



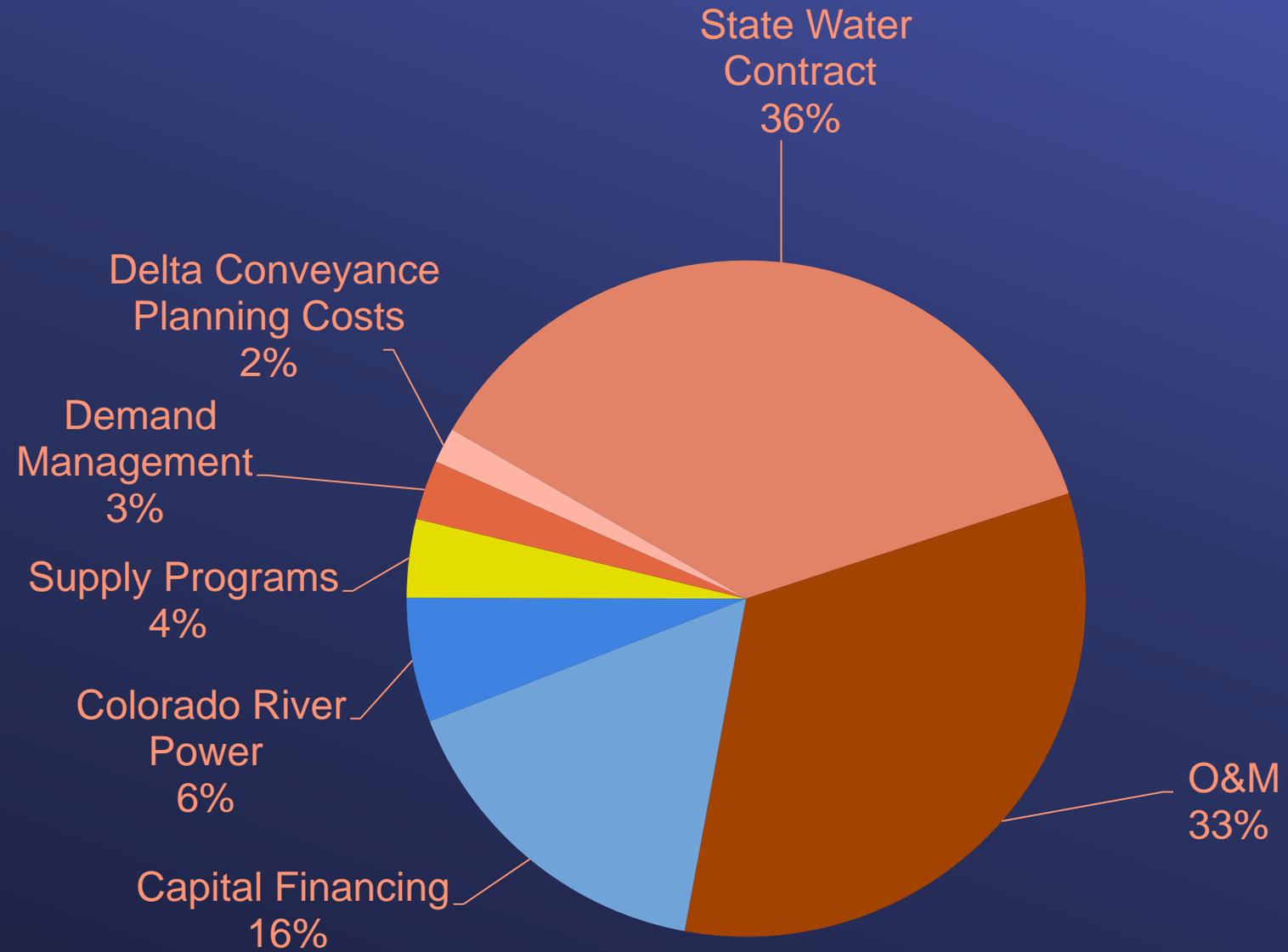
One Water and Stewardship Committee

Report of Metropolitan's State Water Project 2023 Statement of Charges and Audit

Item 6d

January 9, 2023

State Water Project is Metropolitan's Single Largest Budget Expenditure at \$652 Million FY 2022/23



