,754,434	2.03%	2.03%	–
M-SAA903	CA-R29F	1,083,306	0.32%	0.32%	–
M-SAA903	CA-R29G	4,910,241	1.47%	1.47%	–
M-SAA903	CA-R29H	3,302,434	0.99%	0.99%	–
M-SAA903	CA-R29J	956,462	0.29%	0.29%	–
M-SAA903	CA-R30	3,771,362	1.13%	1.13%	–
M-SAA903	CB1-R31A	4,296,836	1.29%	1.29%	–
M-SAA903	CB2-R33A	9,678,467	2.90%	2.90%	–
M-SAA903	EBX-R1	15,831	0.00%	0.00%	–
M-SAA903	EBX-R2A	37,842	0.01%	0.01%	–
M-SAA903	EBX-R2B	248,865	0.07%	0.07%	–
M-SAA903	EBX-R2C	17,961	0.01%	0.01%	–
M-SAA903	EBX-R2D	45,034	0.01%	0.01%	–
M-SAA903	EBX-R2E	666,629	0.20%	0.20%	–
M-SAA903	EBX-R3A	704,280	0.21%	0.21%	–
M-SAA903	EBX-R3C	24,733	0.01%	0.01%	–
M-SAA903	EBX-R4A	27,637	0.01%	0.01%	–
M-SAA903	EBX-R4B	197,145	0.06%	0.06%	–
M-SAA903	EBX-R3B	581,680	0.17%	0.17%	–
M-SAA903	EBX-3D	12,437	0.00%	0.00%	–
M-SAA903	EBX-3E	12,438	0.00%	0.00%	–
Total		\$ 333,467,300	100.00%	100.00%	

Table AAC.11 – 2024 SAA903 Alpha Allocation Cycle Recalculation

Alpha Allocation Cycle	Reach	Salaries and Wages	EY Alpha	SWPAO Alpha	Difference
M-SAA903	Upper Feather Area	\$ 2,263,725	0.24%	0.24%	–
M-SAA903	Upper Feather Area	2,976,483	0.32%	0.32%	–
M-SAA903	Oroville Area	11,577,171	1.23%	1.23%	–
M-SAA903	Oroville Area	85,816,798	9.15%	9.15%	–
M-SAA903	Oroville Area	33,158,132	3.53%	3.53%	–
M-SAA903	Lower Feather River	947,028	0.10%	0.10%	–
M-SAA903	Yolo Bypass	26,932,321	2.87%	2.87%	–
M-SAA903	Delta Facilities	119,795,595	12.76%	12.76%	–
M-SAA903	Suisun Marsh	14,076,679	1.50%	1.50%	–
M-SAA903	NBA-R1	5,839,398	0.62%	0.62%	–
M-SAA903	NBA-R2	1,113,546	0.12%	0.12%	–
M-SAA903	NBA-R3A	1,822,391	0.19%	0.19%	–
M-SAA903	NBA-R3B	2,446,775	0.26%	0.26%	–
M-SAA903	SBA-R1	21,418,647	2.28%	2.28%	–
M-SAA903	SBA-R2	3,384,279	0.36%	0.36%	–
M-SAA903	SBA-R4	2,226,339	0.24%	0.24%	–
M-SAA903	SBA-R5	6,469,410	0.69%	0.69%	–
M-SAA903	SBA-R6	152,707	0.02%	0.02%	–
M-SAA903	SBA-R7	398,405	0.04%	0.04%	–
M-SAA903	SBA-R8	236,502	0.03%	0.03%	–
M-SAA903	SBA-R9	515,357	0.05%	0.05%	–
M-SAA903	CA-R1	79,147,442	8.44%	8.44%	–
M-SAA903	CA-R2A	6,952,963	0.74%	0.74%	–
M-SAA903	CA-R2B	8,303,244	0.88%	0.88%	–
M-SAA903	CA-R3A	51,412,943	5.48%	5.48%	–
M-SAA903	CA-R3	5,980,481	0.64%	0.64%	–
M-SAA903	CA-R4	35,983,216	3.83%	3.83%	–
M-SAA903	CA-R5	21,169,651	2.26%	2.26%	–
M-SAA903	CA-R6	3,162,356	0.34%	0.34%	–
M-SAA903	CA-R7	13,460,267	1.43%	1.43%	–
M-SAA903	CA-R8C	220,489	0.02%	0.02%	–
M-SAA903	CA-R8D	3,610,595	0.38%	0.38%	–
M-SAA903	CA-R9	2,689,850	0.29%	0.29%	–
M-SAA903	CA-R10A	4,534,930	0.48%	0.48%	–
M-SAA903	CA-R11B	1,533,002	0.16%	0.16%	–
M-SAA903	CA-R12D	2,933,968	0.31%	0.31%	–
M-SAA903	CA-R12E	2,794,050	0.30%	0.30%	–
M-SAA903	CA-R13B	2,478,978	0.26%	0.26%	–
M-SAA903	CA-R14A	26,917,041	2.87%	2.87%	–
M-SAA903	CA-R14B	2,035,878	0.22%	0.22%	–

Table AAC.11 – 2024 SAA903 Alpha Allocation Cycle Recalculation (continued)

Alpha Allocation Cycle	Reach	Salaries and Wages	EY Alpha	SWPAO Alpha	Difference
M-SAA903	CA-R14C	\$ 804,145	0.09%	0.09%	–
M-SAA903	CA-R15A	20,660,201	2.20%	2.20%	–
M-SAA903	CA-R16A	25,491,763	2.72%	2.72%	–
M-SAA903	CA-R17E	38,486,669	4.10%	4.10%	–
M-SAA903	CA-R17F	464,560	0.05%	0.05%	–
M-SAA903	CA-R18A	8,856,149	0.94%	0.94%	–
M-SAA903	CA-R19	3,458,075	0.37%	0.37%	–
M-SAA903	CA-R20A	3,063,873	0.33%	0.33%	–
M-SAA903	CA-R20B	2,237,620	0.24%	0.24%	–
M-SAA903	CA-R21	1,414,549	0.15%	0.15%	–
M-SAA903	CA-R22A	1,204,050	0.13%	0.13%	–
M-SAA903	CA-R22B	31,966,497	3.41%	3.41%	–
M-SAA903	CA-R23	15,562,000	1.66%	1.66%	–
M-SAA903	CA-R24	7,690,742	0.82%	0.82%	–
M-SAA903	CA-R25	731,034	0.08%	0.08%	–
M-SAA903	CA-R26A	31,488,934	3.36%	3.36%	–
M-SAA903	CA-R28G	2,604,489	0.28%	0.28%	–
M-SAA903	CA-R28H	2,547,149	0.27%	0.27%	–
M-SAA903	CA-R28J	18,931,856	2.02%	2.02%	–
M-SAA903	CA-R29A	18,585,050	1.98%	1.98%	–
M-SAA903	CA-R29F	2,283,535	0.24%	0.24%	–
M-SAA903	CA-R29G	13,264,520	1.41%	1.41%	–
M-SAA903	CA-R29H	9,194,274	0.98%	0.98%	–
M-SAA903	CA-R29J	1,976,859	0.21%	0.21%	–
M-SAA903	CA-R30	13,898,852	1.48%	1.48%	–
M-SAA903	CB1-R31A	13,422,453	1.43%	1.43%	–
M-SAA903	CB2-R33A	20,639,508	2.20%	2.20%	–
M-SAA903	EBX-R1	20,373	0.00%	0.00%	–
M-SAA903	EBX-R2A	44,199	0.00%	0.00%	–
M-SAA903	EBX-R2B	915,218	0.10%	0.10%	–
M-SAA903	EBX-R2C	48,894	0.01%	0.01%	–
M-SAA903	EBX-R2D	89,620	0.01%	0.01%	–
M-SAA903	EBX-R2E	1,797,909	0.19%	0.19%	–
M-SAA903	EBX-R3A	1,739,479	0.19%	0.19%	–
M-SAA903	EBX-R3B	149,998	0.02%	0.02%	–
M-SAA903	EBX-R4A	46,959	0.01%	0.01%	–
M-SAA903	EBX-R4B	1,187,236	0.13%	0.13%	–
M-SAA903	EBX-R3B	2,434,617	0.26%	0.26%	–
M-SAA903	EBX-R3D	12,437	0.00%	0.00%	–
M-SAA903	EBX-R3E	12,437	0.00%	0.00%	–
Total		\$ 938,317,814	100.00%	100.00%	

We assessed alpha cost centers, which included populating a matrix of alpha cost centers and displaying the percentages allocated to each reach in order to identify possible anomalies. As a result of performing this procedure, we observed that all alpha allocation cycles totaled 100%.

Additionally, for alpha cost centers, we assessed the largest IO or WBS within each alpha cost center and selected the largest invoice to assess the nature of the charges. Table AAC.12 below displays the alpha cost centers assessed:

Table AAC.12 – Selected Alpha Cost Centers with 2023 Costs

Alpha Cost Center	Alpha Cost Center Name	Alpha Cost Center Description	Amount
2272ADE910	SL General Subsidenc	3CAAQ Subsidence SGF	\$ 4,769,602
2292ADF910	SSJ AqueductSubsiden	3CAAQ Subsidence SGF	4,496,508
2293ADF911	3CAAQ Subsidence SGF	SGMP SJ Well Allocation SGF	568,044
2251AFE901	Capitalized O&M HQ	DFD Physical Sec Upg	482,185
2260AFE905	EV Charging DFD	CAP O&M-Delta FD-Excl Sac/SJ D	1,206,742
2260AFE906	DFD Physical Sec Up	CAP O&M-Delta FD-Excl Sac/SJ D	1,452,375
2270AFJ906	CAP SLFD Fire Safety	CAPITALIZED O&M – San Luis FD	869,503
2270AFJ907	EV Charging SLFD	CAPITALIZED O&M – San Luis FD	2,275,138
2270AFJ909	CAPITALIZED O&M – SL	SLFD Physical Sec Upgrade	568,571
2280AFN902	CAPITAL O&M – SJFD	CAP SJFD GEN FIREMOD	2,559,632
2280AFN905	EV Charging SJFD	CAPITALIZED O&M – San Joaquin	2,276,062
2280AFN906	CAPITALIZED O&M – SJ	SJFD Physical Sec Upgrade	444,279
2290AFR905	SFD Physical Sec Upg	CAPITALIZED O&M – Southern FD	1,169,074
2290AFR906	Capitalized O&M SFD	EV Charging Station SFD	720,537
2101FAC001	WATER RIGHT ACT-SWP	Statewide-ConserOnly	2,394,728
1101FAC947	Quality Assurance Prog	Quality Assurance Prog – RFFAC	2,525,809
2200FAD110	SWP Com Sys Upg-SWP	Cap O&M-SWP Communicat Sys Upg	411,502
2200FAD111	SWP Com Sys Upg-CA	Cap O&M-SWP Communicat Sys Upg	2,452,082
2229FAD900	Capitalized O&M SWP	SWP Maint Mgmt DA&A	1,603,885
1121FAD908	Site Assm't Prog-SWP	Environmental Site Assessment	618,588
1131FAD908	CWP Statewide Plan	Strategic Water Planning	1,677,102
2121FAD908	Envir.Assess/Rev	ENVIROMENTAL COMPLIANCE AND RE	2,461,661
2210FAD908	CAP Exclude Oro&Dlta	Capital – Exclude Oroville &De	3,243,517
2300FAD908	NERC-WECC Comp & Sec	NERC-WECC CIP & Sec	2,168,661
2301FAD908	O&M Projectwide Dist	O&M Projectwide Distribution	2,685,315
2310FAD908	SWP Ops Control Cent	FOM-SWP Operations Control Cen	24,245,295
2311FAD908	SWP Pro Rata Charges	State Wtr Project Pro Rata Cha	3,039,918
2320FAD908	FOM-R/W PropMgmtProj	R/W Property Management – Gene	1,067,356
2325FAD908	DOE SWP Statewide	DOE costs that benefit all SWP	9,166,997
2330FAD908	O&M Projectwide Dist	O&M Projectwide Distribution	13,181,502
2336FAD908	SWP EPP – Gen EXT	SWP Emergency Preparedness Program EXT	1,587,257
2340FAD908	FOM-DTS COM SupPort	RF FAD908 W/A 7223 – FOM DTS C	9,148,873
2350FAD908	SWP OP Planning Prg	SWP Operation Planning Program	1,388,016

Table AAC.12 – Selected Alpha Cost Centers with 2023 Costs (continued)

Alpha Cost Center	Alpha Cost Center Name	Alpha Cost Center Description	Amount
2380FAD908	Aquatic Spec Mgmt	Aquatic Nuisance Species Surve	\$ 898,253
23F0FAD908	2023 Winter Storms	2023 Winter Storms Statewide General	711,158
2310FAD909	SWP Operations FOM	SWP Operations FOM	10,833,861
2350FAD909	SWP-Wide State Only	SWP OPERATIONS PLANNING	3,627,449
2300FDA907	Upper Feather – Gen	FOM Upper Feather Division – G	1,332,172
2300FDD907	N San Joaquin – Gen	FOM – North San Joaquin Divisi	2,917,070
2300FDF907	So San Joaquin Div	FOM – South San Joaquin Divisi	5,437,168
2314FDF907	R/W PropMgmt SoSJDiv	R/W Property Mgmt South San Jo	976,524
2300FDG907	Tehachapi Div - Gen	FOM – Tehachapi Division Gener	1,089,092
2300FDH907	Mojave Division-Gen	FOM – Mojave Division – Genera	1,292,946
2300FDJ907	Santa Ana Div – Gen	FOM – Santa Ana Division Gener	1,539,130
2315FDJ907	R/W PropMgmtSantaAna	R/W Property Mgmt – Santa Ana	1,843,011
2300FDK907	West Branch Div-Gen	FOM – West Branch Division Gen	2,388,159
2200FDL100	SWP Com Sys Upg-CBA	Cap O&M-SWP Communicat Sys Upg	497,753
2300FDL907	Coastal Branch – Gen	FOM – Coastal Branch General	1,670,217
2200FDP100	SWP Com Sys Upg-NBA	Cap O&M-SWP Communicat Sys Upg	592,838
2300FDP907	North Bay Aqued-Gen	FOM – North Bay Aqueduct – Gen	1,486,717
2300FDQ907	South Bay Aqued-Gen	FOM – South Bay Aqueduct – Gen	3,155,523
2300FFA005	Oroville FD-General	FOM – Oroville Field Division	12,974,019
2260FFE907	CapO&M-Delta FD	Capital O&M – Delta FD – Gener	1,306,217
2300FFE907	Delta FD General	FOM – Delta Field Division – G	17,873,645
2312FFE908	Property Mgmt – DFD	PROPERTY MANAGEMENT-DFD	647,216
2300FFJ907	San Luis FD General	FOM – San Luis Field Division	20,110,592
2280FFN907	SJFD Cap – Gen	CAPITAL O&M – SJFD	1,785,867
2300FFN907	San Joaquin FD – Gen	FOM – San Joaquin Field Divisi	12,568,001
2300FFN958	SJFD-Lost Hill Subct	FOM San Joaquin FD Lost Hill S	1,177,850
2300FFR928	Southern FD – ACC	FOM-Southern FD Area Control C	2,376,154
2310FFR928	Southern FD – Gen	FOM – Southern Field Division	16,114,194
2300FFR947	SoFD Pearblossom Sub	FOM-Southern FD Pearblossom Su	1,019,943
2202FWF001	P2426 Relicensing	P2426 Relicensing	1,798,714
2030FWF020	P2426 Lic Comp Mgmt	Ferc Area: P2426 License Compl	1,354,216
2340GAC001	Projectwide Activity	SWP Dam Safety Program-Projwid	4,108,754
2105MAD055	Staff/labor-SW-Power	Power Planning	3,815,813
2510MAD055	SW Trans Lbr Lod Bsd	Transmission Planning and Cont	1,349,441
2100MAD056	Staf Lbr Comp Pmp LB	Comp. & Regulatory	2,789,470
2500MAD056	PROJ REPAYMT&FIN AN	Statewide – PP&PGP	2,873,345
2300MAD057	HEP Training Prog	HEP Training Program – General	1,757,414
2500MAD057	SW Trans Lbr Capacit	Transmission Planning and Cont	1,520,844
2229MAD900	Capitalized O&M SWP	Trans Operator(TOP)Reg	399,281
2300MFA010	Oroville Pwr Fac-Gen	FOM – Oroville Power Facilitie	5,086,638

Table AAC.12 – Selected Alpha Cost Centers with 2023 Costs (continued)

Alpha Cost Center	Alpha Cost Center Name	Alpha Cost Center Description	Amount
2300MFA030	O&M OroPwr RFMFA030	Alpha Reach-Oroville Power	\$ 1,907,633
2293RDF910	SJSubsidence FDWide	3CAAQ Subsidence SGF	457,044
2110SAA903	SW GHG MGMT Labor	GHG Management	2,100,883
2120SAA903	SW Labor for WEE Br	Water and Energy Eff	2,911,901
2201SAA903	StWide – FMEP Stage3	SWP FME Prj Stage 3	3,519,408
2202SAA903	PPM/RM Upgrades	PPM/RM Lic & Upgrade	929,746
2350SAA903	SWP-RiskMgmt-Exec	SWP Infrastructure Risk Manage	6,842,684
2360SAA903	PPM/RM Support	PPM/RM License & Support	1,421,219
2370SAA903	Exec SWP Strat Plan	Exec SWP Strat Plan	960,741
2500SAA903	ProjRepymt&Fin.Analy	RF SAA903 W/A7901 Proj.Repymt&	4,566,929
1110SAA913	SW Fiscal Pro Rata P	SWP Pro Rata Charges Pg 10	711,254
2300SAA913	SW Fiscal Pro Rata P	SWP State Pro Rata Charges Pg	34,851,429
2503SAA913	Enterprise Acct Brch	Statewide-Fiscal EAB	6,549,209
2500SAA923	Wtr TrsfFacilitation	RFSA923 W/A 7907 Wtr Transfer	3,334,103
2501SAA923	SWP Prjwide Prg Cntl	SWP Project & Program Control	3,091,815
2502SAA923	WtrContractsNego&Adm	RFSA923 W/A 7902 WtrContrcNeg	1,786,303
2503SAA923	Statewide-FinRpBrnch	Financial Reporting and Analys	21,217,626
2504SAA923	WtrDelivery&Turnout	Water Delivery & Turnout	2,724,168
2530SAA923	SWP Spec Proj & B132	StateWide-SpPrj&B132	1,864,705
2202SAA933	Prop Mgmt – GIS Prj	Property Management – GIS	530,518
2200SBA011	So Bay Aqueduct Enlg	So Bay Aqueduct Enlargement-En	3,666,490
2301TDP302	Cordelia Forebay Ext	NORTH BAY – Extraordinary O&M	816,626
		Total	\$ 372,785,419

We selected a sample of IO's that were charged to the Contractors through an alpha allocation cycle in 2023 and assessed the following attributes:

1. We assessed whether they were classified as direct or indirect (through an alpha allocation cycle) to reach.
2. For invoices charged to multiple reaches, we assessed whether they were allocated to a statewide or field division alpha allocation cycle.
3. We assessed whether the invoice amount charged to PR5 reconciled to CAB.
4. We assessed whether the invoice was recovered through the transportation minimum or capital component.
5. We assessed whether the invoice appeared to be allocated to the reaches, based upon the invoice description and where the work performed pertains to.

Finding AUD-000659	
Finding:	Safety Management Systems LLC invoice related to claim 1393028 was double billed to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The original and revised invoice total were both billed.
Dollar Amount:	\$10,947
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed Safety Management Systems LLC claim 1393028 in the amount of \$10,947. This double billing of both the original and revised invoice was charged to the alpha allocation cycle M-MFA010. The Department should reverse this charge.

Finding AUD-000660	
Finding:	Safety Management Systems LLC invoice related to claim 1396317 was double billed to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The original and revised invoice total were both billed.
Dollar Amount:	\$25,720
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1396317 in the amount of \$25,720. This double billing of both the original and revised invoice was charged to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The Department should reverse this charge.

Finding AUD-000661	
Finding:	Safety Management Systems LLC invoices related to claim 1396316 were double billed to the Delta Field Division through the M-FFE907 alpha allocation cycle and Oroville Field Division through the M-MFA010 alpha allocation cycle.
Dollar Amount:	Overstatement of \$76,726 to the following alpha allocation cycles: M-FFE907 – \$67,872 M-MFA010 – \$8,854
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1396316 in the amount of \$76,726. These double billings were charged to the Delta Field Division through the M-FFE907 alpha allocation cycle and the Oroville Field Division through the M-MFA010 alpha allocation cycle. The Department should reverse these charges.

Finding AUD-000662	
Finding:	Johnson Controls Fire Protection, LP invoice related to claim 1437508 was double billed to the Delta Field Division through the M-FFE907 alpha allocation cycle.
Dollar Amount:	\$2,895
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1437508 in the amount of \$2,895. This double billing was charged to the Delta Field Division through the M-FFE907 alpha allocation cycle. The Department should reverse this charge.

Finding AUD-000663	
Finding:	Johnson Controls Fire Protection, LP invoice related to claim 1445204 was double billed to the Upper Feather River Division through the M-FDA907 alpha allocation cycle.
Dollar Amount:	\$458
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1445204 in the amount of \$458. This double billing was charged to the Upper Feather River Division through the M-FDA907 alpha allocation cycle. The Department should reverse this charge.

Finding AUD-000664	
Finding:	HDR Engineering, Inc. invoice related to claim 1403944 was double billed to statewide alpha allocation cycle M-GAC001.
Dollar Amount:	\$7,979
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1403944 in the amount of \$7,979. This double billing was charged to the statewide alpha allocation cycle M-GAC001. The Department should reverse this charge.

The Division of Fiscal Services should put in place additional internal controls to prevent and detect double billings in the PR5 system to ensure the Contractors are not billed more than once for a respective purchase. The Department should also perform a root cause analysis to identify the breakdowns in internal controls that resulted in these errors.

Table AAC.13 – Impact of Alpha Allocation Cycle Double Billings

Contractor	Decrease in Charges
Alameda County Water District	\$ 2,981
Alameda County FC and WCD, Zone 7	7,243
Antelope Valley-East Kern Water Agency	3,260
County of Butte	416
Coachella Valley Water District	3,326
Crestline-Lake Arrowhead Water Agency	138
Desert Water Agency	1,304
DRWD	1,120
Empire West Side Irrigation District	81
Future Contractor – San Joaquin	87
KCWA	25,031
County of Kings	225
Littlerock Creek Irrigation District	52
Metropolitan Water District of Southern CA	45,050
Mojave Water Agency	2,085
Napa County FC and WCD	3,330
Oak Flat Water District	139
Palmdale Water District	478
Plumas County FC and WCD	41
San Bernardino Valley MWD	2,611
San Gabriel Valley MWD	678
San Geronio Pass Water Agency	505
San Luis Obispo County FC and WCD	559
Santa Barbara County FC and WCD	1,022
Santa Clara Valley Water District	8,299
Santa Clarita Valley Water Agency	2,376
Solano County Water Agency	3,623
Tulare Lake Basin WSD	2,197
Ventura County Watershed Protection District	465
City of Yuba	145
Federal Non-Billable	605
Flood Control	935
Recreation	4,318
Total	\$ 124,725

Recommendation AUD-000665	
Background:	Through our invoice testing in PR5, we observed two entries being mapped to the same claim and invoice number. Upon further investigation, it was determined that the entries should be mapped to two different invoices. We would expect each entry to be mapped to the correct invoice within the system. We recommend that the Division of Fiscal Services update the system to ensure that invoice records are correctly maintained.
Internal Control Matter:	Procedures: Procedures not Being Followed
Contractors Affected:	All Contractors
Recommendation:	The Division of Fiscal Services should ensure each expense entry within the PR5 system be mapped to the correct claim and invoice number.

As part of our invoice testing procedures, we observed expense amounts in PR5 being incorrectly mapped to claim and invoice numbers. On several occasions, we noticed two expense items being mapped to the same invoice. Upon further investigation, it was determined that the expenses should be mapped to two separate invoices. We recommend that the Division of Fiscal Services update the PR5 system and ensure expense amounts are correctly mapped to supporting documentation.

Recommendation AUD-000666	
Background:	Alpha allocation cycles determined to have incorrect allocations are not disabled by the Department at the headquarters level resulting in recurring errors in the SOC. For example, the statewide FAD890 alpha cost centers still had costs present each year after it was previously determined that these alpha cost centers should no longer have costs charged to them.
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	All Contractors
Recommendation:	The Department should develop processes and procedures to disable functional areas in a timely manner at the headquarters level when determined costs should no longer be charged to those functional areas.

During our procedures to assess alpha allocation cycles, we observed that the statewide alpha allocation cycle of FAD890, which had previously been identified as incorrectly allocating costs, had costs allocated through it. The Department is aware that this alpha allocation cycle incorrectly allocates costs and should not be used. This is a result of the Department leaving orders that allocate through this alpha allocation cycle active and available to be charged. However, project managers at the field division level can request certain orders to be closed. We recommend the Department develop processes and procedures to disable functional areas in a timely manner at the headquarters level when determined costs should no longer be charged to those functional areas. This would prevent the need for the Department to retroactively correct costs which are incorrectly allocated through alpha allocation cycles that the Department knows are incorrect.

System Power Costs – Variable Transportation

Procedures Performed

We performed detailed procedures for the 2023 calendar year power costs and revenues within the transportation variable cost component:

- Obtained the schedule of power costs and revenues compiled at the Joint Operations Center for the 2023 calendar year and used for informational purposes in conjunction with our procedures of power costs and power revenues.
- Recalculated the Power Allocation Table (PAT) factors in CAB with the use of the 2023 Preliminary Allocation of Power Costs (PALPOC).
- Recalculated the VORG credits reported in the 2023 PALPOC and compared the amounts to the VORG postings in CAB.
- Recalculated the amounts billed for the Transportation Variable Cost Component in 2023.

Findings and Recommendations

A PALPOC, which is prepared by SWPAO, is a summary of power costs and revenues for each year, including costs assigned to the VORG facilities and energy transmission. Some of the costs included in a PALPOC are estimated and subject to revision. Changes may result from a reconciliation of estimated costs to actual costs, error corrections, allocation adjustments, and costs and/or revenues that the Department was unaware of at the time of the issuance of the PALPOC. Once the costs for a year are finalized, a final power study is published. The frequency of finalizing the power study is dependent on outstanding issues or items to be resolved. We have been informed by the Department that a power study would ideally be published once a year, about five years after the initial year-end study.

Prior to 2009, the Department had used the PALPOC, as well as other manually maintained schedules, to determine variable transportation charges and to allocate those charges to reaches. SWPAO began using variable transportation costs, per the system, to determine variable transportation charges in 2009. As of the 2024 SOC, there was a transition from UCABS (the legacy billing system) to CAB (new billing system). However, SWPAO continues to utilize the PALPOC to determine the allocation of net system power charges between each plant (i.e., no change in the process).

The allocation of system power charges is based on the PAT, which is generated from information summarized in the PALPOC. The summarized information in the PALPOC is determined by taking the power mill rate, which represents net pumping power costs to be recovered through the transportation variable calculated component, divided by total system energy used (adjusted to remove transportation losses). This mill rate is then multiplied by the adjusted energy, used at each reach, to determine the charges to be allocated to that particular facility. These charges represent pumping plant energy costs. A separate calculation is then performed to calculate the transmission variable California Independent System Operator (CAISO) costs. These costs are determined by taking the monthly energy costs and applying them to the respective Pacific Gas & Electric and Southern California Edison high and low voltage wheeling access rates (i.e., CAISO high/low voltage rates). Wheeling is the transportation of energy (Megawatt Hour (MWh)) from the electrical grid to an electrical load outside of the grid boundaries. The PAT is then determined by taking the sum of costs by facility (both net pumping power costs and transmission variable CAISO) per the PALPOC and dividing this by total costs for all facilities. These allocation factors are then input into CAB by the Department. In 2018, the Department began using V-PAT383 to allocate low voltage transmission variable costs. Previously, all transmission variable costs were allocated through V-PAT017. This change was made to more accurately capture costs within CAB.

The following table represents net system power costs (excluding direct-to-plant transmission costs and downstream distribution adjustments) billed to the Contractors for calendar year 2023 through the transportation variable calculated component included in the 2025 SOC:

Table PWR.1 – 2023 Net System Power Costs

System Cost Description	Amount
Power Costs	\$ 619,185,497
Power Sales	(113,462,883)
Delta Fish Agreement and Excess Peaking Capacity	2,313,569
VORG Credits	(76,966,689)
Net System Power Costs per Bulletin 132-24, Table B-3	\$ 431,069,494

System power costs are allocated to variable reaches using the V-PAT017 and the V-PAT383 for 2023. The 2023 PAT factors were based on the 2023 PALPOC as of April 11, 2024. The 2023 variable V-PAT017 factors were as follows:

Table PWR.2 – 2023 V-PAT017

Variable Reach	Pumping Plant Name	Percentage of Net System Power Costs Allocated
NBA-R1	Barker Slough	0.08%
NBA-R3A	Cordelia-Benicia and Cordelia-Vallejo	0.03%
NBA-R3B	Cordelia-Napa	0.04%
SBA-R1	South Bay	1.13%
SBA-R5	Del Valle	0.00%
CA-R1	Banks	11.25%

Table PWR.2 – 2023 V-PAT017 (continued)

Variable Reach	Pumping Plant Name	Percentage of Net System Power Costs Allocated
CA-R3A	Gianelli (San Luis)	2.70% ³
CA-R4	Dos Amigos	5.24%
CA-R14A	Buena Vista	5.35%
CA-R15A	Teerink	5.71%
CA-R16A	Chrisman	12.30%
CA-R17E	Edmonston	44.53%
CA-R22B	Pearblossom	8.97%
CA-R29A	Oso	1.29%
CB1-R31A	Las Perillas and Badger Hill	0.20%
CB2-R33A	Devil's Den, Bluestone, and Polonio	0.30%
EBX-R2B	Greenspot	0.00%
EBX-R3A	Crafton Hills	0.35%
EBX-R4B	Cherry Valley	0.03%
EBX-R2E	Citrus	0.50%
	Total	100.00%

In 2018, the Department began allocating low voltage transmission variable costs through V-PAT383. The 2023 variable V-PAT383 factors were as follows:

Table PWR.2a – 2023 V-PAT383

Variable Reach	Pumping Plant Name	Percentage of Low Voltage Power Costs Allocated
NBA-R1	Barker Slough	11.44%
NBA-R3A	Cordelia-Benicia and Cordelia-Vallejo	5.36%
NBA-R3B	Cordelia-Napa	5.51%
SBA-R5	Del Valle	0.39%
CA-R29A	Oso	5.12%
CB1-R31A	Las Perillas and Badger Hill	29.67%
CB2-R33A	Devil's Den, Bluestone and Polonio	42.51%
	Total	100.00%

³ All costs associated with the Gianelli plant are reclassified to the DWC and, as such, those costs are not billed through the transportation variable calculated component.

Station service costs are charges incidental to the O&M of a pumping plant. As minimum costs, they do not include any pumping charges. Station service costs are calculated for each plant by multiplying the power mill rate (the present worth value of annual charges less generation credits, divided by the present worth value of generation) by station service energy, which is determined using energy measurements taken while plant pumps were idle. Station service costs determined as described above are reclassified out of variable power costs. The 2023 minimum M-PAT401 factors as presented in the PALPOC are as follows:

Table PWR.2b – 2023 M-PAT401

Variable Reach	Pumping Plant Name	Station Service (Minimum)	Percentage of Station Service Allocated
NBA-R1	Barker Slough	\$ 26,832	1.12%
NBA-R3A	Cordelia-Benicia and Cordelia-Vallejo	19,335	0.81%
NBA-R3B	Cordelia-Napa	3,915	0.16%
SBA-R1	South Bay	33,505	1.40%
SBA-R5	Del Valle	8,408	0.35%
CA-R1	Banks	267,846	11.15%
CA-R3A	Gianelli (San Luis)	368,296	15.34%
CA-R4	Dos Amigos	334,791	13.94%
CA-R14A	Buena Vista	133,891	5.58%
CA-R15A	Teerink	100,450	4.18%
CA-R16A	Chrisman	133,891	5.58%
CA-R17E	Edmonston	334,791	13.94%
CA-R19	Alamo	9,570	0.40%
CA-R22B	Pearblossom	167,898	6.99%
CA-R23	Mojave	9,564	0.40%
EBX-R1	Devil Canyon	45,450	1.89%
CA-R29A	Oso	67,615	2.82%
CA-R29H	Warne	160,932	6.70%
CB1-R31A	Las Perillas and Badger Hill	67,009	2.79%
CB2-R33A	Devil's Den, Bluestone, and Polonio	25,224	1.05%
EBX-R2B	Greenspot	40,570	1.69%
EBX-R3A	Crafton Hills	15,468	0.64%
EBX-R4B	Cherry Valley	7,517	0.31%
EBX-R2E	Citrus	18,483	0.77%
	Total	\$ 2,401,251	100.00%

The PAT factors, outlined in Table PWR.2, were used to allocate the power costs and power sales included in CAB to the individual reaches.

Once transmission costs by plant have been determined, net system power costs, along with several other items, are posted to arrive at costs allocated to each variable reach. Additional items include the following:

1. Delta Fish Loss Charges – Annual variable fish loss charges are only included at Banks Pumping Plant. For calendar year 2023, the variable annual Delta Fish Agreement costs included in Banks Pumping Plant totaled \$2,831,728.
2. VORG Credits – These adjustments represent a reclassification of costs from power-generating facilities to system costs, which are then allocated to all pumping facilities based on the PAT.

VORG adjustments are a credit to the power generation reaches and result in an increase in costs to the other reaches that are allocated based on the PAT. VORG credits allow the reaches that generate power to receive the cost benefits (i.e., generation reaches have negative variable costs that usually equal the amount of the VORG credit), while the costs of the generation facilities are billed to the entire project, rather than those Contractors south of the generation reaches. Therefore, the VORG adjustments, in total, net to zero, when considering the variable transportation component as a whole. These adjustments are used as a method to reallocate costs to reaches that use energy, rather than to reaches that produce energy. The actual costs associated with generation facilities are billed to the capital and minimum components of the Contractors' SOC.

3. Peaking Capacity Credits – These credits are received at Castaic Pumping Plant for power generation, and totaled \$518,159 in 2023. These credits are part of a fixed schedule of payments related to the Cooperative Development West Branch CA project, under which the Los Angeles Department of Water and Power (LADWP) constructed the power generation facilities at Castaic Pumping Plant. These credits are payable to the DWR by LADWP, and compensate DWR for the peaking capacity forgone by DWR not constructing its own power generation plant.

The net power costs and sales, in addition to the adjustments described above, comprise the amounts reported in Bulletin 132-24, Table B-3, *Power Cost and Credits, Transmission Costs and Annual Replacement Deposits for Each Aqueduct Pumping and Power Recovery Plant*. Table B-3 includes all Pumping and Power Recovery Plants. Gianelli is excluded from Table B-3 as it is considered a conservation facility rather than a transportation facility, and all costs associated with Gianelli are reclassified and billed through the DWC.

Finding AUD-000667	
Finding:	The Department incorrectly calculated the transportation variable plant unit rate per Table B-17 by including projected and actual water deliveries in their analysis. This resulted in an overstatement of variable costs in the amount of \$4,179,887. However, this error also had an impact on the downstream calculation. As a result, downstream that is collected through the minimum OMP&R component was understated by \$4,179,887.
Dollar Amount:	\$4,179,887 overstatement of variable costs \$4,179,887 understatement of minimum costs
Type:	Reallocation of costs among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should remove projected water deliveries and only base their transportation variable plant unit rate calculation on actual water deliveries. In addition, the downstream calculation should only use actual water deliveries derived from the ZCAB_WATER_DELV report.
Department Response:	The Department plans to use actual water deliveries in all future transportation variable plant unit rate and downstream calculations.

While performing our procedures over the transportation variable plant unit rate per Table B-17; we observed that the rates in the 2025 SOC were based on projected and actual water deliveries. It is our understanding that the downstream and Table B-17 rates should only be based on actual water deliveries. These two rates are utilized in the calculation of minimum and variable costs. The inclusion of projected water deliveries resulted in an overstatement of variable costs and an understatement of minimum costs. The net impact of this finding is a reallocation of costs among the Contractors. The following table summarizes the changes in minimum costs (downstream rates) and variable costs (B-17 rates) by Contractor:

Table PWR.3 – Impact of Finding AUD-000667

Contractor	Corrected Variable	SOC Variable	Corrected Downstream	SOC Downstream	(Decrease)/ Increase in Charges
Alameda County Water District	\$ 768,878	\$ 1,006,635	\$ (54,770)	\$ (41,157)	\$ (251,370)
Alameda County FC and WCD, Zone 7	3,074,027	2,764,609	(232,818)	(175,571)	252,171
Antelope Valley-East Kern Water Agency	22,591,904	23,382,975	190,501	154,984	(755,554)
County of Butte	–	–	102	82	20
Coachella Valley Water District	10,105,508	13,386,151	(372,360)	(281,928)	(3,371,075)
Crestline-Lake Arrowhead Water Agency	121,839	371,881	141,230	114,314	(223,126)
Desert Water Agency	3,575,513	2,844,245	268,369	220,716	778,921
DRWD	1,191,643	1,360,018	16,538	13,436	(165,273)
Empire West Side Irrigation District	52,629	74,002	1,091	886	(21,168)
Future Contractor – San Joaquin	–	–	(28,735)	(24,121)	(4,614)
KCWA	36,701,047	34,203,636	552,302	441,866	2,607,847
County of Kings	189,220	218,808	1,735	1,382	(29,235)
Littlerock Creek Irrigation District	9,521	221,013	1,106	933	(211,319)
Metropolitan Water District of Southern CA	257,794,848	251,943,999	17,025,562	13,782,601	9,093,810
Mojave Water Agency	23,682,437	19,175,720	271,179	219,555	4,558,341
Napa County FC and WCD	359,404	360,148	(9,033)	(5,473)	(4,304)
Oak Flat Water District	15,555	48,679	176	142	(33,090)
Palmdale Water District	3,182,191	4,887,460	20,196	16,556	(1,701,629)
Plumas County FC and WCD	–	–	10	8	2
San Bernardino Valley MWD	14,161,766	21,017,432	2,239,892	1,816,718	(6,432,492)
San Gabriel Valley MWD	2,674,491	2,732,042	460,882	374,352	28,979
San Geronio Pass Water Agency	7,034,109	7,491,799	297,638	241,701	(401,753)
San Luis Obispo County FC and WCD	430,593	476,491	53,929	49,510	(41,479)
Santa Barbara County FC and WCD	1,435,900	1,472,824	903,536	796,213	70,399
Santa Clara Valley Water District	4,561,231	5,291,935	(142,850)	(107,348)	(766,206)

Table PWR.3 – Impact of Finding AUD-000667 (continued)

Contractor	Corrected Variable	SOC Variable	Corrected Downstream	SOC Downstream	(Decrease)/ Increase in Charges
Santa Clarita Valley Water Agency	\$ 8,321,431	\$ 10,185,868	\$ 554,936	\$ 444,563	\$ (1,754,064)
Solano County Water Agency	690,183	684,141	(8,097)	(5,484)	3,429
Tulare Lake Basin Water Storage District	326,300	802,417	27,792	22,576	(470,901)
Ventura County Watershed Protection District	5,261,957	6,089,084	136,801	110,008	(800,334)
City of Yuba City	–	–	36	29	7
Recreation	–	–	438,494	393,434	45,060
Total	\$ 408,314,125	\$ 412,494,012	\$ 22,755,370	\$ 18,575,483	\$ –

While performing our procedures related to the PALPOC, we observed that \$66,688,768 was added to variable power costs related to the Hyatt-Thermalito facilities. These costs represent the amounts identified by the Department related to the Hyatt-Thermalito facilities that are to be recovered through the transportation variable component, as the Hyatt-Thermalito facilities are variable in nature. These amounts include costs related to debt service, O&M, Federal Energy Regulatory Commission (FERC) relicensing, and other miscellaneous minimum costs. Variable power revenues for all pumping and generating facilities, including Hyatt-Thermalito facilities, are captured through CAISO invoices, which are charged directly to the transportation variable component. The following table summarizes the costs related to Hyatt-Thermalito facilities that are recovered through the transportation variable component:

Table PWR.4 – Hyatt-Thermalito Facilities Costs Recovered Through Transportation Variable Component in 2023

Costs	Increase in Variable Power Costs	2023 Credit to DWC	Net Effect
Hyatt-Thermalito Debt Service	\$ 14,650,000		
Hyatt-Thermalito (Refurbishment on units 2, 4, and 6) Debt Service	\$ 1,246,994		
Thermalito Power Plant Clean-Up and Recovery Debt Service	\$ 20,210,378		
FERC P2100	\$ 609,430		
2014 H-T Move	\$ 665,628		
Thermalito Diversion Dam Powerplant Value of Power	\$ 777,458		
Total Capital Costs	\$ 38,159,888	\$ 38,159,888	\$ –
Total Minimum Costs	\$ 28,528,880	\$ 28,528,880	\$ –
Total Capital and Minimum	\$ 66,688,768	\$ 66,688,768	\$ –

VORG credits are set at \$25 per MWh for Gianelli Generating Plant, the Warne Power Plant, the Castaic Generating Plant, and the Devil Canyon Power Plant. VORG credits for the Alamo and Mojave Siphon power plants are calculated annually, based on the annual costs of the generation plants. The 2023 mill rates used for the Alamo and Mojave Siphon Power Plants were \$193.16 per MWh and \$245.27 per MWh, respectively. The current-year procedures performed over the VORG calculations included recalculating the VORG credits reported in the 2023 PALPOC. This calculation is based on the mill rates and MWh of the power sales by plant provided by the Department and comparing them to the VORG postings in CAB.

