

IX. B.

December Meeting Agenda

9:00 a.m. December 16, 2022
279-666-3100 / ID 991 232 568#

The meeting begins at 9:00 a.m. via MS Teams or the provided call-in number.

1. Opening Business
 - a. Staffing
 - b. 2023 FAC meetings at Cottage Way
 - c. Updated FMD Org Chart for Contractors
2. Priority Engagement Requests for 2023
 - a. "CVP 2.0" Factsheet
 - b. Budget Meetings
 - c. AIA Reserved Works Application
 - i. Follow-up to FY 2023
 - ii. FY 2024 Preparation
3. The 2023 FAC Schedule of Presentations

2023 FAC Schedule of Presentations – DRAFT		
Date	Topic	Presenter
January 24	2023 FAC Issues Matrix	Kevin Kasberg
February 17	Regional Director 2023 Priorities	Ernest Conant
March 17	Preparing for 2024 AIA Application	Duane Stroup
April 21	CVPIA Finance Plan	Brooke White
May 19	Ratesetting 201	Sabir Ahmad
June 16	TBD	
July 21	CVP 2.0 Fact Sheet	Robert Ward
August 18	TBD	
September 15	2024 AIA Application Review	Duane Stroup
October 20	Annual Budget	Ed Young
November 17	TBD	
December	TBD	

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4. 2022 FAC Issues Matrix

2022 FAC Issues Matrix – Updated 8/19/2022	
Priority Issues	Update
1. Future Costs and Potential Rate Impacts	Robert
2. Remediation of CVP Costs	
a. PL 111-11 XM Rate	Sabir
b. Remediation of 2014-2019 costs	Sabir
c. Recharacterization of Reimbursability of Costs (BGT 02-02)	Ann
3. CVPIA	
a. True-up and Accounting BPG	Heather
b. Finance Plan	Brooke
c. Progress Activity Report (CPAR)	Kevin
4. CBG's CVP Reserved Works Application	Duane
5. CVP Final Cost Allocation (FCA) true-up	Sabir
6. Folsom SOD Cost Recovery - Dike 1-6	Sabir
7. Contractor Contact list	Lisa
Tracking Issues	
1. Bipartisan Infrastructure Law/Inflation Reduction Act	Reclamation
2. WIIN Act Section 4007 Storage Projects	Vincent
3. Reclamation Manual Updates	Kevin
4. BORWORKS Enhancements	Sabir
5. Warren Act Rates for 2023	Sabir
6. Ability-to-Pay Studies	Steve
7. San Luis Joint Use O&M Cost Reallocation Study	Duane
8. Annual Budget Review with Stakeholders	Ann
9. Trinity PUD assessment collection	Sabir
10. DWR Engagement on Delta Conveyance	Ansel
11. WRDA 2022	Kevin



5. Priorities Issue Update

Priority Issues
<p style="text-align: center;">1. Future Costs and Potential Rate Impacts</p> <p><u>4/22: Robert:</u> Efforts are tracking for a presentation at the July FAC meeting</p> <p><u>5/20: Robert:</u> Still on track for July presentation with the potential for a handout on or around time of presentation</p> <p><u>7/15: Robert:</u> There will be an update to the MRR list in FY 2023. There is a publicly available spend plan for Sisk SOD. Michelle mentions that there is a need for better asset management in the region. The region understands there needs to be improvements to continuity and accuracy of future MRR.</p> <p><u>8/19: Kevin:</u> The need for a more formalized asset management forum to prioritize XM projects is apparent as we work through BIL funding request. Power has one and can the region help for water.</p> <p><u>9/16: Kevin:</u> Robert and Kevin can get together after the projects are selected for FY 2023 Aging Infrastructure Account to determine the next steps for this project.</p>
<p style="text-align: center;">2. Remediation of CVP Costs</p>
<p style="text-align: center;">a. PL 111-11 XM Rate</p> <p><u>4/22: Sabir:</u> The Commissioner recently approved the development of an XM rate. The Region is planning outreach starting in early May to include an all-hands workshop online (or possibly in person) regarding the FY 2023 XM rate. Sabir will prepare and presentation and some excel models to demonstrate the use of XM rates for use in 2023.</p> <p><u>5/20: Sabir:</u> Sabir has developed some scenarios for developing the XM rate. With no significant FY 2021 XM costs to recover (of those that completed plant-in-service FY 2021), there will be no XM rate in FY 2023. A discussion on what qualifies for XM rate depends on many factors, such as the “capitalization criteria”, the service life of the project (more than 2 years), and percentage of annual operating budget of beneficiaries. Sabir will provide a full walkthrough of the criteria with his presentation on the XM rate.</p> <p><u>6/24: Kevin:</u> Will there be an XM rate SOP to summarize the decisions made during the workshop? Yes</p> <p><u>8/19: Sabir:</u> XM rate to be developed for FY 2024 rates.</p>
<p style="text-align: center;">b. Remediation of 2014-2019 costs</p> <p><u>4/22: Sabir:</u> The remediation approach is near complete with a regional briefing this week prior to a peer review by RLAD and DC. Stakeholder outreach is planned for early June, starting with briefings with individual contractors with significant deficits by the remediation process. After individual meetings, Sabir will schedule a larger contractor to discuss the approach developed to remediate 2014-2019 costs.</p> <p><u>6/24: Sabir:</u> The remediation process is on hold while clarify definitions of projects and there is no expected timeline on this.</p>
<p style="text-align: center;">c. Recharacterization of Reimbursability of Costs (BGT 02-02)</p> <p><u>7/15: Ann:</u> The July 2022 Reclamation Manual RLT Reviews shows for BGT 02-02 says removed from CY plan and furthermore: Title: Reimbursability of Project and Program Costs. POC: Melissa Smith.</p>

