

Joint Reservoir Committee Authority Board Meeting

Agenda Item 2.2: Amendment 2 Work Plan
Update

February 19, 2021



Amendment 2 Work Plan Update

- Update to Amendment 2 Work Plan as approved on August 26th, 2020
- Update includes an evaluation of:
 - Work Plan Goals
 - Key Deliverables
 - Actual and Forecasted Revenue and Expenses
 - Target Carry Over Funds
 - Cash Flow Analysis
 - Cash Call Alternatives

Work Plan Update Key Takeaways

- Recommending \$40/AF Cash Call, due April 1, 2021
- Targeting a 3-month Cash Reserve
- Work Plan Goals are on track
- Two Key Deliverable Updates
 - Water Right Application
 - Early Mitigation
- Actual + Forecasted Revenue increased by \$2.3M
- Actual + Forecasted Expenses increased by \$62k
- Reviewed by Budget & Finance Committee

Revenue Updates

Table 2. Forecasted Revenue by Source

Work Plan Funding Source	Revenue as of 9/1/20	Revenue as of 2/1/21	Difference
Total cash on hand as of 9.1.2020 (carryover funds)	\$4,566,000	\$4,566,000	\$0
Reservoir Committee Cash Calls (up to \$100/acre-foot)	\$19,289,200	\$16,762,000	-\$2,527,200
Authority Board Seats	\$500,000	\$500,000	\$0
Federal (WIIN Act) Funding*	\$3,000,000	\$3,000,000	\$0
State (Prop 1(WSIP))	\$9,010,000	\$13,859,600	\$4,849,600
Total Revenue Sept. 1, 2020 through Dec. 31, 2021	\$36,365,200	\$38,687,600	\$2,322,400

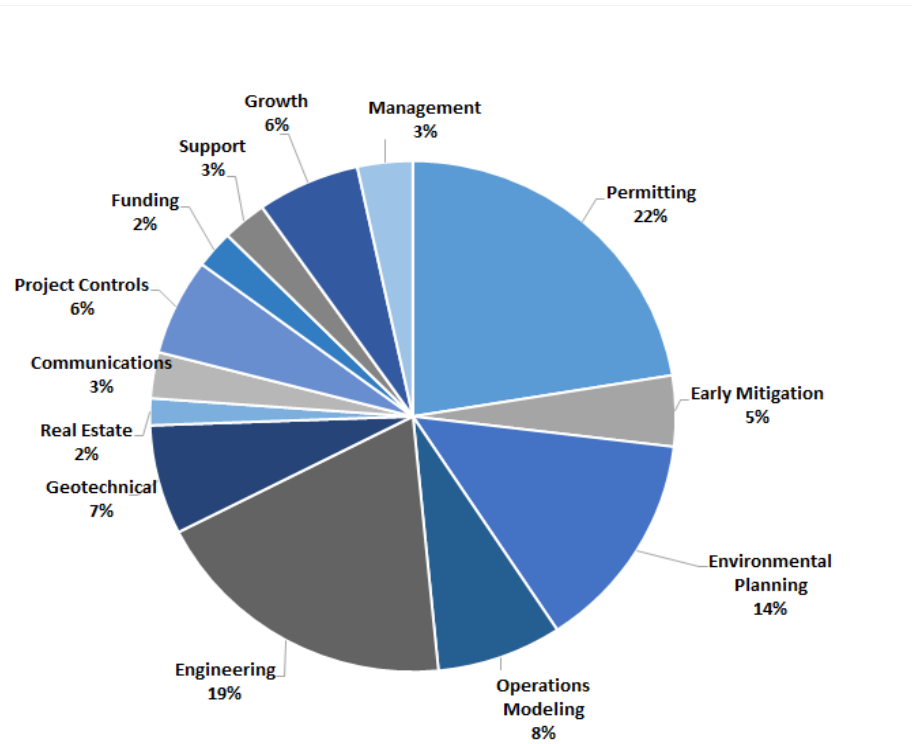
*Federal funding values represent current FAA contracted revenue only.