Finding AUD-000668	
Finding:	The Department incorrectly calculated the 2023 VORG mill rate for Mojave. The incorrect amount for projected annual generation was used in the calculation. The original mill rate for Mojave per the SOC is \$245.27. The recalculation of the 2023 VORG mill rate for Mojave using the correct denominator in the formula is \$257.20. In summary, the total generation credit for Mojave should have increased by \$821,170 in Bulletin 132-24, Table B-3, <i>Power Cost and Credits, Transmission Costs and Annual Replacement Deposits for Each Aqueduct Pumping and Power Recovery Plant</i> .
Dollar Amount:	\$821,170
Type:	Reallocation of costs among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should implement internal controls to ensure that the VORG mill rates are calculated correctly each year.
Department Response:	The Department acknowledges the calculation error in the 2023 VORG mill rate for Mojave. This matter will be adjusted within future mill rates to correct the error.

While performing our procedures over the 2023 VORG mill rates, we observed a calculation error for Mojave. The mill rate per the SOC was \$245.27. However, based on our recalculations, the correct mill rate should have been \$257.20. The impact of this finding has been quantified in Table PWR.5. The increase in the total generation credit for Mojave also results in an offsetting increase in power costs collected through variable cost center 2361PAT017. The net impact is a reallocation of costs among the Contractors.

Table PWR.5 – Recalculation of Mojave Mill Generation Credit

	Present Worth of Total Annual Capital and Operating Charges	Present Worth of Generation Credits	Net Difference	Present Worth of 2023-2035 Projected Annual Generation (MWh)	Generation Mill Rate	2023 Annual Generation (MWh)	VORG Credit
Per SOC	\$ 441,962,256	\$ 263,329,198	\$ 178,633,058	728,306	\$ 245.27	68,806	\$ 16,876,018
Per EY	\$ 441,962,256	\$ 263,329,198	\$ 178,633,058	694,517	\$ 257.20	68,806	\$ 17,697,188
Difference							\$ (821,170)

Delta Water Charge

Procedures Performed

We performed the following procedures over the DWC presented in the 2025 SOC:

- Obtained the DWC calculation CAB workflow and assessed which cost centers were being included in the calculation.
- Obtained the Present Value (PV) table from the CAB workflow used in the DWC calculation and recalculated the factors.
- Compared costs in CAB to the amounts used in the Department's calculation included in the SOC for prior-year actual costs. Investigated differences between the costs in CAB and the costs used in the calculation.
- Obtained an understanding of the process of calculating minimum and capital future estimates based on budgets.
- Obtained an understanding of the process of submission of budgets to SWPAO for minimum and capital future estimates.
- Obtained an understanding of incremental costs included in the Delta Facilities cost center in the DWC.
- Recalculated the Delta Water Rate based on procedures performed and compared to the rate used in the SOC.
- Assessed the Hyatt-Thermalito facilities credit to the DWC.
- Reconciled the Hyatt-Thermalito credit to the system power cost's adjustment.

Findings and Recommendations

The DWC is a PV calculation of costs, payments, and remaining Table A water to be delivered. This calculation is used to develop a cost per AF, applied to each Contractor's Table A for the respective year (collectively, the Delta Water Rate). We obtained the CAB workflow of the DWC calculation from the Department and observed the specific cost centers used in the calculation. The primary cost centers used are related to Oroville, Delta, CA, and San Luis. We used these cost centers to perform our detailed procedures in the current year.

Starting with the 2024 SOC year, the DWC calculation is calculated for FreezeGo and PayGo. FreezeGo pertains to past charges through December 31, 2023 that will be collected through 2035. PayGo pertains to the contract amendment and has a billing transition date of January 1, 2024. The PayGo DWC calculation consists of planned minimum costs for the year. Starting with the 2025 SOC year, there is a true-up of estimates to actuals for the PayGo DWC calculation. There is no PayGo Capital DWC as the estimated charges are based on proportionate debt service rather than costs.

The current year DWC capital charges included in the 2025 SOC, by facility, were as follows:

Table DWC.1 – FreezeGo Capital Conservation Facility Charges

Facility Conservation Costs from 1952–2023	PV Amount
Oroville Division	\$ 8,064,418,636
Delta Facilities	2,345,625,429
California Aqueduct and San Luis	2,378,416,717
Planning and Pre-operation	358,923,740
Additional Conservation Facilities	27,731,784
Hyatt-Thermalito Credit (Oroville Power)	(4,294,482,863)
Capital Cost Settlements (Credits)	(172,700,233)
Contractor Revenues	(7,298,482,869)
Total PV of Net Costs (a)	\$ 1,409,450,341
PV of Water Deliveries (b)	35,438,300
2025 SOC FZ Capital Delta Water Rate = (a)/(b)	\$ 39.77

The current year DWC minimum charges included in the 2025 SOC, by facility, were as follows:

Table DWC.2 – FreezeGo Minimum Conservation Facility Charges

Facility Conservation Costs from 1952–2023	PV Amount
Oroville Division	\$ 4,278,356,354
Delta Facilities	2,862,005,444
California Aqueduct and San Luis	1,934,639,037
45,000 AF Relinquished Costs	37,237,702
Hyatt-Thermalito Credit (Oroville Power)	(1,734,362,763)
Contractor Revenues	(7,349,434,179)
Total PV of Net Costs (a)	\$ 28,441,595
PV of Water Deliveries (b)	35,438,300
2025 SOC FZ Minimum Delta Water Rate = (a)/(b)	\$ 0.80

Table DWC.3 – PayGo Minimum Conservation Facility Charges

Facility Conservation Costs planned for 2025	Amount
Oroville Division	\$ 97,133,927
Delta Facilities	128,304,212
California Aqueduct and San Luis	38,704,598
45,000 AF Relinquished Costs	1,480,040
Hyatt-Thermalito Credit (Oroville Power)	(31,492,673)
Total Net Costs (a)	\$ 234,130,104
Water Deliveries (b)	4,172,786
2025 SOC PG Minimum Delta Water Rate = (a)/(b)	\$ 56.11

As of the 2024 SOC, there was a transition from UCABS (the legacy billing system) to CAB (new billing system). CAB is an SAP module with enhanced capabilities that reduce the burden of many manual calculations previously impacting various billing components. The DWC calculation is now calculated within CAB with some manual aspects to the process. The manual aspects of the calculation are discussed in the next section.

Included in the DWC calculation were manual and system calculated adjustments that the Department entered into CAB. We investigated these manual adjustments for all historic year costs (1952-2023) impacting the FreezeGo DWC calculation. We observed the following items:

- Additional Conservation Facilities Costs included in the capital and minimum DWC were adjusted for relinquished capacity costs. Relinquished capacity is related to the 45,000 AF relinquished by KCWA and DRWD per the Monterey Amendment. This credit is calculated for years 1996-2035. These charges are reclassified from the minimum transportation components of KCWA – Ag and DRWD, to the DWC, and allocated among all Contractors, based on maximum contractual Table A amounts found in Bulletin 132-24, Table B-4, *Maximum Contractual Table A Amounts*. The relinquished capacity costs are now calculated within CAB.
- Delta Facilities Costs included in the minimum DWC were reduced for years 2007-2012 related to the BDCP costs. The BDCP costs are costs used in the initial planning phases of the Delta Conveyance. These costs are transferred out of the calculation and included in the transportation minimum component. These manual adjustments are flowing through CAB.
- Delta Facilities Costs included in the minimum DWC were reduced for years 2014, 2016, 2017, 2018, 2019, and 2020 related to water purchase programs (Oakdale Irrigation District, South San Joaquin Irrigation District, and Change of Point of Delivery costs). The water purchase programs had costs that were incurred in 2013, 2016, 2017, 2018, 2019, and 2020, and were subsequently recovered from the Contractors using Table A as a separate line item in the SOC. As such, the revenues, including interest charged, associated with this project are excluded from the DWC calculation. These manual adjustments are flowing through CAB.
- Oroville Costs included in the capital and minimum DWC were adjusted for 2017, 2018, 2019, 2020, 2021, 2022, and 2023 as a result of the Oroville spillway project costs. The Department has calculated the actual Federal Emergency Management Agency (FEMA) reimbursable costs for the years 2017-2023. The Department billed the Contractors for the SWP portion of Recovery and Response costs that are not reimbursable by FEMA (bonded costs). As such, the Department has made manual adjustments to reflect 2017, 2018, 2019, 2020, 2021, 2022, and 2023 Oroville Costs. These manual adjustments are flowing through CAB.

Based on our understanding from previous years, and inquiries of the Department in the current year, these adjustments are in line with our understanding of the project.

Using the budgets submitted from the Department managers, the Department allocated costs using the alpha allocation cycles to specific reaches. These alpha allocation cycles are updated annually in CAB. Based on these allocations to each reach by each program, the Department calculated a subtotal by reach. The Department then isolated the reaches that apply to DWC by excluding all reaches that are related to transportation. These totals are added together for each section (O&M, baseline, and extraordinary) to create a total by reach for each year. The Department then multiplied these totals by the Project Purpose Cost Allocation Factors, from Table 2 of the Department's annual Bulletin 132. This created a subtotal minimum cost amount per reach. The Department grouped the reaches appropriately to create totals for each cost center group. This process created the future minimum estimates by cost center group for years 2024-2025. The 2023 actual costs and a portion of the 2024 revenues are used for the 2025 SOC FreezeGo minimum DWC calculation, and the 2025 estimates are used for the 2025 SOC PayGo minimum DWC calculation. Years past 2025 are excluded from the minimum DWC calculation due to the contract extension amendment that has a billing transition date of January 1, 2024. Future cost projections will not be recovered using the same billing methodologies.

The conservation capital future estimates were calculated based on budgets received by SWP divisions for the following capital cost center groups: Oroville, Delta, CA-R1, CA-R2A, CA-R2B, San Luis, and CA-R3. SWPAO receives budgets by reach from each division. These budgets were determined by program managers, and only include capital costs. The costs were summarized by reach, based on the cost center group to which the reach related, resulting in the total future estimate for that cost center group.

The conservation capital future estimates also included the cost center group Oroville power revenues (conservation capital Hyatt-Thermalito credit). Oroville power revenues were estimated separately from the budget process. Conservation capital future estimates were calculated using the annual bond payment for the Hyatt-Thermalito facilities, additional Hyatt refurbishment costs related to debt issuances for capital improvements, Thermalito Power Plant clean-up and recovery costs, Hyatt-Thermalito cost movement, and FERC relicensing recovery that are to be paid through the transportation variable component.

Oroville power revenues, 2023 actual costs, relinquished capacity, and a portion of the 2024 revenues are used for the 2025 SOC FreezeGo capital DWC calculation. Costs incurred past year 2024 are excluded from the capital DWC calculation due to the contract extension amendment that has a billing transition date of January 1, 2024. Conservation capital costs for calendar year 2024 and forward will not be included within the SOC until bonds are issued. Future cost projections will not be recovered using the same billing methodologies.

The PV of each cost center group was determined and summed to calculate the Delta Water Rate. This was reflected in Bulletin 132-24, Table B-20A FZ, *Calculation of Delta Water Rates – FREEZE*, Table B-20B FZ, *Delta Water Rates by Facility – FREEZE*, and Table B-20B PG-MIN, *Minimum Delta Water Rates by Facility – PAYGO*. The Delta Water Rate was then multiplied by the Contractor's maximum contractual Table A amounts (i.e., AF). The resulting amount for each Contractor is the DWC, which is reflected in Bulletin 132-24, Table B-21 FZ, *Total Delta Water Charge for Each Contractor – FREEZE*, and Table B-21 PG, *Total Delta Water Charge for Each Contractor – PAYGO*.

Statement of Charges

Procedures Performed

We performed the following detailed procedures on the 2025 SOC:

- Agreed all amounts on the summary pages to applicable detail pages of the SOC.
- Agreed the sum of the capital and minimum components of the Delta Water Rate (per Invoice 1-T Combined) to Bulletin 132-24, Table B-21 FZ, *Total Delta Water Charge for Each Contractor – FREEZE*, and Table B-21 PG, *Total Delta Water Charge for Each Contractor – PAYGO*.
- Assessed the extension of the capital and minimum DWC by multiplying the respective rates in Table B-20A FZ, *Calculation of Delta Water Rates – FREEZE*, and Table B-20B PG-MIN, *Minimum Delta Water Rates by Facility – PAYGO*, by the annual maximum contractual amounts for the current year in Bulletin 132-24, Table B-4, *Maximum Contractual Table A Amounts*.
- Agreed the 2025 Debt Service Reserve Fund Reallocation values per Attachment 1E-FZ to the supporting schedule.
- Determined whether the calculation of Bulletin 132-24, Table B-4, *Maximum Contractual Table A Amounts*, multiplied by Bulletin 132-24, Table B-20A FZ, *Calculation of Delta Water Rates – FREEZE*, and Table B-20B PG-MIN, *Minimum Delta Water Rates by Facility – PAYGO*, equals Attachment 3-FZ and 3-PG of the SOC.
- For Attachments 4A-FZ, 4B-FZ, and 4C-FZ, performed the following steps:
 1. Agreed the calculated components and payments received to the prior year SOC.
 2. Assessed the current overpayment or underpayment for each Contractor and subtracted payments received from the calculated component.
 3. Assessed the annual difference capitalized by multiplying the current overpayment or underpayment by the respective PV factor for each Contractor.
 4. Assessed that the adjusted component is the sum of the 2025 calculated component and the total of the annual difference capitalized.
- For Attachments 4B-PG, 4C-PG, and 4H-PG, assessed the current overpayment or underpayment for each Contractor and subtracted payments received from the calculated component.
- Agreed the capital costs in Attachment 3-FZ, which are used to calculate the capital calculated components in Attachment 4A-FZ, to CAB for years 2019–2023 and confirmed the capital calculated components per Attachment 4A-FZ agreed to Bulletin 132-24, Table B-15 FZ, *Capital Cost Component of Transportation Charge for Each Contractor – FREEZE*.
- Agreed the minimum calculated components per Attachment 4B-FZ to CAB for the years 2019–2023 and confirmed the minimum calculated components per Attachment 4B-FZ and 4B-PG agreed to Bulletin 132-24, Table B-16A, *Minimum OMP&R Component of Transportation Charge for Each Contractor*.

- Agreed the variable calculated components per Attachment 4C-FZ to CAB for years 2019–2023, agreed the “Annual Water Quantities Delivered” per Attachment 4C-FZ and 4C-PG to Table B-5B, *Annual Water Quantities Delivered to Each Contractor*, and confirmed the variable calculated component per Attachment 4C-FZ and 4C-PG agreed to Bulletin 132-24, Table B-18, *Variable OMP&R Component of Transportation Charge for Each Contractor*.
- Performed the following steps for Attachment 4D-FZ (amortization of the transportation capital component):
 1. Agreed the capital component amounts with the amounts from the detailed procedures at Attachment 4A-FZ.
 2. Recalculated the unit rate for amortizing the difference by dividing the capital cost component by the remaining water deliveries.
 3. Recalculated the 2025 amortization by multiplying the unit rate calculated above by the 2025 deliveries.
- Performed the following steps for Attachment 4E (adjustments of capital component of the EBE transportation charges) and Attachment 4F (adjustments of minimum OMP&R cost component of EBE transportation charges) for applicable Contractors:
 1. Agreed the calculated components and payments received to the prior year SOC.
 2. Assessed the current overpayment or underpayment for each Contractor and subtracted payments received from the calculated component.
 3. Agreed the calculated component per Attachment 4E and Attachment 4F to Bulletin 132-24, Table B-29, *Capital Cost Component of EBE Facilities Transportation Charge for Each Contractor*, and Table B-30, *Minimum OMP&R Component of EBE Facilities Transportation Charge for Each Contractor*.
 4. Assessed the annual differences capitalized by multiplying the current overpayments or underpayments by the respective compounding SMIF rate.
 5. Assessed the adjusted component is the sum of the 2025 calculated component and the total of the annual difference capitalized.
 6. Agreed the adjusted component from Attachment 4E to Invoice 1-3-FZ of the SOC.
 7. Agreed minimum calculated components per Attachment 4F to the most recent year of actuals (2023) with actual data from CAB.
- Agreed the calculated component per Attachment 4H-PG to Bulletin 132-24, Table B-21 PG, *Total Delta Water Charge for Each Contractor – PAYGO*.
- Agreed the AF, calculated component, and annual difference capitalized from Attachment 5 to the detailed procedures at Attachment 4C-FZ and 4C-PG.
- Agreed the unit charge from Attachment 5 to the cumulative unit rate per Bulletin 132-24, Table B-17, *Unit Variable OMP&R Component of Transportation Charge*.

- Performed the following steps for Attachment 6 (EBE facilities transportation charge) for applicable Contractors:
 1. Agreed the capital component and minimum OMP&R component to the prior year SOC.
 2. Agreed the capital component to payments received per Attachment 4E and minimum OMP&R component to payments received per Attachment 4F.
 3. Agreed the capital component and minimum OMP&R component to the most recent year of actuals (2023) with actual data from CAB.
- Agreed the Municipal Water Quality Inspection (MWQI) Program costs included in Attachment 8 to CAB for 2019-2023.
- Assessed the BDCP charges from prior years that were added to the Contractors' minimum components by recalculating the amounts.
- Compared the current year SOC Attachments to the prior year SOC Attachments for Attachments 4A-FZ, 4B-FZ, and 4C-FZ. Investigated and obtained support for changes in 2022 and prior years.
- Determined whether manual adjustments had been made to the transportation capital, minimum, and variable costs from CAB to prepare the SOC.
- Assessed the 2023 Coastal reallocation of minimum charges that are manually added to the Contractors' minimum transportation components by recalculating the amounts using the total CB costs by reach in CAB, M-FAD908 alpha allocation cycle, minimum PUFFs in Bulletin 132-24, Table B-2, *Factors for Distributing Reach Minimum OMP&R Costs Among Contractors*, and Table B-4, *Maximum Contractual Table A Amounts*.
- Agreed Bulletin 132-24, Table B-1, *Factors for Distributing Reach Capital Costs Among Contractors*, and Table B-2, *Factors for Distributing Reach Minimum OMP&R Costs Among Contractors*, to CAB for 2025.
- Assessed a sample of IO's that were charged to the Contractors' transportation minimum and transportation capital in 2023 for the following attributes:
 1. We assessed whether they were properly classified as direct or indirect (through an alpha allocation cycle) to reach.
 2. For invoices charged direct to reach, we assessed whether they were properly assigned to the reach.
 3. For invoices charged to multiple reaches, we assessed whether they were allocated to a statewide or field division alpha allocation cycle.
 4. We assessed whether the invoice amount charged in PR5 reconciled to CAB.
 5. We assessed whether the invoice was recovered through the transportation minimum or the capital cost component.

Findings and Recommendations

As of the 2024 SOC, there was a transition from UCABS (the legacy billing system) to CAB (new billing system). CAB is an SAP module with enhanced capabilities that reduce the burden of many manual calculations previously impacting various billing components. The SOC attachments are now calculated and maintained in CAB. Additionally, several of the manual adjustments are now automated in the system or are manually entered into the system.

We compared the transportation capital component in the 2025 SOC to the 2024 SOC for years 2022 and prior. The capital calculated component within Attachment 4A-FZ of the 2025 SOC agreed to the 2024 SOC within \$100K.

We compared the transportation minimum component in the 2025 SOC to the 2024 SOC for years 2022 and prior. The minimum calculated component within Attachment 4B-FZ of the 2025 SOC was different from the 2024 SOC based on the following: (1) updating previously estimated costs to actuals; (2) costs movements as a result of adjusting for prior findings identified; and (3) downstream cost corrections resulting in a change in the calculated component by year.

We compared the transportation variable component in the 2025 SOC to the 2024 SOC for years 2022 and prior. The variable calculated component within Attachment 4C-FZ of the 2025 SOC was different from the 2024 SOC for the following Contractor and year:

Table SOC.1 – Attachment 4C-FZ

Contractor	Year	2024 SOC Attachment 4C	2025 SOC Attachment 4C	Change Increase/ (Decrease)
KCWA – Ag	2022	\$ 6,803,150	\$ 6,990,713	\$ 187,563

The change in cost for KCWA – Ag in 2022 primarily relates to changes in the variable component for the most recent years resulting from the update of estimated to actual costs. The update was related to power revenue, high voltage, and transmission updates.

We agreed the calculated component in Attachment 4A-FZ to Bulletin 132-24, Table B-15 FZ, *Capital Cost Component of Transportation Charge for Each Contractor – FREEZE*. Additionally, we agreed the capital costs included in SOC Attachment 3-FZ used to calculate the capital components in SOC Attachment 4A-FZ, to CAB for 2019-2023. We observed that system calculated adjustments had been made to the transportation capital costs in CAB to determine the transportation capital component displayed on SOC Attachment 4A.

Recommendation AUD-000669	
Background:	Within Attachment 4A-FZ of the SOC for KCWA – Ag and DRWD, the calculated component for calendar year 2025 does not include the relinquished capacity credit and does not agree to Bulletin 132-24 Table B-15 FZ, <i>Capital Cost Component of Transportation Charge for Each Contractor – FREEZE</i> .
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	DRWD and KCWA
Recommendation:	The Department should include a footnote on Attachment 4A-FZ discussing the exclusion of the relinquished capacity credit for 2025. There was no impact as the relinquished capacity credit was properly included in Attachment 4D-FZ and Invoice 1-T-Combined; however, a footnote should be included for proper disclosure. The Department should review future SOCs for internal consistency among attachments.

During our procedures of agreeing Bulletin 132-24, Table B-15 FZ, *Capital Cost Component of Transportation Charge for Each Contractor – FREEZE*, to the calculated component in Attachment 4A-FZ, we observed that for KCWA – Ag and DRWD, Table B-15 FZ included the relinquished capacity credit while the calculated component for 2025 within Attachment 4A-FZ did not include the relinquished capacity credit. There was no impact on the amounts billed to the Contractors as the credit was properly included in Attachment 4D-FZ and Invoice 1-T-Combined. However, this difference was not documented in a footnote. The Department should disclose the exclusion of the 2025 relinquished capacity credit as a footnote on Attachment 4A for proper disclosure and transparency purposes.

Recommendation AUD-000670	
Background:	Within Attachment 4A-FZ of the SOC for Alameda County FC and WCD, Zone 7, there was a difference in determining the current overpayment or underpayment for years 2001-2019. This difference is due certain payments made to the Department that were included only in payments received and not included in the current overpayment or underpayment and annual difference capitalized to 2025. This results in a discrepancy between the recalculation of the current overpayment or underpayment and the presented values in the 2025 SOC. These payments were excluded from the billing of the transportation capital cost component resulting in no impact to the amount billed to Alameda County FC and WCD, Zone 7.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	Alameda County FC and WCD, Zone 7
Recommendation:	The Department should include a footnote or additional column on Attachment 4A-FZ to disclose that the payments are included in the payments received column. Additionally, a footnote should be added to disclose the nature of these payments and clarify that these payments are not included in the current overpayment or underpayment for years 2001-2019. The Department should review future SOC's for internal consistency among attachments.

During our procedures for Alameda County FC and WCD, Zone 7's Attachment 4A-FZ, we assessed the current overpayment or underpayment by subtracting payments received from the calculated component. We observed that our calculation of the current overpayment or underpayment did not agree to what was presented in the attachment for 2001-2019. The difference is related to SWP capacity payments that were included in payments received but were not included in the current overpayment or underpayment. As a result, the payments were not factored into the calculation of the billing of transportation capital. The Department should include a footnote or an additional column on Attachment 4A-FZ to disclose that the payments are included in payments received. A footnote disclosing the nature of these payments and that the payments are excluded from the current overpayment and underpayment should also be added.

No manual adjustments to the transportation capital calculated outside CAB occurred for Alameda County FC and WCD, Zone 7; as such, the following table shows the reconciliation between the SOC and CAB:

Table SOC.2 – Alameda County FC and WCD, Zone 7

Year	2025 SOC	CAB	Difference
2019	\$ 1,150,990	\$ 1,150,990	\$ -
2020	\$ 1,412,601	\$ 1,412,601	\$ -
2021	\$ 4,101,568	\$ 4,101,568	\$ -
2022	\$ 3,643,521	\$ 3,643,521	\$ -
2023	\$ 5,814,453	\$ 5,814,453	\$ -

No manual adjustments to the transportation capital calculated outside CAB occurred for Coachella Valley Water District; as such, the following table shows the reconciliation between the SOC and CAB:

Table SOC.3 – Coachella Valley Water District

Year	2025 SOC	CAB	Difference
2019	\$ 4,323,830	\$ 4,323,830	\$ –
2020	\$ 6,339,545	\$ 6,339,545	\$ –
2021	\$ 7,393,491	\$ 7,393,491	\$ –
2022	\$ 5,207,753	\$ 5,207,753	\$ –
2023	\$ 7,245,324	\$ 7,245,324	\$ –

No manual adjustments to the transportation capital calculated outside CAB occurred for Desert Water Agency; as such, the following table shows the reconciliation between the SOC and CAB:

Table SOC.4 – Desert Water Agency

Year	2025 SOC	CAB	Difference
2019	\$ 957,547	\$ 957,547	\$ –
2020	\$ 1,491,032	\$ 1,491,032	\$ –
2021	\$ 1,922,343	\$ 1,922,343	\$ –
2022	\$ 1,377,645	\$ 1,377,645	\$ –
2023	\$ 1,935,995	\$ 1,935,995	\$ –

The system calculated adjustments to the transportation capital calculated within CAB relate to relinquished capacity for KCWA – Ag, as follows:

Table SOC.5 – KCWA – Ag

Year	2025 SOC	CAB	Difference	Relinquished Capacity	Remaining Difference
2019	\$ 4,837,390	\$ 4,441,631	\$ (395,759)	\$ 395,759	\$ –
2020	\$ 7,440,933	\$ 6,859,964	\$ (580,969)	\$ 580,969	\$ –
2021	\$ 12,982,282	\$ 11,877,952	\$ (1,104,330)	\$ 1,104,330	\$ –
2022	\$ 6,579,110	\$ 6,019,129	\$ (559,981)	\$ 559,981	\$ –
2023	\$ 7,983,799	\$ 7,314,747	\$ (669,052)	\$ 669,052	\$ –

No manual adjustments to the transportation capital calculated outside CAB occurred for KCWA – Municipal and Industrial (M&I); as such, the following table shows the reconciliation between the SOC and CAB:

Table SOC.6 – KCWA – M&I

Year	2025 SOC	CAB	Difference
2019	\$ 485,217	\$ 485,217	\$ –
2020	\$ 740,708	\$ 740,708	\$ –
2021	\$ 1,373,242	\$ 1,373,242	\$ –
2022	\$ 676,974	\$ 676,974	\$ –
2023	\$ 842,403	\$ 842,403	\$ –

No manual adjustments to the transportation capital calculated outside CAB occurred for KCWA – Ag to M&I; as such, the following table shows the reconciliation between the SOC and CAB:

Table SOC.7 – KCWA – Ag to M&I

Year	2025 SOC	CAB	Difference
2019	\$ 72,568	\$ 72,568	\$ –
2020	\$ 109,229	\$ 109,229	\$ –
2021	\$ 204,846	\$ 204,846	\$ –
2022	\$ 93,776	\$ 93,776	\$ –
2023	\$ 110,970	\$ 110,970	\$ –

No manual adjustments to the transportation capital calculated outside CAB occurred for San Geronio Pass Water Agency. The following table shows the reconciliation between the SOC and CAB. Refer to AUD-000671 for our recommendation and details over the differences.

Table SOC.8 – San Geronio Pass Water Agency

Year	2025 SOC	CAB	Difference
2019	\$ 400,594	\$ 298,608	\$ (101,986)
2020	\$ 333,310	\$ 597,058	\$ 263,748
2021	\$ 1,378,359	\$ 817,416	\$ (560,943)
2022	\$ 896,200	\$ 492,435	\$ (403,765)
2023	\$ 1,233,783	\$ 580,375	\$ (653,408)

No manual adjustments to the transportation capital calculated outside CAB occurred for Tulare Lake Basin WSD; as such, the following table shows the reconciliation between the SOC and CAB:

Table SOC.9 – Tulare Lake Basin WSD

Year	2025 SOC	CAB	Difference
2019	\$ 381,645	\$ 381,645	\$ –
2020	\$ 564,861	\$ 564,861	\$ –
2021	\$ 969,858	\$ 969,858	\$ –
2022	\$ 512,823	\$ 512,823	\$ –
2023	\$ 587,042	\$ 587,042	\$ –

Recommendation AUD-000671	
Background:	Within Attachment 3-FZ of the SOC for San Gorgonio Pass Water Agency, San Bernardino Valley MWD, and Santa Barbara FC and WCD, the Projected Allocation of Capital Cost of Project Transportation Facilities includes direct debt service amounts. The Projected Allocation of Capital Cost of Project Transportation Facilities per Attachment 3-FZ is included in the calculation of the calculated component of Attachment 4A-FZ. However, direct debt service is already being billed through Invoice 1-4 and Invoice 1-5.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	San Bernardino Valley MWD, San Gorgonio Pass Water Agency, and Santa Barbara FC and WCD
Recommendation:	The Department should remove the direct debt service amounts included in the Projected Allocation of Capital Cost of Project Transportation Facilities per Attachment 3-FZ. There was no impact as the direct debt service amounts were not included in Table B-14, <i>Capital Costs of Transportation Facilities Allocated to Each Contractor</i> , and Attachment 4A-FZ. The Department should review future SOC's for internal consistency among attachments.

During our procedures, we agree the capital costs in Attachment 3-FZ to CAB for years 2019–2023. We observed direct debt amounts being mapped to Attachment 3-FZ for some Contractors. Based on our observations, this issue impacted the following contractors: San Gorgonio Pass Water Agency (1995–2023), San Bernardino Valley MWD (1995–2023), and Santa Barbara FC and WCD (1992–1999, and 2004–2005). Direct debt amounts should only be charged through Invoice 1-4 and Invoice 1-5 for these Contractors. The capital costs in Attachment 3-FZ are used to calculate the capital calculated components in Attachment 4A-FZ. Based on our analysis, it appears that the direct debt service amounts were not included in the calculation of Attachment 4A-FZ and were not included in Bulletin 132-24, Table B-14, *Capital Costs of Transportation Facilities Allocated to Each Contractor*, and Attachment 4A-FZ. Therefore, there is no impact involving the amounts billed to the Contractors. The Department should remove the direct debt service amounts from the capital costs presented in Attachment 3-FZ.

Consistent with prior year observations related to capital transportation costs, we have summarized, for informational purposes, the Tables in Bulletin 132-24 and whether they are reflective of permanent transfers:

- Bulletin 132-24, Table B-1, *Factors for Distributing Reach Capital Costs Among Contractors*, is not updated to reflect permanent transfers.
- Bulletin 132-24, Table B-2, *Factors for Distributing Reach Minimum OMP&R Costs Among Contractors*, is updated to reflect permanent transfers.
- Bulletin 132-24, Table B-14, *Capital Costs of Transportation Facilities Allocated to Each Contractor*, is not updated to reflect the effects of permanent water transfers.
- Bulletin 132-24, Table B-15 FZ, *Capital Cost Component of Transportation Charge for Each Contractor – FREEZE*, is updated to reflect the effects of permanent water transfers.

We agreed the calculated component in Attachment 4B-FZ and 4B-PG to Bulletin 132-24, Table B-16A, *Minimum OMP&R Component of Transportation Charge for Each Contractor*, for the Contractors selected for SOC procedures. Additionally, we agreed the minimum costs included in SOC Attachment 4B-FZ to CAB for 2019–2023. We observed that manual and automated adjustments had been made to the transportation minimum costs in CAB to determine the transportation minimum component displayed on SOC Attachment 4B-FZ and 4B-PG.

The manual adjustments are calculated outside of CAB and manually entered into CAB. The adjustments relate to the Coastal reallocation for 2000–2016. We observed that the Coastal reallocation starting from 2017 is zero; therefore, no manual adjustments were made to the transportation minimum costs succeeding 2016.

The automated adjustments are calculated within CAB and relate to relinquished capacity. The adjustments are compared to the Contractors’ minimum transportation components as displayed in Attachment 4B-FZ for 2019–2023.

The manual and system calculated adjustments made to the transportation minimum component within CAB are summarized in the tables below for the Contractors selected for SOC testing, as follows:

Table SOC.10 – Alameda County FC and WCD, Zone 7

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 7,181,740	\$ 7,181,740	\$ –	\$ –	\$ –	\$ –
2020	\$ 7,445,752	\$ 7,445,752	\$ –	\$ –	\$ –	\$ –
2021	\$ 9,202,964	\$ 9,202,964	\$ –	\$ –	\$ –	\$ –
2022	\$ 8,725,587	\$ 8,725,587	\$ –	\$ –	\$ –	\$ –
2023	\$ 9,019,176	\$ 9,019,176	\$ –	\$ –	\$ –	\$ –

Table SOC.11 – Coachella Valley Water District

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 14,115,118	\$ 14,115,118	\$ –	\$ –	\$ –	\$ –
2020	\$ 16,105,234	\$ 16,105,234	\$ –	\$ –	\$ –	\$ –
2021	\$ 15,659,487	\$ 15,659,487	\$ –	\$ –	\$ –	\$ –
2022	\$ 17,505,468	\$ 17,505,468	\$ –	\$ –	\$ –	\$ –
2023	\$ 17,241,473	\$ 17,241,473	\$ –	\$ –	\$ –	\$ –

Table SOC.12 – Desert Water Agency

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 4,752,688	\$ 4,752,688	\$ –	\$ –	\$ –	\$ –
2020	\$ 5,029,641	\$ 5,029,641	\$ –	\$ –	\$ –	\$ –
2021	\$ 5,141,716	\$ 5,141,716	\$ –	\$ –	\$ –	\$ –
2022	\$ 5,868,023	\$ 5,868,023	\$ –	\$ –	\$ –	\$ –
2023	\$ 5,950,171	\$ 5,950,171	\$ –	\$ –	\$ –	\$ –

Table SOC.13 – KCWA – Ag

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 20,761,722	\$ 21,739,387	\$ 977,665	\$ –	\$ (977,665)	\$ –
2020	\$ 22,907,972	\$ 23,966,238	\$ 1,058,266	\$ –	\$ (1,058,266)	\$ –
2021	\$ 22,943,986	\$ 23,994,623	\$ 1,050,637	\$ –	\$ (1,050,637)	\$ –
2022	\$ 26,277,684	\$ 27,532,402	\$ 1,254,718	\$ –	\$ (1,254,718)	\$ –
2023	\$ 26,352,852	\$ 27,630,304	\$ 1,277,452	\$ –	\$ (1,277,452)	\$ –

Table SOC.14 – KCWA – M&I

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 2,046,409	\$ 2,046,409	\$ –	\$ –	\$ –	\$ –
2020	\$ 2,250,734	\$ 2,250,734	\$ –	\$ –	\$ –	\$ –
2021	\$ 2,230,462	\$ 2,230,462	\$ –	\$ –	\$ –	\$ –
2022	\$ 2,594,793	\$ 2,594,793	\$ –	\$ –	\$ –	\$ –
2023	\$ 2,646,194	\$ 2,646,194	\$ –	\$ –	\$ –	\$ –

Table SOC.15 – San Geronio Pass Water Agency

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 5,413,567	\$ 5,413,567	\$ –	\$ –	\$ –	\$ –
2020	\$ 5,552,696	\$ 5,552,696	\$ –	\$ –	\$ –	\$ –
2021	\$ 6,159,917	\$ 6,159,917	\$ –	\$ –	\$ –	\$ –
2022	\$ 6,097,905	\$ 6,097,905	\$ –	\$ –	\$ –	\$ –
2023	\$ 5,700,651	\$ 5,700,651	\$ –	\$ –	\$ –	\$ –

Table SOC.16 – Tulare Lake Basin WSD

Year	2025 SOC Attachment 4B-FZ	CAB	Difference	Coastal Reallocation	Relinquished Capacity	Remaining Difference
2019	\$ 1,352,511	\$ 1,352,511	\$ -	\$ -	\$ -	\$ -
2020	\$ 1,516,796	\$ 1,516,796	\$ -	\$ -	\$ -	\$ -
2021	\$ 1,501,711	\$ 1,501,711	\$ -	\$ -	\$ -	\$ -
2022	\$ 1,762,720	\$ 1,762,720	\$ -	\$ -	\$ -	\$ -
2023	\$ 1,759,896	\$ 1,759,896	\$ -	\$ -	\$ -	\$ -

The following provides a brief description of each manual and system calculated adjustment made to the minimum transportation component shown in Attachment 4B-FZ and 4B-PG of the SOC:

1. Coastal reallocation – Starting from 2000, Santa Barbara County FC and WCD and San Luis Obispo FC and WCD maintained CB R33B, R34, and R35. During this time, no O&M work was performed by DWR. Accordingly, all minimum costs allocated to these reaches were reallocated to other reaches maintained by DWR. The Department reallocated these costs based on the FAD908 alpha allocation cycle. The Department has stated that the current alpha allocation cycle would be used as a temporary solution until the alpha allocation cycles are standardized and updated (refer to the AAC section of this report for further discussion). Once these costs are reallocated to the appropriate reach, they are multiplied by the PUFF stated in Bulletin 132-24, Table B-2, *Factors for Distributing Reach Minimum OMP&R Costs Among Contractors*, for the applicable year and Contractor. Additionally, the total amount that is reallocated to the Contractors is credited to Santa Barbara County FC and WCD and San Luis Obispo County FC and WCD based on the PUFF stated in Bulletin 132-24, Table B-2, *Factors for Distributing Reach Minimum OMP&R Costs Among Contractors*, for the applicable year and Contractor. The conservation reaches to which alpha allocation cycle FAD908 allocates are based on Bulletin 132-24, Table B-4, *Maximum Contractual Table A Amounts*. The manual adjustments occur from 2000-2016.
2. Relinquished capacity – An automated adjustment for relinquished capacity, which represents the capacity relinquished by KCWA – Ag and DRWD and as part of the Monterey Amendment, is calculated to determine the credit amount for the two agencies’ transportation minimum charges. This credit is calculated for years 1996–2035. These charges are reclassified from the minimum transportation components of KCWA – Ag and DRWD, to the DWC, and allocated among all Contractors based on maximum contractual Table A amounts found in Bulletin 132-24, Table B-4, *Maximum Contractual Table A Amounts*.

