

# **Agenda Item 2.1 Work Plan Update & Annual Budget for 2023**

Authority Board

November 21, 2022



# Key Takeaways

1. Recommendation for 2023 cash call is \$100/AF
2. 2023 budget reflects shifting of Geotech field activities dependent on land access as well as delays in permitting and the Water Right
3. Overall Amendment 3 Work Plan is not significantly changing and continues to be achievable within the total planned expenditures and revenues.

# 2023 Budget Estimate - Revenue

Revised Revenue** by Source	Original Work Plan	Revised 2023 Budget
Carryover from Amendment 2	--	\$9.3M
- Designated for Options Agreements 2022*		\$0.5M*
- Designated for Options Agreements 2023	--	\$1.0M
- Designated for Options Agreements 2024*		\$0.5M*
- Undesignated Amendment 2 Carryover	--	\$7.3M
State (Prop 1 [WSIP])	--	\$8.8M
Federal (WIIN Act)	\$20.0M	\$18.6M
Reservoir Committee Cash Call	\$23.5M	\$15.6M
AB Dues	\$0.5M	\$0.5M
<b>Total 2023 Revenue Estimate</b>	<b>\$44.0M</b>	<b>\$51.8M</b>

\* Funds designated for Options Agreements in 2022 & 2024, not shown in 2023 total

\*\* Revenue includes 2023 revenue along with unspent funds from previous periods

# 2023 Budget Estimate - Expense

Revised Expense Budget by Subject Area	Original Work Plan	Revised 2023 Budget
Communications*	\$0.5M	\$1.0M
Engineering	\$30.5M	\$36.1M
External Affairs	\$0.3M	\$0.3M
General Project Activities	\$0.5M	\$0.7M
Permitting	\$4.7M	\$11.3M
Planning	\$1.2M	\$3.3M
Program Ops	\$7.4M	\$10.3M
Real Estate	\$0.9M	\$2.8M
<b>Total</b>	<b>\$46.1M</b>	<b>\$65.9M</b>

\*Approx. \$450k in budget to be reallocated but NTP is pending further discussion with Legislative and Outreach Committee

# Amendment 3 Work Plan – Overview

Work Plan Summary	2022	2023	2024	Total
Expense	\$42.2M	\$46.1M	\$31.3M	\$119.6M
Revenue	\$51.6M	\$44.0M	\$47.3M	\$142.9M

Work Plan Check-in Status	2022	2023	2024	Total
Expense	\$28.3M	\$65.9M	\$31.8M	\$126.0M
Revenue	\$39.0M	\$51.8M	\$64.5M	\$155.3M

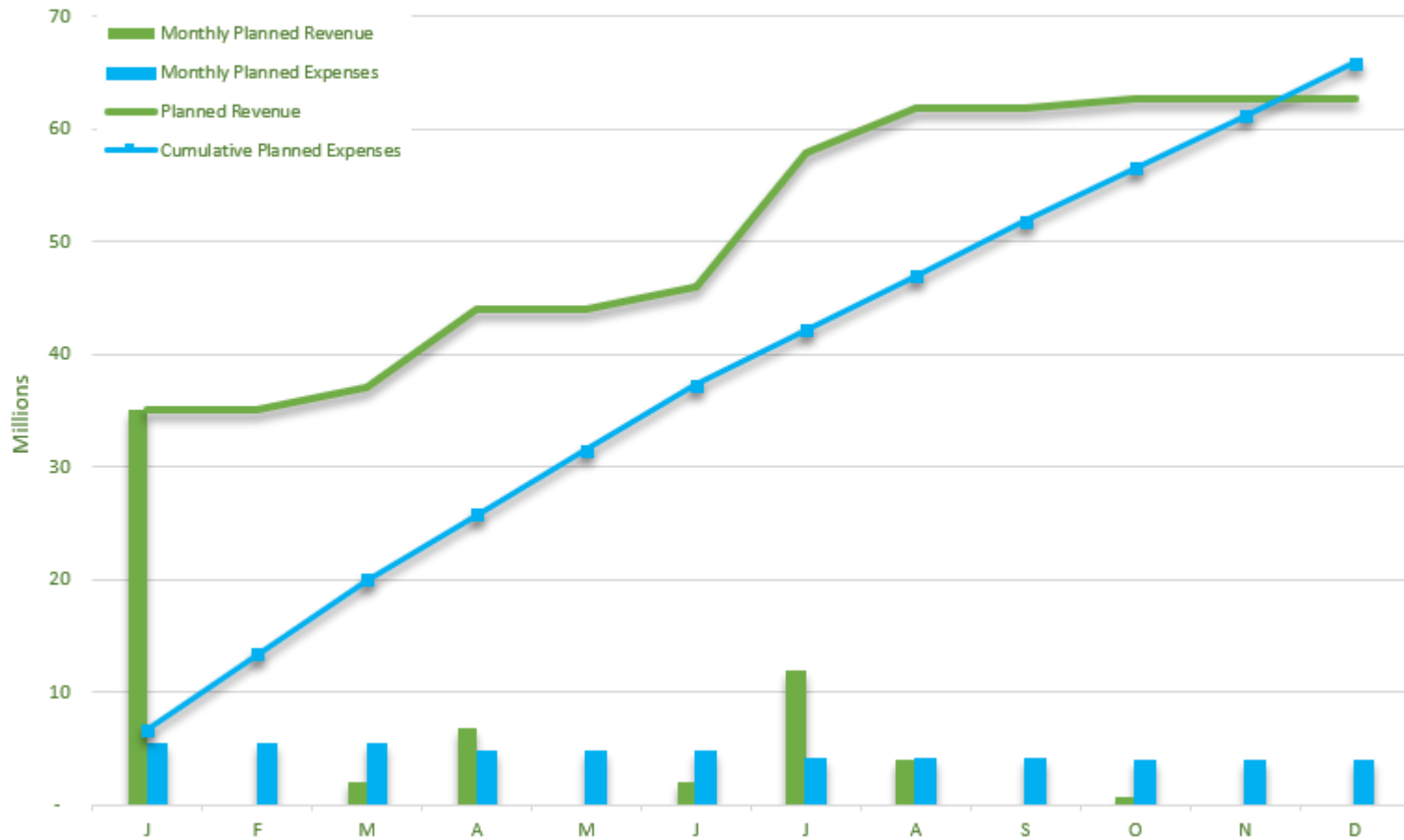
Proposed change in total work plan expense budget = \$6.4M (5.4%)

Proposed change in total work plan revenue budget = \$12.4M (8.7%)

Note: For this exercise Revenue may include funds from previous periods

# 2023 Cash Flow Curve

2023 Cash Flow Curve



# 2023 Budget Adjustments

Firm/Service Area	Increase to Contract Authority	New 3-yr Contract Authority
HDR - Integration	\$2.2M	\$12.7M
BC – Project Controls	\$887k	\$10.2M
Katz – Communication*	\$507k	\$1.9M
ICF – Envir Planning & Permitting	\$3.4M	\$12.5M
Perkins Coie – CEQA Legal Services	\$400k	\$1.4M
Nossaman – RE & Interagency Agrmts	\$140k	\$890k

\*Approx. \$450k in budget to be reallocated but NTP is pending further discussion with Legislative and Outreach Committee

# Requested Approval

1. Acknowledge adjustments to total planned A3 work plan revenues and expenditures of less than 10% change to reflect updated conditions.
2. Approve the 2023 Budget
3. Authorize invoicing the 2<sup>nd</sup> cash call of the A3 work period of \$100/AF in January 2023
4. Authorize increases to total consultant contract authority for specified consultant contracts to cover new work scope items



**Questions?**