



Meeting: **Joint Reservoir Committee & Authority Board
Agenda Item 1.4**

May 19, 2023

Subject: **First Quarter 2023 Financial Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority's First Quarter (Q1) 2023 Budget Year Quarterly Financial Report.

Detailed Description/Background:

This report covers the Q1 2023 budget year quarterly financial report that meets the Authority's Budget Policy requirement for a quarterly financial update report to the Reservoir Committee and Authority Board.

Attachment A is the Authority's First Quarterly 2023 Financial Report.

Key takeaways of this report include:

- Revenues received in Q1 2023 were approximately \$2.4M less than plan. This was primarily due to a slight delay in receiving a \$2.0M WSIP payment which has since been received early in Q2. Additionally, Authority Board membership dues were expected in Q1, while some payments were received in Q2.
- Expenses in Q1 2023 were approximately \$11.0M less than plan. This is primarily due to weather delays and time needed to finalize land access for field work. There were also delays in activities related to the final EIR/EIS and Water Right.
- There were four instances of allocating unrestricted contingency funds this period withdrawing from Engineering and Program Operation subject areas totaling \$410,000. The unrestricted contingency balance at the end of Q1 is approximately \$3.72M. Staff are allocating contingency to supplement budget for new work scope.
- There were two new contracts issued during this period, of which the budget for both were included in the Amendment 3 Work Plan. There were three task order amendments requiring the use of unrestricted contingency and two task order amendments resulting in no budget change (i.e., schedule adjustments or reallocation of task budgets within approved task order budget). Finally, there were twelve revisions to the consultant agreements/amendments for authorizing fiscal year 2023 budgets.

Staff will add a cash balance drawdown line to the revenue table in the Second Quarterly 2023 Financial Report to reflect this source of funds to cover authorized uses.

Prior Authority Board Action:

November 21, 2022: Approved 2023 annual budget.

February 2023: Approved the Q4 2022 Financial Report.

Fiscal Impact/Funding Source:

No fiscal impact as financial reporting is included in the approved Amendment 3 Work Plan and the total work plan budget is still within 10% of the approved 3-year plan. The schedule delays in the water right are looking like they will affect the ability to complete all Amendment 3 work by end of 2024. Staff plan to bring the FY2024 Budget for approval in October which will reflect reprioritizing of the remaining work to accommodate an extended timeline.

Staff Contact:

Joe Trapasso/Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q1 2023 Financial Report



Quarterly Financial Report

Fiscal Year 2023 – First Quarter Financial Report

Revenue Activity (figures rounded to the nearest \$1,000)

Funding Source	Q1	Q2	Q3	Q4	FY to Date	FY Projected ¹
Authority Board Membership	130				130	505 ²
Federal WIIN Act Funding	567				567	18,600 ³
Interest Income	79				79	-
Reservoir Committee Cash Calls	15,580				15,580	15,600
State Prop 1 (WSIP)	0				0	8,800
Revenue Total	16,356				16,356	43,505

1 - FY Projected figures from Work Plan Update approved at 11/2022 board meeting. What is not included on this table are figures that contribute to cash on hand balances like:

- Carryover funds from A2 of \$7.3 M
- Assignment of \$1.0 M worth of real estate options
- Revenue in exceedance of expenses in FY22

2 – Change in membership dues and reduction of one associate member after work plan update approval has reduced expected membership revenue to \$455k

3 – FAA contract negotiations are in progress to access additional federal funds

Expense Activity (figures rounded to the nearest \$1,000)

Late Invoices received after publishing this report will be applied to proper period on next Quarterly Report.

Subject Area	Q1	Q2	Q3	Q4	FY to Date	FY23 Budget ¹	% Spent
Communications	158	-	-	-	158	652	24%
Engineering	4,015	-	-	-	4,015	36,350	11%
External Affairs	86	-	-	-	86	372	23%
General Project Activities	85	-	-	-	85	706	12%
Permitting	1,350	-	-	-	1,350	11,468	12%
Planning	1,141	-	-	-	1,141	3,367	34%
Program Ops	2,057	-	-	-	2,057	10,179	20%
Real Estate	183	-	-	-	183	2,771 ²	7%
Total Expenses	9,074	-	-	-	9,074	65,865	14%

1 - FY Budget captures latest changes as of the end of this quarter

2 – At the 6/2022 Board Meeting, \$2M in A2 carryover funds was allocated to the Real Estate subject area designated for options agreements. \$1M of those funds was applied to FY23.