Finding AUD-000672	
Finding:	The Coastal reallocation included allocations to the County of Butte, the Future Contractor – San Joaquin, the Plumas County FC and WCD, and the City of Yuba in the calculation, but these costs were being allocated to the Santa Barbara County FC and WCD and the San Luis Obispo County FC and WCD in the SOC in years 2000-2016.
Dollar Amount:	\$4,663 – Overstatement of Costs to Santa Barbara FC and WCD \$235 – Overstatement of Costs to San Luis Obispo County FC and WCD \$564 – Understatement of Costs to County of Butte \$2,788 – Understatement of Costs to Future Contractor – San Joaquin \$83 – Understatement of Costs to Plumas County FC and WCD \$1,463 – Understatement of Costs to City of Yuba
Type:	Reallocation of cost among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	City of Yuba, County of Butte, Future Contractor – San Joaquin, Plumas County FC and WCD, San Luis Obispo County FC and WCD, Santa Barbara FC and WCD
Recommendation:	The Department should allocate the costs to match the Coastal reallocation calculation.
Department Response:	The Coastal reallocation is a temporary manual calculation until it is performed in CAB.

During our procedures over the prior year Coastal reallocation charges that were manually added to the Contractor’s minimum transportation, we observed that charges were over-allocated to Santa Barbara FC and WCD and San Luis Obispo County FC and WCD. In prior years, the Department made the determination that Santa Barbara FC and WCD and San Luis Obispo County FC and WCD maintained CB R33B, R34, and R35 beginning in 2000 with no maintenance support being provided by Department personnel. Accordingly, all minimum costs allocated to these reaches should be reallocated to the reaches maintained by DWR. We observed that costs were reversed from the County of Butte, Future Contractor – San Joaquin, Plumas County FC and WCD, and the City of Yuba and reallocated to Santa Barbara County FC and WCD and San Luis Obispo County FC and WCD. This reallocation results in Santa Barbara County FC and WCD and San Luis Obispo County FC and WCD being overcharged for the Coastal Reallocation costs.

For Attachment 4C-FZ and 4C-PG, we agreed the calculated component to Bulletin 132-24, Table B-18, *Variable OMP&R Component of Transportation Charge for Each Contractor*, and the “Annual Water Quantities Delivered” to Table B-5B, *Annual Water Quantities Delivered to Each Contractor*, for the Contractors selected for SOC procedures, without exception. Through our PWR procedures, we observed that the Department incorrectly included projected water deliveries in the “Annual Water Quantities Delivered” per Attachment 4C-FZ and Table B-5B for 2023. Further details about this issue and the impact by contractor has been documented at finding AUD-000667 located in the PWR section.

Additionally, we agreed the variable costs included in SOC Attachment 4C-FZ to CAB for 2019-2023, without exception.

Recommendation AUD-000673	
Background:	The variable OMP&R component for calendar year 2025 within Attachment 3-FZ does not agree to the adjusted calculated component for calendar year 2025 within Attachment 4C-FZ. In addition, the variable OMP&R component for calendar years 2024 and 2025 within Attachment 3-PG does not agree to the adjusted calculated component for calendar years 2024 and 2025 within Attachment 4C-PG. However, the sum of the component for the two years per Attachment 3-PG and Attachment 4C-PG agrees.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	All Contractors
Recommendation:	The Department should update the variable OMP&R component for calendar year 2025 per Attachment 3-FZ and calendar years 2024 and 2025 per Attachment 3-PG to agree to the adjusted calculated components per Attachments 4C-FZ and 4C-PG. There was no impact as the 2025 adjusted calculated components per Attachment 4C-FZ and 4C-PG were properly included in Attachment 5. The Department should review future SOC's for internal consistency among attachments.

During our procedures of agreeing variable amounts on Attachment 3-FZ, 3-PG, 4C-FZ, 4C-PG, and 5, we observed that the 2025 variable OMP&R component within Attachment 3-FZ did not agree to the 2025 calculated component within Attachment 4C-FZ. In addition, the 2024 and 2025 variable OMP&R components within Attachment 3-PG did not agree to the 2024 and 2025 calculated components within Attachment 4C-PG. We observed that the sum of the calculated components for the two years per Attachment 3-PG and Attachment 4C-PG agreed instead. The adjusted calculated components per Attachment 4C-FZ and 4C-PG were billed through Attachment 5. We observed that the adjusted calculated components between these attachments agreed. Therefore, there was no impact on the billing to the Contractors. The Department should update the 2025 variable OMP&R component in Attachment 3-FZ and the 2024 and 2025 variable OMP&R components in Attachment 3-PG to agree to the adjusted calculated component per Attachment 4C-FZ, 4C-PG, and 5.

During our procedures over Attachment 8 of the SOC, we agreed the MWQI Program costs to CAB for years 2019-2023, observing no differences.

Recommendation AUD-000674	
Background:	The Relinquished Capacity credit for KCWA and DRWD was based on data from Bulletin 132-91 Table B-1 and has not been updated since the initial calculation. Per the Monterey Amendment, the calculation of the Relinquished Capacity credit to Ag Contractors was to be updated every five years if a Contractor requests it.
Internal Control Matter:	Policy: Accounting Standards for Timeliness
Contractors Affected:	DRWD and KCWA
Recommendation:	While this is allowed per the Monterey Amendment, we recommend that KCWA and DRWD review and determine whether an update is desired every five years.

During our procedures over the relinquished capacity credit for KCWA and DRWD, it was observed that the calculation was based on data from Bulletin 132-91, Table B-1, *Factors for Distributing Reach Capital Costs Among Contractors*. The Monterey Amendment states that the relinquished capacity credit for Ag Contractors is to be updated every five years if a Contractor requests it. The Ag Contractors have not requested an update, which has resulted in the Department calculating these costs based on Bulletin 132-91.

We assessed a sample of IO's that were charged to the Contractor's transportation minimum and transportation capital in 2023 and tested the following attributes:

1. We assessed whether they were classified as direct or indirect (through an alpha allocation cycle) to reach.
2. For invoices charged direct to reach, we assessed whether they were assigned to the appropriate reach.
3. For invoices charged to multiple reaches, we assessed whether they were allocated to a statewide or field division alpha allocation cycle.
4. We assessed whether the invoice amount charged in PR5 reconciled to CAB.
5. We assessed whether the invoice was recovered through the transportation minimum or capital cost component.

Recommendation AUD-000675	
Background:	Certain invoices selected for testing lacked the necessary documentation to determine where costs should be charged. Accordingly, we were unable to assess whether the costs were charged to the proper cost object based on the supporting documentation.
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	All Contractors
Recommendation:	The Department should include enough supporting documentation on invoices to determine the purpose of each individual invoice in order to determine whether costs are being charged to the correct cost objects.

We observed various invoices tested did not include enough supporting documentation to determine where the costs should be charged. The Department determined where the costs of goods and services should be charged at the time the request for payment was made. It is the responsibility of the individual making the request for payment to determine that the proper cost object is charged. There was no process to review that requests for payment were being charged to the correct cost object; however, there was a process to approve the request. As the entire purchase request process was performed in SAP, the goods and services should flow through to the cost object indicated by the person who requests the payment. However, as the invoicing process was performed in PR5, there was no supporting documentation to determine why a cost object was selected. Also, there were no controls in place to assess whether the proper cost object was used at the time of requisition.

Recommendation AUD-000676	
Background:	Within Invoice 1-T-Combined and Invoice 1-PG of the SOC, the minimum DWC includes an adjustment related to the Current Overpayment or Underpayment of the Conservation Minimum Cost Component per Attachment 4H-PG.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	All Contractors
Recommendation:	The Department should include a footnote or separate column disclosing the adjustments applied to the minimum DWC on Invoice 1-T-Combined and Invoice 1-PG. The current footnote B/ only discloses the rate and AF used in the minimum DWC calculation. The Department should review future SOC's for internal consistency among attachments.

During our procedures of assessing the minimum DWC on Invoice 1-T-Combined and Invoice 1-PG, we observed that the minimum DWC included an adjustment related to the current overpayment or underpayment of the conservation minimum cost component per Attachment 4H-PG. Starting the 2025 SOC year, there was a true-up of estimates to actuals for the minimum PG DWC calculation. This resulted in an overpayment or underpayment being presented in Attachment 4H-PG and added to the minimum DWC on Invoice 1-T-Combined and Invoice 1-PG. The change to the minimum DWC on the invoices was not disclosed. The related footnote only included the DWC rate and AF as the components in the minimum DWC. The Department should disclose changes in footnotes or add separate table columns within the invoices for comparability and recalculation purposes.

Recommendation AUD-000677	
Background:	Within Invoice 1-T-Combined, Invoice 1-FZ, Invoice 1-PG, Attachment 3-FZ, and Attachment 4D-FZ of the SOC for Tulare Lake Basin WSD and Empire West Side Irrigation District, the Annual Table A Amounts in AF disclosed in either the footnotes or for calendar year 2025 does not agree to 2025 in Table B-4, <i>Maximum Contractual Table A Amounts</i> . The AF agrees to the 2024 amount in Table B-4.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	Empire West Side Irrigation District and Tulare Lake Basin WSD
Recommendation:	The Department should update the footnote in Invoice 1-T-Combined, Invoice 1-FZ, Invoice 1-PG, and the Annual Table A Amounts in Attachment 3-FZ and Attachment 4D-FZ to the correct 2025 AF. There was no impact as the DWC and capital transportation charge used the 2025 AF in Table B-4. The Department should review future SOC's for internal consistency among attachments.

During our procedures, we agreed the AF presented on Invoice 1-T-Combined, Invoice 1-FZ, Invoice 1-PG, Attachment 3-FZ, and Attachment 4D-FZ to Table B-4, *Maximum Contractual Table A Amounts*. We observed that for Tulare Lake Basin WSD and Empire West Side Irrigation District, the AF presented did not agree to the 2025 AF in Table B-4; rather, it agreed to the 2024 AF. The AF for these Contractors changed from the prior year. The change in AF was not properly updated in the 2025 SOC. There was no impact on the billing to the Contractors as the DWC and capital transportation charge billed utilized the 2025 AF. The Department should update the AF presented on the invoices and attachments to the correct 2025 AF as observed in Table B-4.

Recommendation AUD-000678	
Background:	Within Invoice 1-7 for Alameda County FC and WCD Zone 7, the calculation of 25% of the total bond P&I charge does not agree to the total bond cover charge. This is due to the inclusion of the SBA Off-Peak Pumping cover in the total bond cover charge. In addition, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	Alameda County FC and WCD Zone 7
Recommendation:	The Department should include a footnote or a separate column disclosing the inclusion of the SBA Off-Peak Pumping cover. In addition, we recommend a footnote for the "25 Percentage Bond Cover Charge" column disclosing that the total bond cover is billed evenly every six months. The Department should review future SOCs for internal consistency among attachments.

During our procedures of reviewing Invoice 1-7 for Alameda County FC and WCD, Zone 7, we observed that the calculation of 25% of the total bond P&I charge did not agree to the total bond cover charge. The difference was due to the inclusion of the SBA Off-Peak Pumping cover in the total bond cover charge. The total bond P&I charge did not include the SBA Off-Peak Pumping P&I, so multiplying 25% to the total bond P&I charge did not agree to what was presented in Invoice 1-7. The SBA Off-Peak Pumping P&I was instead billed through Attachment 4D-FZ. Additionally, the bond cover charge for March and September did not equal 25% of the bond P&I charge for each respective month. The bond cover is billed evenly every six months. However, the header of the table column was "25 Percentage Bond Cover Charge." The Department should include a footnote or separate column in Invoice 1-7 to disclose the inclusion of the SBA Off-Peak Pumping cover for proper disclosure and recalculation purposes. The Department should also include a footnote for the "25 Percentage Bond Cover Charge" column disclosing the billing of the bond cover as it did not cross-foot.

Recommendation AUD-000679	
Background:	Within Invoice 1-3-FZ for the EBE Contractors, the calculation of 25% of the total bond P&I charge does not agree to the total bond cover charge. This is due to the inclusion of the Devil Canyon Second Afterbay cover in the total bond cover charge. In addition, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	Antelope Valley-East Kern Water Agency, Coachella Valley Water District, Desert Water Agency, Metropolitan Water District of Southern California, Mojave Water Agency, and Palmdale Water District
Recommendation:	The Department should include a footnote or a separate column disclosing the inclusion of the Devil Canyon Second Afterbay cover. In addition, we recommend a footnote for the "25 Percentage Bond Cover Charge" column disclosing that the total bond cover is billed evenly every six months. The Department should review future SOCs for internal consistency among attachments.

During our procedures of reviewing Invoice 1-3-FZ for the EBE Contractors, we observed that the calculation of 25% of the total bond P&I charge did not agree to the total bond cover charge. The difference was due to the inclusion of the Devil Canyon Second Afterbay cover in the total bond cover charge. The Devil Canyon Second Afterbay P&I was presented as a separate column. However, it was not clear that the total bond cover charge was 25% of the sum of the bond P&I charge and Devil Canyon Second Afterbay P&I. Additionally, the bond cover charge for March and September did not equal 25% of the bond P&I charge for each respective month. The bond cover is billed evenly every six months. However, the header of the table column was "25 Percentage Bond Cover Charge." The Department should include a footnote or separate column in Invoice 1-3-FZ to disclose the inclusion of the Devil Canyon Second Afterbay cover for proper disclosure and recalculation purposes. The Department should also include a footnote for the "25 Percentage Bond Cover Charge" column disclosing the billing of the bond cover as it did not cross-foot.

Recommendation AUD-000680	
Background:	Within Invoice 1-4 and Invoice 1-5, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months.
Internal Control Matter:	Policy: Accounting Standards for Consistency
Contractors Affected:	San Bernardino Valley MWD, San Gorgonio Pass Water Agency, and Santa Barbara County FC and WCD
Recommendation:	The Department should include a footnote for the "25 Percentage Bond Cover Charge" column disclosing that the total bond cover is billed evenly every six months. The Department should review future SOCs for internal consistency among attachments.

During our procedures, we reviewed Invoice 1-4 for Santa Barbara County FC and WCD and 1-5 for San Geronio Pass Water Agency and San Bernardino Valley MWD. The bond cover charge for March and September did not equal 25% of the bond P&I charge for each respective month. The bond cover is billed evenly every six months. However, the header of the table column was "25 Percentage Bond Cover Charge." The Department should include a footnote for the "25 Percentage Bond Cover Charge" column disclosing the billing of the bond cover as it did not cross-foot.

Transportation Minimum and Capital Direct and Indirect Analysis

Procedures Performed

We performed the following detailed procedures on the transportation minimum and capital component for selected reaches:

- Identified reaches for testing by reviewing the minimum and capital costs in Bulletin 132-24 and selecting reaches with minimum and capital costs.
- Downloaded all cost centers that allocated to the selected reaches from CAB and fluctuated costs from 2022 to 2023 to determine which cost centers to assess.
- Assessed a sample of IOs with the largest increase in costs and hours charged from 2022 to 2023, which were identified from the fluctuation analysis of cost centers.
- Assessed selected IOs within each cost center and selected invoices, adjustments, and/or direct labor charges to support the nature of activities being performed.
- Assessed whether costs are being allocated appropriately, considering the project, location, and nature of the costs, and investigated any variances.

Findings and Recommendations

We performed a fluctuation analysis on transportation minimum and capital direct allocation for the selected reaches. A summary of the fluctuation analysis of changes greater than \$1 million is shown below:

Cost Center	Reach	2022 Costs	2023 Costs	Change in Costs	Change Description
2260401322	NBA-R1	\$ 62,596	\$ 1,525,757	\$ 1,463,161	The increase in costs between 2022 and 2023 primarily relates to increases in capital equipment costs. The capital equipment costs are related to mobile generators at the NBA.
2240470300	SBA-R2	\$ 602,990	\$ 3,307,556	\$ 2,704,566	The increase in costs between 2022 and 2023 primarily relates to increases in consultant and professional services and acquisition costs. The consultant and professional services and acquisition costs are related to the Rodent Burrow Remediation Project at Patterson Dam.
2220681320	CA-R14A	\$ 1,248,696	\$ (4)	\$ (1,248,700)	The decrease in costs between 2022 and 2023 primarily relates to decreases in direct labor and capital equipment costs. The direct labor hours causing the decrease in costs decreased by 3,570 hours in 2023. The direct labor and capital equipment costs are related to work performed on a discharge valve refurbishment at Buena Vista Pumping Plant that only occurred in 2022.

Cost Center	Reach	2022 Costs	2023 Costs	Change in Costs	Change Description
2280715000	CA-R17E	\$ 11,986	\$ 2,486,510	\$ 2,474,524	The increase in costs between 2022 and 2023 primarily relates to increases in capital equipment costs. The capital equipment costs are related to a surge tank control line upgrade at Edmonston Pumping Plant.
2280715320	CA-R17E	\$ 2,426,498	\$ 10,195,278	\$ 7,768,780	The increase in costs between 2022 and 2023 primarily relates to increases in capital equipment costs. The capital equipment costs are related to a pump and transformer refurbishment at Edmonston Pumping Plant.
2300801330	CA-R26A	\$ 5,946,531	\$ 8,027,164	\$ 2,080,633	The increase in costs between 2022 and 2023 primarily relates to increases in direct labor costs. The direct labor hours causing the increase in costs increased by 14,888 hours in 2023. The direct labor costs are related to O&M work at the Devil Canyon Power Plant and Second Afterbay.

We selected a sample of IO's charged to the selected reaches and assessed for the following attributes:

1. We assessed whether they were classified as direct or indirect (through an alpha allocation cycle) to reach.
2. For invoices charged direct to reach, we assessed how they were assigned to the reach.
3. We assessed whether the invoice amount charged in PR5 reconciled to CAB.
4. We assessed whether the invoice was recovered through the transportation minimum and capital component.

Finding AUD-000681	
Finding:	Barnard Construction Company, Inc. invoice related to claim 1453869 was charged to Barker Slough Pumping Plant (NBA-R1) for costs related to furnishing a mobile diesel engine generator. However, the mobile diesel engine generator has a primary location at Cordelia Pumping Plant (NBA-R3A) and will provide emergency power to both Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A).
Dollar Amount:	\$1,474,335
Type:	Reallocation of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Cost Categorization
Contractors Affected:	Napa County FC and WCD and Solano County Water Agency
Recommendation:	The Department should charge the work performed for this invoice through an alpha allocation cycle to Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A).
Department Response:	The Department is assessing the creation of an alpha allocation cycle to address the reallocation of the costs amongst NBA-R1 and NBA-R3A based on the usage of the generator.

During our procedures over invoice testing, we observed the Department billed claim 1453869 in the amount of \$1,474,335 to Barker Slough Pumping Plant (NBA-R1). This charge was related to a mobile diesel engine generator. The generator is located at Cordelia Pumping Plant (NBA-R3A) and will provide emergency power to both Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A). As this generator benefits both locations, the Department should allocate this invoice through an alpha allocation cycle to Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A) based on actual usage at each location. This results in a reallocation of costs among the Contractors.

Finding AUD-000682	
Finding:	The filing fee for the Delta Dams Rodent Burrow Remediation Project was charged to Patterson Dam (SBA-R2), but the project includes work performed at Dyer Dam (SBA-R1), Patterson Dam (SBA-R2), and Clifton Court Forebay Dam (CA-R1).
Dollar Amount:	\$105,000
Type:	Reallocation of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Cost Categorization
Contractors Affected:	All Contractors except NBA Contractors
Recommendation:	The Department should charge the filing fee to Dyer Dam (SBA-R1), Patterson Dam (SBA-R2), and Clifton Court Forebay Dam (CA-R1).
Department Response:	The Department will process a cost movement to charge the filing fee between SBA-R1, SBA-R2, and CA-R1.

During our procedures over invoice testing, we observed the Department billed the filing fee for the Delta Dams Rodent Burrow Remediation Project in the amount of \$105,000 to Patterson Dam. However, this filing fee was associated with the Delta Dams Rodent Burrow Remediation Project, which included work performed at Dyer Dam, Clifton Court Forebay Dam, and Patterson Dam. The Department should charge the filing fee to all three dams. This results in a reallocation of costs among the Contractors. Below is a table that shows the impact for each Contractor if the filing fee were evenly allocated to Dyer Dam, Clifton Court Forebay Dam, and Patterson Dam:

Table TMC.1 – Impact of Finding AUD-000682

Contractor	Current Allocation	Adjusted Allocation	Total (Decrease)/ Increase in Charges
Alameda County Water District	\$ 18,741	\$ 12,455	\$ (6,286)
Alameda County FC and WCD Zone 7	41,600	29,232	(12,368)
Antelope Valley-East Kern Water Agency	–	1,029	1,029
Coachella Valley Water District	–	185	185
Crestline-Lake Arrowhead Water Agency	–	47	47
Desert Water Agency	–	305	305
DRWD	–	598	598
Empire West Side Irrigation District	–	31	31
Future Contractor – San Joaquin	–	89	89
Future Contractor – South Bay	–	120	120
KCWA	–	11,681	11,681
County of Kings	–	32	32
Littlerock Creek Irrigation District	–	17	17
Metropolitan Water District of Southern CA	–	15,375	15,375
Mojave Water Agency	–	385	385
Oak Flat Water District	–	58	58
Palmdale Water District	–	129	129

Table TMC.1 – Impact of Finding AUD-000682 (continued)

Contractor	Current Allocation	Adjusted Allocation	Total (Decrease)/ Increase in Charges
San Bernardino Valley MWD	\$ –	\$ 827	\$ 827
San Gabriel Valley MWD	–	228	228
San Geronio Pass Water Agency	–	139	139
San Luis Obispo County FC and WCD	–	187	187
Santa Barbara County FC and WCD	–	344	344
Santa Clara Valley Water District	44,659	29,680	(14,979)
Santa Clarita Valley Water Agency	–	450	450
Tulare Lake Basin WSD	–	1,227	1,227
Ventura County Watershed Protection District	–	150	150
Total	\$ 105,000	\$ 105,000	\$ –

Finding AUD-000683	
Finding:	K.W. Emerson, Inc. invoices related to claims 1439098 and 1448304 include costs related to the Clifton Court Forebay Dam (CA-R1), but had costs charged to the Patterson Dam (SBA-R2).
Dollar Amount:	\$500,316
Type:	Reallocation of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Cost Categorization
Contractors Affected:	All Contractors except NBA Contractors
Recommendation:	The Department should charge the work performed for this invoice to the Clifton Court Forebay Dam (CA-R1).
Department Response:	The Department will process a cost movement to transfer costs from SBA-R2 to CA-R1.

During our procedures over invoice testing, we observed K.W. Emerson, Inc. invoices include work performed at the Clifton Court Forebay Dam (CA-R1), but had costs incorrectly allocated to the Patterson Dam (SBA-R2). This results in a reallocation of costs among the Contractors. Below is a table that shows the impact for each Contractor:

Table TMC.2 – Impact of Finding AUD-000683

Contractor	Current Allocation	Adjusted Allocation	Total (Decrease)/ Increase in Charges
Alameda County Water District	\$ 89,300	\$ 4,367	\$ (84,933)
Alameda County FC and WCD Zone 7	198,220	4,777	(193,443)
Antelope Valley-East Kern Water Agency	–	14,705	14,705
Coachella Valley Water District	–	2,643	2,643
Crestline-Lake Arrowhead Water Agency	–	668	668
Desert Water Agency	–	4,359	4,359
DRWD	–	8,544	8,544
Empire West Side Irrigation District	–	444	444
Future Contractor – San Joaquin	–	1,274	1,274
Future Contractor – South Bay	–	1,714	1,714
KCWA	–	166,964	166,964
County of Kings	–	454	454
Littlerock Creek Irrigation District	–	246	246
Metropolitan Water District of Southern CA	–	219,786	219,786
Mojave Water Agency	–	5,509	5,509
Oak Flat Water District	–	836	836
Palmdale Water District	–	1,847	1,847
San Bernardino Valley MWD	–	11,822	11,822
San Gabriel Valley MWD	–	3,254	3,254
San Geronio Pass Water Agency	–	1,993	1,993
San Luis Obispo County FC and WCD	–	2,667	2,667
Santa Barbara County FC and WCD	–	4,920	4,920
Santa Clara Valley Water District	212,796	10,407	(202,389)
Santa Clarita Valley Water Agency	–	6,433	6,433
Tulare Lake Basin WSD	–	17,536	17,536
Ventura County Watershed Protection District	–	2,147	2,147
Total	\$ 500,316	\$ 500,316	\$ –

Finding AUD-000684	
Finding:	Patriot Environmental Services invoice was inappropriately billed to the Oroville Dam and Powerplant as the invoice was never paid.
Dollar Amount:	\$32,248
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department is in the process of determining whether the invoice needs to be submitted for payment or needs to be reversed in the system.

When performing our procedures over invoice testing, we observed the Department inappropriately billed a Patriot Environmental Services invoice in the amount of \$32,248. This invoice was billed to the Contractors; however, the Department never paid the invoice. The unpaid invoice was charged to the Oroville Dam and Powerplant. The Department should adjust this charge. This results in an overstatement of costs to the Contractors. Below is a table that shows the impact for each Contractor:

Table TMC.3 – Impact of Finding AUD-000684

Contractor	Decrease in Charges
Alameda County Water District	\$ 325
Alameda County FC and WCD Zone 7	623
Antelope Valley-East Kern Water Agency	1,119
County of Butte	213
Coachella Valley Water District	1,069
Crestline-Lake Arrowhead Water Agency	45
Desert Water Agency	431
DRWD	320
Empire West Side Irrigation District	23
KCWA	7,594
County of Kings	72
Littlerock Creek Irrigation District	18
Metropolitan Water District of Southern CA	14771
Mojave Water Agency	694
Napa County FC and WCD	224
Oak Flat Water District	44
Palmdale Water District	165
Plumas County FC and WCD	21
San Bernardino Valley MWD	793
San Gabriel Valley MWD	223
San Geronio Pass Water Agency	134

Table TMC.3 – Impact of Finding AUD-000684 (continued)

Contractor	Decrease in Charges
San Luis Obispo County FC and WCD	\$ 193
Santa Barbara County FC and WCD	351
Santa Clara Valley Water District	773
Santa Clarita Valley Water Agency	736
Solano County Water Agency	369
Tulare Lake Basin WSD	676
Ventura County Watershed Protection District	155
City of Yuba	74
Total	\$ 32,248

Finding AUD-000685	
Finding:	HDR Engineering, Inc. invoices related to claim 1394950 were double billed to CA-R29H.
Dollar Amount:	\$4,555
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Metropolitan Water District of Southern California, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1394950 in the amount of \$4,555. This double billing was charged to CA-R29H. The Department should reverse this charge.

Finding AUD-000686	
Finding:	HDR Engineering, Inc. invoice related to claim 1403938 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed.
Dollar Amount:	\$133,354
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1403938 in the amount of \$133,354. This double billing of both the original and revised invoice was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000687	
Finding:	All Terrain Water Corporation invoice related to claim 1362077 was double billed to CA-R1.
Dollar Amount:	\$8,145
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors except NBA Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect erroneous billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1362077 in the amount of \$8,145. This double billing was charged to CA-R1. The Department should reverse this charge.

Finding AUD-000688	
Finding:	Safety Management Systems LLC invoice related to claim 1397054 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed.
Dollar Amount:	\$46,390
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1397054 in the amount of \$46,390. This double billing of both the original and revised invoice was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000689	
Finding:	Voith Hydro, Inc. invoice related to claim 1391438 was double billed to the Oroville Dam and Powerplant.
Dollar Amount:	\$39,895
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1391438 in the amount of \$39,895. This double billing was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000690	
Finding:	All Terrain Water Corporation invoice related to claim 1343315 was double billed to CA-R3A.
Dollar Amount:	\$3,885
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1343315 in the amount of \$3,885. This double billing was charged to CA-R3A. The Department should reverse this charge.

Finding AUD-000691	
Finding:	HDR Engineering, Inc. invoice related to claim 1395128 was double billed to CA-R29H.
Dollar Amount:	\$256
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Metropolitan Water District of Southern California, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1395128 in the amount of \$256. This double billing was charged to CA-R29H. The Department should reverse this charge.

Finding AUD-000692	
Finding:	HDR Engineering, Inc. invoice related to claim 1395719 was double billed to the Oroville Dam and Powerplant.
Dollar Amount:	\$8,970
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1395719 in the amount of \$8,970. This double billing was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000693	
Finding:	HDR Engineering, Inc. invoice related to claim 1403941 was double billed to the Upper Feather Division including the Frenchman Dam and Lake, Antelope Dam and Lake, and Grizzly Valley Dam and Lake Davis.
Dollar Amount:	\$41,711
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1403941 in the amount of \$41,711. This double billing was charged to the Upper Feather Division including the Frenchman Dam and Lake, Antelope Dam and Lake, and Grizzly Valley Dam and Lake Davis. The Department should reverse this charge.

Finding AUD-000694	
Finding:	All Terrain Water Corporation invoice related to claim 1363649 was double billed to SBA-R1.
Dollar Amount:	\$1,817
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Alameda County Water District, Alameda County FC and WCD, Zone 7, and Santa Clara Valley Water District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1363649 in the amount of \$1,817. This double billing was charged to SBA-R1. The Department should reverse this charge.

Finding AUD-000695	
Finding:	All Terrain Water Corporation invoice related to claim 1361683 was double billed to CA-R1.
Dollar Amount:	\$5,280
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors except NBA Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1361683 in the amount of \$5,280. This double billing was charged to CA-R1. The Department should reverse this charge.

Finding AUD-000696	
Finding:	Safety Management Systems LLC invoice related to claim 1396317 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed.
Dollar Amount:	\$63,395
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1396317 in the amount of \$63,395. This double billing of both the original and revised invoice was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000697	
Finding:	Voith Hydro, Inc. invoice was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed.
Dollar Amount:	\$514,904
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed a Voith Hydro, Inc. invoice in the amount of \$514,904. This double billing of both the original and revised invoice was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000698	
Finding:	Voith Hydro, Inc. invoices were inappropriately billed to the Oroville Dam and Powerplant as credit memos issued related to the invoices were not pushed down to the Contractors.
Dollar Amount:	\$652,234
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error.

When performing our procedures over invoice testing, we observed the Department inappropriately billed \$652,234 of invoices that had credit memos issued to them. These erroneous billings were charged to the Oroville Dam and Powerplant. The Department should apply the credit memos.

Finding AUD-000699	
Finding:	Voith Hydro, Inc. invoice was double billed to CA-R3A. The original and revised invoice total were both billed.
Dollar Amount:	\$303,236
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed a Voith Hydro, Inc. invoice in the amount of \$303,236. This double billing of both the original and revised invoice was charged to CA-R3A. The Department should reverse this charge.

Finding AUD-000700	
Finding:	HDR Engineering, Inc. invoice related to claim 1394951 was double billed to CA-R29H.
Dollar Amount:	\$965
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Metropolitan Water District of Southern California, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the errors and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1394951 in the amount of \$965. This double billing was charged to CA-R29H. The Department should reverse this charge.

Finding AUD-000701	
Finding:	HDR Engineering, Inc. invoice related to claim 1390832 was double billed to CA-R28J, CA-R29H, EBX-R3B, and SBA-R5.
Dollar Amount:	Overstatement of \$132,094 to the following reaches: CA-R28J – \$8,367 CA-R29H – \$113,104 EBX-R3B – \$5,325 SBA-R5 – \$5,298
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Alameda County Water District, Alameda County FC and WCD, Zone 7, Coachella Valley Water District, Desert Water Agency, Metropolitan Water District of Southern California, San Bernardino Valley MWD, San Geronio Pass Water Agency, Santa Clara Valley Water District, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1390832 in the amount of \$132,094. This double billing was charged to CA-R28J, CA-R29H, EBX-R3B, and SBA-R5. The Department should reverse this charge.

Finding AUD-000702	
Finding:	All Terrain Water Corporation invoice related to claim 1354467 was double billed to CA-R1.
Dollar Amount:	\$1,038
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors except NBA Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1354467 in the amount of \$1,038. This double billing was charged to CA-R1. The Department should reverse this charge.

Finding AUD-000703	
Finding:	Safety Management Systems LLC invoice related to claim 1396311 was double billed to the Oroville Dam and Powerplant.
Dollar Amount:	\$24,903
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1396311 in the amount of \$24,903. This double billing was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000704	
Finding:	Voith Hydro, Inc. invoice related to claim 1394240 was double billed to the Oroville Dam and Powerplant.
Dollar Amount:	\$10,392
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1394240 in the amount of \$10,392. This double billing was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000705	
Finding:	Andritz Hydro Corporation invoice related to claim 1401858 was double billed to CA-R24, CA-R26A, CA-R29F, and CA-R29H.
Dollar Amount:	Overstatement of \$120,432 to the following reaches: CA-R24 – \$9,395 CA-R26A – \$60,523 CA-R29F – \$10,627 CA-R29H – \$39,887
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Antelope Valley – East Kern Water Agency, Coachella Valley Water District, Crestline - Lake Arrowhead Water Agency, Desert Water Agency, Metropolitan Water District of Southern California, San Bernardino Valley MWD, San Gabriel Valley MWD, San Geronio Pass Water Agency, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1401858 in the amount of \$120,432. This double billing was charged to CA-R24, CA-R26A, CA-R29F, and CA-R29H. The Department should reverse this charge.

Finding AUD-000706	
Finding:	Quinn Rental Services invoice related to claim 1393243 was double billed to CA-R17E.
Dollar Amount:	\$1,448
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Antelope Valley - East Kern Water Agency, Coachella Valley Water District, Crestline - Lake Arrowhead Water Agency, Desert Water Agency, KCWA, Littlerock Creek Irrigation District, Metropolitan Water District of Southern California, Mojave Water Agency, Palmdale Water District, San Bernardino Valley MWD, San Gabriel Valley MWD, San Gorgonio Pass Water Agency, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1393243 in the amount of \$1,448. This double billing was charged to CA-R17E. The Department should reverse this charge.

Finding AUD-000707	
Finding:	Johnson Controls Fire Protection, LP invoice related to claim 1437508 was double billed to CA-R1 and SBA-R1.
Dollar Amount:	Overstatement of \$20,925 to the following reaches: CA-R1 – \$20,460 SBA-R1 – \$465
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors except NBA Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1437508 in the amount of \$20,925. This double billing was charged to CA-R1 and SBA-R1. The Department should reverse this charge.

Finding AUD-000708	
Finding:	Johnson Controls Fire Protection, LP invoice related to claim 1445204 was double billed to the Oroville Dam and Powerplant.
Dollar Amount:	\$620
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1445204 in the amount of \$620. This double billing was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

Finding AUD-000709	
Finding:	North Tree Enterprises, Inc. invoice related to claim 1369079 was double billed to CA-R16A.
Dollar Amount:	\$7,410
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Antelope Valley - East Kern Water Agency, Coachella Valley Water District, Crestline - Lake Arrowhead Water Agency, Desert Water Agency, KCWA, Littlerock Creek Irrigation District, Metropolitan Water District of Southern California, Mojave Water Agency, Palmdale Water District, San Bernardino Valley MWD, San Gabriel Valley MWD, San Gorgonio Pass Water Agency, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1369079 in the amount of \$7,410. This double billing was charged to CA-R16A. The Department should reverse this charge.

Finding AUD-000710	
Finding:	North Tree Enterprises, Inc. invoices related to claim 1371703 were double billed to CA-R14A, CA-R15A, and CA-R16A.
Dollar Amount:	Overstatement of \$5,558 to the following reaches: CA-R14A – \$760 CA-R15A – \$3,183 CA-R16A – \$1,615
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Antelope Valley – East Kern Water Agency, Coachella Valley Water District, Crestline - Lake Arrowhead Water Agency, Desert Water Agency, KCWA, Littlerock Creek Irrigation District, Metropolitan Water District of Southern California, Mojave Water Agency, Palmdale Water District, San Bernardino Valley MWD, San Gabriel Valley MWD, San Gorgonio Pass Water Agency, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1371703 in the amount of \$5,558. This double billing was charged to CA-R14A, CA-R15A, and CA-R16A. The Department should reverse this charge.

Finding AUD-000711	
Finding:	North Tree Enterprises, Inc. invoices related to claim 1377166 were double billed to CA-R14A and CA-R15A.
Dollar Amount:	Overstatement of \$4,180 to the following reaches: CA-R14A – \$2,945 CA-R15A – \$1,235
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Antelope Valley – East Kern Water Agency, Coachella Valley Water District, Crestline - Lake Arrowhead Water Agency, Desert Water Agency, KCWA, Littlerock Creek Irrigation District, Metropolitan Water District of Southern California, Mojave Water Agency, Palmdale Water District, San Bernardino Valley MWD, San Gabriel Valley MWD, San Gorgonio Pass Water Agency, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1377166 in the amount of \$4,180. This double billing was charged to CA-R14A and CA-R15A. The Department should reverse this charge.

Finding AUD-000712	
Finding:	HDR Engineering, Inc. invoices related to claim 1357560 were double billed to the Oroville Dam and Powerplant. The original and revised invoice totals were both billed.
Dollar Amount:	\$456,055
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1357560 in the amount of \$456,055. These double billings of both the original and revised invoices were charged to the Oroville Dam and Powerplant. The Department should reverse these charges.

