

# Water Planning and Stewardship

## Item 6b

Subject: Results of Audit of Metropolitan's 2015 Statement of Charges

Purpose: To inform the committee and board members of the results of Metropolitan's 2015 Charges for the State Water Project issued by the State of California Department of Water Resources.

# Water Planning and Stewardship Committee

Item 6b

Summary: Status report on the results of Audit of Metropolitan's 2015  
Statement of Charges



# Results of Audit of Metropolitan's 2015 Statement of Charges

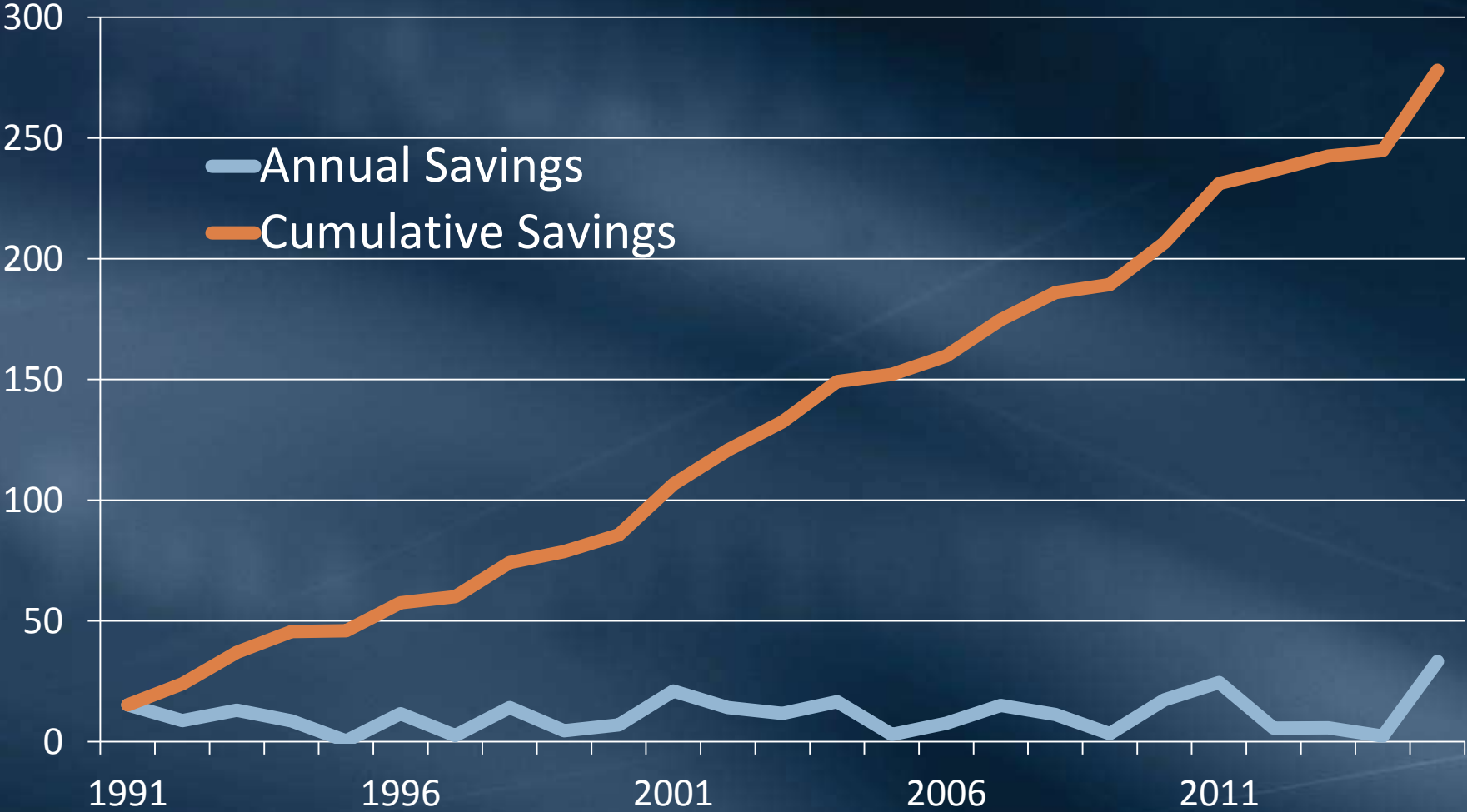
Water Planning and Stewardship Committee  
Item 6b  
February 9, 2015

