



Meeting: **Reservoir Committee & Authority Board Agenda
Item 1.5**

February 16, 2024

Subject: **Fourth Quarter (Q4) 2023 Financial Report**

Requested Action:

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

Detailed Description/Background:

This report covers the Q4 2023 budget year quarterly financial report and fulfills 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:

- **Revenues** received in Q4 2023 were approximately \$13.2M over the plan. This was primarily due to a previously reported delay in executing a new federal funding agreement, FAA3, resulting in larger than expected accrued expenses which were invoiced for reimbursement in Q4. This increase was expected and accounted for in the approved FY24-25 Budget.
- **Expenses** in Q4 2023 were approximately \$3.1M less than plan. This is primarily due to shifts in the timing of fieldwork. The Amendment 3 Work Plan update, approved in October 2023, reprioritized the near-term geotechnical field investigations to inform value engineering and design progression of the Golden Gate Dam. The investigations that were initially planned for Q4 2023 were postponed to align with the recently adopted overall project schedule. The delay in approval of final EIR/EIS also caused some of the reduction.
- The Authority's Bank Account Balance at the end of Q4 was approximately \$23.3M, representing a net increase of \$3.0M over the reporting period.
- There were five instances of allocating unrestricted contingency funds this period, with reallocations from Program Operations, Engineering, Permitting, and Planning subject areas totaling \$962k. The total unrestricted contingency balance, cumulative of all subject areas, at the end of Q4 was approximately \$2.7M. Staff are allocating contingency to supplement budget for new work scope in accordance with the Board's delegation of authority.
- Contract activity during this period includes:
 - No new contracts were issued during this period.

- Eight amendments were issued, resulting in no change to the overall approved 2023 budget. Four amendments required an allocation of unrestricted contingency for additional scope. Four amendments resulted in no budget change (i.e. reallocating budget within approved task order budget).

Prior Authority Board Action:

November 2023: Approved the Q3 2023 Financial Report.

Fiscal Impact/Funding Source:

There are sufficient funds in the approved Amendment 3 work plan to continue financial reporting. A cash balance at the end of 2023 was estimated to be \$24.7M at the time of the revised work plan (October 2023). With nearly all 2023 expenses now received, an update to the estimated cash balance to start 2024 is \$23.0M resulting in a reduction of anticipated carryover funds from 2023 to 2024 of \$1.7M. Latest expense estimates through the remainder of the work plan are \$77.4M and revenue estimates are \$75.9M, including carryover funds. Staff is evaluating options to balance our budget for the remainder of the work plan, should they be necessary, to be discussed at the semi-annual work plan check-in scheduled for the July 2024.

Staff Contact:

Joe Trapasso/Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q4 2023 Financial Report



Quarterly Financial Report

Fiscal Year 2023 – Fourth Quarter Financial Report

Revenue Activity (figures x \$1,000)

Funding Source	Q1	Q2	Q3	Q4	FY to Date	FY Projected ¹
Authority Board Membership	130	325	0	0	455	505 ²
Federal WIIN Act Funding	567	6,900	0	9,353	16,820	18,600
Interest Income	79	182	227	173	661	-
Reservoir Committee Cash Calls	15,580	70	800	0	16,450	15,600
State Prop 1 (WSIP)	0	4,050	1,696	4,479	10,225	8,800
Revenue Total	16,356	11,527	2,723	14,005	44,611	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

Expense Activity (figures x \$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	174	236	749	751	100%
Engineering	4,015	5,931	6,685	5,914	22,545	36,350	62%
External Affairs	86	90	90	90	356	372	96%
General Project Activities	84	160	140	163	547	706	77%
Permitting	1,493	1,521	1,319	1,522	5,855	11,098	53%
Planning	1,127	869	772	888	3,656	3,978	92%
Program Ops	2,057	2,042	2,027	2,004	8,130	10,179	80%
Real Estate	183	199	210	162	754	2,431	31%
Total Expenses	9,203	10,993	11,417	10,979	42,591	65,865	65%

1 – FY Budget captures latest changes as of the end of this quarter. It is anticipated that a few late invoices are yet to be received. Staff estimates this amount to be approximately \$120k.