Finding AUD-000713	
Finding:	HDR Engineering, Inc. invoice related to claim 1356349 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed.
Dollar Amount:	\$222,219
Type:	Overstatement of costs to the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	All Contractors
Recommendation:	The Department should book an adjustment to correct the error. Additionally, the Department should perform a root cause analysis to identify the breakdowns in internal control that resulted in this error.
Department Response:	The Department will book an adjustment to correct the error and is in process of implementing internal controls to prevent and detect double billings within the PR5 system.

When performing our procedures over invoice testing, we observed the Department double billed claim 1356349 in the amount of \$222,219. This double billing of both the original and revised invoice was charged to the Oroville Dam and Powerplant. The Department should reverse this charge.

The Division of Fiscal Services should put in place additional internal controls to prevent and detect double billings in the PR5 system to ensure the Contractors are not billed more than once for a respective purchase. The Department should also perform a root cause analysis to identify the breakdowns in internal controls that resulted in these errors. Refer to Table TMC.4 below for the impact by Contractor for all TMC double billings.

Table TMC.4 – Impact of TMC Double Billings

Contractor	Decrease in Charges
Alameda County Water District	\$ 26,762
Alameda County FC and WCD Zone 7	53,160
Antelope Valley-East Kern Water Agency	89,562
County of Butte	16,622
Coachella Valley Water District	95,512
Crestline-Lake Arrowhead Water Agency	3,710
Desert Water Agency	35,990
DRWD	27,683
Empire West Side Irrigation District	2,179
Future Contractor – San Joaquin	89
Future Contractor – South Bay	46
KCWA	606,010
County of Kings	5,690
Littlerock Creek Irrigation District	1,422
Metropolitan Water District of Southern CA	1,396,161
Mojave Water Agency	53,268
Napa County FC and WCD	17,565
Oak Flat Water District	3,504
Palmdale Water District	13,157
Plumas County FC and WCD	1,632
San Bernardino Valley MWD	77,789
San Gabriel Valley MWD	20,656
San Geronio Pass Water Agency	14,726
San Luis Obispo County FC and WCD	15,297
Santa Barbara County FC and WCD	27,836
Santa Clara Valley Water District	63,871
Santa Clarita Valley Water Agency	64,171
Solano County Water Agency	28,897
Tulare Lake Basin WSD	53,561
Ventura County Watershed Protection District	13,935
City of Yuba	5,803
Total	\$ 2,836,266

Recommendation AUD-000714	
Background:	Through our invoice testing, we observed double billings within the PR5 system. Double billings involved an invoice being posted twice or a revised invoice with both its original invoice total and revised invoice total being posted. As the PR5 system interfaces with CAB, this results in overcharges to the Contractors.
Internal Control Matter:	Procedures: Procedures not Being Followed
Contractors Affected:	All Contractors
Recommendation:	The Division of Fiscal Services should put in place additional internal controls to prevent and detect double billings in the PR5 system to ensure the Contractors are not billed more than once for a respective purchase. For revised invoices, the original invoice entry should be reversed, or an additional entry should be made to address the difference between the original and revised invoice totals. The double billings originated in the PR5 system.

When performing our procedures over invoice testing, we observed double billings within PR5 that are being charged to the Contractors. Per our discussions with the Department, the root cause of these double billings is that multiple goods receipts are being entered into PR5 related to one invoice. For example, O&M and the Contracts Billing Group receive the same Purchase Order and both groups enter it into PR5. This creates a risk of double billings if an invoice and related payment are associated with two (or more) separate goods receipts. There are also instances where a goods receipt entry is made for an invoice that has not been paid and has no corresponding invoice receipt entry in PR5. Once the invoice has been paid, the invoice amount has been revised and is different from the initial goods receipt entry amount. Another goods receipt entry is made for the revised invoice without reversing the initial entry.

We recommend that the Department implement additional internal controls to prevent and detect double billings within the PR5 system. For revised invoices, the original invoice entry should be reversed, or an additional entry should be made to address the difference between the original and revised invoice totals. The Department has communicated to us that it is in the process of implementing preventative controls that would block posting the same invoice to multiple goods receipts and a review control to detect previous double billings. The review control involves generating a quarterly report that lists all goods receipts associated to the same invoice.

Recommendation AUD-000715	
Background:	Construction project costs are billed monthly that includes a retention balance that is paid at the end of the project by the Department. The Contractors are billed the full amount of the contract (including retentions) monthly.
Internal Control Matter:	Policy: Determination of Cost Categorization
Contractors Affected:	All Contractors
Recommendation:	The Department should develop a formal policy in writing over the billing of retentions to the Contractors. The details of the policy should be in compliance of the water supply contract. This policy should be reviewed and approved by the Contractors.

When performing our procedures over invoice testing, we observed monthly invoices related to construction project costs typically include a retention balance of about 10% of the monthly invoice. Retentions are applied to the gross invoice amount and reduce the payment due at that time. The Department pays the net invoice amount (excluding the retention balance) monthly. The total retentions balance is due upon completion of the project. However, the gross invoice amount is charged to the Contractors monthly, which includes the retention balance. Due to this being a unique process, we recommend the Department develop a formal policy on the process of billing retentions to the Contractors. The policy developed should be presented and agreed upon by the Contractors.

Recommendation AUD-000716	
Background:	The vendor, All Terrain Water Corporation, was not approved. However, charges of \$4,488,175 are associated to this vendor from 2015 through 2020. A block to utilize this vendor was not placed until June 19, 2023.
Internal Control Matter:	Internal Controls on Reconciliations, Approvals, Assets, Segregation of Duties
Contractors Affected:	All Contractors
Recommendation:	The Division of Fiscal Services should put in place additional internal controls to prevent and detect unapproved vendors. All vendors should go through an approval process and should not have the opportunity to be entered into the system until proper approval has occurred. A review of vendors should be performed periodically to identify any unapproved vendors.

When performing our procedures over invoice testing, we observed a vendor in PR5 that was listed as an unapproved vendor due to not having all the required payee data forms. All Terrain Water Corporation was not properly approved by Division of Fiscal Services. This form is typically submitted by the vendor and is required by the State of California if the Internal Revenue Service (IRS) W-9 or W-7 is not applicable. This form is required to be on file with the state before the vendor can receive payments. It appears that All Terrain Water Corporation did not submit the form and never went through a formal approval process by the Division of Fiscal Services before it was entered into the PR5 system. Payments were made to this vendor from 2015 to 2020. A block on this vendor was placed in June 2023.

Per our discussions with the Department, the approval process before 2020 only required a payee data record form or IRS W-9 to be submitted. In January 2020, all vendors that reported an IRS 1099 form were required to be approved by the Division of Fiscal Services. This process expanded in 2023, when all vendors including those who reported and did not report an IRS 1099 form had to be formally approved by the Division of Fiscal Services. All Terrain Water Corporation did not report an IRS 1099 form, so it was not identified as unapproved until June 2023. The Department should continue to improve its approval process and implement internal controls to prevent and detect unapproved vendors. Such controls include reviewing the list of individuals who can create and modify vendors in PR5. In addition, the master vendor list should be reviewed to detect unapproved vendors or missing forms. All changes and additions to the master vendor list should properly be approved.

We selected a sample of direct labor hours charged to the selected reaches and inquired of the selected employees on the nature of the work performed and location the work pertained to. We then determined whether the direct labor costs were properly billed to the reach based on the responses obtained from the selected employees. We observed that all selections appeared to be properly charged to the reach.

Debt Service Procedures (DBT)

Procedures Performed

We performed procedures over the Department's WSRB schedule, as follows:

- For any newly issued bond series, we performed the following:
 - Obtained the bond pricing reports.
 - Agreed the P&I from the pricing report to the debt service schedule.
 - Agreed any refunding amounts from the pricing report to any variances identified when assessing bond series issued in previous years.
- Determined whether refinanced bonds were credited to the direct billed debt service schedules to provide the benefits of such refinancings to the Contractors.
- Determined whether the refinanced bonds were credited to debt service schedules included in the WSRB Surcharge calculation to provide the benefits of such refinancings to the Contractors.
- Assessed changes made to the cost/debt reconciliation project from previous versions.
- Reconciled the debt amounts per the Debt Issuance Management System (DIMS) to official statements, updated pricing reports, and the cost/debt reconciliation project.

Findings and Recommendations

To fund capital projects such as dams and power plants, DWR issues Commercial Paper (CP), which is later converted to government bonds. As interest rates have decreased over time, DWR has issued new debt and refunded the older bonds to take advantage of the favorable interest rates. This has resulted in significant savings to the Contractors by reducing the total interest payments required for the outstanding bonds.

The Department bills the Contractors for debt service each year based on the debt service schedules, as follows:

1. Each bond series has a bond pricing report provided by the investment bank that supports the bond interest, principal, and capitalized interest. Bond pricing reports are received from the investment bank by the Division of Fiscal Services and copies are forwarded to SWPAO.
2. SWPAO creates P&I schedules from the bond pricing reports. P&I schedules include a breakdown of the P&I for new and refunded money by project. Capitalized interest is the interest that the issuer estimates will become due and payable on the bonds prior to the receipt of sufficient taxes, special assessments, or other revenues or receipts, from which the interest is to be paid. The applicable amount of capitalized interest as stated in the bond pricing reports is removed when creating the P&I schedules. In addition, recreation cash defeasance is included in the P&I schedules. The recreation cash defeasance is a reduction of the principal for the portion of recreation to be paid by DWR. The recreation percentages were calculated based on the project purpose allocation. Each project purpose has a predetermined recreation percentage as outlined in Bulletin 132-24 Table 2, *Project Purpose Cost Allocation Factors*. The recreation portion for each project purpose is determined by multiplying the original bond amount by the predetermined recreation percentage.
3. The debt service schedules are created within DIMS using the P&I schedules. The debt service schedules consolidate the interest and principal.
4. Amounts included in the SOC are created based on the debt service schedules in DIMS. Below is the process flow to create the debt service schedules:

Debt Service Recovery Process

Bond series pricing reports received from investment bank
P&I schedules created from bond pricing reports
Debt service schedules created within DIMS using the P&I schedules
SOC created from information in DIMS

As of the 2024 SOC, there was a transition from UCABS (the legacy billing system) to CAB (new billing system). In the prior year, we agreed the debt service schedules per the manual spreadsheets to the system. In the current year, the manual spreadsheets of the debt service schedules are no longer used as the schedules have been created and updated in DIMS. The debt service schedules per DIMS will be inputted into CAB.

As of the 2025 SOC, we did not perform procedures over any newly issued bond series as no new bond series were issued, and no changes were made to the Department’s WSRB schedule from the prior year.

As the repayment period and project interest rate for the SWP do not match the debt service payments, the Department has created the WSRB surcharge to account for the difference between the debt service payments due to the bondholders and amounts recovered from the Contractors as part of the transportation capital and conservation capital components.

Finding AUD-000717	
Finding:	When processing the annual SOC, the Department used the latest WSRB file. The Department used Series A-BA for the 2021 SOC and Series A-BA for the 2020 SOC. If there was a new WSRB Series issuance, it would affect a future SOC in the amounts required to be collected. The Department does not currently true-up for the WSRB Surcharge by going back and adjusting for refunding of WSRB issuances on past SOC's.
Dollar Amount:	Overstatement of WSRB Surcharge (2020 SOC year) of \$10,506,426 Interest impact using the project interest rate – \$2,636,683 Interest impact using SMIF – \$547,142 Overstatement of WSRB Surcharge (2021 SOC year) of \$9,711,545 Interest impact using the project interest rate – \$1,905,160 Interest impact using SMIF – \$98,755 SOC years prior to 2020 not quantified. Actual interest impact to be determined at a later date.
Type:	Overstatement of WSRB Surcharge for all Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	All Contractors
Recommendation:	The Department should true-up the WSRB Surcharge by going back and adjusting for refunding of WSRB issuances on past SOC's.
Department Response:	The Department will adjust the WSRB Surcharge calculation as part of the WSRB Debt Service Billing Project.

The Department bills the Contractors two years in advance for debt service as part of the SOC issued on an annual basis. When bonds were refinanced, the WSRB schedules were adjusted for such refinancings. However, as the Contractors were billed two years in advance, any interest savings during those two years were not passed on to the Contractors. The Department did not issue a rebill or other form of refund to the Contractors to pass along these savings resulting from the refinanced debt service. During our procedures over debt service related to the Water bonds included in the WSRB surcharge calculation, we calculated the impact of the refinanced debt for the 2021 and 2020 SOC. In 2021, there was an overstatement of total WSRB Surcharge in the amount of \$9,711,545. In 2020, there was an overstatement of total WSRB Surcharge in the amount of \$10,506,426. It should be noted that this overstatement does not reflect interest impact in the amount of \$1,905,160 for the 2021 SOC and \$2,636,683 for the 2020 SOC when using the project interest rate and \$98,755 for the 2021 SOC and \$547,142 for the 2020 SOC when using SMIF. The actual interest impact will be determined at a later date. This would lead to a total overstatement related to the WSRB Surcharge for all Contractors. It should also be noted that this does impact all years prior to the 2020 SOC year and all years subsequent to the 2021 SOC year. We solely calculated the two-year period for reference in this report. The impact by Contractor for 2020 and 2021 is as follows:

Table DBT.1 – SOC Compared to Recalculated Debt Service for 2020 Water Bonds in WSRB Surcharge

Contractor	SOC	Recalculated Debt Service	(Decrease)/Increase in Charges
Alameda County Water District	\$ 156,975	\$ 69,284	\$ (87,691)
Alameda County FC and WCD, Zone 7	346,972	153,143	(193,829)
Antelope Valley-East Kern Water Agency	535,543	236,372	(299,171)
County of Butte	49,473	21,836	(27,637)
Coachella Valley Water District	518,269	228,749	(289,520)
Crestline-Lake Arrowhead Water Agency	31,472	13,891	(17,581)
Desert Water Agency	247,847	109,392	(138,455)
DRWD	117,982	52,074	(65,908)
Empire West Side Irrigation District	6,197	2,736	(3,461)
KCWA	2,841,198	1,254,021	(1,587,177)
County of Kings	19,435	8,578	(10,857)
Littlerock Creek Irrigation District	8,675	3,829	(4,846)
Metropolitan Water District of Southern CA	10,168,517	4,488,087	(5,680,430)
Mojave Water Agency	375,638	165,796	(209,842)
Napa County FC and WCD	181,804	80,243	(101,561)
Oak Flat Water District	11,676	5,154	(6,522)
Palmdale Water District	72,934	32,190	(40,744)
Plumas County FC and WCD	6,630	2,926	(3,704)
San Bernardino Valley MWD	618,674	273,064	(345,610)
San Gabriel Valley MWD	164,626	72,661	(91,965)
San Geronio Pass Water Agency	100,544	44,376	(56,168)
San Luis Obispo County FC and WCD	109,443	48,305	(61,138)
Santa Barbara County FC and WCD	692,021	305,438	(386,583)
Santa Clara Valley Water District	438,260	193,434	(244,826)
Santa Clarita Valley Water Agency	430,917	190,194	(240,723)
Solano County Water Agency	219,443	96,855	(122,588)
Tulare Lake Basin WSD	229,698	101,382	(128,316)
Ventura County Watershed Protection District	89,368	39,443	(49,925)
City of Yuba	17,271	7,623	(9,648)
Total	\$ 18,807,502	\$ 8,301,076	\$ (10,506,426)

Table DBT.2 – Interest Impact using PIR for 2020 Water Bonds

Contractor	(Decrease)/Increase in Charges	Interest Impact using PIR	(Decrease)/Increase in Charges with Interest Impact (PIR)
Alameda County Water District	\$ (87,691)	\$ (22,007)	\$ (109,698)
Alameda County FC and WCD, Zone 7	(193,829)	(48,643)	(242,472)
Antelope Valley-East Kern Water Agency	(299,171)	(75,079)	(374,250)
County of Butte	(27,637)	(6,936)	(34,573)
Coachella Valley Water District	(289,520)	(72,658)	(362,178)
Crestline-Lake Arrowhead Water Agency	(17,581)	(4,412)	(21,993)
Desert Water Agency	(138,455)	(34,746)	(173,201)
DRWD	(65,908)	(16,540)	(82,448)
Empire West Side Irrigation District	(3,461)	(869)	(4,330)
KCWA	(1,587,177)	(398,318)	(1,985,495)
County of Kings	(10,857)	(2,724)	(13,581)
Littlerock Creek Irrigation District	(4,846)	(1,216)	(6,062)
Metropolitan Water District of Southern CA	(5,680,430)	(1,425,556)	(7,105,986)
Mojave Water Agency	(209,842)	(52,662)	(262,504)
Napa County FC and WCD	(101,561)	(25,488)	(127,049)
Oak Flat Water District	(6,522)	(1,637)	(8,159)
Palmdale Water District	(40,744)	(10,225)	(50,969)
Plumas County FC and WCD	(3,704)	(929)	(4,633)
San Bernardino Valley MWD	(345,610)	(86,734)	(432,344)
San Gabriel Valley MWD	(91,965)	(23,080)	(115,045)
San Geronimo Pass Water Agency	(56,168)	(14,095)	(70,263)
San Luis Obispo County FC and WCD	(61,138)	(15,343)	(76,481)
Santa Barbara County FC and WCD	(386,583)	(97,016)	(483,599)
Santa Clara Valley Water District	(244,826)	(61,441)	(306,267)
Santa Clarita Valley Water Agency	(240,723)	(60,412)	(301,135)
Solano County Water Agency	(122,588)	(30,765)	(153,353)
Tulare Lake Basin WSD	(128,316)	(32,202)	(160,518)
Ventura County Watershed Protection District	(49,925)	(12,529)	(62,454)
City of Yuba	(9,648)	(2,421)	(12,069)
Total	\$ (10,506,426)	\$ (2,636,683)	\$ (13,143,109)

Table DBT.3 – Interest Impact using SMIF for 2020 Water Bonds

Contractor	(Decrease)/Increase in Charges	Interest Impact using SMIF	(Decrease)/Increase in Charges with Interest Impact (SMIF)
Alameda County Water District	\$ (87,691)	\$ (4,567)	\$ (92,258)
Alameda County FC and WCD, Zone 7	(193,829)	(10,094)	(203,923)
Antelope Valley-East Kern Water Agency	(299,171)	(15,579)	(314,750)
County of Butte	(27,637)	(1,440)	(29,077)
Coachella Valley Water District	(289,520)	(15,078)	(304,598)
Crestline-Lake Arrowhead Water Agency	(17,581)	(916)	(18,497)
Desert Water Agency	(138,455)	(7,210)	(145,665)
DRWD	(65,908)	(3,432)	(69,340)
Empire West Side Irrigation District	(3,461)	(180)	(3,641)
KCWA	(1,587,177)	(82,656)	(1,669,833)
County of Kings	(10,857)	(565)	(11,422)
Littlerock Creek Irrigation District	(4,846)	(252)	(5,098)
Metropolitan Water District of Southern CA	(5,680,430)	(295,820)	(5,976,250)
Mojave Water Agency	(209,842)	(10,928)	(220,770)
Napa County FC and WCD	(101,561)	(5,289)	(106,850)
Oak Flat Water District	(6,522)	(340)	(6,862)
Palmdale Water District	(40,744)	(2,121)	(42,865)
Plumas County FC and WCD	(3,704)	(192)	(3,896)
San Bernardino Valley MWD	(345,610)	(17,998)	(363,608)
San Gabriel Valley MWD	(91,965)	(4,790)	(96,755)
San Geronio Pass Water Agency	(56,168)	(2,925)	(59,093)
San Luis Obispo County FC and WCD	(61,138)	(3,184)	(64,322)
Santa Barbara County FC and WCD	(386,583)	(20,132)	(406,715)
Santa Clara Valley Water District	(244,826)	(12,749)	(257,575)
Santa Clarita Valley Water Agency	(240,723)	(12,537)	(253,260)
Solano County Water Agency	(122,588)	(6,384)	(128,972)
Tulare Lake Basin WSD	(128,316)	(6,682)	(134,998)
Ventura County Watershed Protection District	(49,925)	(2,600)	(52,525)
City of Yuba	(9,648)	(502)	(10,150)
Total	\$ (10,506,426)	\$ (547,142)	\$ (11,053,568)

Table DBT.4 – SOC Compared to Recalculated Debt Service for 2021 Water Bonds in WSRB Surcharge

Contractor	SOC	Recalculated Debt Service	(Decrease)/Increase in Charges
Alameda County Water District	\$ 165,244	\$ 83,999	\$ (81,245)
Alameda County FC and WCD, Zone 7	365,314	185,699	(179,615)
Antelope Valley-East Kern Water Agency	562,166	285,764	(276,402)
County of Butte	52,028	26,447	(25,581)
Coachella Valley Water District	542,876	275,959	(266,917)
Crestline-Lake Arrowhead Water Agency	32,931	16,740	(16,191)
Desert Water Agency	259,600	131,962	(127,638)
DRWD	124,507	63,290	(61,217)
Empire West Side Irrigation District	6,532	3,321	(3,211)
KCWA	2,996,665	1,523,288	(1,473,377)
County of Kings	20,413	10,377	(10,036)
Littlerock Creek Irrigation District	9,100	4,626	(4,474)
Metropolitan Water District of Southern CA	10,662,732	5,420,164	(5,242,568)
Mojave Water Agency	394,161	200,363	(193,798)
Napa County FC and WCD	191,500	97,345	(94,155)
Oak Flat Water District	12,292	6,249	(6,043)
Palmdale Water District	76,495	38,885	(37,610)
Plumas County FC and WCD	6,965	3,540	(3,425)
San Bernardino Valley MWD	647,425	329,103	(318,322)
San Gabriel Valley MWD	172,342	87,607	(84,735)
San Geronio Pass Water Agency	105,240	53,496	(51,744)
San Luis Obispo County FC and WCD	115,339	58,630	(56,709)
Santa Barbara County FC and WCD	730,355	371,260	(359,095)
Santa Clara Valley Water District	461,620	234,654	(226,966)
Santa Clarita Valley Water Agency	452,638	230,089	(222,549)
Solano County Water Agency	231,171	117,510	(113,661)
Tulare Lake Basin WSD	242,510	123,275	(119,235)
Ventura County Watershed Protection District	93,749	47,653	(46,096)
City of Yuba	18,163	9,233	(8,930)
Total	\$ 19,752,073	\$ 10,040,528	\$ (9,711,545)

Table DBT.5 – Interest Impact using PIR for 2021 Water Bonds

Contractor	(Decrease)/Increase in Charges	Interest Impact using PIR	(Decrease)/Increase in Charges with Interest Impact (PIR)
Alameda County Water District	\$ (81,245)	\$ (15,939)	\$ (97,184)
Alameda County FC and WCD, Zone 7	(179,615)	(35,236)	(214,851)
Antelope Valley-East Kern Water Agency	(276,402)	(54,223)	(330,625)
County of Butte	(25,581)	(5,018)	(30,599)
Coachella Valley Water District	(266,917)	(52,362)	(319,279)
Crestline-Lake Arrowhead Water Agency	(16,191)	(3,176)	(19,367)
Desert Water Agency	(127,638)	(25,040)	(152,678)
DRWD	(61,217)	(12,010)	(73,227)
Empire West Side Irrigation District	(3,211)	(630)	(3,841)
KCWA	(1,473,377)	(289,038)	(1,762,415)
County of Kings	(10,036)	(1,969)	(12,005)
Littlerock Creek Irrigation District	(4,474)	(878)	(5,352)
Metropolitan Water District of Southern CA	(5,242,568)	(1,028,459)	(6,271,027)
Mojave Water Agency	(193,798)	(38,018)	(231,816)
Napa County FC and WCD	(94,155)	(18,471)	(112,626)
Oak Flat Water District	(6,043)	(1,186)	(7,229)
Palmdale Water District	(37,610)	(7,379)	(44,989)
Plumas County FC and WCD	(3,425)	(672)	(4,097)
San Bernardino Valley MWD	(318,322)	(62,446)	(380,768)
San Gabriel Valley MWD	(84,735)	(16,623)	(101,358)
San Geronio Pass Water Agency	(51,744)	(10,151)	(61,895)
San Luis Obispo County FC and WCD	(56,709)	(11,125)	(67,834)
Santa Barbara County FC and WCD	(359,095)	(70,446)	(429,541)
Santa Clara Valley Water District	(226,966)	(44,524)	(271,490)
Santa Clarita Valley Water Agency	(222,549)	(43,659)	(266,208)
Solano County Water Agency	(113,661)	(22,297)	(135,958)
Tulare Lake Basin WSD	(119,235)	(23,391)	(142,626)
Ventura County Watershed Protection District	(46,096)	(9,043)	(55,139)
City of Yuba	(8,930)	(1,751)	(10,681)
Total	\$ (9,711,545)	\$ (1,905,160)	\$ (11,616,705)

Table DBT.6 – Interest Impact using SMIF for 2021 Water Bonds

Contractor	(Decrease)/Increase in Charges	Interest Impact using SMIF	(Decrease)/Increase in Charges with Interest Impact SMIF
Alameda County Water District	\$ (81,245)	\$ (827)	\$ (82,072)
Alameda County FC and WCD, Zone 7	(179,615)	(1,826)	(181,441)
Antelope Valley-East Kern Water Agency	(276,402)	(2,811)	(279,213)
County of Butte	(25,581)	(260)	(25,841)
Coachella Valley Water District	(266,917)	(2,714)	(269,631)
Crestline-Lake Arrowhead Water Agency	(16,191)	(165)	(16,356)
Desert Water Agency	(127,638)	(1,298)	(128,936)
DRWD	(61,217)	(623)	(61,840)
Empire West Side Irrigation District	(3,211)	(33)	(3,244)
KCWA	(1,473,377)	(14,981)	(1,488,358)
County of Kings	(10,036)	(102)	(10,138)
Littlerock Creek Irrigation District	(4,474)	(45)	(4,519)
Metropolitan Water District of Southern CA	(5,242,568)	(53,310)	(5,295,878)
Mojave Water Agency	(193,798)	(1,970)	(195,768)
Napa County FC and WCD	(94,155)	(958)	(95,113)
Oak Flat Water District	(6,043)	(62)	(6,105)
Palmdale Water District	(37,610)	(383)	(37,993)
Plumas County FC and WCD	(3,425)	(35)	(3,460)
San Bernardino Valley MWD	(318,322)	(3,237)	(321,559)
San Gabriel Valley MWD	(84,735)	(862)	(85,597)
San Geronio Pass Water Agency	(51,744)	(526)	(52,270)
San Luis Obispo County FC and WCD	(56,709)	(577)	(57,286)
Santa Barbara County FC and WCD	(359,095)	(3,652)	(362,747)
Santa Clara Valley Water District	(226,966)	(2,307)	(229,273)
Santa Clarita Valley Water Agency	(222,549)	(2,263)	(224,812)
Solano County Water Agency	(113,661)	(1,156)	(114,817)
Tulare Lake Basin WSD	(119,235)	(1,213)	(120,448)
Ventura County Watershed Protection District	(46,096)	(469)	(46,565)
City of Yuba	(8,930)	(90)	(9,020)
Total	\$ (9,711,545)	\$ (98,755)	\$ (9,810,300)

For direct billed debt service, we determined whether refinanced bonds were credited to the debt service schedules to provide the benefits of such refinancing's to the Contractors. We observed that the direct billed debt service for the following projects were overstated:

Finding AUD-000718	
Finding:	EBX direct billed debt service charged to San Bernardino Valley MWD and San Gorgonio Pass Water Agency was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the EBX project.
Dollar Amount:	Overstatement of debt service charges of \$5,103,125 from 1999 to 2025 Interest impact using the project interest rate – \$1,833,529 Interest impact using SMIF – \$954,402 Actual interest impact to be determined at a later date.
Type:	Overstatement of debt service charges to San Bernardino Valley MWD and San Gorgonio Pass Water Agency
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	San Bernardino Valley MWD and San Gorgonio Pass Water Agency
Recommendation:	The Department should update the 2026 SOC to reflect the benefits of the refinanced debt service to San Bernardino MWD and San Gorgonio Pass Water Agency.
Department Response:	The Department plans to develop a process for correcting these costs as part of the WSRB Debt Service Billing Project. Once determined, the process will be communicated to the impacted Contractors before implementation.

We compared the debt service charged in the SOC from 1999 to 2025 with the EBX debt service schedule that reflects the refinanced debt service and observed overstatement of costs to San Bernardino Valley MWD and San Gorgonio Pass Water Agency. The total overstatement is \$5,103,125, excluding bond cover. The interest impact using the project interest rate is \$1,833,529. The interest impact using SMIF is \$954,402. The actual interest impact will be determined at a later date. The impact by year is as follows:

Table DBT.7 – EBX Refinanced Debt Service Compared to SOC

Year	EBX Refinanced Debt Service	SOC	(Decrease)/ Increase in Charges
1999	\$ 293,541	\$ 366,926	\$ (73,385)
2000	3,842,657	3,842,657	–
2001	3,838,769	3,838,769	–
2002	3,984,191	3,840,769	143,422
2003	5,382,657	3,840,794	1,541,863
2004	6,369,717	6,279,432	90,285
2005	6,968,780	7,667,407	(698,627)
2006	7,948,992	8,328,918	(379,926)
2007	8,130,514	8,334,047	(203,533)
2008	6,225,192	6,051,431	173,761
2009	10,110,869	10,765,531	(654,662)

Table DBT.7 – EBX Refinanced Debt Service Compared to SOC (continued)

Year	EBX Refinanced Debt Service	SOC	(Decrease)/ Increase in Charges
2010	\$ 10,582,731	\$ 10,803,708	\$ (220,977)
2011	10,627,680	10,716,290	(88,610)
2012	10,189,757	10,685,678	(495,921)
2013	12,892,881	12,535,530	357,351
2014	11,620,085	13,555,242	(1,935,157)
2015	24,413,354	24,415,506	(2,152)
2016	24,173,752	24,420,175	(246,423)
2017	24,396,463	24,420,438	(23,975)
2018	25,963,695	26,693,119	(729,424)
2019	28,752,330	28,482,508	269,822
2020	28,094,049	28,926,661	(832,612)
2021	27,982,620	29,005,698	(1,023,078)
2022	27,299,682	27,370,849	(71,167)
2023	23,884,398	23,884,398	–
2024	26,240,244	26,240,244	–
2025	25,631,298	25,631,298	–
Total	\$ 405,840,898	\$ 410,944,023	\$ (5,103,125)

Table DBT.8 – EBX Interest Impact using PIR

Year	(Decrease)/ Increase in Charges	Interest Impact using PIR	(Decrease)/Increase in Charges with Interest Impact (PIR)
1999	\$ (73,385)	\$ (161,725)	\$ (235,110)
2000	–	–	–
2001	–	–	–
2002	143,422	258,308	401,730
2003	1,541,863	2,587,811	4,129,674
2004	90,285	140,941	231,226
2005	(698,627)	(1,012,248)	(1,710,875)
2006	(379,926)	(509,733)	(889,659)
2007	(203,533)	(252,200)	(455,733)
2008	173,761	198,270	372,031
2009	(654,662)	(685,617)	(1,340,279)
2010	(220,977)	(211,614)	(432,591)
2011	(88,610)	(77,258)	(165,868)
2012	(495,921)	(391,735)	(887,656)
2013	357,351	254,265	611,616
2014	(1,935,157)	(1,231,866)	(3,167,023)
2015	(2,152)	(1,216)	(3,368)
2016	(246,423)	(122,316)	(368,739)
2017	(23,975)	(10,329)	(34,304)
2018	(729,424)	(268,553)	(997,977)
2019	269,822	83,173	352,995

Table DBT.8 – EBX Interest Impact using PIR (continued)

Year	(Decrease)/ Increase in Charges	Interest Impact using PIR	(Decrease)/Increase in Charges with Interest Impact (PIR)
2020	\$ (832,612)	\$ (208,952)	\$ (1,041,564)
2021	(1,023,078)	(200,702)	(1,223,780)
2022	(71,167)	(10,233)	(81,400)
2023	–	–	–
2024	–	–	–
2025	–	–	–
Total	\$ (5,103,125)	\$ (1,833,529)	\$ (6,936,654)

Table DBT.9 – EBX Interest Impact using SMIF

Year	(Decrease)/ Increase in Charges	Interest Impact using SMIF	(Decrease)/Increase in Charges with Interest Impact (SMIF)
1999	\$ (73,385)	\$ (203,421)	\$ (276,806)
2000	–	–	–
2001	–	–	–
2002	143,422	118,847	262,269
2003	1,541,863	706,802	2,248,665
2004	90,285	36,817	127,102
2005	(698,627)	(564,888)	(1,263,515)
2006	(379,926)	(520,829)	(900,755)
2007	(203,533)	(299,000)	(502,533)
2008	173,761	120,439	294,200
2009	(654,662)	(140,741)	(795,403)
2010	(220,977)	(17,780)	(238,757)
2011	(88,610)	(5,561)	(94,171)
2012	(495,921)	(23,044)	(518,965)
2013	357,351	11,068	368,419
2014	(1,935,157)	(50,234)	(1,985,391)
2015	(2,152)	(66)	(2,218)
2016	(246,423)	(12,899)	(259,322)
2017	(23,975)	(1,929)	(25,904)
2018	(729,424)	(86,692)	(816,116)
2019	269,822	34,641	304,463
2020	(832,612)	(43,360)	(875,972)
2021	(1,023,078)	(10,403)	(1,033,481)
2022	(71,167)	(2,169)	(73,336)
2023	–	–	–
2024	–	–	–
2025	–	–	–
Total	\$ (5,103,125)	\$ (954,402)	\$ (6,057,527)

Finding AUD-000719	
Finding:	SBA Enlargement direct billed debt service charged to Alameda County FC and WCD, Zone 7 was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the SBA Enlargement.
Dollar Amount:	Overstatement of debt service charges of \$18,033,799 from 2004 to 2025 Interest impact using the project interest rate – \$11,030,587 Interest impact using SMIF – \$1,554,238 Actual interest impact to be determined at a later date.
Type:	Overstatement of debt service charges to Alameda County FC and WCD, Zone 7
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	Alameda County FC and WCD, Zone 7
Recommendation:	The Department should update the 2026 SOC to reflect the benefits of the refinanced debt service to Alameda County FC and WCD, Zone 7.
Department Response:	The Department plans to develop a process for correcting these costs as part of the WSRB Debt Service Billing Project. Once determined, the process will be communicated to the impacted Contractors before implementation.

We compared the debt service charged in the SOC from 2004 to 2025 with the SBA Enlargement debt service schedule that reflects the refinanced debt service and observed overstatement of costs to Alameda County FC and WCD, Zone 7. The total overstatement is \$18,033,799, excluding bond cover. The interest impact using the project interest rate is \$11,030,587. The interest impact using SMIF is \$1,554,238. The actual interest impact will be determined at a later date. The impact by year is as follows:

Table DBT.10 – SBA Enlargement Refinanced Debt Service Compared to SOC

Year	SBA Enlargement Refinanced Debt Service	SOC	(Decrease)/ Increase in Charges
2004	\$ 14,354	\$ -	\$ 14,354
2005	112,154	248,100	(135,946)
2006	447,806	581,510	(133,704)
2007	817,798	953,794	(135,996)
2008	1,007,484	973,705	33,779
2009	6,122,165	6,867,118	(744,953)
2010	7,884,960	8,847,037	(962,077)
2011	8,638,942	9,696,451	(1,057,509)
2012	10,132,021	11,481,293	(1,349,272)
2013	12,701,822	13,755,662	(1,053,840)
2014	11,371,812	14,704,191	(3,332,379)
2015	14,202,120	15,958,955	(1,756,835)
2016	13,703,001	16,085,246	(2,382,245)
2017	13,437,069	15,340,722	(1,903,653)
2018	13,438,596	15,464,016	(2,025,420)
2019	13,729,311	13,714,477	14,834

Table DBT.10 – SBA Enlargement Refinanced Debt Service Compared to SOC (continued)

Year	SBA Enlargement Refinanced Debt Service	SOC	(Decrease)/ Increase in Charges
2020	\$ 13,266,115	\$ 13,814,863	\$ (548,748)
2021	13,196,955	13,715,986	(519,031)
2022	13,397,244	13,503,251	(106,007)
2023	13,472,675	13,421,826	50,849
2024	13,465,308	13,465,308	–
2025	13,289,122	13,289,122	–
Total	\$ 207,848,834	\$ 225,882,633	\$ (18,033,799)

Table DBT.11 – SBA Enlargement Interest Impact using PIR

Year	(Decrease)/ Increase in Charges	Interest Impact using PIR	(Decrease)/Increase in Charges with Interest Impact (PIR)
2004	\$ 14,354	\$ 22,408	\$ 36,762
2005	(135,946)	(196,973)	(332,919)
2006	(133,704)	(179,386)	(313,090)
2007	(135,996)	(168,514)	(304,510)
2008	33,779	38,544	72,323
2009	(744,953)	(780,178)	(1,525,131)
2010	(962,077)	(921,309)	(1,883,386)
2011	(1,057,509)	(922,035)	(1,979,544)
2012	(1,349,272)	(1,065,810)	(2,415,082)
2013	(1,053,840)	(749,835)	(1,803,675)
2014	(3,332,379)	(2,121,298)	(5,453,677)
2015	(1,756,835)	(992,435)	(2,749,270)
2016	(2,382,245)	(1,182,465)	(3,564,710)
2017	(1,903,653)	(820,158)	(2,723,811)
2018	(2,025,420)	(745,702)	(2,771,122)
2019	14,834	4,573	19,407
2020	(548,748)	(137,714)	(686,462)
2021	(519,031)	(101,821)	(620,852)
2022	(106,007)	(15,243)	(121,250)
2023	50,849	4,764	55,613
2024	–	–	–
2025	–	–	–
Total	\$ (18,033,799)	\$ (11,030,587)	\$ (29,064,386)

Table DBT.12 – SBA Enlargement Interest Impact using SMIF

Year	(Decrease)/ Increase in Charges	Interest Impact using SMIF	(Decrease)/Increase in Charges with Interest Impact (SMIF)
2004	\$ 14,354	\$ 5,853	\$ 20,207
2005	(135,946)	(109,921)	(245,867)
2006	(133,704)	(183,291)	(316,995)
2007	(135,996)	(199,785)	(335,781)
2008	33,779	23,414	57,193
2009	(744,953)	(160,152)	(905,105)
2010	(962,077)	(77,409)	(1,039,486)
2011	(1,057,509)	(66,373)	(1,123,882)
2012	(1,349,272)	(62,698)	(1,411,970)
2013	(1,053,840)	(32,639)	(1,086,479)
2014	(3,332,379)	(86,505)	(3,418,884)
2015	(1,756,835)	(54,189)	(1,811,024)
2016	(2,382,245)	(124,696)	(2,506,941)
2017	(1,903,653)	(153,163)	(2,056,816)
2018	(2,025,420)	(240,722)	(2,266,142)
2019	14,834	1,904	16,738
2020	(548,748)	(28,577)	(577,325)
2021	(519,031)	(5,278)	(524,309)
2022	(106,007)	(3,232)	(109,239)
2023	50,849	3,221	54,070
2024	-	-	-
2025	-	-	-
Total	\$ (18,033,799)	\$ (1,554,238)	\$ (19,588,037)

The WSRB Surcharge calculation will be recalculated for all prior years as the Department has hired a third-party consultant to perform a reconciliation of the bond proceeds to the specific projects for which the proceeds were used. Once the reconciliation project is completed, the Department will be able to properly calculate all prior year WSRB Surcharge calculations, which will properly allocate the appropriate debt service to the Contractors as the debt service will be based on the actual capital costs spend for each project. The Department plans to reallocate the WSRB Surcharge for all prior years, once the reconciliation project is complete.