<p>Notes: Will Supersede BGT TRMR-118. 5/26 - <i>Request from program to put on pause. Program is exploring a different avenue with region to resolve GAO issue (i.e., with a regional business practice).</i> Ann provided an update that the Washington staff working with the Region left, and that there is likely no bandwidth for the remainder of the year for an update to be continued.</p>
<p>3. CVPIA</p>
<p>a. True-up and Accounting BPG</p> <p><u>6/24: Michelle:</u> The region is ready to engage with DC and OMB on finalizing these BPGs. It is unclear at this time of what steps are required but expects to keep everyone apprised of the progress.</p> <p><u>7/15: Michelle:</u> Ernest is working with the Commissioner to getting direction on this effort. No changes are proposed to the document.</p>
<p>b. Finance Plan</p> <p><u>6/24: Kevin:</u> The FY 2022 BDO Finance Plan reports planned expenditures using CVPIA authorities but does not include other financial information, such as past expenditures. The separate, annual ECO report relies on CVPIA Accounting BPGs to determine the net position and therefore currently unable to be completed. The BDO Finance Plan</p> <p><u>7/15: Kevin:</u> May Reclamation clarify which documentation is required by law for CVPIA Financial reporting:</p> <ul style="list-style-type: none"> • ECO report – shows overall net position (link) • Annual Financial Statements – shows plant in service (FY 19 example) • BDO Finance Plan – shows planned expenditures <p>Is there reporting of annual historical collection and historical expenditures by year? Not currently, due to CVPIA Accounting BPG in review.</p>
<p>c. Progress Activity Report (CPAR)</p>
<p>4. CBG's CVP Reserved Works Application</p> <p><u>4/22: Kevin:</u> Duane Stroup accepted invitation to present in June FAC meeting</p> <p><u>5/20: Kevin:</u> Reclamation news release on FY 2022 BIL funding awards and EC interested in timeline on CBG stakeholder engagement for FY 2023 CVP Reserved Works application.</p> <p><u>6/24: Duane/Ed:</u> Duane and Ed presented and there is interest in small group meetings to help complete the applications.</p> <p><u>7/15: Kevin:</u> Small group dates are getting planned.</p> <p><u>9/16: Kevin:</u> First meeting held 8/10, next meeting is 9/29 with Karl and staff attending.</p>
<p>5. CVP Final Cost Allocation (FCA) true-up</p>
<p>6. Folsom SOD Recovery Dike 1-6 through water rates</p> <p><u>4/22: Sabir:</u> FMD to proceed with recovery in 2023 water rates</p> <p><u>5/20: Sabir:</u> FMD, policy, the area office, and SOD project team have been working on an updated approach to the Folsom SOD cost recovery. The intention is to group costs within the Folsom SOD effort together to avoid developing many small rates and tracking each for 50 years. This approach will be more</p>

administratively efficient and results in postponing the cost recovery of Dikes 1-6 until FY 2024 when more cost can be included in the rate.