# Annual Audit of Charges Overview

- Nature
- Scope
- Timing
- Significance

# Realized Reductions In Charges

\$ Millions



# Current Year Audit Activity

Category	Number of Findings	Dollar Value of Findings
Resolved – reduced charges	15	\$33.3 M
New Unresolved reduce future charges	13	\$10.5M

- 2015 Charges materially conform with State Water Project contract
- Qualified opinion – estimates and assumptions

# Cumulative Unresolved Disputed Charges

Category	Number of Findings	Dollar Value of Findings
Current and Prior Unresolved	46	\$45.7 M
Credits, Refunds & Adjustments	6	\$81.1 M*

\* Includes \$77 M Water Systems Revenue Bond Surcharge estimation dispute under discussion with DWR



# SWP Charges Comparison

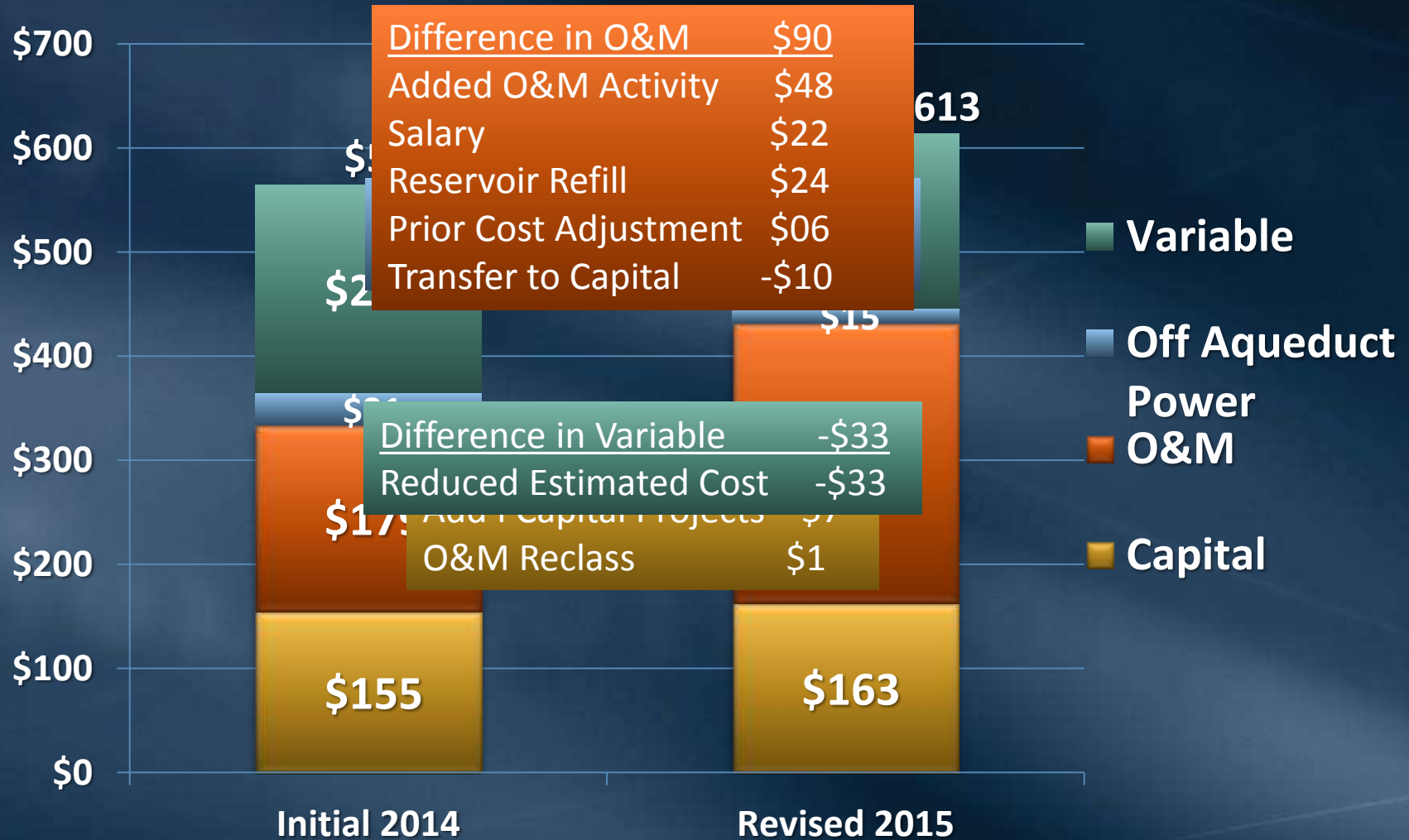
(\$'s in millions)