The cost/debt reconciliation project has been in process for approximately ten years. In 2014, the Department recognized that the debt service charges to the Contractors did not equal the capital costs charged to each project. The amount of debt service allocated to a project should only be the amount of capital costs incurred. Any over/under of debt service should be reallocated to Water Systems to be used for general capital projects that benefit the entire project. The Department consulted a third-party consultant to perform a reconciliation (2014 cost/debt reconciliation file) of capital costs and debt service up to May 31, 2014. In 2021, the third-party consultant performed a second reconciliation (2021 cost/debt reconciliation file) for dates between June 1, 2014 and May 31, 2021. In addition, updates were made to the original 2014 cost/debt reconciliation file after its completion date. We received a new version of the file that combined the 2014 and 2021 cost/debt reconciliation files from the Department in the prior year.

The process performed by the third-party consultant on the separate 2014 and 2021 cost/debt reconciliation files included:

1. Capital Cost Data – Data from SAP was downloaded through May 31, 2021. The Department had to decide on a cut-off date for this project based on the fact the project would extend for more than five years. Therefore, no data subsequent to May 31, 2021 was factored into the calculation. In order to validate the data from SAP, the information was reconciled to Bulletin 132-13 and Bulletin 132-21, Table B-10, *Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge*, Table B-13, *Capital and Operating Costs of Project Conservation Facilities to be Reimbursed through Delta Water Charge*, and Table B-26, *Capital Costs of Each Aqueduct Reach to be Reimbursed through the Capital Cost Component of the East Branch Enlargement Transportation Charge Phase 1 and Phase 2*.
2. Debt Data – Debt data was accumulated for each bond series by year and by project. The debt data was obtained from the Department's bond pricing reports and P&I schedules, which are the original source documents for debt data. Only the construction debt was taken from the P&I schedules that represent the capital related debt service. In order to validate the debt data from the bond pricing reports and P&I schedules, the information was reconciled to the WSRB schedules.
3. Cost/Debt Mapping – A summary schedule was created, based on the information accumulated from the capital cost data and debt data as described above. When comparing the cost and debt data, there were specific "judgment calls" and reconciling items made in order to reallocate the debt to the appropriate projects (CB Extension, South Bay Enlargement and Improvement, Tehachapi East Afterbay, EBX, EBE, and WSRB). These judgment calls were primarily determined by Pedro Villalobos, former Chief of Project Cost Branch, through discussions with the third-party consultant.

Recommendation AUD-000720	
Background:	Related to the completion of the cost/debt reconciliation project, there will be decisions made during the pricing report development, recalculation of the WSRB surcharge calculation from 1988 to present, direct debt service reconciliations, rate management credit 51(e) recalculation, debt service reserve fund recalculation, protest item resolutions, and payments/refunds to/from the Contractors. For example, the WSRB surcharge calculation will be recalculated from 1988 to present based on the data finalized as part of the cost/debt reconciliation project and it is important that all the steps and decisions made up to the final output (impact by Contractor) are properly documented.
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	All Contractors
Recommendation:	We recommend the Department work with the Contractors to ensure proper documentation is developed regarding the steps taken to resolve the allocation of costs and debt as a result of certain protest items.

As a result of various protest items, the Department and Contractors will make certain decisions to resolve the allocation of debt. For example, the WSRB surcharge calculation will be recalculated from 1988 to present based on the data finalized as part of the cost/debt reconciliation project. The Department should work with the Contractors to ensure all the steps and decisions made to resolve the allocation of debt are properly documented.

The cost/debt reconciliation project involved the analysis of approximately \$4.8 billion in capital costs and related debt service, which was a process that took over ten years involving several different divisions and offices and several different versions to arrive at the finished product to be used to fix the debt service charged to the Contractors. The Department, along with the assistance of the Contractors, should develop and implement internal controls in order to prevent a similar error from occurring in the future. In doing this, the Department needs to perform a root cause analysis to identify the breakdowns in internal controls that occurred resulting in this error and throughout the process of correcting the error. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Through our review of the cost/debt reconciliation project, we have issued various cost/debt reconciliation project matters. These matters indicate the potential for process improvements. These matters are specific to the cost/debt reconciliation project; however, the related process improvements related to enhanced internal controls can be applicable to future billing and reporting areas impacting the Contractors. Areas of improvement are as follows:

1. Any project, change in the methodology for a billing component, or correction of an error that results in a monetary impact to the Contractors should be supplemented by a white paper that documents the background of the issue, recommended solution to fix the issue, and timeline of completion. This white paper should be approved by members of management of the Department and the Contractors prior to implementation. A standardized white paper template can be developed to assist the Department in meeting the documentation standards of the Contractors.
2. A root cause analysis should be performed by the Department and with the assistance of the Contractors when breakdowns in internal controls occur. This will prevent similar breakdowns from occurring in the future.
3. New policies and procedures should be developed subsequent to any breakdowns in internal controls resulting in a monetary impact to the Contractors. These new policies and procedures will help prevent future internal control breakdowns of similar matters in the future. The new policies and procedures should be approved by members of management of the Department and the Contractors through the SWRDS Finance Committee.
4. The Department should designate certain individuals in charge of the above activities and should include a member from the Division of Fiscal Services, SWPAO, and any other applicable department to ensure the proper experienced individuals are involved. In addition, the Contractors can designate a committee in charge of approving the above activities that would be representative of all Contractors.

Following the completion of the cost/debt reconciliation project, the Department has transitioned to the DIMS project and WSRB Debt Service Billing Project. These next steps consist of pricing report development, recalculation of the WSRB surcharge calculation from 1988 to present, direct debt service reconciliations, rate management credit 51(e) recalculation, debt service reserve fund recalculation, protest item resolutions, and payments/refunds to/from the Contractors. The final cost/debt mapping has been agreed upon by the Contractors, and the first step of adjusting all pricing reports to reflect the final debt to be allocated to each respective project has been performed as part of the DIMS project. DIMS is the Division of Fiscal Services' system of record for WSRB (58 bond series) and power bonds. The bonds are recorded by series and by project. The outputs of DIMS will be used by the Department to complete the remaining steps that are mentioned above, which will be performed in a future SOC. We performed the following procedures in relations to DIMS:

1. Obtained the official statements for each bond series.
2. Obtained from the Division of Fiscal Services the updated pricing reports for each bond series.
3. Agreed the bond par amounts from the official statements to the updated pricing reports for each bond series.
4. Agreed the sources and uses from the updated pricing reports to DIMS output reports by series and by project.
5. Determined whether the proposed debt transfer from the latest cost/debt reconciliation project file was recorded properly in DIMS and the pricing reports by bond series and by project.

The below table documents the comparison of the bond par amount by series per the official statements and per the updated pricing reports:

Table DBT.13 – Comparison of Official Statements to Pricing Reports by Bond Series

Bond Series	Type	Official Statements – Par Amount	Pricing Reports – Par Amount	Difference
A	OAP	\$ 100,000,000	\$ 100,000,000	\$ –
A	OAP	\$ 150,000,000	\$ 150,000,000	\$ –
A	ONAP	\$ 95,800,000	\$ 95,800,000	\$ –
B	OAP	\$ 200,000,000	\$ 200,000,000	\$ –
C	OAP	\$ 125,000,000	\$ 125,000,000	\$ –
D	OAP and ONAP	\$ 75,000,000	\$ 75,000,000	\$ –
E	OAP	\$ 125,000,000	\$ 125,000,000	\$ –
F	OAP and ONAP	\$ 75,000,000	\$ 75,000,000	\$ –
G	ONAP	\$ 239,505,000	\$ 239,505,000	\$ –
H	OAP and ONAP	\$ 206,690,000	\$ 206,690,000	\$ –
A	WSRB	\$ 132,000,000	\$ 132,000,000	\$ –
B	WSRB	\$ 100,000,000	\$ 100,000,000	\$ –
C	WSRB	\$ 9,000,000	\$ 9,000,000	\$ –
D	WSRB	\$ 100,000,000	\$ 100,000,000	\$ –
E	WSRB	\$ 9,000,000	\$ 9,000,000	\$ –
F	WSRB	\$ 160,030,000	\$ 160,030,000	\$ –
G	WSRB	\$ 100,000,000	\$ 100,000,000	\$ –
H	WSRB	\$ 100,000,000	\$ 100,000,000	\$ –
I	WSRB	\$ 180,000,000	\$ 180,000,000	\$ –
J	WSRB	\$ 649,835,000	\$ 649,835,000	\$ –
K	WSRB	\$ 100,000,000	\$ 100,000,000	\$ –
L	WSRB	\$ 537,830,000	\$ 537,830,000	\$ –
M	WSRB	\$ 190,000,000	\$ 190,000,000	\$ –
N	WSRB	\$ 152,000,000	\$ 152,000,000	\$ –
O	WSRB	\$ 335,000,000	\$ 335,000,000	\$ –
P	WSRB	\$ 160,000,000	\$ 160,000,000	\$ –
Q	WSRB	\$ 266,630,000	\$ 266,630,000	\$ –
R	WSRB	\$ 20,700,000	\$ 20,700,000	\$ –
S	WSRB	\$ 200,205,000	\$ 200,205,000	\$ –
T	WSRB	\$ 135,665,000	\$ 135,665,000	\$ –
U	WSRB	\$ 207,180,000	\$ 207,180,000	\$ –
V	WSRB	\$ 20,580,000	\$ 20,580,000	\$ –
W	WSRB	\$ 260,995,000	\$ 260,995,000	\$ –
X	WSRB	\$ 160,225,000	\$ 160,225,000	\$ –
Y	WSRB	\$ 329,885,000	\$ 329,885,000	\$ –
Z	WSRB	\$ 170,655,000	\$ 170,655,000	\$ –
AA	WSRB	\$ 108,705,000	\$ 108,705,000	\$ –
AB	WSRB	\$ 189,625,000	\$ 189,625,000	\$ –
AC	WSRB	\$ 272,070,000	\$ 272,070,000	\$ –
AD	WSRB	\$ 112,390,000	\$ 112,390,000	\$ –

Table DBT.13 – Comparison of Official Statements to Pricing Reports by Bond Series
(continued)

Bond Series	Type	Official Statements – Par Amount	Pricing Reports – Par Amount	Difference
AE	WSRB	\$ 632,890,000	\$ 632,890,000	\$ –
AF	WSRB	\$ 287,735,000	\$ 287,735,000	\$ –
AG	WSRB	\$ 169,115,000	\$ 169,115,000	\$ –
AH	WSRB	\$ 97,675,000	\$ 97,675,000	\$ –
AI	WSRB	\$ 92,275,000	\$ 92,275,000	\$ –
AJ	WSRB	\$ 216,930,000	\$ 216,930,000	\$ –
AK	WSRB	\$ 36,370,000	\$ 36,370,000	\$ –
AL	WSRB	\$ 105,875,000	\$ 105,875,000	\$ –
AM	WSRB	\$ 183,960,000	\$ 183,960,000	\$ –
AN	WSRB	\$ 49,525,000	\$ 49,525,000	\$ –
AO	WSRB	\$ 317,505,000	\$ 317,505,000	\$ –
AP	WSRB	\$ 45,340,000	\$ 45,340,000	\$ –
AQ	WSRB	\$ 120,205,000	\$ 120,205,000	\$ –
AR	WSRB	\$ 161,445,000	\$ 161,445,000	\$ –
AS	WSRB	\$ 645,795,000	\$ 645,795,000	\$ –
AT	WSRB	\$ 149,245,000	\$ 149,245,000	\$ –
AU	WSRB	\$ 109,275,000	\$ 109,275,000	\$ –
AV	WSRB	\$ 106,530,000	\$ 106,530,000	\$ –
AW	WSRB	\$ 428,130,000	\$ 428,130,000	\$ –
AX	WSRB	\$ 350,670,000	\$ 350,670,000	\$ –
AY	WSRB	\$ 140,825,000	\$ 140,825,000	\$ –
AZ	WSRB	\$ 215,295,000	\$ 215,295,000	\$ –
BA	WSRB	\$ 299,590,000	\$ 299,590,000	\$ –
BB	WSRB	\$ 544,210,000	\$ 544,210,000	\$ –
BC	WSRB	\$ 515,150,000	\$ 515,150,000	\$ –
BD	WSRB	\$ 217,640,000	\$ 217,640,000	\$ –
BE	WSRB	\$ 316,160,000	\$ 316,160,000	\$ –
BF	WSRB	\$ 248,260,000	\$ 248,260,000	\$ –

The below table documents the comparison of the sources per the updated pricing reports and per the DIMS output reports. The sources were compared by bond series and by project. Sources included the following categories: accrued interest, cash, debt service reserve fund release, debt service reserve funded from revenues, equity contribution, interest set asides, other refunded bond proceeds, par amount, premium/discount, and principal set asides. For project allocations that are classified as series refunds, the amount allocated is used to refund a previously issued bond series.

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project

Bond Series	Type	Project	Pricing Report	DIMS	Difference
A	OAP	Alamo Facilities	\$ 25,044,792	\$ 25,044,792	\$ –
A	OAP	Bottle Rock Project	\$ 75,134,375	\$ 75,134,375	\$ –
A	OAP	Reid Gardner Project	\$ 149,081,250	\$ 149,081,250	\$ –
A	ONAP	Pyramid Hydroelectric Project	\$ 104,445,087	\$ 104,445,087	\$ –
B	OAP	Reid Gardner Project	\$ 77,697,160	\$ 77,697,160	\$ –
B	OAP	A Series Refund	\$ 165,720,628	\$ 165,720,628	\$ –
C	OAP	Reid Gardner Project	\$ 133,332,587	\$ 133,332,587	\$ –
D	ONAP	Small Hydro Project	\$ 40,709,722	\$ 40,709,722	\$ –
D	OAP	South Geysers Project	\$ 39,811,146	\$ 39,811,146	\$ –
E	OAP	Bottle Rock Project	\$ 53,190,696	\$ 53,190,696	\$ –
E	OAP	A Series Refund	\$ 83,574,489	\$ 83,574,489	\$ –
F	ONAP	Alamo Facilities	\$ 26,625,697	\$ 26,625,697	\$ –
F	OAP	South Geysers Project	\$ 27,313,967	\$ 27,313,967	\$ –
F	OAP	A Series Refund	\$ 27,856,716	\$ 27,856,716	\$ –
G	OAP	Reid Gardner Project	\$ 1,444,671	\$ 1,444,671	\$ –
G	OAP	B Series Refund	\$ 264,947,231	\$ 264,947,231	\$ –
H	ONAP	Alamo Facilities	\$ 1,780,824	\$ 1,780,824	\$ –
H	ONAP	Pyramid Hydroelectric Project	\$ 5,363,589	\$ 5,363,589	\$ –
H	OAP	Reid Gardner Project	\$ 14,543,073	\$ 14,543,073	\$ –
H	OAP	C Series Refund	\$ 136,073,959	\$ 136,073,959	\$ –
H	ONAP	D Series Refund	\$ 67,231,329	\$ 67,231,329	\$ –
A	WSRB	East Branch Enlargement - Phase I	\$ 132,958,475	\$ 132,958,475	\$ –
B	WSRB	Additional East Branch Improvements	\$ 8,471,754	\$ 8,471,754	\$ –
B	WSRB	Delta Facilities Program	\$ 5,298,647	\$ 5,298,647	\$ –
B	WSRB	Delta Pumping Plant Completion	\$ 2,120,483	\$ 2,120,483	\$ –
B	WSRB	North Bay Aqueduct - Phase II	\$ 42,637,974	\$ 42,637,974	\$ –
B	WSRB	Project Monitor and Control System	\$ 26,189,428	\$ 26,189,428	\$ –
B	WSRB	Project Planning Costs	\$ 6,882,803	\$ 6,882,803	\$ –
B	WSRB	Suisun Marsh Environmental Facilities	\$ 11,588,122	\$ 11,588,122	\$ –
C	WSRB	Additional East Branch Improvements	\$ 693,028	\$ 693,028	\$ –
C	WSRB	Delta Facilities Program	\$ 748,270	\$ 748,270	\$ –
C	WSRB	Delta Pumping Plant Completion	\$ 175,768	\$ 175,768	\$ –
C	WSRB	North Bay Aqueduct - Phase II	\$ 3,475,186	\$ 3,475,186	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
C	WSRB	Project Monitor and Control System	\$ 2,134,326	\$ 2,134,326	\$ –
C	WSRB	Project Planning Costs	\$ 562,458	\$ 562,458	\$ –
C	WSRB	Suisun Marsh Environmental Facilities	\$ 1,250,464	\$ 1,250,464	\$ –
D	WSRB	Additional East Branch Improvements	\$ 8,883,661	\$ 8,883,661	\$ –
D	WSRB	Bottle Rock Project	\$ 17,832,632	\$ 17,832,632	\$ –
D	WSRB	Delta Pumping Plant Completion	\$ 4,755,699	\$ 4,755,699	\$ –
D	WSRB	East Branch Enlargement - Phase I	\$ 6,176,868	\$ 6,176,868	\$ –
D	WSRB	North Bay Aqueduct - Phase II	\$ 19,439,606	\$ 19,439,606	\$ –
D	WSRB	Project Monitor and Control System	\$ 10,254,639	\$ 10,254,639	\$ –
D	WSRB	Project Planning Costs	\$ 17,024,127	\$ 17,024,127	\$ –
D	WSRB	San Luis Rock Quarry	\$ 7,206,334	\$ 7,206,334	\$ –
D	WSRB	South Geysers Project	\$ 3,595,689	\$ 3,595,689	\$ –
D	WSRB	Suisun Marsh Environmental Facilities	\$ 5,267,884	\$ 5,267,884	\$ –
E	WSRB	Additional East Branch Improvements	\$ 752,312	\$ 752,312	\$ –
E	WSRB	Bottle Rock Project	\$ 1,504,625	\$ 1,504,625	\$ –
E	WSRB	Delta Pumping Plant Completion	\$ 398,576	\$ 398,576	\$ –
E	WSRB	East Branch Enlargement - Phase I	\$ 523,131	\$ 523,131	\$ –
E	WSRB	North Bay Aqueduct - Phase II	\$ 1,639,144	\$ 1,639,144	\$ –
E	WSRB	Project Monitor and Control System	\$ 866,903	\$ 866,903	\$ –
E	WSRB	Project Planning Costs	\$ 1,434,874	\$ 1,434,874	\$ –
E	WSRB	San Luis Rock Quarry	\$ 607,829	\$ 607,829	\$ –
E	WSRB	South Geysers Project	\$ 303,914	\$ 303,914	\$ –
E	WSRB	Suisun Marsh Environmental Facilities	\$ 936,654	\$ 936,654	\$ –
F	WSRB	G Series Refund	\$ 165,992,555	\$ 165,992,555	\$ –
G	WSRB	Additional East Branch Improvements	\$ 9,551,057	\$ 9,551,057	\$ –
G	WSRB	Delta Pumping Plant Completion	\$ 12,996,093	\$ 12,996,093	\$ –
G	WSRB	Kern Water Bank	\$ 39,906,688	\$ 39,906,688	\$ –
G	WSRB	Midway-Wheeler Ridge Line	\$ 13,475,329	\$ 13,475,329	\$ –
G	WSRB	Project Monitor and Control System	\$ 13,575,218	\$ 13,575,218	\$ –
G	WSRB	Project Planning Costs	\$ 10,349,949	\$ 10,349,949	\$ –
H	WSRB	Additional East Branch Improvements	\$ 13,316,199	\$ 13,316,199	\$ –
H	WSRB	Delta Facilities Program	\$ 8,140,425	\$ 8,140,425	\$ –
H	WSRB	Delta Pumping Plant Completion	\$ 38,614,230	\$ 38,614,230	\$ –
H	WSRB	East Branch Enlargement - Phase I	\$ 16,003,325	\$ 16,003,325	\$ –
H	WSRB	Kern Water Bank	\$ 2,498,794	\$ 2,498,794	\$ –
H	WSRB	North Bay Aqueduct - Phase II	\$ 5,448,339	\$ 5,448,339	\$ –
H	WSRB	Project Planning Costs	\$ 15,130,815	\$ 15,130,815	\$ –
I	WSRB	Additional East Branch Improvements	\$ 11,570,986	\$ 11,570,986	\$ –
I	WSRB	Delta Pumping Plant Completion	\$ 2,923,790	\$ 2,923,790	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
I	WSRB	Devil Canyon 2nd Afterbay	\$ 20,267,048	\$ 20,267,048	\$ –
I	WSRB	East Branch Enlargement - Phase I	\$ 130,880,987	\$ 130,880,987	\$ –
I	WSRB	Project Monitor and Control System	\$ 3,712,902	\$ 3,712,902	\$ –
I	WSRB	Project Planning Costs	\$ 9,341,600	\$ 9,341,600	\$ –
J	WSRB	A Series Refund	\$ 100,293,433	\$ 100,293,433	\$ –
J	WSRB	D Series Refund	\$ 117,120,265	\$ 117,120,265	\$ –
J	WSRB	E Series Refund	\$ 132,511,190	\$ 132,511,190	\$ –
J	WSRB	F Series Refund	\$ 83,367,043	\$ 83,367,043	\$ –
J	WSRB	H Series Refund	\$ 165,501,476	\$ 165,501,476	\$ –
J	WSRB	B Series Refund	\$ 88,908,108	\$ 88,908,108	\$ –
K	WSRB	Additional East Branch Improvements	\$ 15,431,115	\$ 15,431,115	\$ –
K	WSRB	Delta Pumping Plant Completion	\$ 26,384,818	\$ 26,384,818	\$ –
K	WSRB	East Branch Enlargement - Phase I	\$ 34,449,956	\$ 34,449,956	\$ –
K	WSRB	Project Monitor and Control System	\$ 3,354,862	\$ 3,354,862	\$ –
K	WSRB	Project Planning Costs	\$ 19,452,168	\$ 19,452,168	\$ –
L	WSRB	D Series Refund	\$ 6,951,980	\$ 6,951,980	\$ –
L	WSRB	A Series Refund	\$ 139,187,166	\$ 139,187,166	\$ –
L	WSRB	B Series Refund	\$ 12,598,101	\$ 12,598,101	\$ –
L	WSRB	G Series Refund	\$ 105,647,633	\$ 105,647,633	\$ –
L	WSRB	H Series Refund	\$ 107,203,252	\$ 107,203,252	\$ –
L	WSRB	I Series Refund	\$ 191,086,292	\$ 191,086,292	\$ –
M	WSRB	Additional East Branch Improvements	\$ 59,305,062	\$ 59,305,062	\$ –
M	WSRB	Arroyo Pasajero Program	\$ 680,458	\$ 680,458	\$ –
M	WSRB	Coastal Branch-Phase II	\$ 26,884,570	\$ 26,884,570	\$ –
M	WSRB	Delta Facilities Program	\$ 5,992,346	\$ 5,992,346	\$ –
M	WSRB	East Branch Enlargement - Phase I	\$ 18,199,834	\$ 18,199,834	\$ –
M	WSRB	Project Monitor and Control System	\$ 43,684,094	\$ 43,684,094	\$ –
M	WSRB	Project Planning Costs	\$ 18,879,577	\$ 18,879,577	\$ –
M	WSRB	San Bernardino Tunnel Intake	\$ 2,869,670	\$ 2,869,670	\$ –
M	WSRB	Vista Del Lago	\$ 10,914,222	\$ 10,914,222	\$ –
N	WSRB	Additional East Branch Improvements	\$ 14,670,000	\$ 14,670,000	\$ –
N	WSRB	Arroyo Pasajero Program	\$ 1,475,000	\$ 1,475,000	\$ –
N	WSRB	Coastal Branch-Phase II	\$ 67,595,000	\$ 67,595,000	\$ –
N	WSRB	Coastal Off-Peak Pumping	\$ 9,025,000	\$ 9,025,000	\$ –
N	WSRB	Devil Canyon 2nd Afterbay	\$ 33,845,000	\$ 33,845,000	\$ –
N	WSRB	East Branch Enlargement - Phase I	\$ 4,865,000	\$ 4,865,000	\$ –
N	WSRB	Project Monitor and Control System	\$ 20,525,000	\$ 20,525,000	\$ –
O	WSRB	Coastal Branch-Phase II	\$ 164,206,156	\$ 164,206,156	\$ –
O	WSRB	East Branch Enlargement - Phase I	\$ 11,231,512	\$ 11,231,512	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
O	WSRB	San Bernardino Tunnel Intake	\$ 358,047	\$ 358,047	\$ –
O	WSRB	N Series Refund	\$ 162,289,919	\$ 162,289,919	\$ –
P	WSRB	Additional East Branch Improvements	\$ 1,341,770	\$ 1,341,770	\$ –
P	WSRB	Coastal Branch-Phase II	\$ 109,295,860	\$ 109,295,860	\$ –
P	WSRB	Coastal Off-Peak Pumping	\$ 24,815,212	\$ 24,815,212	\$ –
P	WSRB	Delta Facilities Program	\$ 783,449	\$ 783,449	\$ –
P	WSRB	East Branch Enlargement - Phase I	\$ 7,160,373	\$ 7,160,373	\$ –
P	WSRB	Project Monitor and Control System	\$ 4,361,407	\$ 4,361,407	\$ –
P	WSRB	San Bernardino Tunnel Intake	\$ 10,624,434	\$ 10,624,434	\$ –
Q	WSRB	Coastal Branch Extension	\$ 36,394,221	\$ 36,394,221	\$ –
Q	WSRB	Coastal Branch-Phase II	\$ 84,330,317	\$ 84,330,317	\$ –
Q	WSRB	East Branch Enlargement - Phase I	\$ 5,341,749	\$ 5,341,749	\$ –
Q	WSRB	Project Planning Costs	\$ 16,029,474	\$ 16,029,474	\$ –
Q	WSRB	San Bernardino Tunnel Intake	\$ 11,124,186	\$ 11,124,186	\$ –
Q	WSRB	J Series Refund	\$ 37,405,837	\$ 37,405,837	\$ –
Q	WSRB	K Series Refund	\$ 57,057,018	\$ 57,057,018	\$ –
Q	WSRB	O Series Refund	\$ 7,614,793	\$ 7,614,793	\$ –
Q	WSRB	P Series Refund	\$ 12,526,877	\$ 12,526,877	\$ –
R	WSRB	Coastal Branch-Phase II	\$ 190,000	\$ 190,000	\$ –
R	WSRB	C Series Refund	\$ 10,993,750	\$ 10,993,750	\$ –
R	WSRB	E Series Refund	\$ 11,293,690	\$ 11,293,690	\$ –
S	WSRB	Additional East Branch Improvements	\$ 9,689,754	\$ 9,689,754	\$ –
S	WSRB	Coastal Branch-Phase II	\$ 28,220,643	\$ 28,220,643	\$ –
S	WSRB	Delta Facilities Program	\$ 1,679,443	\$ 1,679,443	\$ –
S	WSRB	Devil Canyon 2nd Afterbay	\$ 16,720,834	\$ 16,720,834	\$ –
S	WSRB	East Branch Enlargement - Phase I	\$ 2,443,180	\$ 2,443,180	\$ –
S	WSRB	East Branch Extension - Phase I	\$ 4,563,349	\$ 4,563,349	\$ –
S	WSRB	FRIP	\$ 5,943,366	\$ 5,943,366	\$ –
S	WSRB	Project Planning Costs	\$ 4,479,746	\$ 4,479,746	\$ –
S	WSRB	Reid Gardner Project	\$ 2,281,643	\$ 2,281,643	\$ –
S	WSRB	San Bernardino Tunnel Intake	\$ 13,234,390	\$ 13,234,390	\$ –
S	WSRB	J Series Refund	\$ 48,133,261	\$ 48,133,261	\$ –
S	WSRB	K Series Refund	\$ 39,962,661	\$ 39,962,661	\$ –
S	WSRB	O Series Refund	\$ 7,414,342	\$ 7,414,342	\$ –
S	WSRB	P Series Refund	\$ 16,876,674	\$ 16,876,674	\$ –
T	WSRB	F Series Refund	\$ 155,848,784	\$ 155,848,784	\$ –
U	WSRB	Coastal Branch-Phase II	\$ 9,839,749	\$ 9,839,749	\$ –
U	WSRB	Coastal Off-Peak Pumping	\$ 810,423	\$ 810,423	\$ –
U	WSRB	East Branch Enlargement - Phase I	\$ 33,821,511	\$ 33,821,511	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
U	WSRB	East Branch Enlargement - Phase II	\$ 1,067,033	\$ 1,067,033	\$ –
U	WSRB	East Branch Extension - Phase I	\$ 53,127,842	\$ 53,127,842	\$ –
U	WSRB	FRIP	\$ 8,279,061	\$ 8,279,061	\$ –
U	WSRB	Reid Gardner Project	\$ 1,816,903	\$ 1,816,903	\$ –
U	WSRB	San Bernardino Tunnel Intake	\$ 906,096	\$ 906,096	\$ –
U	WSRB	G Series Refund	\$ 2,753,244	\$ 2,753,244	\$ –
U	WSRB	H Series Refund	\$ 2,513,292	\$ 2,513,292	\$ –
U	WSRB	I Series Refund	\$ 4,514,516	\$ 4,514,516	\$ –
U	WSRB	J Series Refund	\$ 19,271,787	\$ 19,271,787	\$ –
U	WSRB	P Series Refund	\$ 54,249,043	\$ 54,249,043	\$ –
U	WSRB	Q Series Refund	\$ 21,002,062	\$ 21,002,062	\$ –
V	WSRB	R Series Refund	\$ 22,331,158	\$ 22,331,158	\$ –
V	WSRB	V Series Refund	\$ 1,011,370	\$ 1,011,370	\$ –
W	WSRB	Coastal Branch Extension	\$ 974,967	\$ 974,967	\$ –
W	WSRB	Delta Facilities Program	\$ 21,284,411	\$ 21,284,411	\$ –
W	WSRB	FRIP	\$ 16,524,436	\$ 16,524,436	\$ –
W	WSRB	Reid Gardner Project	\$ 2,320,028	\$ 2,320,028	\$ –
W	WSRB	Small Hydro Project	\$ 4,104,832	\$ 4,104,832	\$ –
W	WSRB	J Series Refund	\$ 230,215,681	\$ 230,215,681	\$ –
X	WSRB	Delta Facilities Program	\$ 11,705,222	\$ 11,705,222	\$ –
X	WSRB	East Branch Extension - Improvements	\$ 556,472	\$ 556,472	\$ –
X	WSRB	East Branch Extension - Phase I	\$ 31,923,010	\$ 31,923,010	\$ –
X	WSRB	Reid Gardner Project	\$ 1,107,426	\$ 1,107,426	\$ –
X	WSRB	J Series Refund	\$ 79,292,408	\$ 79,292,408	\$ –
X	WSRB	K Series Refund	\$ 3,219,544	\$ 3,219,544	\$ –
X	WSRB	M Series Refund	\$ 5,065,150	\$ 5,065,150	\$ –
X	WSRB	Q Series Refund	\$ 21,724,998	\$ 21,724,998	\$ –
X	WSRB	T Series Refund	\$ 104,595	\$ 104,595	\$ –
X	WSRB	U Series Refund	\$ 3,479,440	\$ 3,479,440	\$ –
X	WSRB	W Series Refund	\$ 14,441,013	\$ 14,441,013	\$ –
X	WSRB	X Series Refund	\$ 1,408,504	\$ 1,408,504	\$ –
Y	WSRB	L Series Refund	\$ 350,060,592	\$ 350,060,592	\$ –
Z	WSRB	M Series Refund	\$ 89,167,798	\$ 89,167,798	\$ –
Z	WSRB	O Series Refund	\$ 53,441,302	\$ 53,441,302	\$ –
Z	WSRB	Q Series Refund	\$ 17,998,114	\$ 17,998,114	\$ –
Z	WSRB	S Series Refund	\$ 8,472,529	\$ 8,472,529	\$ –
Z	WSRB	U Series Refund	\$ 18,505,722	\$ 18,505,722	\$ –
AA	WSRB	L Series Refund	\$ 128,978,984	\$ 128,978,984	\$ –
AB	WSRB	Delta Facilities Program	\$ 31,947,498	\$ 31,947,498	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AB	WSRB	East Branch Extension - Phase I	\$ 46,378,627	\$ 46,378,627	\$ -
AB	WSRB	FRIP	\$ 1,070,084	\$ 1,070,084	\$ -
AB	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 7,280,569	\$ 7,280,569	\$ -
AB	WSRB	North Bay Aqueduct - Phase II	\$ 320,025	\$ 320,025	\$ -
AB	WSRB	Reid Gardner Project	\$ 885,069	\$ 885,069	\$ -
AB	WSRB	South Bay Aqueduct Enlargement	\$ 4,965,388	\$ 4,965,388	\$ -
AB	WSRB	Tehachapi East Afterbay	\$ 8,235,644	\$ 8,235,644	\$ -
AB	WSRB	L Series Refund	\$ 13,289,850	\$ 13,289,850	\$ -
AB	WSRB	M Series Refund	\$ 87,535,010	\$ 87,535,010	\$ -
AC	WSRB	Delta Facilities Program	\$ 7,247,549	\$ 7,247,549	\$ -
AC	WSRB	East Branch Extension - Phase I	\$ 1,118,168	\$ 1,118,168	\$ -
AC	WSRB	FRIP	\$ 3,343,878	\$ 3,343,878	\$ -
AC	WSRB	South Bay Aqueduct Enlargement	\$ 3,401,531	\$ 3,401,531	\$ -
AC	WSRB	O Series Refund	\$ 88,129,447	\$ 88,129,447	\$ -
AC	WSRB	P Series Refund	\$ 31,459,013	\$ 31,459,013	\$ -
AC	WSRB	Q Series Refund	\$ 103,331,140	\$ 103,331,140	\$ -
AC	WSRB	S Series Refund	\$ 29,720,800	\$ 29,720,800	\$ -
AC	WSRB	U Series Refund	\$ 12,576,582	\$ 12,576,582	\$ -
AC	WSRB	W Series Refund	\$ 13,704,904	\$ 13,704,904	\$ -
AD	WSRB	Arroyo Pasajero Program	\$ 408,724	\$ 408,724	\$ -
AD	WSRB	Tehachapi East Afterbay	\$ 13,635,667	\$ 13,635,667	\$ -
AD	WSRB	O Series Refund	\$ 25,559,279	\$ 25,559,279	\$ -
AD	WSRB	P Series Refund	\$ 38,246,519	\$ 38,246,519	\$ -
AD	WSRB	S Series Refund	\$ 38,368,135	\$ 38,368,135	\$ -
AD	WSRB	U Series Refund	\$ 4,764,945	\$ 4,764,945	\$ -
AD	WSRB	W Series Refund	\$ 7,328,939	\$ 7,328,939	\$ -
AE	WSRB	Arroyo Pasajero Program	\$ 4,347,481	\$ 4,347,481	\$ -
AE	WSRB	Delta Facilities Program	\$ 8,846,232	\$ 8,846,232	\$ -
AE	WSRB	East Branch Extension - Phase II	\$ 22,123,910	\$ 22,123,910	\$ -
AE	WSRB	FRIP	\$ 108,055,687	\$ 108,055,687	\$ -
AE	WSRB	Reid Gardner Project	\$ 17,846,763	\$ 17,846,763	\$ -
AE	WSRB	South Bay Aqueduct Enlargement	\$ 48,477,396	\$ 48,477,396	\$ -
AE	WSRB	South Bay Off-Peak Pumping	\$ 17,021,461	\$ 17,021,461	\$ -
AE	WSRB	Tehachapi East Afterbay	\$ 23,596,673	\$ 23,596,673	\$ -
AE	WSRB	East Branch Extension - Improvements	\$ 2,109,997	\$ 2,109,997	\$ -
AE	WSRB	East Branch Extension - Phase II	\$ 5,589,992	\$ 5,589,992	\$ -
AE	WSRB	FRIP	\$ 49,082,345	\$ 49,082,345	\$ -
AE	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 25,157,341	\$ 25,157,341	\$ -
AE	WSRB	Project Planning Costs	\$ 751,075	\$ 751,075	\$ -