FY2023 Q1 Net Income | Revenue - Expenses = \$7,282 | FYTD = \$7,282

Unrestricted Contingency Balance & Reserve (figures rounded to the nearest \$1,000)

Subject Area	Work Plan Budget	Unrestricted Contingency Changes per Subject Area				Current Balance
		Q1	Q2	Q3	Q4	
Communications	-	-	-	-	-	-
Engineering	2,856	-250	-	-	-	2,606
External Affairs	-	-	-	-	-	-
General Project Activities	36	-	-	-	-	36
Permitting	591	-	-	-	-	591
Planning	96	-	-	-	-	96
Program Ops	495	-160	-	-	-	335
Real Estate	57	-	-	-	-	57
Total Unrestricted Contingency	4,131	-410				3,721

Approval by | ED = Executive Director
| AB = Authority Board

Unrestricted Contingency Releases During Q1 Period

	Subject Area Source	Date	Description of Change	\$ Authorized
ED	Program Ops	2/12/2023	TFG TO 5.1 – Feasibility Analysis and As Needed Support	48,000
AB	Engineering	3/21/2023	CAISO – interconnection Fee Required Deposits	250,000
AB	Program Ops	3/21/2023	Katz TO 5.1 – Virtual tours	100,000
AB	Program Ops	4/1/2023	Spesert TO 1.2 – FY23 Budget to cover increase for added responsibilities	7,212

New Contracts and Amendments

Funding Source | UNC = Unrestricted Contingency
| WP = Work Plan

Contract Changes During Q1 Period

	Contracted Party	Authorization Date	Scope of Work Description ¹	\$ Authorized	Funding Source
New	S&P Global	12/13/2022	Services agreement – rating agency	75,000	WP
	Dunn Consulting	12/23/2022	TO 3.0 – FY23 Authorization	112,320	WP
	HDR (mitigation)	12/23/2022	TO 1.1 – FY23 Authorization	160,559	WP
	Montague DeRose	12/23/2022	Agreement 1.1 - FY23 Authorization	100,000	WP
	Somach, Simmons & Dunn	12/23/2022	TO 3.0 – FY23 Authorization	1,023,742	WP
	The Catalyst Group	12/23/2022	TO 2.0 – FY23 Authorization	53,330	WP
	The Ferguson Group	12/24/2022	TO 5.0 – FY23 Authorization	212,160	WP
	UCSC	1/31/2023	Agreement 1.1 – Schedule Extension	-	-
	Perkins Coie	2/7/2023	Agreement 0.1 – Legal Services Agreement	-	-
	Perkins Coie	2/8/2023	TO 2.2 – FY23 Authorization	622,321	WP
New	The Ferguson Group	2/12/2023	TO 5.1 – Water and Power Law Group	48,000	UNC
	Colliers Valuation Services	2/21/2023	TO 1.0 - Land Appraisal Services	45,000	WP
	Katz and Associates	3/21/2023	TO 5.1 – Virtual tours	100,000	UNC
	CH2M (Conveyance)	3/21/2023	TO 4.1 - Re-allocation of Task Order budgets	-	-
	Forsythe Group	3/21/2023	2.2 – FY23 Authorization / annual increase	19,284	WP
	Robinette Consulting	3/21/2023	1.1 – FY23 Authorization / annual increase	19,200	WP
	Spesert Consulting	3/21/2023	1.2 – FY23 Authorization / annual increase	7,548	WP
			1.2 – Increase for added responsibilities	7,212	UNC
	Trapasso Consulting	3/21/2023	2.1 – FY23 Authorization / annual increase	18,720	WP
	Waterology	3/21/2023	1.2 – FY23 Authorization / annual increase	22,368	WP