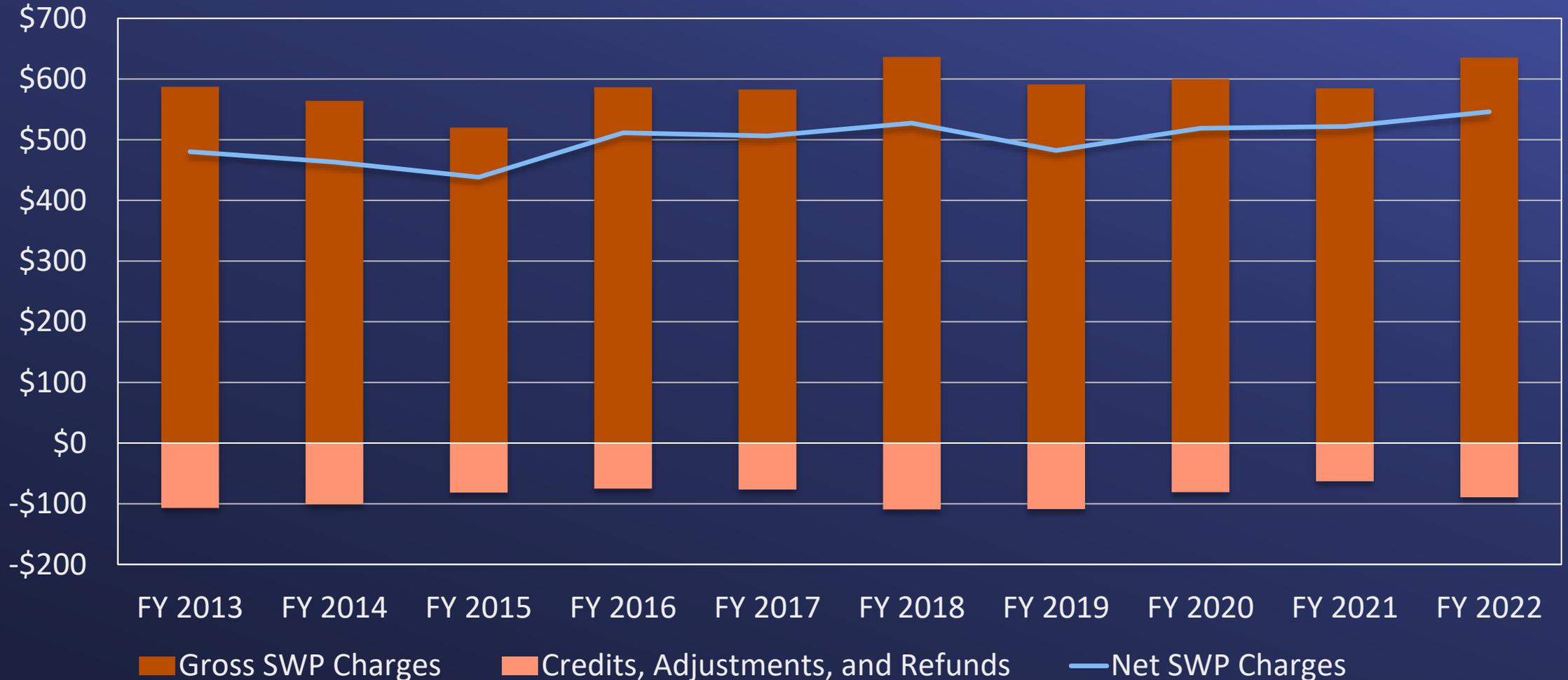
Budget and Projected Charges FY 2022/23

- Through November fiscal year projected charges, including variable, are \$93 million under budget
 - Net variable power is \$133 million under budget
 - Transportation Minimum Operations, Maintenance, Power, & Replacement is \$39 million over budget

Net Charges Stable over Last 10 years

Fiscal Year Summary

(\$'s in millions)