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AE	WSRB	Reid Gardner Project	\$ 5,801,250	\$ 5,801,250	\$ –
AE	WSRB	South Bay Aqueduct Enlargement	\$ 9,372,340	\$ 9,372,340	\$ –
AE	WSRB	Tehachapi East Afterbay	\$ 43,882,742	\$ 43,882,742	\$ –
AE	WSRB	AE Series Refund	\$ 274,867,771	\$ 274,867,771	\$ –
AE	WSRB	AB Series Refund	\$ 186,520,294	\$ 186,520,294	\$ –
AE	WSRB	S Series Refund	\$ 64,194,565	\$ 64,194,565	\$ –
AE	WSRB	U Series Refund	\$ 3,663,331	\$ 3,663,331	\$ –
AF	WSRB	Reid Gardner Project	\$ 11,764,284	\$ 11,764,284	\$ –
AF	WSRB	South Bay Aqueduct Enlargement	\$ 25,485,921	\$ 25,485,921	\$ –
AF	WSRB	Q Series Refund	\$ 57,832,442	\$ 57,832,442	\$ –
AF	WSRB	T Series Refund	\$ 75,705,484	\$ 75,705,484	\$ –
AF	WSRB	U Series Refund	\$ 141,486,826	\$ 141,486,826	\$ –
AF	WSRB	AF Series Refund	\$ 1,524,190	\$ 1,524,190	\$ –
AG	WSRB	South Bay Aqueduct Enlargement	\$ 10,809,124	\$ 10,809,124	\$ –
AG	WSRB	O Series Refund	\$ 129,338,209	\$ 129,338,209	\$ –
AG	WSRB	S Series Refund	\$ 44,045,853	\$ 44,045,853	\$ –
AG	WSRB	AG Series Refund	\$ 117,375	\$ 117,375	\$ –
AH	WSRB	Delta Facilities Program	\$ 1,796,759	\$ 1,796,759	\$ –
AH	WSRB	FRIP	\$ 44,256,331	\$ 44,256,331	\$ –
AH	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 1,152,979	\$ 1,152,979	\$ –
AH	WSRB	Reid Gardner Project	\$ 2,243,668	\$ 2,243,668	\$ –
AH	WSRB	South Bay Aqueduct Enlargement	\$ 27,678,986	\$ 27,678,986	\$ –
AH	WSRB	Tehachapi East Afterbay	\$ 995,346	\$ 995,346	\$ –
AH	WSRB	AC Series Refund	\$ 5,062,081	\$ 5,062,081	\$ –
AH	WSRB	W Series Refund	\$ 3,142,265	\$ 3,142,265	\$ –
AH	WSRB	X Series Refund	\$ 25,408,188	\$ 25,408,188	\$ –
AH	WSRB	AH Series Refund	\$ 68,052	\$ 68,052	\$ –
AI	WSRB	W Series Refund	\$ 106,630,575	\$ 106,630,575	\$ –
AI	WSRB	AI Series Refund	\$ 2,606,711	\$ 2,606,711	\$ –
AJ	WSRB	East Branch Extension - Improvements	\$ 3,341,812	\$ 3,341,812	\$ –
AJ	WSRB	East Branch Extension - Phase II	\$ 8,252,299	\$ 8,252,299	\$ –
AJ	WSRB	FRIP	\$ 36,292,541	\$ 36,292,541	\$ –
AJ	WSRB	South Bay Aqueduct Enlargement	\$ 26,957,978	\$ 26,957,978	\$ –
AJ	WSRB	Tehachapi East Afterbay	\$ 200,006	\$ 200,006	\$ –
AJ	WSRB	AA Series Refund	\$ 42,109,644	\$ 42,109,644	\$ –
AJ	WSRB	AC Series Refund	\$ 37,337,953	\$ 37,337,953	\$ –
AJ	WSRB	AD Series Refund	\$ 1,848,386	\$ 1,848,386	\$ –
AJ	WSRB	X Series Refund	\$ 3,086,344	\$ 3,086,344	\$ –
AJ	WSRB	Y Series Refund	\$ 83,739,132	\$ 83,739,132	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AJ	WSRB	Z Series Refund	\$ 7,334,125	\$ 7,334,125	\$ –
AJ	WSRB	AJ Series Refund	\$ 322,701	\$ 322,701	\$ –
AK	WSRB	Delta Facilities Program	\$ 800,002	\$ 800,002	\$ –
AK	WSRB	East Branch Extension - Phase II	\$ 4,676,245	\$ 4,676,245	\$ –
AK	WSRB	FRIP	\$ 20,218,860	\$ 20,218,860	\$ –
AK	WSRB	South Bay Aqueduct Enlargement	\$ 7,787,517	\$ 7,787,517	\$ –
AK	WSRB	Tehachapi East Afterbay	\$ 146,275	\$ 146,275	\$ –
AK	WSRB	AC Series Refund	\$ 9,114,029	\$ 9,114,029	\$ –
AK	WSRB	X Series Refund	\$ 430,034	\$ 430,034	\$ –
AL	WSRB	X Series Refund	\$ 63,509,714	\$ 63,509,714	\$ –
AL	WSRB	Z Series Refund	\$ 62,006,660	\$ 62,006,660	\$ –
AL	WSRB	AL Series Refund	\$ 202,181	\$ 202,181	\$ –
AM	WSRB	AA Series Refund	\$ 71,711,921	\$ 71,711,921	\$ –
AM	WSRB	Y Series Refund	\$ 146,546,719	\$ 146,546,719	\$ –
AN	WSRB	Delta Facilities Program	\$ 7,831,971	\$ 7,831,971	\$ –
AN	WSRB	East Branch Extension - Phase II	\$ 8,826,411	\$ 8,826,411	\$ –
AN	WSRB	FRIP	\$ 19,071,262	\$ 19,071,262	\$ –
AN	WSRB	South Bay Aqueduct Enlargement	\$ 4,761,791	\$ 4,761,791	\$ –
AN	WSRB	South Bay Off-Peak Pumping	\$ 4,876,318	\$ 4,876,318	\$ –
AN	WSRB	Tehachapi East Afterbay	\$ 107,989	\$ 107,989	\$ –
AN	WSRB	AD Series Refund	\$ 14,374,140	\$ 14,374,140	\$ –
AO	WSRB	AC Series Refund	\$ 215,855,268	\$ 215,855,268	\$ –
AO	WSRB	AD Series Refund	\$ 106,981,531	\$ 106,981,531	\$ –
AO	WSRB	AO Series Refund	\$ 261,830	\$ 261,830	\$ –
AP	WSRB	Delta Facilities Program	\$ 1,813,808	\$ 1,813,808	\$ –
AP	WSRB	East Branch Extension - Improvements	\$ 2,997,765	\$ 2,997,765	\$ –
AP	WSRB	East Branch Extension - Phase II	\$ 14,292,331	\$ 14,292,331	\$ –
AP	WSRB	FRIP	\$ 23,256,115	\$ 23,256,115	\$ –
AP	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 96,707	\$ 96,707	\$ –
AP	WSRB	South Bay Aqueduct Enlargement	\$ 7,424,103	\$ 7,424,103	\$ –
AP	WSRB	Tehachapi East Afterbay	\$ 285,388	\$ 285,388	\$ –
AP	WSRB	Therm PP Clean-Up and Reconstruction	\$ 752,612	\$ 752,612	\$ –
AQ	WSRB	East Branch Extension - Phase II	\$ 133,897,394	\$ 133,897,394	\$ –
AR	WSRB	Arroyo Pasajero Program	\$ 261,905	\$ 261,905	\$ –
AR	WSRB	Delta Facilities Program	\$ 9,187,126	\$ 9,187,126	\$ –
AR	WSRB	East Branch Extension - Improvements	\$ 3,102,761	\$ 3,102,761	\$ –
AR	WSRB	East Branch Extension - Phase II	\$ 45,294,361	\$ 45,294,361	\$ –
AR	WSRB	FRIP	\$ 49,444,008	\$ 49,444,008	\$ –
AR	WSRB	South Bay Aqueduct Enlargement	\$ 2,384,619	\$ 2,384,619	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AR	WSRB	Tehachapi East Afterbay	\$ 496,073	\$ 496,073	\$ –
AR	WSRB	Therm PP Clean-Up and Reconstruction	\$ 69,987,697	\$ 69,987,697	\$ –
AS	WSRB	AE Series Refund	\$ 482,754,979	\$ 482,754,979	\$ –
AS	WSRB	AF Series Refund	\$ 86,541,317	\$ 86,541,317	\$ –
AS	WSRB	AG Series Refund	\$ 165,072,543	\$ 165,072,543	\$ –
AS	WSRB	AH Series Refund	\$ 33,616,159	\$ 33,616,159	\$ –
AS	WSRB	AJ Series Refund	\$ 20,657,552	\$ 20,657,552	\$ –
AS	WSRB	AK Series Refund	\$ 5,551,276	\$ 5,551,276	\$ –
AS	WSRB	AN Series Refund	\$ 5,683,923	\$ 5,683,923	\$ –
AS	WSRB	AS Series Refund	\$ 1,003,087	\$ 1,003,087	\$ –
AT	WSRB	2014 Hyatt-Therm Capital Improvements	\$ 15,910,000	\$ 15,910,000	\$ –
AT	WSRB	Arroyo Pasajero Program	\$ 1,435,000	\$ 1,435,000	\$ –
AT	WSRB	Delta Facilities Program	\$ 9,810,000	\$ 9,810,000	\$ –
AT	WSRB	East Branch Enlargement - Phase II	\$ 8,330,000	\$ 8,330,000	\$ –
AT	WSRB	FRIP	\$ 83,760,000	\$ 83,760,000	\$ –
AT	WSRB	FERC Relicensing P2100	\$ 3,015,000	\$ 3,015,000	\$ –
AT	WSRB	FERC Relicensing P2426	\$ 1,890,000	\$ 1,890,000	\$ –
AT	WSRB	South Bay Aqueduct Enlargement	\$ 4,750,000	\$ 4,750,000	\$ –
AT	WSRB	Tehachapi East Afterbay	\$ 1,430,000	\$ 1,430,000	\$ –
AT	WSRB	Therm PP Clean-Up and Reconstruction	\$ 18,915,000	\$ 18,915,000	\$ –
AU	WSRB	Arroyo Pasajero Program	\$ 160,000	\$ 160,000	\$ –
AU	WSRB	Delta Facilities Program	\$ 10,740,000	\$ 10,740,000	\$ –
AU	WSRB	East Branch Enlargement - Phase II	\$ 155,000	\$ 155,000	\$ –
AU	WSRB	FRIP	\$ 81,365,000	\$ 81,365,000	\$ –
AU	WSRB	FERC Relicensing P2100	\$ 720,000	\$ 720,000	\$ –
AU	WSRB	FERC Relicensing P2426	\$ 1,625,000	\$ 1,625,000	\$ –
AU	WSRB	South Bay Aqueduct Enlargement	\$ 4,035,000	\$ 4,035,000	\$ –
AU	WSRB	Therm PP Clean-Up and Reconstruction	\$ 10,475,000	\$ 10,475,000	\$ –
AV	WSRB	Arroyo Pasajero Program	\$ 87,246	\$ 87,246	\$ –
AV	WSRB	Delta Facilities Program	\$ 27,387,652	\$ 27,387,652	\$ –
AV	WSRB	East Branch Extension - Improvements	\$ 646,114	\$ 646,114	\$ –
AV	WSRB	East Branch Extension - Phase II	\$ 15,881,870	\$ 15,881,870	\$ –
AV	WSRB	FRIP	\$ 66,010,970	\$ 66,010,970	\$ –
AV	WSRB	FERC Relicensing P2100	\$ 332,026	\$ 332,026	\$ –
AV	WSRB	FERC Relicensing P2426	\$ 2,449,692	\$ 2,449,692	\$ –
AV	WSRB	South Bay Aqueduct Enlargement	\$ 1,907,089	\$ 1,907,089	\$ –
AV	WSRB	South Bay Off-Peak Pumping	\$ 2,523,150	\$ 2,523,150	\$ –
AV	WSRB	Therm PP Clean-Up and Reconstruction	\$ 13,875,298	\$ 13,875,298	\$ –
AW	WSRB	Arroyo Pasajero Program	\$ 1,457,144	\$ 1,457,144	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AW	WSRB	Delta Facilities Program	\$ 12,220,780	\$ 12,220,780	\$ –
AW	WSRB	East Branch Extension - Improvements	\$ 453,236	\$ 453,236	\$ –
AW	WSRB	East Branch Extension - Phase II	\$ 18,589,030	\$ 18,589,030	\$ –
AW	WSRB	FRIP	\$ 57,913,916	\$ 57,913,916	\$ –
AW	WSRB	FERC Relicensing P2100	\$ 97,957	\$ 97,957	\$ –
AW	WSRB	FERC Relicensing P2426	\$ 1,214,371	\$ 1,214,371	\$ –
AW	WSRB	South Bay Aqueduct Enlargement	\$ 2,148,422	\$ 2,148,422	\$ –
AW	WSRB	Therm PP Clean-Up and Reconstruction	\$ 9,738,426	\$ 9,738,426	\$ –
AW	WSRB	AG Series Refund	\$ 6,863,152	\$ 6,863,152	\$ –
AW	WSRB	AH Series Refund	\$ 27,154,174	\$ 27,154,174	\$ –
AW	WSRB	AJ Series Refund	\$ 38,854,363	\$ 38,854,363	\$ –
AW	WSRB	AK Series Refund	\$ 17,722,063	\$ 17,722,063	\$ –
AW	WSRB	AN Series Refund	\$ 14,361,828	\$ 14,361,828	\$ –
AW	WSRB	AP Series Refund	\$ 12,229,775	\$ 12,229,775	\$ –
AW	WSRB	Arroyo Pasajero Program	\$ 2,547,424	\$ 2,547,424	\$ –
AW	WSRB	Delta Facilities Program	\$ 34,837,896	\$ 34,837,896	\$ –
AW	WSRB	East Branch Extension - Improvements	\$ 644,051	\$ 644,051	\$ –
AW	WSRB	East Branch Extension - Phase II	\$ 26,763,915	\$ 26,763,915	\$ –
AW	WSRB	FRIP	\$ 140,274,979	\$ 140,274,979	\$ –
AW	WSRB	FERC Relicensing P2100	\$ 1,191,505	\$ 1,191,505	\$ –
AW	WSRB	FERC Relicensing P2426	\$ 6,461,781	\$ 6,461,781	\$ –
AW	WSRB	South Bay Aqueduct Enlargement	\$ 1,367,594	\$ 1,367,594	\$ –
AW	WSRB	Tehachapi East Afterbay	\$ 576,949	\$ 576,949	\$ –
AW	WSRB	Therm PP Clean-Up and Reconstruction	\$ 87,298,596	\$ 87,298,596	\$ –
AX	WSRB	AK Series Refund	\$ 1,441,380	\$ 1,441,380	\$ –
AX	WSRB	AN Series Refund	\$ 11,415,555	\$ 11,415,555	\$ –
AX	WSRB	AO Series Refund	\$ 244,117,649	\$ 244,117,649	\$ –
AX	WSRB	AP Series Refund	\$ 17,058,235	\$ 17,058,235	\$ –
AX	WSRB	AQ Series Refund	\$ 77,957,395	\$ 77,957,395	\$ –
AX	WSRB	AR Series Refund	\$ 70,761,079	\$ 70,761,079	\$ –
AY	WSRB	AE Series Refund	\$ 29,655,765	\$ 29,655,765	\$ –
AY	WSRB	AF Series Refund	\$ 75,260,034	\$ 75,260,034	\$ –
AY	WSRB	AG Series Refund	\$ 20,619,630	\$ 20,619,630	\$ –
AY	WSRB	AH Series Refund	\$ 11,202,300	\$ 11,202,300	\$ –
AY	WSRB	AI Series Refund	\$ 5,449,799	\$ 5,449,799	\$ –
AZ	WSRB	Delta Facilities Program	\$ 18,648,474	\$ 18,648,474	\$ –
AZ	WSRB	East Branch Extension - Improvements	\$ 39,514	\$ 39,514	\$ –
AZ	WSRB	East Branch Extension - Phase II	\$ 4,119,171	\$ 4,119,171	\$ –
AZ	WSRB	FRIP	\$ 37,338,875	\$ 37,338,875	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AZ	WSRB	FERC Relicensing P2100	\$ 776,691	\$ 776,691	\$ –
AZ	WSRB	FERC Relicensing P2426	\$ 2,285,607	\$ 2,285,607	\$ –
AZ	WSRB	Oroville Dam Spillway Response	\$ 48,590,605	\$ 48,590,605	\$ –
AZ	WSRB	South Bay Aqueduct Enlargement	\$ 483,664	\$ 483,664	\$ –
AZ	WSRB	Tehachapi East Afterbay	\$ 571,765	\$ 571,765	\$ –
AZ	WSRB	Therm PP Clean-Up and Reconstruction	\$ 27,223,543	\$ 27,223,543	\$ –
AZ	WSRB	AF Series Refund	\$ 5,311,426	\$ 5,311,426	\$ –
AZ	WSRB	AY Series Refund	\$ 105,274,090	\$ 105,274,090	\$ –
BA	WSRB	Delta Facilities Program	\$ 46,307,370	\$ 46,307,370	\$ –
BA	WSRB	East Branch Extension - Phase II	\$ 333,408	\$ 333,408	\$ –
BA	WSRB	FRIP	\$ 50,332,444	\$ 50,332,444	\$ –
BA	WSRB	FERC Relicensing P2100	\$ 728,724	\$ 728,724	\$ –
BA	WSRB	FERC Relicensing P2426	\$ 3,646,829	\$ 3,646,829	\$ –
BA	WSRB	Oroville Dam Spillway R & R	\$ 247,406,732	\$ 247,406,732	\$ –
BA	WSRB	South Bay Aqueduct Enlargement	\$ 246,337	\$ 246,337	\$ –
BA	WSRB	Tehachapi East Afterbay	\$ 480,969	\$ 480,969	\$ –
BA	WSRB	Therm PP Clean-Up and Reconstruction	\$ 20,369,496	\$ 20,369,496	\$ –
BB	WSRB	Arroyo Pasajero Program	\$ 287,805	\$ 287,805	\$ –
BB	WSRB	Delta Facilities Program	\$ 154,578,901	\$ 154,578,901	\$ –
BB	WSRB	East Branch Extension - Phase II	\$ 135,394	\$ 135,394	\$ –
BB	WSRB	FRIP	\$ 413,042,028	\$ 413,042,028	\$ –
BB	WSRB	FERC Relicensing P2100	\$ 2,501,016	\$ 2,501,016	\$ –
BB	WSRB	FERC Relicensing P2426	\$ 14,865,187	\$ 14,865,187	\$ –
BB	WSRB	South Bay Aqueduct Enlargement	\$ 1,106,261	\$ 1,106,261	\$ –
BB	WSRB	Therm PP Clean-Up and Reconstruction	\$ 35,349,045	\$ 35,349,045	\$ –
BB	WSRB	AU Series Refund	\$ 113,326,238	\$ 113,326,238	\$ –
BC	WSRB	Arroyo Pasajero Program	\$ 5,000	\$ 5,000	\$ –
BC	WSRB	Delta Facilities Program	\$ 300,000	\$ 300,000	\$ –
BC	WSRB	FRIP	\$ 695,000	\$ 695,000	\$ –
BC	WSRB	FERC Relicensing P2100	\$ 5,000	\$ 5,000	\$ –
BC	WSRB	FERC Relicensing P2426	\$ 30,000	\$ 30,000	\$ –
BC	WSRB	South Bay Aqueduct Enlargement	\$ 5,000	\$ 5,000	\$ –
BC	WSRB	Therm PP Clean-Up and Reconstruction	\$ 100,000	\$ 100,000	\$ –
BC	WSRB	AH Series Refund	\$ 9,127,468	\$ 9,127,468	\$ –
BC	WSRB	AI Series Refund	\$ 5,269,254	\$ 5,269,254	\$ –
BC	WSRB	AJ Series Refund	\$ 16,171,792	\$ 16,171,792	\$ –
BC	WSRB	AK Series Refund	\$ 3,639,923	\$ 3,639,923	\$ –
BC	WSRB	AL Series Refund	\$ 14,158,048	\$ 14,158,048	\$ –
BC	WSRB	AM Series Refund	\$ 30,351,794	\$ 30,351,794	\$ –

Table DBT.14 – Sources Comparison of Pricing Reports to DIMS by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
BC	WSRB	AN Series Refund	\$ 4,052,344	\$ 4,052,344	\$ –
BC	WSRB	AP Series Refund	\$ 6,648,890	\$ 6,648,890	\$ –
BC	WSRB	AQ Series Refund	\$ 38,806,138	\$ 38,806,138	\$ –
BC	WSRB	AR Series Refund	\$ 51,668,817	\$ 51,668,817	\$ –
BC	WSRB	AS Series Refund	\$ 326,809,049	\$ 326,809,049	\$ –
BC	WSRB	AW Series Refund	\$ 14,261,020	\$ 14,261,020	\$ –
BD	WSRB	Delta Facilities Program	\$ 11,704,994	\$ 11,704,994	\$ –
BD	WSRB	FRIP	\$ 9,802,545	\$ 9,802,545	\$ –
BD	WSRB	Oroville Dam Spillway R & R	\$ 279,599,015	\$ 279,599,015	\$ –
BE	WSRB	Delta Facilities Program	\$ 920,000	\$ 920,000	\$ –
BE	WSRB	FRIP	\$ 775,000	\$ 775,000	\$ –
BE	WSRB	Oroville Dam Spillway R & R	\$ 22,010,000	\$ 22,010,000	\$ –
BE	WSRB	AK Series Refund	\$ 1,440,603	\$ 1,440,603	\$ –
BE	WSRB	AL Series Refund	\$ 6,082,210	\$ 6,082,210	\$ –
BE	WSRB	AM Series Refund	\$ 40,636,445	\$ 40,636,445	\$ –
BE	WSRB	AS Series Refund	\$ 85,162,869	\$ 85,162,869	\$ –
BE	WSRB	AW Series Refund	\$ 86,799,564	\$ 86,799,564	\$ –
BE	WSRB	AX Series Refund	\$ 31,422,276	\$ 31,422,276	\$ –
BE	WSRB	AZ Series Refund	\$ 13,608,858	\$ 13,608,858	\$ –
BE	WSRB	BA Series Refund	\$ 34,276,381	\$ 34,276,381	\$ –
BF	WSRB	Arroyo Pasajero Program	\$ 33,508	\$ 33,508	\$ –
BF	WSRB	Delta Facilities Program	\$ 38,474,441	\$ 38,474,441	\$ –
BF	WSRB	FRIP	\$ 102,629,229	\$ 102,629,229	\$ –
BF	WSRB	FERC Relicensing P2100	\$ 655,770	\$ 655,770	\$ –
BF	WSRB	FERC Relicensing P2426	\$ 539,104	\$ 539,104	\$ –
BF	WSRB	FERC Relicensing P2876	\$ 10,722	\$ 10,722	\$ –
BF	WSRB	South Bay Aqueduct Enlargement	\$ 57,416	\$ 57,416	\$ –
BF	WSRB	AT Series Refund	\$ 152,347,720	\$ 152,347,720	\$ –

The below table documents the comparison of the uses per the updated pricing reports and per the DIMS output reports. The uses were compared by bond series and by project. Uses included the following categories: debt transfers, accrued interest, bond insurance, capitalized interest fund deposit, CP takeout – estimate variance, CP takeout – interest, CP takeout – principal, construction fund deposit, cost of issuance, debt service reserve fund deposit, redemption fund deposit, surplus proceeds, and underwriter's discount. For project allocations that are classified as series refunds, the amount allocated is used to refund a previously issued bond series.