# SWP Charges Comparison

(\$'s in millions)

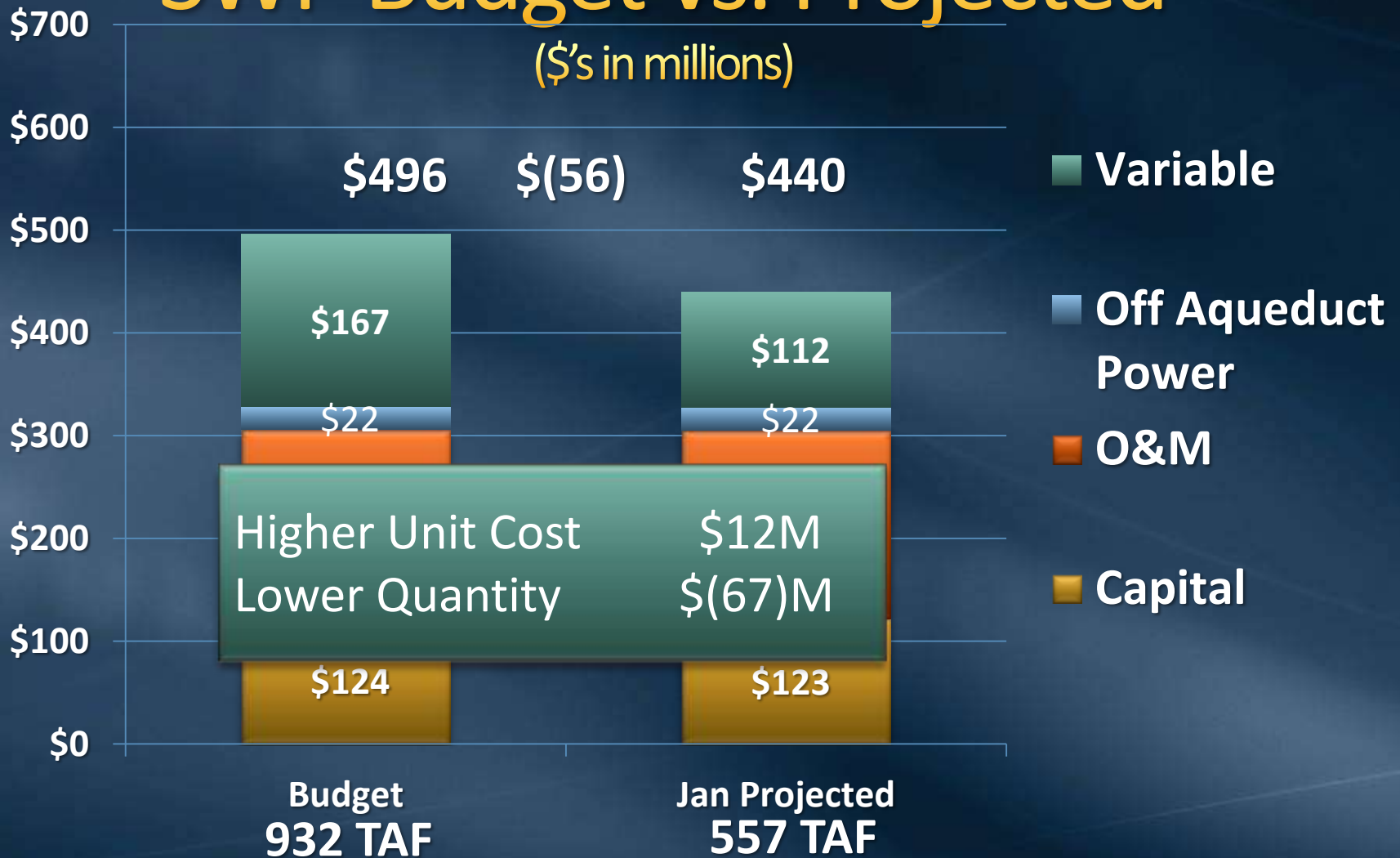


# How do these Revised Charges Impact FY 2015 Payments?

- DWR revised SOC after working with SWC
  - Significant reduction
- Current projection for fixed charges matches budget
- Variable power charges lower than budget

# FY 2014-15

## SWP Budget vs. Projected



# Audit Report

- Electronic Copy of the summary report available upon request
- Copy of detailed report is available from Executive Secretary