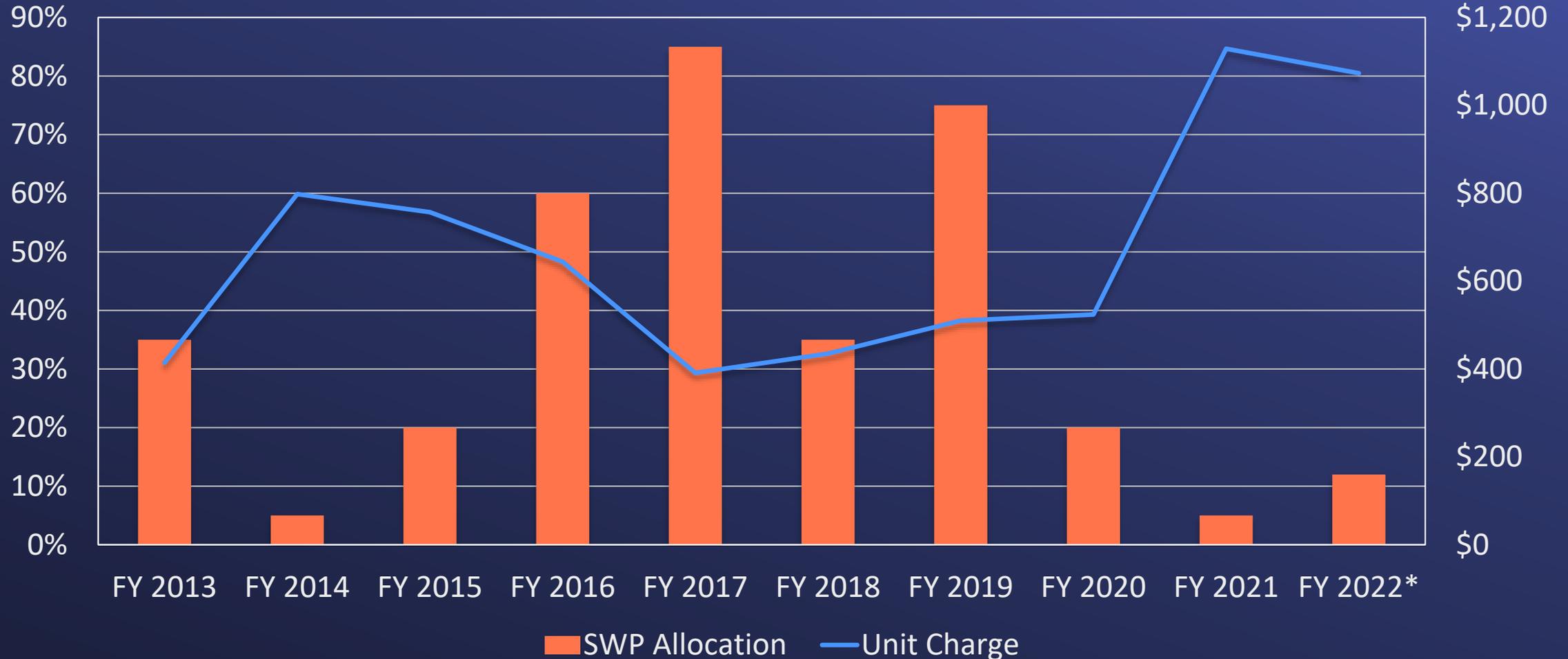


*Excludes Delta Conveyance Project

Metropolitan's State Water Project Allocation and Unit Charge Fiscal Year

Allocation (%)