FY2023 Q4 Net Income (figures x \$1,000) | Revenue - Expenses = \$3,026 | FYTD = \$2,020

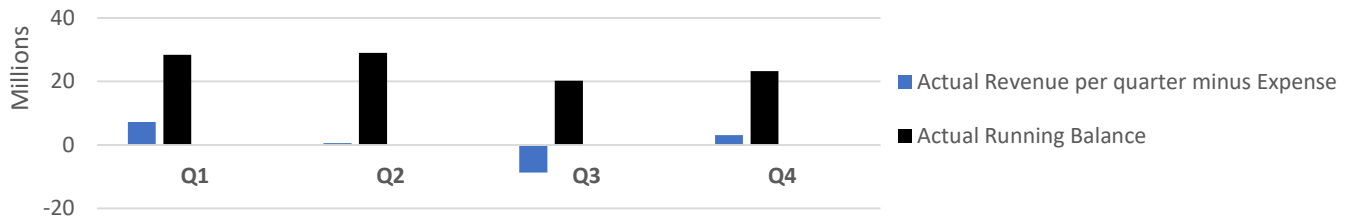
Bank Account Balance (figures x \$1,000)

Beginning balance is based upon Bank Account balances as of 12/31/22 minus accrued 2022 costs paid in 2023.

	Actual				
Cash Balances of 4 accounts	End 2022	Q1	Q2	Q3	Q4
Revenue minus Expense		7,153	534	-8,694	3,026
Running Balance	21,237	28,390	28,924	20,230	23,256

It is estimated that a few late invoices are yet to be received which will impact Q4 balance.

FY2023 Cash Balance by Quarter



Unrestricted Contingency Balance & Reserve (figures x \$1,000)

		Unrestricted Contingency Changes per Subject Area				
Subject Area	Work Plan Budget	Q1	Q2	Q3	Q4	Current Balance
Communications	-	-	-	-	-	-
Engineering	3,081	-250	-	-	-650	2,181
External Affairs	-	-	-	-	-	-
General Project Activities	36	-	-	-	-	36
Permitting	791	-	-	-347	-180	264
Planning	121	-	-	-96	-3	22
Program Ops	495	-160	-	-80	-129	126
Real Estate	57	-	-	-	-	57
Total Unrestricted Contingency	4,581	-410	0	-523	-962	2,686

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

		Unrestricted Contingency Releases During Q4 Period		
	Subject Area Source	Date	Description of Change	\$ Authorized
ED	Program Ops	12/11/2023	Katz and Associates Amendment 5.3	99,290
AB	Program Ops	12/20/2023	Nossaman LLP Amendment 2.2	30,000
AB	Engineering	12/20/2023	Perkins Coie Amendment 2.4	650,000
ED	Permitting	12/27/2023	Yolo County Court Recorder 1.0	180,000
ED	Planning	1/30/2024	Perkins Coie Amendment 2.6	2,857

New Contracts and Amendments

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

		Contract Changes During Q4 Period		
Contracted Party	Authorization Date	Scope of Work Description	\$ Authorized	Funding Source
AECOM	11/20/2023	4.2 – No cost change re-allocation	-	-
Brown and Caldwell	10/30/2023	5.2 – No cost change re-allocation	-	-
HDR	12/1/2023	5.1 - No cost change re-allocation	-	-
Fugro	12/11/2023	4.2 – No cost change re-allocation	-	-
Katz and Associates	12/11/2023	5.3 – Envir. Doc. Public Involvement Support	99,290	UNC
Nossaman LLP	12/15/2023	1.2 - B&O contract development / re-allocation	30,000	UNC
Perkins Coie	12/18/2023	2.4 – Increase to cover CEQA effort	650,000	UNC
Perkins Coie	1/31/2024	2.6 – Litigation support	2,857	UNC

(figures x \$1,000)

Contract Changes During FY2023

Subject Area	Initially Contracted	Q1	Q2	Q3	Q4	Currently Contracted
Communications	552	100	-	-	99	751
Engineering	32,798	-	-	-	-	32,798
External Affairs	324	48	-	-	-	372
General Project Activities	553	-	-	4	-	557
Permitting	8,859	234	-334	172	-	8,931
Planning	2,690	388	450	271	993	4,792
Program Ops	8,839	75		80	130	9,124
Real Estate	1,356	45	32	-	-440	993
Total Contract Changes	55,971	890	148	527	782	58,318

Closed Contracts / Task Orders

Closed Contract / Task Orders during FY2023

Contracted Party	Task Order Closure Date	Task Order ID	Task Order Description	\$ Authorized	\$ Spent
-- None --					

Cash Flow - Amendment 3 (figures x \$1,000)

Graph includes projected budget and revenue from updated Work Plan 11/2022. Cash flow for 2024 & 2025 has been superseded by Work Plan Update approved at the 10/2023 Board meeting. The cash flow curve will be updated for the Q1/2024 Financial report to reflected revised work plan as approved in 10/2023 and updated in 12/2023.