Expense Updates

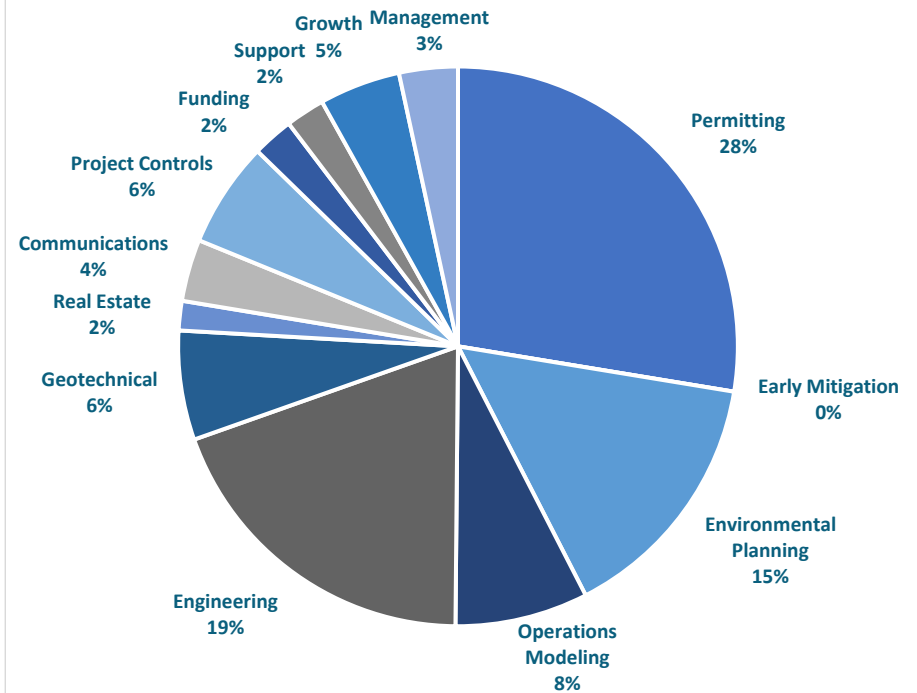
Table 3. Budgets by Subject Area			
Subject Area	Work Plan Budget Rev D*	Work Plan Budget Rev E	Difference
Communications	\$975,800	\$1,200,800	\$225,000
Early Mitigation	\$1,500,000	\$0	-\$1,500,000
Engineering	\$6,586,392	\$6,526,392	-\$60,000
Environmental Planning	\$4,637,604	\$4,987,604	\$350,000
Funding	\$795,706	\$795,706	\$0
Geotechnical	\$2,118,268	\$2,118,268	\$0
Growth	\$2,119,694	\$1,572,735	-\$546,959
Management	\$1,137,287	\$1,137,287	\$0
Operations Modeling	\$2,580,294	\$2,580,294	\$0
Permitting	\$7,508,170	\$9,258,170	\$1,750,000
Project Controls	\$2,046,625	\$2,046,625	\$0
Real Estate	\$570,404	\$570,404	\$0
Support	\$915,950	\$759,950	-\$156,000
Grand Total	\$33,492,193	\$33,554,234	\$62,041

*Revision D work plan budgets shown include original approved budgets plus approved amendments.