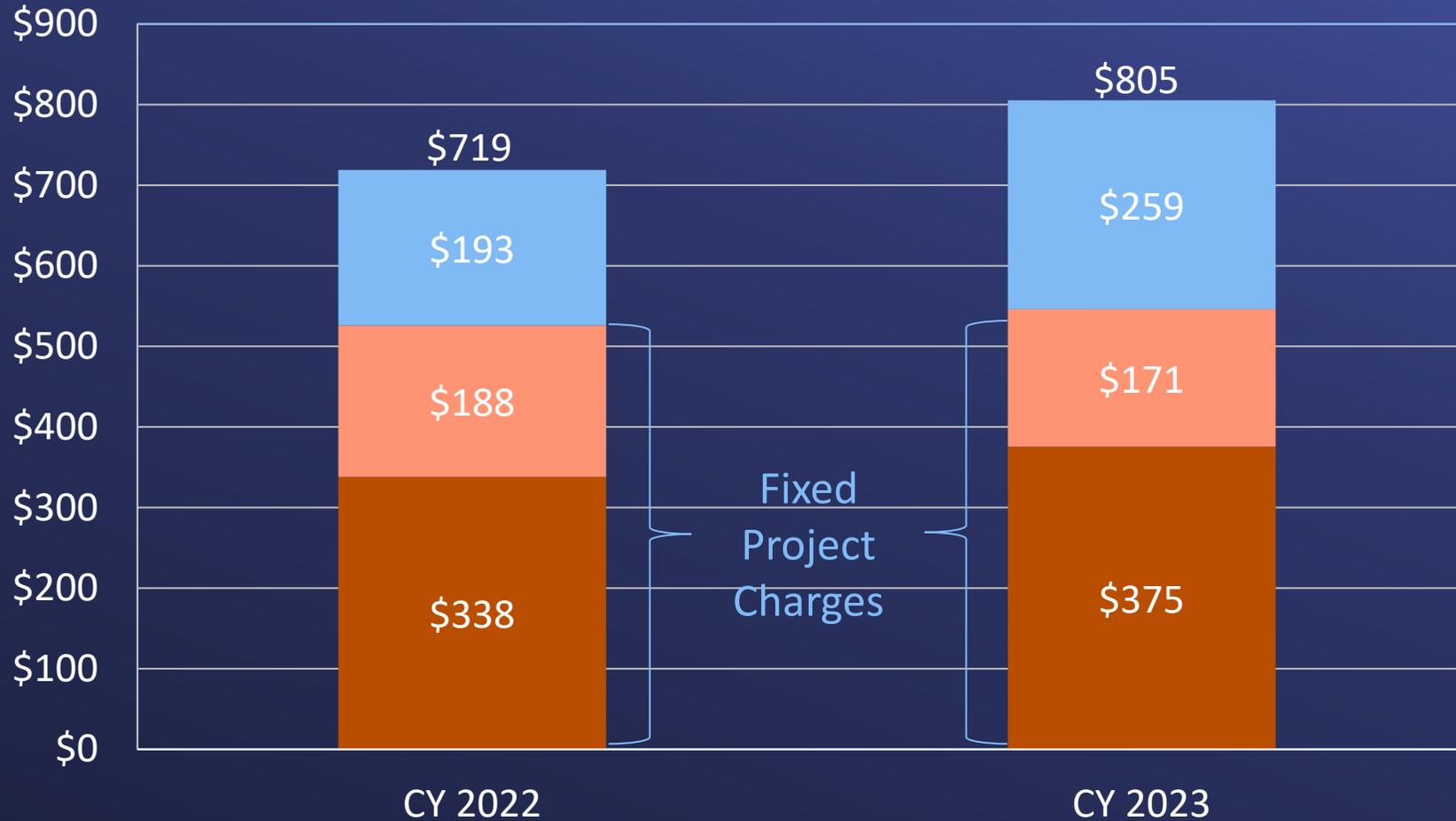
\$/AF



* Includes Table A Equivalent of Human Health & Safety Allocation

SWP Statement of Charges Comparison Calendar Year

(\$'s in millions)



