

Items to Include in Proposed MOU for SWRDS Financial Management Enhancements

- I. SWRDS Financial Steering Committee**
 - a. Committee Chair and Members
 - i. SWP Deputy Director, Chair
 - ii. DWR and Contractor Representatives, Members
 - b. Committee Charter
 - i. To be developed and approved by Committee.
 - ii. Approach for developing the charter
 - iii. Charter contents
 - iv. Schedule for preparing and completing charter
 - c. Responsibilities and Roles of Committee
 - i. Monitor the timely development and implementation of the SWRDS Financial Management Enhancements Project Workplan
 - ii. Provide financial recommendations to the Department Director that include recommendations regarding financial policies and goals that support the financial health and viability of the SWRDS.
 - iii. Interface with SWRDS Chief Financial Manager
 - iv. Evaluate the existing technical-level committees

- II. SWRDS Financial Management Enhancements Project**
 - a. Workplan
 - i. To be developed and approved by the Committee.
 - ii. Schedules for near-term and long-term milestones.
 - iii. Develop organization needed to support financial management, including SWRDS Chief Financial Manager.
 - iv. Evaluate and enhance the policy for budgeting, reporting, accounting, and billing processes that emphasize accuracy and are feasible, understandable, measurable, and transparent.
 - v. Enhance accountability of SWP expenditures at the Division Chief, Program Managers, and staff level; implement new requirements to meet this elevated level of financial management.
 - vi. Develop implementation roadmap for the objectives developed by the current SWP Program Control Project with some early implementation items to be targeted 2 to 3 years in the future.
 - vii. Evaluate and enhance the financial and managerial processes and reporting capabilities to meet the financial reporting requirements. Continually review

and assess processes and reporting requirements, making adjustments as necessary.

viii. Maximize financial data collection and reporting capabilities.

b. Financial Reporting

- i. Establish service-level agreements with non-SWP divisions .
- ii. Manage calendar year cash basis budget by project and major SWP Program area, by year, by quarter, and by repayment reach, for 5 calendar years, including past year and current year, future plans.
- iii. Revenue requirements (Cap, Min and var) will be driven by Bulletin 132.
- iv. Expand and develop a 5-year budgeting process of all SWP expenditures.
- v. Prepare calendar year quarterly cash basis reporting of project and program activity expenses using the current fiscal structure and categories/accounts configured in DWR’s business systems. Comparison of cash basis budget against actual and projected expense will be done quarterly including explanations of significant variances from budget. New Reporting is envisioned for Program Managers, with some summary reporting to contractors for annual reports.
- vi. Expand to 18 month reporting of cash flow.

