

## OBJECTIVE 2F: COST RECOVERY

In general, DWR should seek reimbursement for all SWRDS costs from the appropriate customers and users of SWRDS facilities, including the State. With respect to those SWRDS costs that are reimbursable by the State Water Contractors, DWR should allocate financial responsibility for such costs in a manner that is both lawful and equitable, and which endeavors to recover such costs from the appropriate Contractors. If the Department proposes to not charge any Contractor the full amount that the Department is entitled to charge the Contractor under the contract, DWR shall bring the proposal to the Finance Committee for purposes of developing a recommendation to the Director regarding the proposal.

~~If DWR decides not to seek full reimbursement for such costs, then the following shall apply:~~

~~1. If the cost would ordinarily be allocated to all Contractors in accordance with the Contract, then DWR can decide not to seek any reimbursement from Contractors, but shall get input from the Finance Committee prior to making such a decision.~~

~~2. If the cost would ordinarily be allocated to some or all Contractors in accordance with the Contract and DWR decides not to seek reimbursement from each responsible Contractor for its full share of the cost, then DWR shall:~~

~~—— a. Provide 90 days advanced notice to all Contractors of its intent not to seek full reimbursement from one or more Contractors; and~~

~~—— b. Submit a written statement to the Finance Committee setting forth its justification for not seeking full reimbursement.~~

~~Within 90 days of receiving this written statement, the Finance Committee shall provide the Director with a recommendation as to how such costs should be managed.~~

~~3. Any decision not to seek full reimbursement for such costs shall be documented in a memorandum from the DWR Director to the Contractors, which shall include the specific reasons for that decision.~~

~~4. DWR shall track and report to the Finance Committee annually on any reimbursable SWRDS costs that have not been billed to or reimbursed by one or more Contractors.~~

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