■ Transportation ■ Conservation ■ Variable

*Excludes Delta Conveyance Project

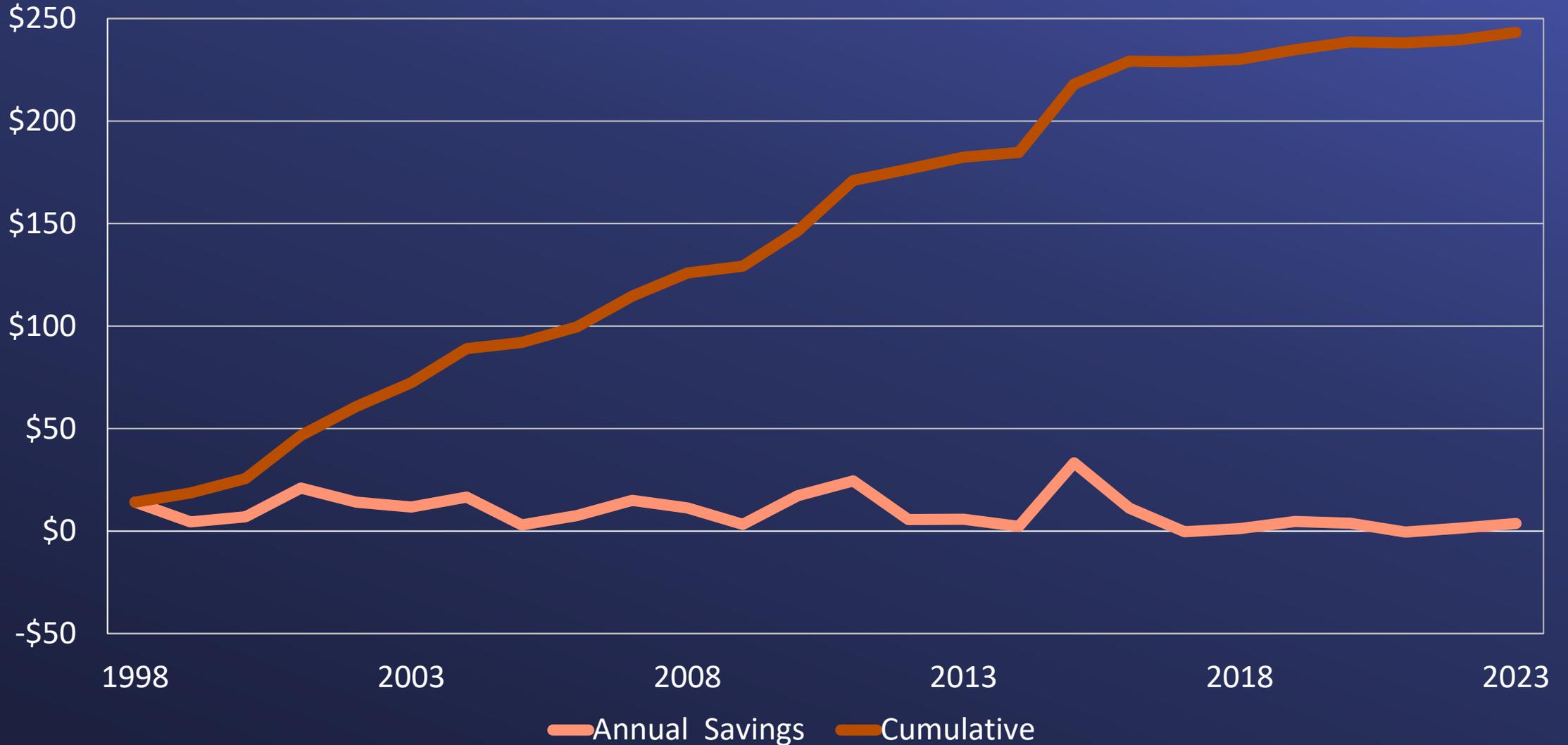
Audit Results

Statement of Charges Audit Report CY 2023

- Since 1972, a consultant has reviewed MWD annual charges
 - Consultant: Richardson and Company
- Specialized contractual audit
- Provide an opinion on MWD charges
- Summary and detailed reports available

Audit Results in Substantial Savings Over Time

(\$s in millions)



Audit Findings

Findings	Number of Findings	Net Dollar Value
Resolved this Year	9	\$3.7M
Unresolved***	84**	\$227M*

* Includes \$170M Water System Revenue Bond Surcharge estimation under discussion with DWR

** Includes 14 new findings with a net value of \$16.1M

*** Includes 20 findings where impact is not quantifiable

Water System Revenue Bond Surcharge Finding

- Charge on the statement of charges
- Calculation errors
- Department of Water Resources initiated Cost-Debt Reconciliation project
- Auditors and SWP contractors continuing to work with DWR on reconciliation details