7. Contractor Contact list

5/20: Michelle is open to starting a working group

7/15: Kevin: CBG has updated Water Users Organization Roster – looks great!

9/16: Kevin: Previous call mentioned an effort by Ankur, is there an update. Lisa is also working on updating the CVP Contractor List and will seek contractor review.

6. Tracking Issue Update

Tracking Issues
<p>1. PL 116-260 Aging Infrastructure Account</p> <p><u>6/24: Kevin:</u> The D&S <u>CMP 09-04 Planning for Major Rehabilitation and Replacement of Existing Assets</u> details the analyses required for different dollar thresholds of MR&R activities (>\$20M=full feasibility analysis). Where does the reserved works application for BIL funding intersect with this requirement?</p> <p><u>8/19: Kevin:</u> Do we know what projects on MRR list require feasibility studies?</p>
<p>2. WIIN Act Section 4007 Storage Projects</p> <p><u>7/15: Kevin:</u> Vincent is confirmed to give an update on Storage Projects in November FAC.</p> <p><u>8/19: Kevin:</u> Vincent, Robert, and I have a meeting 8/18.</p>
<p>3. Reclamation Manual Updates</p> <p><u>5/20: Kevin:</u> Real Property Disposal (<u>CMP 11-03</u>) (comments by 6/4/2022) <u>5/20:</u></p> <p><u>6/24: Kevin:</u> <u>ADM 04-01 Planning, Approval, and Reporting Conference Related Activities for Spending</u> (comments by 7/15/2022).</p> <p><u>7/15: Team:</u> Regional Leadership will confirm that there are no concerns with the updates to ADM 04-01.</p> <p><u>8/19: Kevin:</u> CVPWA and WUC reviewed ADM 04-01 and do not have any comments to submit on ADM 04-01, with the region commenting that this update is largely administrative.</p>
<p>4. BORWORKS Enhancements</p>
<p>5. Warren Act Rates for 2023</p> <p><u>4/22: Sabir:</u> Efforts to improve the methodology for establishing rates for new Warren Act contracts surround the “R” (replacement) component and relation to the allocable cost. An update to the D&S to clarify the language on how the construction component can or may be replaced, will only impact new Warren Act contracts. No change to existing Warren Act contracts.</p> <p><u>5/22: Sabir:</u> MRR List used to developed “r” component. Workshops to start soon.</p> <p><u>7/15: Kevin:</u> There was great response from participants on Sabir’s effort and the region’s overall efforts. There is a question about how revenues from the “r” component will be used and in general how this new RAX fund will be implemented.</p> <p><u>8/19: Kevin:</u> The Authorities do not believe that the new “R” component is applicable to Warren Act contracts that solely use transferred works facilities and do not use any Reserved Works facilities.</p>
<p>6. Ability-to-Pay Studies</p>
<p>7. San Luis Joint Use O&M Cost Reallocation Study</p> <p><u>6/24: Duane:</u> The equation to calculate O&M for the joint use is currently over-allocating costs to CVP contractors. While DWR and Reclamation recently completed a 5-year review of the costs, but there is no interest with the state to update the formula. Concurrently, a negotiation between DWR and Reclamation on the Cost Allocation of the Safety of Dams.</p>
<p>8. Annual Budget Review with Stakeholders</p>

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<p>9. Trinity PUD assessment collection <u>5/20: Sabir:</u> Still looking for one contractor to volunteer to front the need of approximately \$255,000/year in a PUE-type arrangement that will reduce the administrative burden on FMD staff.</p>
<p>10. DWR Engagement on Delta Conveyance <u>5/20: Kevin:</u> BDO/DWR Meeting on 5/20 regarding CVP and Delta Conveyance <u>6/24: Kevin:</u> The EC/FAC is interested to review any CVP-wide agreements</p>
<p>11. WRDA 2022 <u>5/20: Kevin:</u> WRDA 2022 <u>draft language</u> includes relevant information to CVP:</p> <ul style="list-style-type: none">• Sec 118: Updates to Certain Water Control Manuals: <i>On request of the Governor of State in which the Governor declared a statewide drought disaster in 2021, the Secretary is authorized to update water control manuals for waters in the State, with priority given to those waters that accommodate a water supply project.</i>

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