Cost Allocation by Subject Area

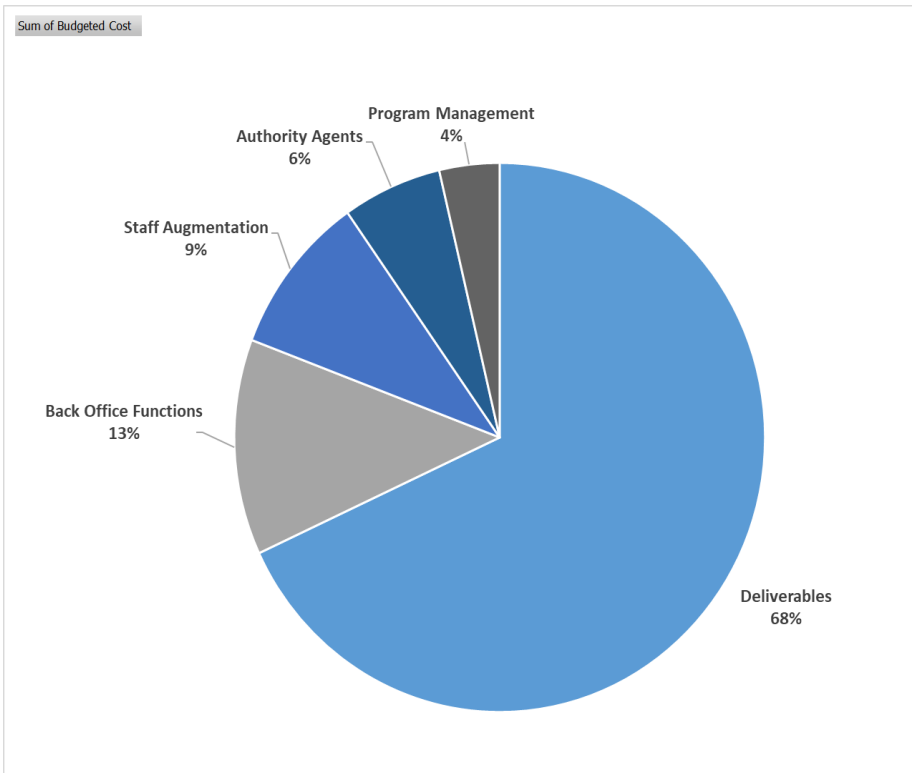


September 2020

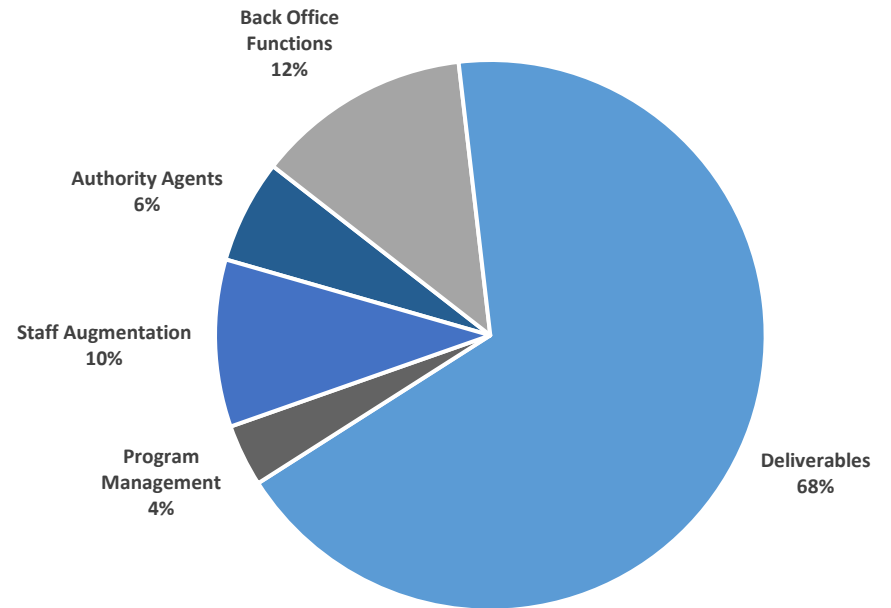


February 2021 Update

Cost Allocation by Management Type



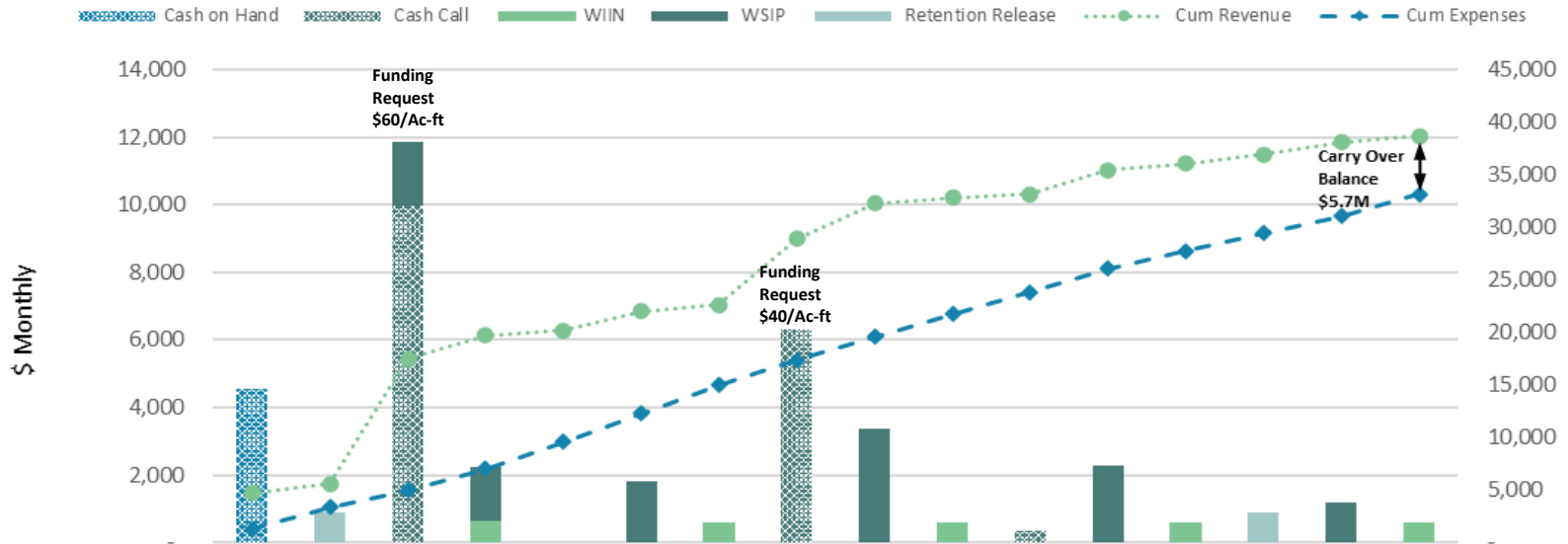
September 2020



February 2021 Update

Cash Flow Analysis

Cash Flow - Amend 2 (February 2021 Update)
Actual Plus Forecasted Revenue vs Expenses
(\$ thousands)



	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Retention Release		\$898												\$874		
WSIP			\$1,911	\$1,567		\$1,800			\$3,362			\$2,284			\$1,164	
WIIN				\$658			\$586			\$586			\$586			\$586
Cash Call			\$9,957					\$6,305			\$350					
Cash on Hand	4,566															
Cum Revenue	\$4,716	\$5,614	\$17,482	\$19,707	\$20,207	\$22,007	\$22,592	\$28,897	\$32,260	\$32,845	\$33,195	\$35,479	\$36,064	\$36,938	\$38,102	\$38,687
Cum Expenses	\$1,273	\$3,374	\$4,963	\$7,009	\$9,592	\$12,283	\$14,964	\$17,345	\$19,562	\$21,773	\$23,810	\$26,040	\$27,781	\$29,468	\$31,090	\$33,156

Cash Call Invoice Schedule

- Reservoir Committee Cash Call Total: \$100/AF
- Participant Invoice Schedule:
 - \$60/AF, **Paid**
 - \$40/AF, Due April 1, 2021

Questions?

