



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

August 18, 2023

Subject: **Second Quarter (Q2) 2023 Financial Report**

Requested Action:

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

Detailed Description/Background:

This report covers the Q2 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.

Key takeaways of this report include:

- Interest income improved, primarily due to higher interest on the existing bank accounts. Procedures to implement the adopted investment policy are being prepared and we should see continued improvement in this area in the next quarter.
- Expenses in Q2 2023 were approximately \$6.3M less than plan. This is primarily due to shifts in the timing for field work to accommodate land access. There were also delays in activities related to the final EIR/EIS and Water Right.
- New report item. Cash Balance of the Authority's bank accounts at the end of Q2 was approximately \$32.2M. Over the quarter, there was approximately a \$618K net increase in cash balances.
- There were no instances of allocating unrestricted contingency funds this period.
- New contract amendments during this period were:
 - Two new contracts were issued, of which the budget for both was included in the Amendment 3 Work Plan.
 - Seven task order amendments resulting in no budget change (i.e., schedule adjustments, adding a subconsultant to a prime consultant's team, or reallocation of task budgets within approved task order budget).

Prior Authority Board Action:

February 2023: Approved the Q4 2022 Financial Report.

Fiscal Impact/Funding Source:

There are sufficient funds in the approved Amendment 3 work plan to continue financial reporting. 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 FY2024/25 Budget for approval in October, which will reflect reprioritizing of the remaining work to accommodate an extended timeline and possibly an early project completion date.

Staff Contact:

Joe Trapasso/Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q2 2023 Financial Report



Quarterly Financial Report

Fiscal Year 2023 – Second 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	325			455	505 ²
Federal WIIN Act Funding	567	6,900			7,467	18,600 ³
Interest Income	79	181			260	-
Reservoir Committee Cash Calls	15,580	70			15,650	15,600
State Prop 1 (WSIP)	0	4,050			4,050	8,800
Revenue Total	16,356	11,526			27,882	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
- 2023 Assignment of \$1.0 M worth of real estate options (3-year assignment of \$2.0M)
- Revenue in exceedance of expenses in FY22 of \$5.1M

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	181	-	-	339	652	52%
Engineering	4,015	5,931	-	-	9,946	36,350	27%
External Affairs	86	90	-	-	176	372	47%
General Project Activities	85	160	-	-	245	706	35%
Permitting	1,350	1,472	-	-	2,822	11,468	25%
Planning	1,141	868	-	-	2,009	3,367	60%
Program Ops	2,057	2,030	-	-	4,087	10,179	40%
Real Estate	183	176	-	-	359	2,771	13%
Total Expenses	9,074	10,908	-	-	19,982	65,865	30%

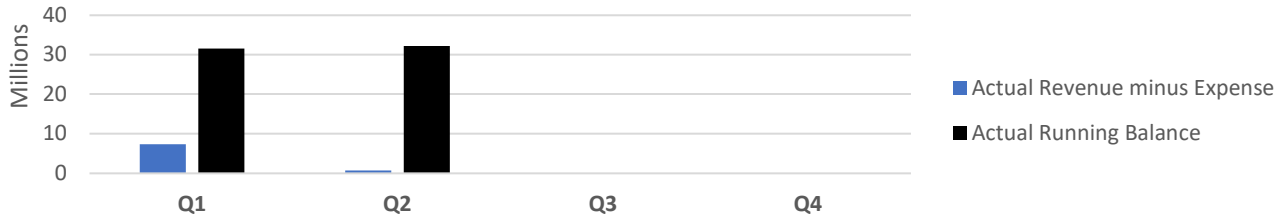
1 – FY Budget captures latest changes as of the end of this quarter

FY2023 Q2 Net Income | Revenue - Expenses = \$618 | FYTD = \$7,900

Cash Account Balance (figures rounded to the nearest \$1,000)

	Actual				
Cash Balances of 4 accounts	End 2022	Q1	Q2	Q3	Q4
Revenue minus Expense		7,282	618		
Running Balance	24,276	31,558	32,176		

FY23 Cash Balance by Quarter



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

		Unrestricted Contingency Changes per Subject Area				
Subject Area	Work Plan Budget	Q1	Q2	Q3	Q4	Current Balance
Communications	-	-	-	-	-	-
Engineering	2,856	-250	-	-	-	2,606
External Affairs	-	-	-	-	-	-
General Project Activities	36	-	-	-	-	36
Permitting	591	-	-	-	-	591
Planning	96	-	-	-	-	96
Program Ops	495	-160	-	-	-	235
Real Estate	57	-	-	-	-	57
Total Unrestricted Contingency	4,131	-410	0	-	-	3,721

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

		Unrestricted Contingency Releases During Q2 Period	
Subject Area Source	Date	Description of Change	\$ Authorized
No Activity			