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project

Bond Series	Type	Project	Pricing Report	DIMS	Difference
A	OAP	Alamo Facilities	\$ 25,044,792	\$ 25,044,792	\$ –
A	OAP	Bottle Rock Project	\$ 75,134,375	\$ 75,134,375	\$ –
A	OAP	Reid Gardner Project	\$ 149,081,250	\$ 149,081,250	\$ –
A	ONAP	Pyramid Hydroelectric Project	\$ 104,445,087	\$ 104,445,087	\$ –
B	OAP	Reid Gardner Project	\$ 77,697,160	\$ 77,697,160	\$ –
B	OAP	A Series Refund	\$ 165,720,628	\$ 165,720,628	\$ –
C	OAP	Reid Gardner Project	\$ 133,332,587	\$ 133,332,587	\$ –
D	ONAP	Small Hydro Project	\$ 40,709,722	\$ 40,709,722	\$ –
D	OAP	South Geysers Project	\$ 39,811,146	\$ 39,811,146	\$ –
E	OAP	Bottle Rock Project	\$ 53,190,696	\$ 53,190,696	\$ –
E	OAP	A Series Refund	\$ 83,574,489	\$ 83,574,489	\$ –
F	ONAP	Alamo Facilities	\$ 26,625,697	\$ 26,625,697	\$ –
F	OAP	South Geysers Project	\$ 27,313,967	\$ 27,313,967	\$ –
F	OAP	A Series Refund	\$ 27,856,716	\$ 27,856,716	\$ –
G	OAP	Reid Gardner Project	\$ 1,444,671	\$ 1,444,671	\$ –
G	OAP	B Series Refund	\$ 264,947,231	\$ 264,947,231	\$ –
H	ONAP	Alamo Facilities	\$ 1,780,824	\$ 1,780,824	\$ –
H	ONAP	Pyramid Hydroelectric Project	\$ 5,363,589	\$ 5,363,589	\$ –
H	OAP	Reid Gardner Project	\$ 14,543,073	\$ 14,543,073	\$ –
H	OAP	C Series Refund	\$ 136,073,959	\$ 136,073,959	\$ –
H	ONAP	D Series Refund	\$ 67,231,329	\$ 67,231,329	\$ –
A	WSRB	East Branch Enlargement - Phase I	\$ 132,958,475	\$ 132,958,475	\$ –
B	WSRB	Additional East Branch Improvements	\$ 8,471,754	\$ 8,471,754	\$ –
B	WSRB	Delta Facilities Program	\$ 5,298,647	\$ 5,298,647	\$ –
B	WSRB	Delta Pumping Plant Completion	\$ 2,120,483	\$ 2,120,483	\$ –
B	WSRB	North Bay Aqueduct - Phase II	\$ 42,637,974	\$ 42,637,974	\$ –
B	WSRB	Project Monitor and Control System	\$ 26,189,428	\$ 26,189,428	\$ –
B	WSRB	Project Planning Costs	\$ 6,882,803	\$ 6,882,803	\$ –
B	WSRB	Suisun Marsh Environmental Facilities	\$ 11,588,122	\$ 11,588,122	\$ –
C	WSRB	Additional East Branch Improvements	\$ 693,028	\$ 693,028	\$ –
C	WSRB	Delta Facilities Program	\$ 748,270	\$ 748,270	\$ –
C	WSRB	Delta Pumping Plant Completion	\$ 175,768	\$ 175,768	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
C	WSRB	North Bay Aqueduct - Phase II	\$ 3,475,186	\$ 3,475,186	\$ –
C	WSRB	Project Monitor and Control System	\$ 2,134,326	\$ 2,134,326	\$ –
C	WSRB	Project Planning Costs	\$ 562,458	\$ 562,458	\$ –
C	WSRB	Suisun Marsh Environmental Facilities	\$ 1,250,464	\$ 1,250,464	\$ –
D	WSRB	Additional East Branch Improvements	\$ 8,883,661	\$ 8,883,661	\$ –
D	WSRB	Bottle Rock Project	\$ 17,832,632	\$ 17,832,632	\$ –
D	WSRB	Delta Pumping Plant Completion	\$ 4,755,699	\$ 4,755,699	\$ –
D	WSRB	East Branch Enlargement - Phase I	\$ 6,176,868	\$ 6,176,868	\$ –
D	WSRB	North Bay Aqueduct - Phase II	\$ 19,439,606	\$ 19,439,606	\$ –
D	WSRB	Project Monitor and Control System	\$ 10,254,639	\$ 10,254,639	\$ –
D	WSRB	Project Planning Costs	\$ 17,024,127	\$ 17,024,127	\$ –
D	WSRB	San Luis Rock Quarry	\$ 7,206,334	\$ 7,206,334	\$ –
D	WSRB	South Geysers Project	\$ 3,595,689	\$ 3,595,689	\$ –
D	WSRB	Suisun Marsh Environmental Facilities	\$ 5,267,884	\$ 5,267,884	\$ –
E	WSRB	Additional East Branch Improvements	\$ 752,312	\$ 752,312	\$ –
E	WSRB	Bottle Rock Project	\$ 1,504,625	\$ 1,504,625	\$ –
E	WSRB	Delta Pumping Plant Completion	\$ 398,576	\$ 398,576	\$ –
E	WSRB	East Branch Enlargement - Phase I	\$ 523,131	\$ 523,131	\$ –
E	WSRB	North Bay Aqueduct - Phase II	\$ 1,639,144	\$ 1,639,144	\$ –
E	WSRB	Project Monitor and Control System	\$ 866,903	\$ 866,903	\$ –
E	WSRB	Project Planning Costs	\$ 1,434,874	\$ 1,434,874	\$ –
E	WSRB	San Luis Rock Quarry	\$ 607,829	\$ 607,829	\$ –
E	WSRB	South Geysers Project	\$ 303,914	\$ 303,914	\$ –
E	WSRB	Suisun Marsh Environmental Facilities	\$ 936,654	\$ 936,654	\$ –
F	WSRB	G Series Refund	\$ 165,992,555	\$ 165,992,555	\$ –
G	WSRB	Additional East Branch Improvements	\$ 9,551,057	\$ 9,551,057	\$ –
G	WSRB	Delta Pumping Plant Completion	\$ 12,996,093	\$ 12,996,093	\$ –
G	WSRB	Kern Water Bank	\$ 39,906,688	\$ 39,906,688	\$ –
G	WSRB	Midway-Wheeler Ridge Line	\$ 13,475,329	\$ 13,475,329	\$ –
G	WSRB	Project Monitor and Control System	\$ 13,575,218	\$ 13,575,218	\$ –
G	WSRB	Project Planning Costs	\$ 10,349,949	\$ 10,349,949	\$ –
H	WSRB	Additional East Branch Improvements	\$ 13,316,199	\$ 13,316,199	\$ –
H	WSRB	Delta Facilities Program	\$ 8,140,425	\$ 8,140,425	\$ –
H	WSRB	Delta Pumping Plant Completion	\$ 38,614,230	\$ 38,614,230	\$ –
H	WSRB	East Branch Enlargement - Phase I	\$ 16,003,325	\$ 16,003,325	\$ –
H	WSRB	Kern Water Bank	\$ 2,498,794	\$ 2,498,794	\$ –
H	WSRB	North Bay Aqueduct - Phase II	\$ 5,448,339	\$ 5,448,339	\$ –
H	WSRB	Project Planning Costs	\$ 15,130,815	\$ 15,130,815	\$ –
I	WSRB	Additional East Branch Improvements	\$ 11,570,986	\$ 11,570,986	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
I	WSRB	Delta Pumping Plant Completion	\$ 2,923,790	\$ 2,923,790	\$ –
I	WSRB	Devil Canyon 2nd Afterbay	\$ 20,267,048	\$ 20,267,048	\$ –
I	WSRB	East Branch Enlargement - Phase I	\$ 130,880,987	\$ 130,880,987	\$ –
I	WSRB	Project Monitor and Control System	\$ 3,712,902	\$ 3,712,902	\$ –
I	WSRB	Project Planning Costs	\$ 9,341,600	\$ 9,341,600	\$ –
J	WSRB	A Series Refund	\$ 100,293,433	\$ 100,293,433	\$ –
J	WSRB	D Series Refund	\$ 117,120,265	\$ 117,120,265	\$ –
J	WSRB	E Series Refund	\$ 132,511,190	\$ 132,511,190	\$ –
J	WSRB	F Series Refund	\$ 83,367,043	\$ 83,367,043	\$ –
J	WSRB	H Series Refund	\$ 165,501,476	\$ 165,501,476	\$ –
J	WSRB	B Series Refund	\$ 88,908,108	\$ 88,908,108	\$ –
K	WSRB	Additional East Branch Improvements	\$ 15,431,115	\$ 15,431,115	\$ –
K	WSRB	Delta Pumping Plant Completion	\$ 26,384,818	\$ 26,384,818	\$ –
K	WSRB	East Branch Enlargement - Phase I	\$ 34,449,956	\$ 34,449,956	\$ –
K	WSRB	Project Monitor and Control System	\$ 3,354,862	\$ 3,354,862	\$ –
K	WSRB	Project Planning Costs	\$ 19,452,168	\$ 19,452,168	\$ –
L	WSRB	D Series Refund	\$ 6,951,980	\$ 6,951,980	\$ –
L	WSRB	A Series Refund	\$ 139,187,166	\$ 139,187,166	\$ –
L	WSRB	B Series Refund	\$ 12,598,101	\$ 12,598,101	\$ –
L	WSRB	G Series Refund	\$ 105,647,633	\$ 105,647,633	\$ –
L	WSRB	H Series Refund	\$ 107,203,252	\$ 107,203,252	\$ –
L	WSRB	I Series Refund	\$ 191,086,292	\$ 191,086,292	\$ –
M	WSRB	Additional East Branch Improvements	\$ 59,305,062	\$ 59,305,062	\$ –
M	WSRB	Arroyo Pasajero Program	\$ 680,458	\$ 680,458	\$ –
M	WSRB	Coastal Branch-Phase II	\$ 26,884,570	\$ 26,884,570	\$ –
M	WSRB	Delta Facilities Program	\$ 5,992,346	\$ 5,992,346	\$ –
M	WSRB	East Branch Enlargement - Phase I	\$ 18,199,834	\$ 18,199,834	\$ –
M	WSRB	Project Monitor and Control System	\$ 43,684,094	\$ 43,684,094	\$ –
M	WSRB	Project Planning Costs	\$ 18,879,577	\$ 18,879,577	\$ –
M	WSRB	San Bernardino Tunnel Intake	\$ 2,869,670	\$ 2,869,670	\$ –
M	WSRB	Vista Del Lago	\$ 10,914,222	\$ 10,914,222	\$ –
N	WSRB	Additional East Branch Improvements	\$ 14,670,000	\$ 14,670,000	\$ –
N	WSRB	Arroyo Pasajero Program	\$ 1,475,000	\$ 1,475,000	\$ –
N	WSRB	Coastal Branch-Phase II	\$ 67,595,000	\$ 67,595,000	\$ –
N	WSRB	Coastal Off-Peak Pumping	\$ 9,025,000	\$ 9,025,000	\$ –
N	WSRB	Devil Canyon 2nd Afterbay	\$ 33,845,000	\$ 33,845,000	\$ –
N	WSRB	East Branch Enlargement - Phase I	\$ 4,865,000	\$ 4,865,000	\$ –
N	WSRB	Project Monitor and Control System	\$ 20,525,000	\$ 20,525,000	\$ –
O	WSRB	Coastal Branch-Phase II	\$ 164,206,156	\$ 164,206,156	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
O	WSRB	East Branch Enlargement - Phase I	\$ 11,231,512	\$ 11,231,512	\$ –
O	WSRB	San Bernardino Tunnel Intake	\$ 358,047	\$ 358,047	\$ –
O	WSRB	N Series Refund	\$ 162,289,919	\$ 162,289,919	\$ –
P	WSRB	Additional East Branch Improvements	\$ 1,341,770	\$ 1,341,770	\$ –
P	WSRB	Coastal Branch-Phase II	\$ 109,295,860	\$ 109,295,860	\$ –
P	WSRB	Coastal Off-Peak Pumping	\$ 24,815,212	\$ 24,815,212	\$ –
P	WSRB	Delta Facilities Program	\$ 783,449	\$ 783,449	\$ –
P	WSRB	East Branch Enlargement - Phase I	\$ 7,160,373	\$ 7,160,373	\$ –
P	WSRB	Project Monitor and Control System	\$ 4,361,407	\$ 4,361,407	\$ –
P	WSRB	San Bernardino Tunnel Intake	\$ 10,624,434	\$ 10,624,434	\$ –
Q	WSRB	Coastal Branch Extension	\$ 36,394,221	\$ 36,394,221	\$ –
Q	WSRB	Coastal Branch-Phase II	\$ 84,330,317	\$ 84,330,317	\$ –
Q	WSRB	East Branch Enlargement - Phase I	\$ 5,341,749	\$ 5,341,749	\$ –
Q	WSRB	Project Planning Costs	\$ 16,029,474	\$ 16,029,474	\$ –
Q	WSRB	San Bernardino Tunnel Intake	\$ 11,124,186	\$ 11,124,186	\$ –
Q	WSRB	J Series Refund	\$ 37,405,837	\$ 37,405,837	\$ –
Q	WSRB	K Series Refund	\$ 57,057,018	\$ 57,057,018	\$ –
Q	WSRB	O Series Refund	\$ 7,614,793	\$ 7,614,793	\$ –
Q	WSRB	P Series Refund	\$ 12,526,877	\$ 12,526,877	\$ –
R	WSRB	Coastal Branch-Phase II	\$ 190,000	\$ 190,000	\$ –
R	WSRB	C Series Refund	\$ 10,993,750	\$ 10,993,750	\$ –
R	WSRB	E Series Refund	\$ 11,293,690	\$ 11,293,690	\$ –
S	WSRB	Additional East Branch Improvements	\$ 9,689,754	\$ 9,689,754	\$ –
S	WSRB	Coastal Branch-Phase II	\$ 28,220,643	\$ 28,220,643	\$ –
S	WSRB	Delta Facilities Program	\$ 1,679,443	\$ 1,679,443	\$ –
S	WSRB	Devil Canyon 2nd Afterbay	\$ 16,720,834	\$ 16,720,834	\$ –
S	WSRB	East Branch Enlargement - Phase I	\$ 2,443,180	\$ 2,443,180	\$ –
S	WSRB	East Branch Extension - Phase I	\$ 4,563,349	\$ 4,563,349	\$ –
S	WSRB	FRIP	\$ 5,943,366	\$ 5,943,366	\$ –
S	WSRB	Project Planning Costs	\$ 4,479,746	\$ 4,479,746	\$ –
S	WSRB	Reid Gardner Project	\$ 2,281,643	\$ 2,281,643	\$ –
S	WSRB	San Bernardino Tunnel Intake	\$ 13,234,390	\$ 13,234,390	\$ –
S	WSRB	J Series Refund	\$ 48,133,261	\$ 48,133,261	\$ –
S	WSRB	K Series Refund	\$ 39,962,661	\$ 39,962,661	\$ –
S	WSRB	O Series Refund	\$ 7,414,342	\$ 7,414,342	\$ –
S	WSRB	P Series Refund	\$ 16,876,674	\$ 16,876,674	\$ –
T	WSRB	F Series Refund	\$ 155,848,784	\$ 155,848,784	\$ –
U	WSRB	Coastal Branch-Phase II	\$ 9,839,749	\$ 9,839,749	\$ –
U	WSRB	Coastal Off-Peak Pumping	\$ 810,423	\$ 810,423	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
U	WSRB	East Branch Enlargement - Phase I	\$ 33,821,511	\$ 33,821,511	\$ –
U	WSRB	East Branch Enlargement - Phase II	\$ 1,067,033	\$ 1,067,033	\$ –
U	WSRB	East Branch Extension - Phase I	\$ 53,127,842	\$ 53,127,842	\$ –
U	WSRB	FRIP	\$ 8,279,061	\$ 8,279,061	\$ –
U	WSRB	Reid Gardner Project	\$ 1,816,903	\$ 1,816,903	\$ –
U	WSRB	San Bernardino Tunnel Intake	\$ 906,096	\$ 906,096	\$ –
U	WSRB	G Series Refund	\$ 2,753,244	\$ 2,753,244	\$ –
U	WSRB	H Series Refund	\$ 2,513,292	\$ 2,513,292	\$ –
U	WSRB	I Series Refund	\$ 4,514,516	\$ 4,514,516	\$ –
U	WSRB	J Series Refund	\$ 19,271,787	\$ 19,271,787	\$ –
U	WSRB	P Series Refund	\$ 54,249,043	\$ 54,249,043	\$ –
U	WSRB	Q Series Refund	\$ 21,002,062	\$ 21,002,062	\$ –
V	WSRB	R Series Refund	\$ 22,331,158	\$ 22,331,158	\$ –
V	WSRB	V Series Refund	\$ 1,011,370	\$ 1,011,370	\$ –
W	WSRB	Coastal Branch Extension	\$ 974,967	\$ 974,967	\$ –
W	WSRB	Delta Facilities Program	\$ 21,284,411	\$ 21,284,411	\$ –
W	WSRB	FRIP	\$ 16,524,436	\$ 16,524,436	\$ –
W	WSRB	Reid Gardner Project	\$ 2,320,028	\$ 2,320,028	\$ –
W	WSRB	Small Hydro Project	\$ 4,104,832	\$ 4,104,832	\$ –
W	WSRB	J Series Refund	\$ 230,215,681	\$ 230,215,681	\$ –
X	WSRB	Delta Facilities Program	\$ 11,705,222	\$ 11,705,222	\$ –
X	WSRB	East Branch Extension - Improvements	\$ 556,472	\$ 556,472	\$ –
X	WSRB	East Branch Extension - Phase I	\$ 31,923,010	\$ 31,923,010	\$ –
X	WSRB	Reid Gardner Project	\$ 1,107,426	\$ 1,107,426	\$ –
X	WSRB	J Series Refund	\$ 79,292,408	\$ 79,292,408	\$ –
X	WSRB	K Series Refund	\$ 3,219,544	\$ 3,219,544	\$ –
X	WSRB	M Series Refund	\$ 5,065,150	\$ 5,065,150	\$ –
X	WSRB	Q Series Refund	\$ 21,724,998	\$ 21,724,998	\$ –
X	WSRB	T Series Refund	\$ 104,595	\$ 104,595	\$ –
X	WSRB	U Series Refund	\$ 3,479,440	\$ 3,479,440	\$ –
X	WSRB	W Series Refund	\$ 14,441,013	\$ 14,441,013	\$ –
X	WSRB	X Series Refund	\$ 1,408,504	\$ 1,408,504	\$ –
Y	WSRB	L Series Refund	\$ 350,060,592	\$ 350,060,592	\$ –
Z	WSRB	M Series Refund	\$ 89,167,798	\$ 89,167,798	\$ –
Z	WSRB	O Series Refund	\$ 53,441,302	\$ 53,441,302	\$ –
Z	WSRB	Q Series Refund	\$ 17,998,114	\$ 17,998,114	\$ –
Z	WSRB	S Series Refund	\$ 8,472,529	\$ 8,472,529	\$ –
Z	WSRB	U Series Refund	\$ 18,505,722	\$ 18,505,722	\$ –
AA	WSRB	L Series Refund	\$ 128,978,984	\$ 128,978,984	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AB	WSRB	Delta Facilities Program	\$ 31,947,498	\$ 31,947,498	\$ –
AB	WSRB	East Branch Extension - Phase I	\$ 46,378,627	\$ 46,378,627	\$ –
AB	WSRB	FRIP	\$ 1,070,084	\$ 1,070,084	\$ –
AB	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 7,280,569	\$ 7,280,569	\$ –
AB	WSRB	North Bay Aqueduct - Phase II	\$ 320,025	\$ 320,025	\$ –
AB	WSRB	Reid Gardner Project	\$ 885,069	\$ 885,069	\$ –
AB	WSRB	South Bay Aqueduct Enlargement	\$ 4,965,388	\$ 4,965,388	\$ –
AB	WSRB	Tehachapi East Afterbay	\$ 8,235,644	\$ 8,235,644	\$ –
AB	WSRB	L Series Refund	\$ 13,289,850	\$ 13,289,850	\$ –
AB	WSRB	M Series Refund	\$ 87,535,010	\$ 87,535,010	\$ –
AC	WSRB	Delta Facilities Program	\$ 7,247,549	\$ 7,247,549	\$ –
AC	WSRB	East Branch Extension - Phase I	\$ 1,118,168	\$ 1,118,168	\$ –
AC	WSRB	FRIP	\$ 3,343,878	\$ 3,343,878	\$ –
AC	WSRB	South Bay Aqueduct Enlargement	\$ 3,401,531	\$ 3,401,531	\$ –
AC	WSRB	O Series Refund	\$ 88,129,447	\$ 88,129,447	\$ –
AC	WSRB	P Series Refund	\$ 31,459,013	\$ 31,459,013	\$ –
AC	WSRB	Q Series Refund	\$ 103,331,140	\$ 103,331,140	\$ –
AC	WSRB	S Series Refund	\$ 29,720,800	\$ 29,720,800	\$ –
AC	WSRB	U Series Refund	\$ 12,576,582	\$ 12,576,582	\$ –
AC	WSRB	W Series Refund	\$ 13,704,904	\$ 13,704,904	\$ –
AD	WSRB	Arroyo Pasajero Program	\$ 408,724	\$ 408,724	\$ –
AD	WSRB	Tehachapi East Afterbay	\$ 13,635,667	\$ 13,635,667	\$ –
AD	WSRB	O Series Refund	\$ 25,559,279	\$ 25,559,279	\$ –
AD	WSRB	P Series Refund	\$ 38,246,519	\$ 38,246,519	\$ –
AD	WSRB	S Series Refund	\$ 38,368,135	\$ 38,368,135	\$ –
AD	WSRB	U Series Refund	\$ 4,764,945	\$ 4,764,945	\$ –
AD	WSRB	W Series Refund	\$ 7,328,939	\$ 7,328,939	\$ –
AE	WSRB	Arroyo Pasajero Program	\$ 4,347,481	\$ 4,347,481	\$ –
AE	WSRB	Delta Facilities Program	\$ 8,846,232	\$ 8,846,232	\$ –
AE	WSRB	East Branch Extension - Phase II	\$ 22,123,910	\$ 22,123,910	\$ –
AE	WSRB	FRIP	\$ 108,055,687	\$ 108,055,687	\$ –
AE	WSRB	Reid Gardner Project	\$ 17,846,763	\$ 17,846,763	\$ –
AE	WSRB	South Bay Aqueduct Enlargement	\$ 48,477,396	\$ 48,477,396	\$ –
AE	WSRB	South Bay Off-Peak Pumping	\$ 17,021,461	\$ 17,021,461	\$ –
AE	WSRB	Tehachapi East Afterbay	\$ 23,596,673	\$ 23,596,673	\$ –
AE	WSRB	East Branch Extension - Improvements	\$ 2,109,997	\$ 2,109,997	\$ –
AE	WSRB	East Branch Extension - Phase II	\$ 5,589,992	\$ 5,589,992	\$ –
AE	WSRB	FRIP	\$ 49,082,345	\$ 49,082,345	\$ –
AE	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 25,157,341	\$ 25,157,341	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AE	WSRB	Project Planning Costs	\$ 751,075	\$ 751,075	\$ –
AE	WSRB	Reid Gardner Project	\$ 5,801,250	\$ 5,801,250	\$ –
AE	WSRB	South Bay Aqueduct Enlargement	\$ 9,372,340	\$ 9,372,340	\$ –
AE	WSRB	Tehachapi East Afterbay	\$ 43,882,742	\$ 43,882,742	\$ –
AE	WSRB	AE Series Refund	\$ 274,867,771	\$ 274,867,771	\$ –
AE	WSRB	AB Series Refund	\$ 186,520,294	\$ 186,520,294	\$ –
AE	WSRB	S Series Refund	\$ 64,194,565	\$ 64,194,565	\$ –
AE	WSRB	U Series Refund	\$ 3,663,331	\$ 3,663,331	\$ –
AF	WSRB	Reid Gardner Project	\$ 11,764,284	\$ 11,764,284	\$ –
AF	WSRB	South Bay Aqueduct Enlargement	\$ 25,485,921	\$ 25,485,921	\$ –
AF	WSRB	Q Series Refund	\$ 57,832,442	\$ 57,832,442	\$ –
AF	WSRB	T Series Refund	\$ 75,705,484	\$ 75,705,484	\$ –
AF	WSRB	U Series Refund	\$ 141,486,826	\$ 141,486,826	\$ –
AF	WSRB	AF Series Refund	\$ 1,524,190	\$ 1,524,190	\$ –
AG	WSRB	South Bay Aqueduct Enlargement	\$ 10,809,124	\$ 10,809,124	\$ –
AG	WSRB	O Series Refund	\$ 129,338,209	\$ 129,338,209	\$ –
AG	WSRB	S Series Refund	\$ 44,045,853	\$ 44,045,853	\$ –
AG	WSRB	AG Series Refund	\$ 117,375	\$ 117,375	\$ –
AH	WSRB	Delta Facilities Program	\$ 1,796,759	\$ 1,796,759	\$ –
AH	WSRB	FRIP	\$ 44,256,331	\$ 44,256,331	\$ –
AH	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 1,152,979	\$ 1,152,979	\$ –
AH	WSRB	Reid Gardner Project	\$ 2,243,668	\$ 2,243,668	\$ –
AH	WSRB	South Bay Aqueduct Enlargement	\$ 27,678,986	\$ 27,678,986	\$ –
AH	WSRB	Tehachapi East Afterbay	\$ 995,346	\$ 995,346	\$ –
AH	WSRB	AC Series Refund	\$ 5,062,081	\$ 5,062,081	\$ –
AH	WSRB	W Series Refund	\$ 3,142,265	\$ 3,142,265	\$ –
AH	WSRB	X Series Refund	\$ 25,408,188	\$ 25,408,188	\$ –
AH	WSRB	AH Series Refund	\$ 68,052	\$ 68,052	\$ –
AI	WSRB	W Series Refund	\$ 106,630,575	\$ 106,630,575	\$ –
AI	WSRB	AI Series Refund	\$ 2,606,711	\$ 2,606,711	\$ –
AJ	WSRB	East Branch Extension - Improvements	\$ 3,341,812	\$ 3,341,812	\$ –
AJ	WSRB	East Branch Extension - Phase II	\$ 8,252,299	\$ 8,252,299	\$ –
AJ	WSRB	FRIP	\$ 36,292,541	\$ 36,292,541	\$ –
AJ	WSRB	South Bay Aqueduct Enlargement	\$ 26,957,978	\$ 26,957,978	\$ –
AJ	WSRB	Tehachapi East Afterbay	\$ 200,006	\$ 200,006	\$ –
AJ	WSRB	AA Series Refund	\$ 42,109,644	\$ 42,109,644	\$ –
AJ	WSRB	AC Series Refund	\$ 37,337,953	\$ 37,337,953	\$ –
AJ	WSRB	AD Series Refund	\$ 1,848,386	\$ 1,848,386	\$ –
AJ	WSRB	X Series Refund	\$ 3,086,344	\$ 3,086,344	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AJ	WSRB	Y Series Refund	\$ 83,739,132	\$ 83,739,132	\$ –
AJ	WSRB	Z Series Refund	\$ 7,334,125	\$ 7,334,125	\$ –
AJ	WSRB	AJ Series Refund	\$ 322,701	\$ 322,701	\$ –
AK	WSRB	Delta Facilities Program	\$ 800,002	\$ 800,002	\$ –
AK	WSRB	East Branch Extension - Phase II	\$ 4,676,245	\$ 4,676,245	\$ –
AK	WSRB	FRIP	\$ 20,218,860	\$ 20,218,860	\$ –
AK	WSRB	South Bay Aqueduct Enlargement	\$ 7,787,517	\$ 7,787,517	\$ –
AK	WSRB	Tehachapi East Afterbay	\$ 146,275	\$ 146,275	\$ –
AK	WSRB	AC Series Refund	\$ 9,114,029	\$ 9,114,029	\$ –
AK	WSRB	X Series Refund	\$ 430,034	\$ 430,034	\$ –
AL	WSRB	X Series Refund	\$ 63,509,714	\$ 63,509,714	\$ –
AL	WSRB	Z Series Refund	\$ 62,006,660	\$ 62,006,660	\$ –
AL	WSRB	AL Series Refund	\$ 202,181	\$ 202,181	\$ –
AM	WSRB	AA Series Refund	\$ 71,711,921	\$ 71,711,921	\$ –
AM	WSRB	Y Series Refund	\$ 146,546,719	\$ 146,546,719	\$ –
AN	WSRB	Delta Facilities Program	\$ 7,831,971	\$ 7,831,971	\$ –
AN	WSRB	East Branch Extension - Phase II	\$ 8,826,411	\$ 8,826,411	\$ –
AN	WSRB	FRIP	\$ 19,071,262	\$ 19,071,262	\$ –
AN	WSRB	South Bay Aqueduct Enlargement	\$ 4,761,791	\$ 4,761,791	\$ –
AN	WSRB	South Bay Off-Peak Pumping	\$ 4,876,318	\$ 4,876,318	\$ –
AN	WSRB	Tehachapi East Afterbay	\$ 107,989	\$ 107,989	\$ –
AN	WSRB	AD Series Refund	\$ 14,374,140	\$ 14,374,140	\$ –
AO	WSRB	AC Series Refund	\$ 215,855,268	\$ 215,855,268	\$ –
AO	WSRB	AD Series Refund	\$ 106,981,531	\$ 106,981,531	\$ –
AO	WSRB	AO Series Refund	\$ 261,830	\$ 261,830	\$ –
AP	WSRB	Delta Facilities Program	\$ 1,813,808	\$ 1,813,808	\$ –
AP	WSRB	East Branch Extension - Improvements	\$ 2,997,765	\$ 2,997,765	\$ –
AP	WSRB	East Branch Extension - Phase II	\$ 14,292,331	\$ 14,292,331	\$ –
AP	WSRB	FRIP	\$ 23,256,115	\$ 23,256,115	\$ –
AP	WSRB	Hyatt Powerplant Units 2, 4, and 6	\$ 96,707	\$ 96,707	\$ –
AP	WSRB	South Bay Aqueduct Enlargement	\$ 7,424,103	\$ 7,424,103	\$ –
AP	WSRB	Tehachapi East Afterbay	\$ 285,388	\$ 285,388	\$ –
AP	WSRB	Therm PP Clean-Up and Reconstruction	\$ 752,612	\$ 752,612	\$ –
AQ	WSRB	East Branch Extension - Phase II	\$ 133,897,394	\$ 133,897,394	\$ –
AR	WSRB	Arroyo Pasajero Program	\$ 261,905	\$ 261,905	\$ –
AR	WSRB	Delta Facilities Program	\$ 9,187,126	\$ 9,187,126	\$ –
AR	WSRB	East Branch Extension - Improvements	\$ 3,102,761	\$ 3,102,761	\$ –
AR	WSRB	East Branch Extension - Phase II	\$ 45,294,361	\$ 45,294,361	\$ –
AR	WSRB	FRIP	\$ 49,444,008	\$ 49,444,008	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AR	WSRB	South Bay Aqueduct Enlargement	\$ 2,384,619	\$ 2,384,619	\$ –
AR	WSRB	Tehachapi East Afterbay	\$ 496,073	\$ 496,073	\$ –
AR	WSRB	Therm PP Clean-Up and Reconstruction	\$ 69,987,697	\$ 69,987,697	\$ –
AS	WSRB	AE Series Refund	\$ 482,754,979	\$ 482,754,979	\$ –
AS	WSRB	AF Series Refund	\$ 86,541,317	\$ 86,541,317	\$ –
AS	WSRB	AG Series Refund	\$ 165,072,543	\$ 165,072,543	\$ –
AS	WSRB	AH Series Refund	\$ 33,616,159	\$ 33,616,159	\$ –
AS	WSRB	AJ Series Refund	\$ 20,657,552	\$ 20,657,552	\$ –
AS	WSRB	AK Series Refund	\$ 5,551,276	\$ 5,551,276	\$ –
AS	WSRB	AN Series Refund	\$ 5,683,923	\$ 5,683,923	\$ –
AS	WSRB	AS Series Refund	\$ 1,003,087	\$ 1,003,087	\$ –
AT	WSRB	2014 Hyatt-Therm Capital Improvements	\$ 15,910,000	\$ 15,910,000	\$ –
AT	WSRB	Arroyo Pasajero Program	\$ 1,435,000	\$ 1,435,000	\$ –
AT	WSRB	Delta Facilities Program	\$ 9,810,000	\$ 9,810,000	\$ –
AT	WSRB	East Branch Enlargement - Phase II	\$ 8,330,000	\$ 8,330,000	\$ –
AT	WSRB	FRIP	\$ 83,760,000	\$ 83,760,000	\$ –
AT	WSRB	FERC Relicensing P2100	\$ 3,015,000	\$ 3,015,000	\$ –
AT	WSRB	FERC Relicensing P2426	\$ 1,890,000	\$ 1,890,000	\$ –
AT	WSRB	South Bay Aqueduct Enlargement	\$ 4,750,000	\$ 4,750,000	\$ –
AT	WSRB	Tehachapi East Afterbay	\$ 1,430,000	\$ 1,430,000	\$ –
AT	WSRB	Therm PP Clean-Up and Reconstruction	\$ 18,915,000	\$ 18,915,000	\$ –
AU	WSRB	Arroyo Pasajero Program	\$ 160,000	\$ 160,000	\$ –
AU	WSRB	Delta Facilities Program	\$ 10,740,000	\$ 10,740,000	\$ –
AU	WSRB	East Branch Enlargement - Phase II	\$ 155,000	\$ 155,000	\$ –
AU	WSRB	FRIP	\$ 81,365,000	\$ 81,365,000	\$ –
AU	WSRB	FERC Relicensing P2100	\$ 720,000	\$ 720,000	\$ –
AU	WSRB	FERC Relicensing P2426	\$ 1,625,000	\$ 1,625,000	\$ –
AU	WSRB	South Bay Aqueduct Enlargement	\$ 4,035,000	\$ 4,035,000	\$ –
AU	WSRB	Therm PP Clean-Up and Reconstruction	\$ 10,475,000	\$ 10,475,000	\$ –
AV	WSRB	Arroyo Pasajero Program	\$ 87,246	\$ 87,246	\$ –
AV	WSRB	Delta Facilities Program	\$ 27,387,652	\$ 27,387,652	\$ –
AV	WSRB	East Branch Extension - Improvements	\$ 646,114	\$ 646,114	\$ –
AV	WSRB	East Branch Extension - Phase II	\$ 15,881,870	\$ 15,881,870	\$ –
AV	WSRB	FRIP	\$ 66,010,970	\$ 66,010,970	\$ –
AV	WSRB	FERC Relicensing P2100	\$ 332,026	\$ 332,026	\$ –
AV	WSRB	FERC Relicensing P2426	\$ 2,449,692	\$ 2,449,692	\$ –
AV	WSRB	South Bay Aqueduct Enlargement	\$ 1,907,089	\$ 1,907,089	\$ –
AV	WSRB	South Bay Off-Peak Pumping	\$ 2,523,150	\$ 2,523,150	\$ –
AV	WSRB	Therm PP Clean-Up and Reconstruction	\$ 13,875,298	\$ 13,875,298	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AW	WSRB	Arroyo Pasajero Program	\$ 1,457,144	\$ 1,457,144	\$ –
AW	WSRB	Delta Facilities Program	\$ 12,220,780	\$ 12,220,780	\$ –
AW	WSRB	East Branch Extension - Improvements	\$ 453,236	\$ 453,236	\$ –
AW	WSRB	East Branch Extension - Phase II	\$ 18,589,030	\$ 18,589,030	\$ –
AW	WSRB	FRIP	\$ 57,913,916	\$ 57,913,916	\$ –
AW	WSRB	FERC Relicensing P2100	\$ 97,957	\$ 97,957	\$ –
AW	WSRB	FERC Relicensing P2426	\$ 1,214,371	\$ 1,214,371	\$ –
AW	WSRB	South Bay Aqueduct Enlargement	\$ 2,148,422	\$ 2,148,422	\$ –
AW	WSRB	Therm PP Clean-Up and Reconstruction	\$ 9,738,426	\$ 9,738,426	\$ –
AW	WSRB	AG Series Refund	\$ 6,863,152	\$ 6,863,152	\$ –
AW	WSRB	AH Series Refund	\$ 27,154,174	\$ 27,154,174	\$ –
AW	WSRB	AJ Series Refund	\$ 38,854,363	\$ 38,854,363	\$ –
AW	WSRB	AK Series Refund	\$ 17,722,063	\$ 17,722,063	\$ –
AW	WSRB	AN Series Refund	\$ 14,361,828	\$ 14,361,828	\$ –
AW	WSRB	AP Series Refund	\$ 12,229,775	\$ 12,229,775	\$ –
AW	WSRB	Arroyo Pasajero Program	\$ 2,547,424	\$ 2,547,424	\$ –
AW	WSRB	Delta Facilities Program	\$ 34,837,896	\$ 34,837,896	\$ –
AW	WSRB	East Branch Extension - Improvements	\$ 644,051	\$ 644,051	\$ –
AW	WSRB	East Branch Extension - Phase II	\$ 26,763,915	\$ 26,763,915	\$ –
AW	WSRB	FRIP	\$ 140,274,979	\$ 140,274,979	\$ –
AW	WSRB	FERC Relicensing P2100	\$ 1,191,505	\$ 1,191,505	\$ –
AW	WSRB	FERC Relicensing P2426	\$ 6,461,781	\$ 6,461,781	\$ –
AW	WSRB	South Bay Aqueduct Enlargement	\$ 1,367,594	\$ 1,367,594	\$ –
AW	WSRB	Tehachapi East Afterbay	\$ 576,949	\$ 576,949	\$ –
AW	WSRB	Therm PP Clean-Up and Reconstruction	\$ 87,298,596	\$ 87,298,596	\$ –
AX	WSRB	AK Series Refund	\$ 1,441,380	\$ 1,441,380	\$ –
AX	WSRB	AN Series Refund	\$ 11,415,555	\$ 11,415,555	\$ –
AX	WSRB	AO Series Refund	\$ 244,117,649	\$ 244,117,649	\$ –
AX	WSRB	AP Series Refund	\$ 17,058,235	\$ 17,058,235	\$ –
AX	WSRB	AQ Series Refund	\$ 77,957,395	\$ 77,957,395	\$ –
AX	WSRB	AR Series Refund	\$ 70,761,079	\$ 70,761,079	\$ –
AY	WSRB	AE Series Refund	\$ 29,655,765	\$ 29,655,765	\$ –
AY	WSRB	AF Series Refund	\$ 75,260,034	\$ 75,260,034	\$ –
AY	WSRB	AG Series Refund	\$ 20,619,630	\$ 20,619,630	\$ –
AY	WSRB	AH Series Refund	\$ 11,202,300	\$ 11,202,300	\$ –
AY	WSRB	AI Series Refund	\$ 5,449,799	\$ 5,449,799	\$ –
AZ	WSRB	Delta Facilities Program	\$ 18,648,474	\$ 18,648,474	\$ –
AZ	WSRB	East Branch Extension - Improvements	\$ 39,514	\$ 39,514	\$ –
AZ	WSRB	East Branch Extension - Phase II	\$ 4,119,171	\$ 4,119,171	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
AZ	WSRB	FRIP	\$ 37,338,875	\$ 37,338,875	\$ –
AZ	WSRB	FERC Relicensing P2100	\$ 776,691	\$ 776,691	\$ –
AZ	WSRB	FERC Relicensing P2426	\$ 2,285,607	\$ 2,285,607	\$ –
AZ	WSRB	Oroville Dam Spillway Response	\$ 48,590,605	\$ 48,590,605	\$ –
AZ	WSRB	South Bay Aqueduct Enlargement	\$ 483,664	\$ 483,664	\$ –
AZ	WSRB	Tehachapi East Afterbay	\$ 571,765	\$ 571,765	\$ –
AZ	WSRB	Therm PP Clean-Up and Reconstruction	\$ 27,223,543	\$ 27,223,543	\$ –
AZ	WSRB	AF Series Refund	\$ 5,311,426	\$ 5,311,426	\$ –
AZ	WSRB	AY Series Refund	\$ 105,274,090	\$ 105,274,090	\$ –
BA	WSRB	Delta Facilities Program	\$ 46,307,370	\$ 46,307,370	\$ –
BA	WSRB	East Branch Extension - Phase II	\$ 333,408	\$ 333,408	\$ –
BA	WSRB	FRIP	\$ 50,332,444	\$ 50,332,444	\$ –
BA	WSRB	FERC Relicensing P2100	\$ 728,724	\$ 728,724	\$ –
BA	WSRB	FERC Relicensing P2426	\$ 3,646,829	\$ 3,646,829	\$ –
BA	WSRB	Oroville Dam Spillway R & R	\$ 247,406,732	\$ 247,406,732	\$ –
BA	WSRB	South Bay Aqueduct Enlargement	\$ 246,337	\$ 246,337	\$ –
BA	WSRB	Tehachapi East Afterbay	\$ 480,969	\$ 480,969	\$ –
BA	WSRB	Therm PP Clean-Up and Reconstruction	\$ 20,369,496	\$ 20,369,496	\$ –
BB	WSRB	Arroyo Pasajero Program	\$ 287,805	\$ 287,805	\$ –
BB	WSRB	Delta Facilities Program	\$ 154,578,901	\$ 154,578,901	\$ –
BB	WSRB	East Branch Extension - Phase II	\$ 135,394	\$ 135,394	\$ –
BB	WSRB	FRIP	\$ 413,042,028	\$ 413,042,028	\$ –
BB	WSRB	FERC Relicensing P2100	\$ 2,501,016	\$ 2,501,016	\$ –
BB	WSRB	FERC Relicensing P2426	\$ 14,865,187	\$ 14,865,187	\$ –
BB	WSRB	South Bay Aqueduct Enlargement	\$ 1,106,261	\$ 1,106,261	\$ –
BB	WSRB	Therm PP Clean-Up and Reconstruction	\$ 35,349,045	\$ 35,349,045	\$ –
BB	WSRB	AU Series Refund	\$ 113,326,238	\$ 113,326,238	\$ –
BC	WSRB	Arroyo Pasajero Program	\$ 5,000	\$ 5,000	\$ –
BC	WSRB	Delta Facilities Program	\$ 300,000	\$ 300,000	\$ –
BC	WSRB	FRIP	\$ 695,000	\$ 695,000	\$ –
BC	WSRB	FERC Relicensing P2100	\$ 5,000	\$ 5,000	\$ –
BC	WSRB	FERC Relicensing P2426	\$ 30,000	\$ 30,000	\$ –
BC	WSRB	South Bay Aqueduct Enlargement	\$ 5,000	\$ 5,000	\$ –
BC	WSRB	Therm PP Clean-Up and Reconstruction	\$ 100,000	\$ 100,000	\$ –
BC	WSRB	AH Series Refund	\$ 9,127,468	\$ 9,127,468	\$ –
BC	WSRB	AI Series Refund	\$ 5,269,254	\$ 5,269,254	\$ –
BC	WSRB	AJ Series Refund	\$ 16,171,792	\$ 16,171,792	\$ –
BC	WSRB	AK Series Refund	\$ 3,639,923	\$ 3,639,923	\$ –
BC	WSRB	AL Series Refund	\$ 14,158,048	\$ 14,158,048	\$ –

Table DBT.15 – Uses Comparison of DIMS to Pricing Reports by Bond Series and Project
(continued)

Bond Series	Type	Project	Pricing Report	DIMS	Difference
BC	WSRB	AM Series Refund	\$ 30,351,794	\$ 30,351,794	\$ –
BC	WSRB	AN Series Refund	\$ 4,052,344	\$ 4,052,344	\$ –
BC	WSRB	AP Series Refund	\$ 6,648,890	\$ 6,648,890	\$ –
BC	WSRB	AQ Series Refund	\$ 38,806,138	\$ 38,806,138	\$ –
BC	WSRB	AR Series Refund	\$ 51,668,817	\$ 51,668,817	\$ –
BC	WSRB	AS Series Refund	\$ 326,809,049	\$ 326,809,049	\$ –
BC	WSRB	AW Series Refund	\$ 14,261,020	\$ 14,261,020	\$ –
BD	WSRB	Delta Facilities Program	\$ 11,704,994	\$ 11,704,994	\$ –
BD	WSRB	FRIP	\$ 9,802,545	\$ 9,802,545	\$ –
BD	WSRB	Oroville Dam Spillway R & R	\$ 279,599,015	\$ 279,599,015	\$ –
BE	WSRB	Delta Facilities Program	\$ 920,000	\$ 920,000	\$ –
BE	WSRB	FRIP	\$ 775,000	\$ 775,000	\$ –
BE	WSRB	Oroville Dam Spillway R & R	\$ 22,010,000	\$ 22,010,000	\$ –
BE	WSRB	AK Series Refund	\$ 1,440,603	\$ 1,440,603	\$ –
BE	WSRB	AL Series Refund	\$ 6,082,210	\$ 6,082,210	\$ –
BE	WSRB	AM Series Refund	\$ 40,636,445	\$ 40,636,445	\$ –
BE	WSRB	AS Series Refund	\$ 85,162,869	\$ 85,162,869	\$ –
BE	WSRB	AW Series Refund	\$ 86,799,564	\$ 86,799,564	\$ –
BE	WSRB	AX Series Refund	\$ 31,422,276	\$ 31,422,276	\$ –
BE	WSRB	AZ Series Refund	\$ 13,608,858	\$ 13,608,858	\$ –
BE	WSRB	BA Series Refund	\$ 34,276,381	\$ 34,276,381	\$ –
BF	WSRB	Arroyo Pasajero Program	\$ 33,508	\$ 33,508	\$ –
BF	WSRB	Delta Facilities Program	\$ 38,474,441	\$ 38,474,441	\$ –
BF	WSRB	FRIP	\$ 102,629,229	\$ 102,629,229	\$ –
BF	WSRB	FERC Relicensing P2100	\$ 655,770	\$ 655,770	\$ –
BF	WSRB	FERC Relicensing P2426	\$ 539,104	\$ 539,104	\$ –
BF	WSRB	FERC Relicensing P2876	\$ 10,722	\$ 10,722	\$ –
BF	WSRB	South Bay Aqueduct Enlargement	\$ 57,416	\$ 57,416	\$ –
BF	WSRB	AT Series Refund	\$ 152,347,720	\$ 152,347,720	\$ –

The below table documents the comparison of the debt transfers per the DIMS output reports, per the updated pricing reports, and per the latest cost/debt reconciliation project file. The debt transfers were compared by project.

Table DBT.16 – Debt Transfers Comparison of DIMS to Pricing Reports to Cost/Debt Reconciliation by Project

Project	DIMS	Pricing Report	DIMS vs. Pricing Report Difference	Cost/Debt Reconciliation	Cost/Debt Reconciliation vs. DIMS Difference
2014 Hyatt-Thermalito Capital Improvements	\$ 14,864,726	\$ 14,864,726	\$ –	\$ 14,864,726	\$ –
Additional East Branch Improvements	\$ (19,713,623)	\$ (19,713,623)	\$ –	\$ (19,713,623)	\$ –
Arroyo Pasajero Program	\$ 7,278,121	\$ 7,278,121	\$ –	\$ 7,278,121	\$ –
Coastal Branch Extension (CBX)	\$ (6,662,243)	\$ (6,662,243)	\$ –	\$ (6,662,243)	\$ –
CB-Phase II	\$ (60,210,015)	\$ (60,210,015)	\$ –	\$ (60,210,015)	\$ –
Coastal Off-Peak Pumping	\$ 30,708,000	\$ 30,708,000	\$ –	\$ 30,708,000	\$ –
Delta Facilities Program	\$ (18,123,323)	\$ (18,123,323)	\$ –	\$ (18,123,323)	\$ –
Delta Pumping Plant Completion	\$ 993,250	\$ 993,250	\$ –	\$ 993,250	\$ –
Devil Canyon 2nd Afterbay	\$ 62,547,000	\$ 62,547,000	\$ –	\$ 62,547,000	\$ –
EBE – Phase I	\$ (68,569,553)	\$ (68,569,553)	\$ –	\$ (68,569,553)	\$ –
EBE – Phase II	\$ 948,318	\$ 948,318	\$ –	\$ 948,318	\$ –
EBX – Improvements	\$ (56,010,623)	\$ (56,010,623)	\$ –	\$ (56,010,623)	\$ –
EBX – Phase I	\$ (2,263,153)	\$ (2,263,153)	\$ –	\$ (2,263,153)	\$ –
EBX – Phase II	\$ 46,638,141	\$ 46,638,141	\$ –	\$ 46,638,141	\$ –
Facilities Reconstruction and Improvement Project	\$ 32,334,759	\$ 32,334,759	\$ –	\$ 32,334,759	\$ –
FERC Relicensing P2100	\$ (301,641)	\$ (301,641)	\$ –	\$ (301,641)	\$ –
FERC Relicensing P2426	\$ (1,129,481)	\$ (1,129,481)	\$ –	\$ (1,129,481)	\$ –
Hyatt Powerplant Units 2, 4, and 6	\$ 12,920,800	\$ 12,920,800	\$ –	\$ 12,920,800	\$ –
Kern Water Bank	\$ (142,626)	\$ (142,626)	\$ –	\$ (142,626)	\$ –
Midway-Wheeler Ridge Line	\$ 1,017,095	\$ 1,017,095	\$ –	\$ 1,017,095	\$ –
NBA – Phase II	\$ (23,731,642)	\$ (23,731,642)	\$ –	\$ (23,731,642)	\$ –
Project Monitor and Control System	\$ 36,061,841	\$ 36,061,841	\$ –	\$ 36,061,841	\$ –

Table DBT.16 – Debt Transfers Comparison of DIMS to Pricing Reports to Cost/Debt by Project (continued)

Project	DIMS	Pricing Report	DIMS vs. Pricing Report Difference	Cost/Debt	Cost/Debt vs. DIMS/Pricing Report Difference
Project Planning Costs	\$ 28,424,116	\$ 28,424,116	\$ –	\$ 28,424,116	\$ –
San Bernardino Tunnel Intake	\$ 2,542,784	\$ 2,542,784	\$ –	\$ 2,542,784	\$ –
San Luis Rock Quarry	\$ 2,133,950	\$ 2,133,950	\$ –	\$ 2,133,950	\$ –
Small Hydro Project	\$ 322,746	\$ 322,746	\$ –	\$ 322,746	\$ –
SBA Enlargement	\$ (42,001,288)	\$ (42,001,288)	\$ –	\$ (42,001,288)	\$ –
South Bay Off-Peak Pumping	\$ 24,127,206	\$ 24,127,206	\$ –	\$ 24,127,206	\$ –
Suisun Marsh Environmental Facilities	\$ (21,394,491)	\$ (21,394,491)	\$ –	\$ (21,394,491)	\$ –
Tehachapi East Afterbay	\$ 18,715,800	\$ 18,715,800	\$ –	\$ 18,715,800	\$ –
Thermalito Power Plant Clean-Up and Reconstruction	\$ (1,184,206)	\$ (1,184,206)	\$ –	\$ (1,184,206)	\$ –
Vista Del Lago	\$ (1,140,744)	\$ (1,140,744)	\$ –	\$ (1,140,744)	\$ –

SECTION 3

UPDATE OF PRIOR YEAR FINDINGS

This section contains an update of prior year findings as described in the prior year reports to the IAA. A summary of the findings resolved from the prior year report is included in the table below:

Prior Year Open Finding Count	Findings Resolved	Current Year Open Findings Count
83	14	69