Bullpen Slides



Variance Table - Revenue

Table 1. Revenue by Source Variances

Revenue Source	Work Plan Rev D	Work Plan Rev E	Variance	Comment
Projected Cash On Hand	\$4,566,000	\$4,566,000	\$0	No Change
Cash Calls	\$19,289,200	\$16,762,000	(\$2,527,200)	A reduction in project participation has led to decreased cash call revenue
Authority Board	\$500,000	\$500,000	\$0	No change
Federal (WIIN Act) Funding*	\$3,000,000	\$3,000,000	\$0	No Change
Projected State (Prop 1)	\$9,010,000	\$13,859,579	\$4,849,579	Work Plan Revision D estimates included a conservative assumption of underspend from local funds leading to a reduced availability of Prop 1 funding. That assumption was reassessed based on early trends in this work plan leading to a more realistic and less conservative assumption.
Total	\$36,365,200	\$38,687,579	\$2,322,379	

*Federal (WIIN Act) Funding reflects only revenues contracted at the time of the work plan update (February 19, 2021)

Variance Table - Expenses

Subject Area	Work Plan Rev D	Work Plan Rev E	Variance	Comment
Permitting	\$7,508,171	\$9,258,171	(\$1,750,000)	<p>The target date for submitting the water right application has moved up in the project schedule adding \$570k in application fees to this work plan. Several other permit applications scheduled to be submitted during this work plan have a lower than originally anticipated fee leading to a \$320k reduction in budget.</p> <p>Additionally, a budget of \$1.5M previously identified for Early Mitigation has been reallocated in its entirety to the Permitting subject area to fund an agreement with CDFW for staff support of the project as approved in October 2020.</p>
Engineering	\$6,586,393	\$6,526,393	\$60,000	<p>An engagement with PG&E is required to support the feasibility design and project description activities. A \$50k application fee was required by the provider to begin consultation. This amount is offset by the \$110k reduction of budget reserved for Environmental Feasibility Support that was determined to not be required for this work plan.</p>
Environmental Planning	\$4,637,604	\$4,987,604	(\$350,000)	<p>Additional scope consisting of \$100k of effort for services related to the creation of ecosystem benefit agreement language around roles and responsibilities of an environmental water manager.</p> <p>Additionally, a \$250k amendment has been added to the ICF-E contract to add Alternative 3 (25% Federal Cost Share) EIR/EIS and TRR East to the EIR/EIS. Adding Alternative 3 will require additional analysis from the fisheries technical team that was not originally envisioned. Adding TRR East will result in some re-work and new analysis.</p>
Geotechnical	\$2,118,268	\$2,118,268	\$0	No Change

Variance Table – Expenses

Subject Area	Work Plan Rev D	Work Plan Rev E	Variance	Comment
Early Mitigation	\$1,500,000	\$0	\$1,500,000	Early Mitigation work has been deferred to beyond the scope of this work plan. The budget for Early Mitigation (\$1.5M) has been reallocated to the Permitting subject area to cover expenses related to CDFW support.
Operations Modeling	\$2,580,293	\$2,580,293	\$0	No Change
Project Controls	\$1,796,909	\$1,796,909	\$0	No Change
Management	\$1,137,287	\$1,137,287	\$0	No Change
Growth	\$2,119,693	\$1,572,735	\$546,958	The full unallocated plan of finance funds from the financing action plan are not needed at this time and have been reduced to \$50k.
Comms	\$975,800	\$1,200,800	(\$225,000)	An additional effort of \$225k is required for an expanded Draft EIR/EIS communications strategy and rollout. The expanded rollout will include developing key messages, FAQs, laypersons guides, fact sheets, display adds in Sacramento Valley newspapers, along with virtual and in-person meetings.
Funding	\$1,045,422	\$1,045,422	\$0	No Change
Support	\$915,950	\$759,950	\$156,000	Reduced use of office space in Sacramento due to work-from-home mandates. No rent charges for the Maxwell office for Amendment 2 as a condition of the negotiated alternative cash call schedule for Colusa County.
Real Estate	\$570,404	\$570,404	\$0	No Change
Total	\$33,492,194	\$33,554,236	(\$62,042)	