¹ - Records approved in 2022 are shown due to tie-ins with FY23 activity

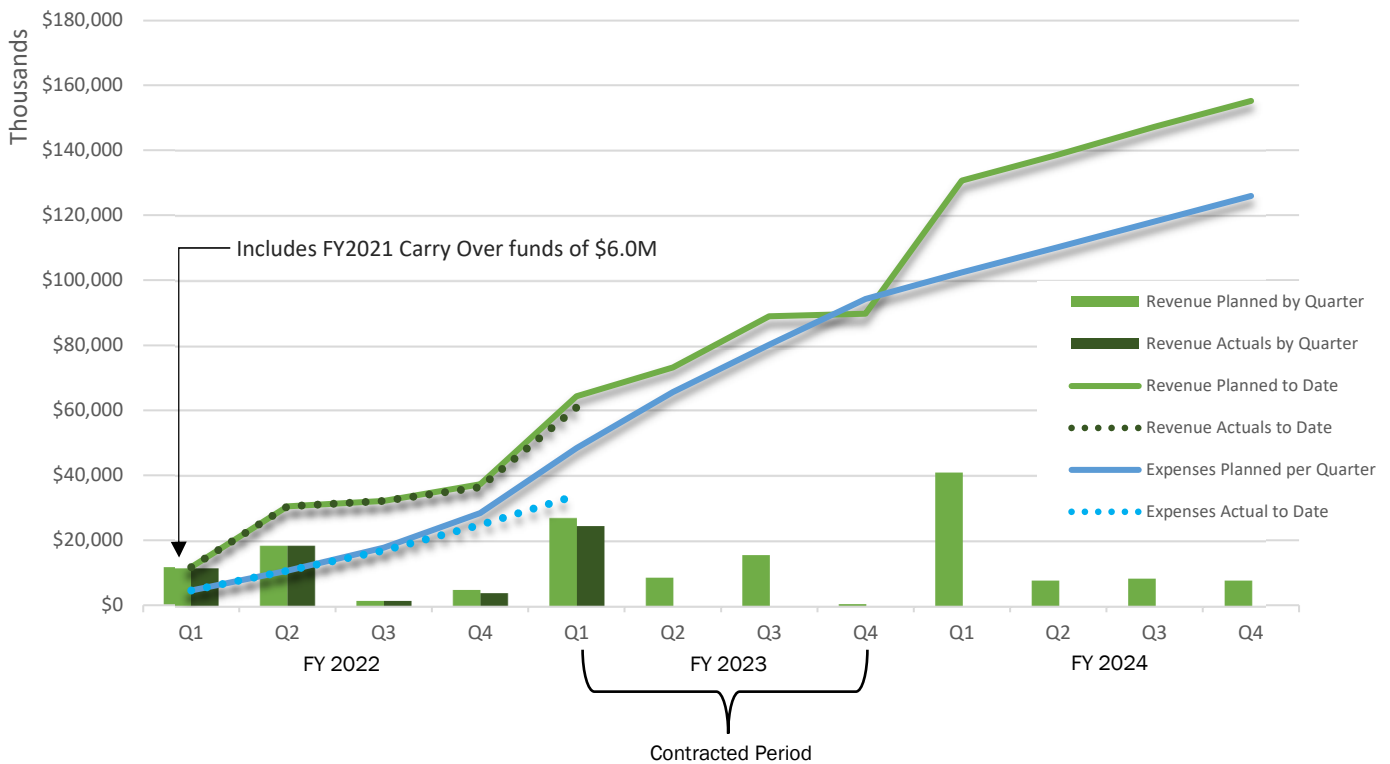
Subject Area	Initially Contracted	Contract Changes During FY23				Currently Contracted
		Q1	Q2	Q3	Q4	
Communications	552	100				652
Engineering	32,798	-				32,798
External Affairs	324	48				372
General Project Activities	553	-				553
Permitting	8,859	234				9,093
Planning	2,690	388				3,078
Program Ops	8,839	75				8,914
Real Estate	1,356	45				1,401
Total Contract Changes	55,971	890	-	-	-	56,861

Closed Contracts / Task Orders

Contracted Party	Task Order Closure Date	Closed Contract / Task Orders during FY23			
		Task Order ID	Task Order Description	\$ Authorized	\$ Spent
-- None --					

Cash Flow - Amendment 3 (figures in \$1000's)

Graph includes projected budget and revenue from updated Work Plan 11/22



As presented at 10/2022 Board meeting - item 3.1, planned cumulative expenses are projected to exceed planned cumulative revenue in approx. Q4/2023. Actual amounts will be closely monitored throughout the fiscal year. Alternatives exist to either scale back work to fit revenue limitations or request the additional \$40/AF of cash call left off the original participant invoice.