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000004 Finding AUD-000008 Finding AUD-000033 Finding AUD-000148 Finding AUD-000239 Finding AUD-000267	Statewide alpha cost centers have inconsistent allocation for the SAA and SAE series alpha allocation cycles.	No	The reaches included in the allocation of the SAA series alpha allocation cycle continue not to allocate costs to all reaches that have salaries and wages. The Department no longer uses the SAE alpha allocation cycle but will need to adjust the prior year allocations to be consistent with the SAA series alpha allocation cycle.
Finding AUD-000007 Finding AUD-000032 Finding AUD-000147 Finding AUD-000237 Finding AUD-000265 Finding AUD-000299 Finding AUD-000345 Finding AUD-000411 Finding AUD-000451 Finding AUD-000507 Finding AUD-000565 Finding AUD-000620	Statewide alpha cost centers are not allocating to all reaches for the F-series alpha allocation cycles.	No	The reaches included in the allocation of F-series alpha allocation cycles continue not to allocate costs to all reaches that have direct labor.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000031 Finding AUD-000006	Statewide alpha cost centers are not allocating to all reaches for the AAC series alpha allocation cycles.	No	No changes were made to the reaches included in the allocation of AAC series alpha allocation cycles.
Finding AUD-000060	The following alpha cost centers would be more appropriately allocated based on FAD908. The costs relating to the cost objects represent non-specific costs to be allocated statewide and therefore should be using the same basis and distribution as FAD908, which allocates to the EBX and joint project purposes. 1111FAD890 – \$402,240 2111FAD890 – \$1,042,102 2171FAD890 – \$629,617 2310FAD890 – \$400,100 2330FAD890 – \$224,504 2501FAD890 – \$334,428	No	These alpha cost centers continue to be allocated with FAD890, which does not allocate any costs to the EBX.
Finding AUD-000150	Contract No. C51401 (Estimate No. 25) charges were allocated to reaches SBA-R1, SBA-R2, and SBA-R4, but the Subcontractor also performed work on reaches SBA-R5, SBA-R6, SBA-R7, SBA-R8, and SBA-R9. Since these costs were not allocated to the appropriate reaches, they are not being properly recovered from the South Bay Contractors.	No	We observed the contract still only allocated to SBA-R1, SBA-R2, and SBA-R4.
Finding AUD-000163	During our procedures of 2013 invoices, we observed that 5 of the 50 invoices assessed were related to the construction of the Southern Field Division (SFD) O&M Headquarters in Pearblossom, California, and the costs related to these invoices were improperly charged directly to Pearblossom Pumping Plant.	No	We observed that the invoices were only being billed to the Pearblossom Pumping Plant (CA-R22B) in SAP and not to the entire SFD O&M (CA-R17F to CA-R30).
Finding AUD-000266	Cost centers 2202590000 and 2202610000 were included in the F-series alpha allocation cycles update which are associated to CA-R05 Panoche Creek and CA-R07 Arroyo Pasajero; however, the two cost centers were created in 2008 and the Department did not include these two cost centers in the F-series alpha allocation cycles update for 2008 – 2014 which results in less costs allocated to CA-R05 and CA-R07 in those respective years.	No	The F-series alpha allocation cycles for 2008 to 2014 were not updated to include these cost centers.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000274 Finding AUD-000307 Finding AUD-000367 Finding AUD-000429 Finding AUD-000467 Finding AUD-000517 Finding AUD-000576 Finding AUD-000630	The Coastal reallocation includes allocations to County of Butte, Future Contractor – San Joaquin, Plumas County FC and WCD, and City of Yuba in the calculation but these costs were being allocated to Santa Barbara County FC and WCD and San Luis Obispo County FC and WCD in the SOC in years 2000 to 2017.	No	The Coastal reallocation continues to allocate these costs to Santa Barbara County FC and WCD and San Luis Obispo County FC and WCD.
Finding AUD-000339	Capital costs included in the cost/debt reconciliation analysis do not agree to Bulletin 132-13, Table B10, <i>Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge</i> . This results in a reconciling difference of \$9,337.	No	Capital costs included in the cost/debt reconciliation analysis agree to the preliminary cost/debt reconciliation spreadsheet. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Finding AUD-000340	The SBA Improvement and Enlargement project costs were reallocated by the Department subsequent to the cost/debt reconciliation which is as of June 30, 2014. This can cause a difference between SBA Enlargement and SBA Improvement shown in Water Systems. Total costs included \$198,823,604 and \$69,345,499 for SBA Enlargement and SBA Improvement, respectively.	No	SBA Improvement and Enlargement project costs included in the cost/debt reconciliation agree to the preliminary cost/debt reconciliation spreadsheet. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Finding AUD-000342	The Department does not have support to validate the amounts included as reconciling items represented by capital construction costs paid for by cash on hand. Total cash on hand includes EBE of \$30,519,641 and Water Systems of \$111,539,270.	No	The Department does not have support to validate the reconciling items related to capital construction costs paid for by cash on hand. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Finding AUD-000344	CBX direct billed debt service charged to CCWA is overstated as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series Q and W. This results in an overstatement of costs of \$1,574,345 from 1998 to 2018 (amount does not reflect interest credits due to CCWA related to the overstatement).	No	The debt service amounts continue to be overcharged.
Finding AUD-000436	The 2018 actual amount used in the calculation of Available Funds for Rate Management Credits for On-Aqueduct Power Facilities Debt Service (Pyramid, Alamo, and Small Hydropower Projects) includes interest payments that did not match the amount per SAP.	No	The available funds for rate management continues to be overstated.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000455	The Department updated the alpha allocation cycle percentages for C-AFN905 and M-FFR928 within SAP; however, these updated percentages were not used for the S-series update. This impacts the 2019 alpha allocation cycle percentages and the five-year average used to calculate the alpha allocation cycle percentages for the 2021 SOC.	No	The S-series update now uses the updated alpha allocation percentages for C-AFN905 and M-FFR928; however, this finding remains unresolved, as the 2019 alpha allocation percentages are not adjusted.
Finding AUD-000459	Litigation Settlement costs relating to the San Luis Reservoir Recreation Area were allocated to the San Luis Field Division General alpha cost center 2300FFJ907 (check #1373958).	No	This claim continues to have costs incorrectly allocated.
Finding AUD-000461	Low voltage wheeling transmission costs are allocated through V-PAT017 for years prior to 2018. This causes the low voltage wheeling transmission costs to be allocated to pumping plants that do not receive low voltage power.	No	There have been no updates to the allocation of low voltage wheeling transmission costs allocated through V-PAT017 for years prior to 2018.
Finding AUD-000524 Finding AUD-000600 Finding AUD-000647	When processing the annual SOC, the Department used the latest WSRB file. The Department used Series A-BC for the 2022 SOC, Series A-BA for the 2021 SOC, and Series A-BA for the 2020 SOC. If there was a new WSRB Series issuance, it would affect a future SOC in the amounts required to be collected. The Department does not currently true-up for the Surcharge by going back and adjusting for refunding of WSRB issuances on past SOCs.	No	The WSRB Surcharge continues to be overcharged by not adjusting for refunding of WSRB issuances on past SOCs.
Finding AUD-000525 Finding AUD-000601 Finding AUD-000648	EBX direct billed debt service charged to San Bernardino Valley MWD and San Gorgonio Pass Water Agency was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the EBX project.	No	The debt service amounts continue to be overcharged.
Finding AUD-000526 Finding AUD-000602 Finding AUD-000649	SBA Enlargement direct billed debt service charged to Alameda County FC and WCD, Zone 7 was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the SBA Enlargement.	No	The debt service amounts continue to be overcharged.
Finding AUD-000581	The payment received included in Attachment 4E, <i>Capital Cost Component of East Branch Enlargement Transportation Charges</i> included a formula error when calculating the Capital Cost Component due in the SOC.	Yes	The payment received included in Attachment 4E, <i>Capital Cost Component of East Branch Enlargement Transportation Charges</i> has been adjusted.
Finding AUD-000573	The Variable OMP&R Component Transportation Charge for Water Deliveries during calendar year 2021 was incorrectly calculated due to the incorrect unit variable OMP&R component of transportation charge per table B-17 applied to the water deliveries for each Contractor.	Yes	The Variable OMP&R Component Transportation Charge for Water Deliveries during calendar year 2021 has been adjusted.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Cost/Debt Reconciliation Project Matter AUD-000586	Suspended costs were included in the EBX – Phase II costs. Suspended costs should not be included in the cost/debt reconciliation project.	No	Suspended costs are now excluded from the project. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000587	Capital costs included in Table B-10, <i>Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge</i> , was incorrectly included in FERC Relicensing P2426 vs. Facilities Reconstruction and Improvement Project.	No	Table B-10 capital costs of \$18,905 are now adjusted under FRIP. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000588	Capital costs included in Table B-10, <i>Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge</i> , was incorrectly included in FERC Relicensing P2426 vs. Delta Facilities Program.	No	Table B-10 capital costs of \$159,919 are now adjusted under Delta Facilities Program. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000589	Cap and Trade reductions of costs were excluded from the cost/debt reconciliation project. The Cap and Trade credits should be applied to the cost column within the analysis.	No	Cap and Trade credits of \$19,675,884 are now added to Net Costs and included in the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000590	The Department does not have support to validate the amounts included as reconciling items represented by capital construction costs paid for by cash on hand.	No	This has not been resolved as no support is available for cash on hand. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000591	The cost/debt reconciliation 2014 spreadsheet includes an unreconciled difference related to the Coastal Branch Extension (CBX) when comparing to Table B-10, <i>Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge</i> .	No	This has not been resolved as the Department deemed the difference to be immaterial. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000592	The cost/debt reconciliation 2014 spreadsheet includes capital costs not mapped to any project when comparing the capital construction costs to debt service.	No	The cost/debt reconciliation project continues to have unreconciled differences. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000593	The cost/debt reconciliation 2014 spreadsheet included modifications from the original analysis based on “judgment calls” made by the Department. The cause of these changes are identified in an overall change summary in the analysis. However, not all changes are identified from the original analysis.	No	The cost/debt reconciliation project continues to have unreconciled differences. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000594	The cost/debt reconciliation 2014 spreadsheet included modifications from the original analysis based on “judgment calls” made by the Department. The cause of these changes are identified in an overall change summary in the analysis. However, the process for determining these manual adjustments are not documented.	No	The Department provided documentation on the manual adjustments made to the 2014 file. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Cost/Debt Reconciliation Project Matter AUD-000595	The SBA Improvement and Enlargement project costs were reallocated by the Department subsequent to the cost/debt reconciliation which is as of June 30, 2014. This can cause a difference between SBA Enlargement and SBA Improvement shown in Water Systems.	No	The final allocation of costs between SBA Enlargement and Improvement is now reflected in the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000596	The East Branch Improvement and Enlargement were reallocated as a result of the 2020 Joint Proposal (revised allocation to adjust the split between improvement and enlargement) by the Department subsequent to the cost/debt reconciliation which is as of June 30, 2014. This caused a difference between EBE and East Branch Improvement shown in Water Systems.	No	The final allocation of costs between EBE and Improvement is now reflected in the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000597	The East Branch Improvement and Enlargement were reallocated as a result of the 2020 Joint Proposal (revised allocation to adjust the split between improvement and enlargement) by the Department subsequent to the cost/debt reconciliation which is as of June 30, 2014. This caused a difference between EBE and East Branch Improvement shown in Water Systems. The debt transfer in the cost/debt reconciliation did not match the final approved reallocation in the final EBE Memo.	No	The final allocation of costs between EBE and Improvement is now reflected in the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000598	The cost/debt reconciliation 2014 and 2021 spreadsheets include an unreconciled difference between the total bond amounts and capital costs.	No	The cost/debt reconciliation project continues to have unreconciled differences. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000599	The cost/debt reconciliation 2014 and 2021 spreadsheets have undergone several revisions since the start of the project and has included assistance from various personnel from the Department including a third-party consultant. The Department should create a white paper that documents the entire cost/debt reconciliation project from start to finish which includes detailed explanations of the rationale for each reconciling item (instances when the capital costs do not match the associated debt financing) and any "judgment calls" that were required to be made due to lack of documentation/support.	No	This project matter has not been resolved and is a recommendation for the Department to document the cost/debt reconciliation project from start to finish. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Finding AUD-000603	The 2023 SOC WSRB surcharge calculation includes both water systems debt service and on-aqueduct debt service. The on-aqueduct debt service amounts were excluded in prior year WSRB surcharge calculations. This resulted in an understatement of debt service charges to the Contractors from 1992 to 2022.	No	The WSRB Surcharge continues to be undercharged by including on-aqueduct debt service amounts in prior years.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000608	JVSWP2109049 in the amount of \$636,249 was double recorded when performing the reallocation between alpha cost center 2103FAD890 (DWC) to cost center 2133300000 (DWC).	Yes	The double recording of JVSWP2109049 has been adjusted.
Finding AUD-000621	California Department of Tax and Fee Administration invoices for annual water rights fees from 2015 to 2022 included billing errors charged to M-FAC001 alpha allocation cycle.	No	The billing errors posted charged to M-FAC001 alpha allocation cycle has not been corrected.
Finding AUD-000622	Stantec Consulting Services Incorporation invoices related to claims 1417740 and 1423474 were double billed to statewide alpha allocation cycle M-GAC001.	Yes	The double billing of claim 1417740 and 1423474 has been adjusted.
Finding AUD-000623	Capstone Fire and Safety Management Rural Metro Incorporation invoice related to claim 1431358 includes costs related to Cedar Springs Dam (CA-R24) and Devil Canyon Power Plant (CA-R26A), but had costs incorrectly charged to the Mojave Division through the C-FDH907 (CA-R18A to CA-R24) alpha allocation cycle. In addition, these costs had already been posted to Cedar Springs Dam (CA-R24) and Devil Canyon Power Plant (CA-R26A). This results in a double bill of the invoice.	Yes	The double billing to claim 1431358 has been adjusted.
Finding AUD-000624	Johnson Controls Fire Protection LP invoice related to claim 1400458 was double billed to the San Luis Field Division through the M-FFJ907 (CA-R3 to CA-R7) alpha allocation cycle.	Yes	The double billing to claim 1400458 has been adjusted.
Finding AUD-000627	The M-PAT401 Plant Allocation Factors (PAFs) calculated in the 2022 Preliminary Allocation of Power Costs (PALPOC) were not updated within Cost Allocation and Billing (CAB).	Yes	The 2022 allocation factors for M-PAT401 have been updated in CAB. A reallocation of costs was recorded in CAB for 2022.
Finding AUD-000628	The Commercial Paper (CP) interest was included in the DWC calculation. CP interest should not impact the Delta Water Rate.	Yes	CP interest was not included in the DWC calculation in the 2025 SOC.
Finding AUD-000635	Capstone Fire and Safety Management Rural Metro Incorporation invoices related to claims 1432577 and 1442334 were double billed to CA-R30 and CA-R22B.	Yes	The double billing of claim 1432577 and 1442334 has been adjusted.
Finding AUD-000636	Capstone Fire and Safety Management Rural Metro Incorporation invoice related to claim 1427314 was double billed to CA-R24.	Yes	The double billing of claim 1427314 has been adjusted.
Finding AUD-000637	Capstone Fire and Safety Management Rural Metro Incorporation invoices related to claim 1431358 were double or triple billed to CA-R18A, CA-R22B, CA-R23, CA-R29H, and CA-R30.	Yes	The double billing of claim 1431358 has been adjusted.
Finding AUD-000638	Stantec Consulting Services Incorporation invoice related to claim 1415007 was double billed to CA-R30.	Yes	The double billing of claim 1415007 has been adjusted.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000639	Voith Hydro, Inc. invoices were inappropriately billed to the Oroville Dam and Powerplant as credit memos issued related to the invoices were not pushed down to the Contractors.	Yes	The billing error to Oroville Dam and Powerplant has been adjusted.
Finding AUD-000640	Voith Hydro, Inc. invoices related to claims 1317204, 1316640, and 1394240 were double billed to the Oroville Dam and Powerplant.	Yes	The double billing of claim 1317204, 1316640, and 1394240 has been adjusted.
Cost/Debt Reconciliation Project Matter AUD-000643	Suspended costs were included in the Delta Facilities Program costs. Suspended costs should not be included in the cost/debt reconciliation project. In addition, there were costs incorrectly labeled as suspended costs that represent actual allocated costs.	No	Suspended costs are now excluded from the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000644	The cost/debt reconciliation spreadsheet includes unreconciled differences between the total bond amounts and capital costs.	No	The cost/debt reconciliation project continues to have unreconciled differences. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000645	Cost adjustments to exclude outstanding CP from the cost/debt reconciliation project were not applied to the correct projects and were not applied in the correct amount. The adjustments related to outstanding CP should be applied to the projects which had an outstanding CP balance within the 2014 file to properly remove the impact of any outstanding CP.	No	The Department has updated the adjustments related to outstanding CP within the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.
Cost/Debt Reconciliation Project Matter AUD-000646	The cost/debt reconciliation spreadsheet related to series BB Prefund debt by project was not updated to match the support file related to this bond provided by the Division of Fiscal Services.	No	The Department updated the debt amounts to reflect the allocation of Series BB Prefund debt within the reconciliation. This finding will stay open until the final cost/debt reconciliation spreadsheet is agreed upon with the Contractors and the WSRB Debt Service Billing Project is completed.

SECTION 4
SUMMARY OF FINDINGS BY CONTRACTOR

This section contains the findings from Section 2 quantified for each Contractor. Refer to Section 2 for a detailed discussion of all findings and recommendations.

Findings with Monetary Impact – Quantified by Contractor

Alpha Allocation Cycles

- Finding AUD-000659: Safety Management Systems LLC invoice related to claim 1393028 was double billed to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The original and revised invoice total were both billed. This resulted in an overstatement to the Contractors of \$10,947.
- Finding AUD-000660: Safety Management Systems LLC invoice related to claim 1396317 was double billed to the Oroville Field Division through the M-MFA010 alpha allocation cycle. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$25,720.
- Finding AUD-000661: Safety Management Systems LLC invoices related to claim 1396316 were double billed to the Delta Field Division through the M-FFE907 alpha allocation cycle and Oroville Field Division through the M-MFA010 alpha allocation cycle. This resulted in an overstatement to the following alpha allocation cycles: M-FFE907 of \$67,872 and M-MFA010 of \$8,854. The overall overstatement to the Contractors is \$76,726.
- Finding AUD-000662: Johnson Controls Fire Protection, LP invoice related to claim 1437508 was double billed to the Delta Field Division through the M-FFE907 alpha allocation cycle. This resulted in an overstatement of costs to the Contractors of \$2,895.
- Finding AUD-000663: Johnson Controls Fire Protection, LP invoice related to claim 1445204 was double billed to the Upper Feather River Division through the M-FDA907 alpha allocation cycle. This resulted in an overstatement of costs to the Contractors of \$458.
- Finding AUD-000664: HDR Engineering, Inc. invoice related to claim 1403944 was double billed to statewide alpha allocation cycle M-GAC001. This resulted in an overstatement of costs to the Contractors of \$7,979.

System Power Costs – Variable Transmission

- Finding AUD-000667: The Department incorrectly calculated the transportation variable plant unit rate per Table B-17 by including projected and actual water deliveries in their analysis. This resulted in an overstatement of variable costs in the amount of \$4,179,887. However, this error also had an impact on the downstream calculation. As a result, downstream that is collected through the minimum OMP&R component was understated by \$4,179,887. This resulted in an overstatement of variable costs of \$4,179,887 and an understatement of minimum costs of \$4,179,887 to the Contractors.

Delta Water Charge

- As a result of our procedures for the DWC, we identified no findings in the current year.

Statement of Charges

- Finding AUD-000672: The Coastal reallocation included allocations to the County of Butte, the Future Contractor – San Joaquin, the Plumas County FC and WCD, and the City of Yuba in the calculation, but these costs were being allocated to the Santa Barbara County FC and WCD and the San Luis Obispo County FC and WCD in the SOC in years 2000–2016. This resulted in an overstatement of costs of \$4,663 and \$235 to Santa Barbara FC and WCD and San Luis Obispo County FC and WCD, respectively, and an understatement of \$564, \$2,788, \$83, and \$1,463 to County of Butte, Future Contractor – San Joaquin, Plumas County FC and WCD, and the City of Yuba, respectively.

Transportation Minimum and Capital Direct and Indirect Analysis

- Finding AUD-000682: The filing fee for the Delta Dams Rodent Burrow Remediation Project was charged to Patterson Dam (SBA-R2), but the project includes work performed at Dyer Dam (SBA-R1), Patterson Dam (SBA-R2), and Clifton Court Forebay Dam (CA-R1). This resulted in a reallocation of costs among the Contractors of \$105,000.
- Finding AUD-000683: K.W. Emerson, Inc. invoices related to claims 1439098 and 1448304 include costs related to the Clifton Court Forebay Dam (CA-R1), but had costs charged to the Patterson Dam (SBA-R2). This resulted in a reallocation of costs among the Contractors of \$500,316.
- Finding AUD-000684: Patriot Environmental Services invoice was inappropriately billed to the Oroville Dam and Powerplant as the invoice was never paid. This resulted in an overstatement of costs to the Contractors of \$32,248.
- Finding AUD-000685: HDR Engineering, Inc. invoices related to claim 1394950 were double billed to CA-R29H. This resulted in an overstatement of costs to the Contractors of \$4,555.
- Finding AUD-000686: HDR Engineering, Inc. invoice related to claim 1403938 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$133,354.
- Finding AUD-000687: All Terrain Water Corporation invoice related to claim 1362077 was double billed to CA-R1. This resulted in an overstatement of costs to the Contractors of \$8,145.
- Finding AUD-000688: Safety Management Systems LLC invoice related to claim 1397054 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$46,390.
- Finding AUD-000689: Voith Hydro, Inc. invoice related to claim 1391438 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$39,895.
- Finding AUD-000690: All Terrain Water Corporation invoice related to claim 1343315 was double billed to CA-R3A. This resulted in an overstatement of costs to the Contractors of \$3,885.

- Finding AUD-000691: HDR Engineering, Inc. invoice related to claim 1395128 was double billed to CA-R29H. This resulted in an overstatement of costs to the Contractors of \$256.
- Finding AUD-000692: HDR Engineering, Inc. invoice related to claim 1395719 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$8,970.
- Finding AUD-000693: HDR Engineering, Inc. invoice related to claim 1403941 was double billed to the Upper Feather Division including the Frenchman Dam and Lake, Antelope Dam and Lake, and Grizzly Valley Dam and Lake Davis. This resulted in an overstatement of costs to the Contractors of \$41,711.
- Finding AUD-000694: All Terrain Water Corporation invoice related to claim 1363649 was double billed to SBA-R1. This resulted in an overstatement of costs to the Contractors of \$1,817.
- Finding AUD-000695: All Terrain Water Corporation invoice related to claim 1361683 was double billed to CA-R1. This resulted in an overstatement of costs to the Contractors of \$5,280.
- Finding AUD-000696: Safety Management Systems LLC invoice related to claim 1396317 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$63,395.
- Finding AUD-000697: Voith Hydro, Inc. invoice was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$514,904.
- Finding AUD-000698: Voith Hydro, Inc. invoices were inappropriately billed to the Oroville Dam and Powerplant as credit memos issued related to the invoices were not pushed down to the Contractors. This resulted in an overstatement of costs to the Contractors of \$652,234.
- Finding AUD-000699: Voith Hydro, Inc. invoice was double billed to CA-R3A. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$303,236.
- Finding AUD-000700: HDR Engineering, Inc. invoice related to claim 1394951 was double billed to CA-R29H. This resulted in an overstatement of costs to the Contractors of \$965.
- Finding AUD-000701: HDR Engineering, Inc. invoice related to claim 1390832 was double billed to CA-R28J, CA-R29H, EBX-R3B, and SBA-R5. This resulted in an overstatement of costs to the Contractors of \$132,094.
- Finding AUD-000702: All Terrain Water Corporation invoice related to claim 1354467 was double billed to CA-R1. This resulted in an overstatement of costs to the Contractors of \$1,038.
- Finding AUD-000703: Safety Management Systems LLC invoice related to claim 1396311 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$24,903.
- Finding AUD-000704: Voith Hydro, Inc. invoice related to claim 1394240 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$10,392.

- Finding AUD-000705: Andritz Hydro Corporation invoice related to claim 1401858 was double billed to CA-R24, CA-R26A, CA-R29F, and CA-R29H. This resulted in an overstatement of costs to the Contractors of \$120,432.
- Finding AUD-000706: Quinn Rental Services invoice related to claim 1393243 was double billed to CA-R17E. This resulted in an overstatement of costs to the Contractors of \$1,448.
- Finding AUD-000707: Johnson Controls Fire Protection, LP invoice related to claim 1437508 was double billed to CA-R1 and SBA-R1. This resulted in an overstatement of costs to the Contractors of \$20,925.
- Finding AUD-000708: Johnson Controls Fire Protection, LP invoice related to claim 1445204 was double billed to the Oroville Dam and Powerplant. This resulted in an overstatement of costs to the Contractors of \$620.
- Finding AUD-000709: North Tree Enterprises, Inc. invoice related to claim 1369079 was double billed to CA-R16A. This resulted in an overstatement of costs to the Contractors of \$7,410.
- Finding AUD-000710: North Tree Enterprises, Inc. invoices related to claim 1371703 were double billed to CA-R14A, CA-R15A, and CA-R16A. This resulted in an overstatement of costs to the Contractors of \$5,558.
- Finding AUD-000711: North Tree Enterprises, Inc. invoices related to claim 1377166 were double billed to CA-R14A and CA-R15A. This resulted in an overstatement of costs to the Contractors of \$4,180.
- Finding AUD-000712: HDR Engineering, Inc. invoices related to claim 1357560 were double billed to the Oroville Dam and Powerplant. The original and revised invoice totals were both billed. This resulted in an overstatement of costs to the Contractors of \$456,055.
- Finding AUD-000713: HDR Engineering, Inc. invoice related to claim 1356349 was double billed to the Oroville Dam and Powerplant. The original and revised invoice total were both billed. This resulted in an overstatement of costs to the Contractors of \$222,219.

Debt Service Procedures

- Finding AUD-000717: When processing the annual SOC, the Department used the latest WSRB file. The Department used Series A-BA for the 2021 SOC and Series A-BA for the 2020 SOC. If there was a new WSRB Series issuance, it would affect a future SOC in the amounts required to be collected. The Department does not currently true-up for the WSRB Surcharge by going back and adjusting for refunding of WSRB issuances on past SOC's. This resulted in an overstatement of WSRB Surcharge among the Contractors of \$10,506,426 plus an interest impact for the 2020 SOC year. Interest impact using the project interest rate is \$2,636,683 and interest impact using the SMIF is \$547,142. This resulted in an overstatement of WSRB Surcharge among the Contractors of \$9,711,545 plus an interest impact for the 2021 SOC year. Interest impact using the project interest rate is \$1,905,160 and interest impact using the SMIF is \$98,755. Actual interest impact to be determined at a later date.

- Finding AUD-000718: EBX direct billed debt service charged to San Bernardino Valley MWD and San Geronio Pass Water Agency was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the EBX project. This resulted in an overstatement of debt service charges of \$5,103,125 from 1999 to 2025 plus an interest impact. Interest impact using the project interest rate is \$1,833,529 and interest impact using the SMIF is \$954,402. Actual interest impact to be determined at a later date.
- Finding AUD-000719: SBA Enlargement direct billed debt service charged to Alameda County FC and WCD, Zone 7 was overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series used for the SBA Enlargement. This resulted in an overstatement of debt service charges of \$18,033,799 from 2004 to 2025 plus an interest impact. Interest impact using the project interest rate is \$11,030,587 and interest impact using the SMIF is \$1,554,238. Actual interest impact to be determined at a later date.

Table 1 – Summary of All Findings Quantified by Contractor

Finding Reference	Alameda County Water District	Alameda County Flood Control and Water Conservation District, Zone 7	Antelope Valley-East Kern Water Agency	County of Butte	Coachella Valley Water District	Crestline-Lake Arrowhead Water Agency	Desert Water Agency	Dudley Ridge Water District	Empire West Side Irrigation District	Future Contractor – San Joaquin	Future Contractor – South Bay
Finding AUD-000667	\$ (251,370)	\$ 252,171	\$ (755,554)	\$ 20	\$ (3,371,075)	\$ (223,126)	\$ 778,921	\$ (165,273)	\$ (21,168)	\$ (4,614)	\$ –
Finding AUD-000672	–	–	–	564	–	–	–	–	–	2,788	–
Finding AUD-000682	(6,286)	(12,368)	1,029	–	185	47	305	598	31	89	120
Finding AUD-000683	(84,933)	(193,443)	14,705	–	2,643	668	4,359	8,544	444	1,274	1,714
Finding AUD-000684	(325)	(623)	(1,119)	(213)	(1,069)	(45)	(431)	(320)	(23)	–	–
Finding AUD-000717	(206,882)	(457,323)	(704,875)	(65,172)	(681,457)	(41,360)	(325,879)	(155,675)	(8,171)	–	–
Finding AUD-000718	–	–	–	–	–	–	–	–	–	–	–
Finding AUD-000719	–	(29,064,386)	–	–	–	–	–	–	–	–	–
AAC Double Billings	(2,981)	(7,243)	(3,260)	(416)	(3,326)	(138)	(1,304)	(1,120)	(81)	(87)	–
TMC Double Billings	(26,762)	(53,160)	(89,562)	(16,622)	(95,512)	(3,710)	(35,990)	(27,683)	(2,179)	(89)	(46)
Total	\$ (579,539)	\$ (29,536,375)	\$ (1,538,636)	\$ (81,839)	\$ (4,149,611)	\$ (267,664)	\$ 419,981	\$ (340,929)	\$ (31,147)	\$ (639)	\$ 1,788

Definitions:
 (\$) – Overstatement of costs charged to Contractor.
 \$ – Understatement of costs charged to Contractor.

Table 1 – Summary of All Findings Quantified by Contractor (continued)

Finding Reference	Kern County Water Agency	County of Kings	Little Rock Creek Irrigation District	Metropolitan Water District of Southern CA	Mojave Water Agency	Napa County Flood Control and Water Conservation District	Oak Flat Water District	Palmdale Water District	Plumas County Flood Control and Water Conservation District	San Bernardino Valley Municipal Water District
Finding AUD-000667	\$ 2,607,847	\$ (29,235)	\$ (211,319)	\$ 9,093,810	\$ 4,558,341	\$ (4,304)	\$ (33,090)	\$ (1,701,629)	\$ 2	\$ (6,432,492)
Finding AUD-000672	-	-	-	-	-	-	-	-	83	-
Finding AUD-000682	11,681	32	17	15,375	385	-	58	129	-	827
Finding AUD-000683	166,964	454	246	219,786	5,509	-	836	1,847	-	11,822
Finding AUD-000684	(7,594)	(72)	(18)	(14,771)	(694)	(224)	(44)	(165)	(21)	(793)
Finding AUD-000717	(3,747,910)	(25,586)	(11,414)	(13,377,013)	(494,320)	(239,675)	(15,388)	(95,958)	(8,730)	(813,112)
Finding AUD-000718	-	-	-	-	-	-	-	-	-	(3,780,760)
Finding AUD-000719	-	-	-	-	-	-	-	-	-	-
AAC Double Billings	(25,031)	(225)	(52)	(45,050)	(2,085)	(3,330)	(139)	(478)	(41)	(2,611)
TMC Double Billings	(606,010)	(5,690)	(1,422)	(1,396,161)	(53,268)	(17,565)	(3,504)	(13,157)	(1,632)	(77,789)
Total	\$ (1,600,053)	\$ (60,322)	\$ (223,962)	\$ (5,504,024)	\$ 4,013,868	\$ (265,098)	\$ (51,271)	\$ (1,809,411)	\$ (10,339)	\$ (11,094,908)

Definitions:

(\$) – Overstatement of costs charged to Contractor.

\$ – Understatement of costs charged to Contractor.

Table 1 – Summary of All Findings Quantified by Contractor (continued)

Finding Reference	San Gabriel Valley Municipal Water District	San Geronio Pass Water Agency	San Luis Obispo County Flood Control and Water Conservation District	Santa Barbara County Flood Control and Water Conservation District	Santa Clara Valley Water District	Santa Clarita Valley Water Agency	Solano County Water Agency	Tulare Lake Basin Water Storage District	Ventura County Watershed Protection District	City of Yuba	Grand Total
Finding AUD-000667	\$ 28,979	\$ (401,753)	\$ (41,479)	\$ 70,399	\$ (766,206)	\$ (1,754,064)	\$ 3,429	\$ (470,901)	\$ (800,334)	\$ 7	\$ (45,060)
Finding AUD-000672	-	-	(235)	(4,663)	-	-	-	-	-	1,463	-
Finding AUD-000682	228	139	187	344	(14,979)	450	-	1,227	150	-	-
Finding AUD-000683	3,254	1,993	2,667	4,920	(202,389)	6,433	-	17,536	2,147	-	-
Finding AUD-000684	(223)	(134)	(193)	(351)	(773)	(736)	(369)	(676)	(155)	(74)	(32,248)
Finding AUD-000717	(216,403)	(132,158)	(144,315)	(913,140)	(577,757)	(567,343)	(289,311)	(303,144)	(117,593)	(22,750)	(24,759,814)
Finding AUD-000718	-	(3,155,894)	-	-	-	-	-	-	-	-	(6,936,654)
Finding AUD-000719	-	-	-	-	-	-	-	-	-	-	(29,064,386)
AAC Double Billings	(678)	(505)	(559)	(1,022)	(8,299)	(2,376)	(3,623)	(2,197)	(465)	(145)	(118,867)
TMC Double Billings	(20,656)	(14,726)	(15,297)	(27,836)	(63,871)	(64,171)	(28,897)	(53,561)	(13,935)	(5,803)	(2,836,266)
Total	\$ (205,499)	\$ (3,703,038)	\$ (199,224)	\$ (871,349)	\$ (1,634,274)	\$ (2,381,807)	\$ (318,771)	\$ (811,716)	\$ (930,185)	\$ (27,302)	\$ (63,793,295)

Definitions:

(\$)- Overstatement of costs charged to Contractor.

\$ - Understatement of costs charged to Contractor.

Other Findings with Monetary Impact – Not Quantified by Contractor

- Finding AUD-000657: The statewide FAD890 alpha cost centers did not allocate costs to the EBX and CB-R33A (Devil's Den Pumping Plant) reaches. This resulted in a reallocation of costs among the Contractors of \$4,994.
- Finding AUD-000658: Costs in the amount of \$401,536 from alpha cost center 236OSAA903 were incorrectly included in the S-series cost pool. Removal of these costs would result in a redetermination of the S-series reach allocation factors. For 2023, a total of \$100,792,526 in costs are being allocated through S-series alpha cost centers. In addition, we observed alpha cost center 236OSAA903 being incorrectly mapped to the S_SERIES Process ID within CAB. This resulted in a reallocation of costs among the Contractors of \$100,792,526.
- Finding AUD-000668: The Department incorrectly calculated the 2023 VORG mill rate for Mojave. The incorrect amount for projected annual generation was used in the calculation. The original mill rate for Mojave per the SOC is \$245.27. The recalculation of the 2023 VORG mill rate for Mojave using the correct denominator in the formula is \$257.20. In summary, the total generation credit for Mojave should have increased by \$821,170 in Bulletin 132-24, Table B-3, *Power Cost and Credits, Transmission Costs and Annual Replacement Deposits for Each Aqueduct Pumping and Power Recovery Plant*. This resulted in an overstatement of costs to the Contractors of \$821,170.
- Finding AUD-000681: Barnard Construction Company, Inc. invoice related to claim 1453869 was charged to Barker Slough Pumping Plant (NBA-R1) for costs related to furnishing a mobile diesel engine generator. However, the mobile diesel engine generator has a primary location at Cordelia Pumping Plant (NBA-R3A) and will provide emergency power to both Barker Slough Pumping Plant (NBA-R1) and Cordelia Pumping Plant (NBA-R3A). This resulted in a reallocation of costs among the Contractors of \$1,474,335.

Recommendations with No Monetary Impact

Alpha Allocation Cycles

- Recommendation AUD-000665: Through our invoice testing in PR5, we observed two entries being mapped to the same claim and invoice number. Upon further investigation, it was determined that the entries should be mapped to two different invoices. We would expect each entry to be mapped to the correct invoice within the system. We recommend that the Division of Fiscal Services update the system to ensure that invoice records are correctly maintained.
- Recommendation AUD-000666: Alpha allocation cycles determined to have incorrect allocations are not disabled by the Department at the headquarters level resulting in recurring errors in the SOC. For example, the statewide FAD890 alpha cost centers still had costs present each year after it was previously determined that these alpha cost centers should no longer have costs charged to them.

System Power Costs – Variable Transportation

- As a result of our procedures for System Power Costs – Variable Transportation, we identified no recommendations in the current year.

Delta Water Charge

- As a result of our procedures for the DWC, we identified no recommendations in the current year.

Statement of Charges

- Recommendation AUD-000669: Within Attachment 4A-FZ of the SOC for KCWA – Agricultural (Ag) and Dudley Ridge Water District (DRWD), the calculated component for calendar year 2025 does not include the relinquished capacity credit and does not agree to Bulletin 132-24 Table B-15 FZ, *Capital Cost Component of Transportation Charge for Each Contractor – FREEZE*.
- Recommendation AUD-000670: Within Attachment 4A-FZ of the SOC for Alameda County FC and WCD, Zone 7, there was a difference in determining the current overpayment or underpayment for years 2001–2019. This difference is due certain payments made to the Department that were included only in payments received and not included in the current overpayment or underpayment and annual difference capitalized to 2025. This results in a discrepancy between the recalculation of the current overpayment or underpayment and the presented values in the 2025 SOC. These payments were excluded from the billing of the transportation capital cost component resulting in no impact to the amount billed to Alameda County FC and WCD, Zone 7.
- Recommendation AUD-000671: Within Attachment 3-FZ of the SOC for San Geronio Pass Water Agency, San Bernardino Valley MWD, and Santa Barbara FC and WCD, the Projected Allocation of Capital Cost of Project Transportation Facilities includes direct debt service amounts. The Projected Allocation of Capital Cost of Project Transportation Facilities per Attachment 3-FZ is included in the calculation of the calculated component of Attachment 4A-FZ. However, direct debt service is already being billed through Invoice 1-4 and Invoice 1-5.

- Recommendation AUD-000673: The variable OMP&R component for calendar year 2025 within Attachment 3-FZ does not agree to the adjusted calculated component for calendar year 2025 within Attachment 4C-FZ. In addition, the variable OMP&R component for calendar years 2024 and 2025 within Attachment 3-PG does not agree to the adjusted calculated component for calendar years 2024 and 2025 within Attachment 4C-PG. However, the sum of the component for the two years per Attachment 3-PG and Attachment 4C-PG agrees.
- Recommendation AUD-000674: The Relinquished Capacity credit for KCWA and DRWD was based on data from Bulletin 132-91 Table B-1 and has not been updated since the initial calculation. Per the Monterey Amendment, the calculation of the Relinquished Capacity credit to Ag Contractors was to be updated every five years if a Contractor requests it.
- Recommendation AUD-000675: Certain invoices selected for testing lacked the necessary documentation to determine where costs should be charged. Accordingly, we were unable to assess whether the costs were charged to the proper cost object based on the supporting documentation.
- Recommendation AUD-000676: Within Invoice 1-T-Combined and Invoice 1-PG of the SOC, the minimum DWC includes an adjustment related to the Current Overpayment or Underpayment of the Conservation Minimum Cost Component per Attachment 4H-PG.
- Recommendation AUD-000677: Within Invoice 1-T-Combined, Invoice 1-FZ, Invoice 1-PG, Attachment 3-FZ, and Attachment 4D-FZ of the SOC for Tulare Lake Basin WSD and Empire West Side Irrigation District, the Annual Table A Amounts in Acre-Feet (AF) disclosed in either the footnotes or for calendar year 2025 does not agree to 2025 in Table B-4, *Maximum Contractual Table A Amounts*. The AF agrees to the 2024 amount in Table B-4.
- Recommendation AUD-000678: Within Invoice 1-7 for Alameda County FC and WCD Zone 7, the calculation of 25% of the total bond principal and interest (P&I) charge does not agree to the total bond cover charge. This is due to the inclusion of the SBA Off-Peak Pumping cover in the total bond cover charge. In addition, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months.
- Recommendation AUD-000679: Within Invoice 1-3-FZ for the East Branch Enlargement (EBE) Contractors, the calculation of 25% of the total bond P&I charge does not agree to the total bond cover charge. This is due to the inclusion of the Devil Canyon Second Afterbay cover in the total bond cover charge. In addition, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months.
- Recommendation AUD-000680: Within Invoice 1-4 and Invoice 1-5, the bond cover charge for March and September does not cross-foot to 25% of the bond P&I charge for the respective months.

Transportation Minimum and Capital Direct and Indirect Analysis

- Recommendation AUD-000714: Through our invoice testing, we observed double billings within the PR5 system. Double billings involved an invoice being posted twice or a revised invoice with both its original invoice total and revised invoice total being posted. As the PR5 system interfaces with CAB, this results in overcharges to the Contractors.

- Recommendation AUD-000715: Construction project costs are billed monthly that includes a retention balance that is paid at the end of the project by the Department. The Contractors are billed the full amount of the contract (including retentions) monthly.
- Recommendation AUD-000716: The vendor, All Terrain Water Corporation, was not approved. However, charges of \$4,488,175 are associated to this vendor from 2015 through 2020. A block to utilize this vendor was not placed until June 19, 2023.

Debt Service Procedures

- Recommendation AUD-000720: Related to the completion of the cost/debt reconciliation project, there will be decisions made during the pricing report development, recalculation of the WSRB surcharge calculation from 1988 to present, direct debt service reconciliations, rate management credit 51(e) recalculation, debt service reserve fund recalculation, protest item resolutions, and payments/refunds to/from the Contractors. For example, the WSRB surcharge calculation will be recalculated from 1988 to present based on the data finalized as part of the cost/debt reconciliation project and it is important that all the steps and decisions made up to the final output (impact by Contractor) are properly documented.

GLOSSARY

AAC	Alpha Allocation Cycles
AF	Acre-Feet
Ag	Agricultural
BDCP	Bay Delta Conservation Plan
CA	California Aqueduct
CAB	Cost Allocation and Billing (an SAP module)
CAISO	California Independent System Operator
CB	Coastal Branch
CBX	Coastal Branch Extension
Contractor(s)	State Water Contractor(s)
CP	Commercial Paper
DBT	Debt Service Procedures
Department	California Department of Water Resources
DIMS	Debt Issuance Management System
DRWD	Dudley Ridge Water District
DWC	Delta Water Charge
DWR	California Department of Water Resources
EBE	East Branch Enlargement
EBX	East Branch Extension
EY	Ernst & Young LLP
FC	Flood Control
FEMA	Federal Emergency Management Agency
FERC	Federal Energy Regulatory Commission
FRIP	Facilities Reconstruction and Improvement Project
FZ	FreezeGo
IAA	Independent Audit Association
ID	Process Identification Number
IO	Internal Order
IRS	Internal Revenue Service
KCWA	Kern County Water Agency
LADWP	Los Angeles Department of Water and Power
MWh	Megawatt Hour
MWD	Municipal Water District
MWQI	Municipal Water Quality Inspection
M&I	Municipal and Industrial
NBA	North Bay Aqueduct
OAP	Off-Aqueduct Power
ONAP	On-Aqueduct Power
O&M	Operations and Maintenance
OMP&R	Operations, Maintenance, Power, and Replacements

GLOSSARY (continued)

PAF	Plant Allocation Factor
P&I	Principal and Interest
PALPOC	Preliminary Allocation of Power Costs
PAT	Power Allocation Table
PG	PayGo
PP	Power Plant
PR5	Financial Accounting System (an SAP module)
PUFF	Proportional Use of Facilities Factors
PV	Present Value
PWR	System Power Costs – Variable Transportation
R	Reach
Report	Summary of Procedures, Findings, and Recommendations Related to the 2025 Statement of Charges
SAP	Department's Accounting Software
SBA	South Bay Aqueduct
SFD	Southern Field Division
SMIF	Surplus Money Investment Fund
SOC	Statement of Charges
SOW	Statement of Work
SWP	State Water Project
SWPAO	State Water Project Analysis Office
TMC	Transportation Minimum and Capital Direct and Indirect Analysis
UCABS	Utility Cost Allocation and Billing System (legacy SAP module)
VORG	Value of Recovery Generation
WBS	Work Breakdown Structure
WCD	Water Conservation District
WSD	Water Storage District
WSRB	Water System Revenue Bond

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