New Contracts and Amendments

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

		Contract Changes During Q2 Period			
	Contracted Party	Authorization Date	Scope of Work Description	\$ Authorized	Funding Source
	ICF-f	4/6/2023	4.1 – Re-allocation	0	-
New	Eagle Electrocutation Services	4/28/2023	1.0 - Eagle nest mitigation credit assignments	115,500	WP
	CDFW (Services)	5/2/2023	7.0 – Extends agreement through 2025	0	-
	CH2M Hill/Jacobs (Conveyance)	5/16/2023	4.2 – Added sub-contract to Kimley-Horn	0	-
	ICF-f	6/1/2023	4.2 - Re-allocation across subject areas	0	-
New	Red Stick Farms	6/8/2023	1.0 - Landowner payment for Geotech work	31,500	WP
	CH2M Hill/Jacobs (Operations)	6/14/2023	4.1 – Re-allocation to cover EIR/EIS modelling support	0	-
	Brown and Caldwell	6/23/2023	5.1 - Re-allocation	0	-
	Katz & Associates	6/25/2023	5.2 - Re-allocation	0	-

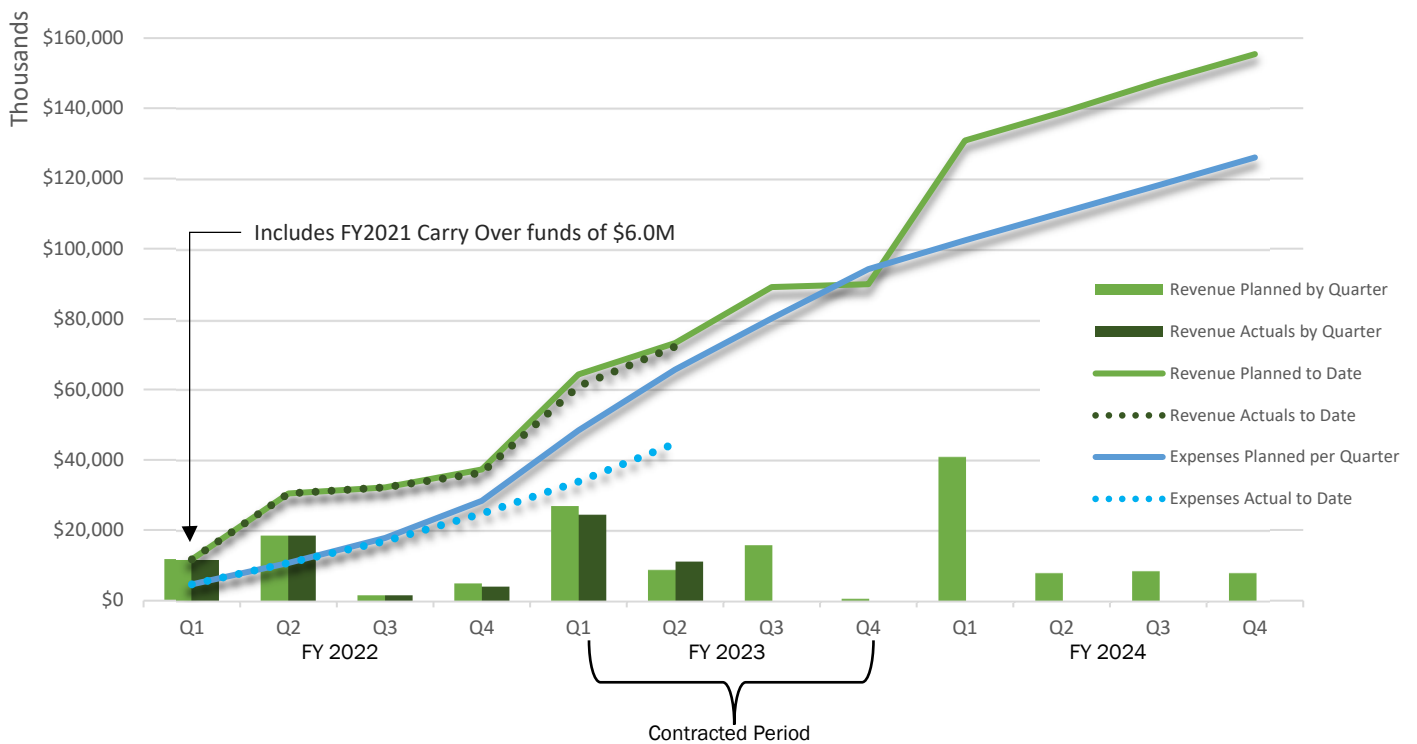
Subject Area	Initially Contracted	Contract Changes During FY23				Currently Contracted
		Q1	Q2	Q3	Q4	
Communications	552	100				652
Engineering	32,798	-				32,798
External Affairs	324	48				372
General Project Activities	553	-				553
Permitting	8,859	234	-334			8,759
Planning	2,690	388	450			3,528
Program Ops	8,839	75				8,914
Real Estate	1,356	45	32			1,433
Total Contract Changes	55,971	890	148	-	-	57,009

Closed Contracts / Task Orders

Contracted Party	Task Order Closure Date	Closed Contract / Task Orders during FY23			\$ Authorized	\$ Spent
		Task Order ID	Task Order Description			
-- 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.