



Meeting: **Reservoir Committee & Authority Board Agenda** **November 15, 2024**
Item 1.4

Subject: **Third Quarter (Q3) 2024 Financial Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority's Third Quarter 2024 Budget Year Quarterly Financial Report.

Detailed Description/Background:

This report covers the Q3 2024 budget year quarterly financial report and fulfills the Authority's Budget Policy requirement for quarterly financial update reports to the Reservoir Committee and Authority Board.

Key takeaways of this report include:

- **Revenues** received in Q3 2024 were approximately \$476k above plan. This was due to interest revenue received which was expected but not accounted for in the budget plan as revenue.
- **Expenses** in Q3 2024 were approximately \$4.7M less than planned. The majority of the reduced expenditures are a result of Authority initiated adjustments in planned Engineering activities. The original expenditure plan included non-critical path Engineering activities such as performing geotechnical investigations that would have informed advancement of engineering analysis towards 60% level of design but have been put on hold to prioritize and fund activities in support of critical path activities. Another significant delay in expenditure is the purchasing of property which was planned for Q1 of 2024 but was delayed due to negotiations taking longer than expected.
- The Authority's **Bank Account Balance** at the end of Q3 was approximately \$34.7M, representing a net decrease of \$7.3 over the reporting period.
- There were five instances of allocating unrestricted contingency funds this period, totaling approximately \$227K. The total remaining FY24 unrestricted contingency balance, cumulative of all subject areas, at the end of Q3 was approximately \$288K. Staff are allocating contingency to supplement budget for new work scope in accordance with the Board's delegation of authority. There continues to be no plans to request cash calls beyond that remaining to be collected in FY25 per the Project Agreement.

The Budget and Finance Committee recommended that the Reservoir Committee and Authority Board approve the Q3 2024 Financial Report at their November 8, 2024 meeting.

Prior Authority Board Action:

August 2024: Approved the Q2 2024 Financial Report.

Fiscal Impact/Funding Source:

The approved Amendment 3 Work Plan contains sufficient funds to continue financial reporting through June 30, 2026. Staff will continue to monitor budget status throughout the Amendment 3 period. Work Plan status updates will continue to be provided to the Board biannually, with the next update planned for June 2025.

Staff Contact:

Joe Trapasso/Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q3 2024 Financial Report



Quarterly Financial Report

Fiscal Year 2024 – Third Quarter Financial Report

Revenue Activity (figures x \$1,000)

Funding Source	Q1	Q2	Q3	Q4	FY to Date	Budget ¹ FY2024
Authority Board Membership ²	410	3			413	455
Federal WIIN Act Funding	-	4,887			4,887	13,000
Interest Income	345	482	476		1,303	-
Reservoir Committee Cash Calls	24,608	432	600		25,640	25,640
State Prop 1 (WSIP)	-	1,136			1,136	-
Revenue Total	25,363	6,941	1,076	-	33,380	39,095
Carryover from 2023						23,145
Estimated Total Available Funds in 2024						62,240

1 - FY Budget figures from Work Plan Budget Update approved at 10/2023 Board meeting.

2 – During Q2 a new Associate Board membership (Zone 3) was approved and paid for a partial year \$3K.

Expense Activity (figures x \$1,000)

Late invoices received after publishing this report will be applied to proper period on future Quarterly Reports.

Subject Area	Q1	Q2 ¹	Q3	Q4	FY to Date	Budget ² FY2024	% Spent
Communications	140	84	105		329	475	69%
Engineering	4,873	2,075	4,084		11,033	21,890	50%
External Affairs	90	90	90		270	360	75%
General Project Activities	82	63	76		221	480	46%
Permitting	1,348	1,825	2,133		5,306	9,679	55%
Planning	814	562	310		1,687	3,115	54%
Program Ops	1,677	1,481	1,329		4,486	6,253	72%
Real Estate	101	215	238		554	6,191	9%
Total Expenses	9,126	6,395	8,365	0	23,885	48,443	49%

1 - Late invoices received after publishing the Q2 Report have been added into appropriate period.

2 – FY Budget captures latest approved budget changes as of the end of this reporting quarter.

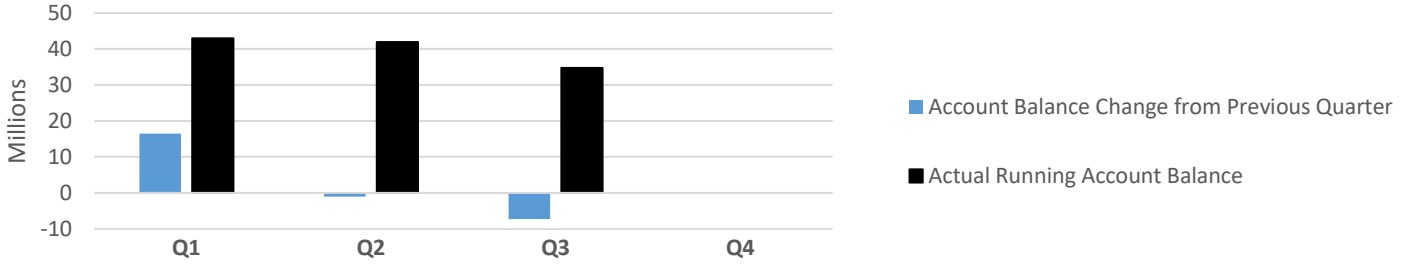
FY2024Q3 Net Income (figures x \$1,000) | Revenue – Expenses = -\$7289 | FYTD = \$9,495

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

Balances shown are captured from the last day of the period shown.

Cash Balances of 4 Accounts	Actual				
	End 2023	Q1	Q2	Q3	Q4
Account Balance Change from Previous Quarter		16,519	(1,005)	(7,266)	
Actual Running Account Balance	26,433	42,952	41,947	34,680	

FY2024 Bank Account Balance by Quarter



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

Unrestricted Contingency Changes per Subject Area						
Subject Area	Work Plan Budget	Q1	Q2	Q3	Q4	Current Balance
Communications	28	-	-	-	-	28
Engineering	1,750	(1,499)	-	(128)	-	123
External Affairs	32	(32)	-	-	-	-
General Project Activities	33	(1)	-	-	-	32
Permitting	795	(695)	-	(98)	-	2
Planning	367	(367)	-	-	-	-
Program Ops	483	(383)	(97)	-	-	3
Real Estate	424	(324)	-	-	-	100
Total Unrestricted Contingency	3,912	(3,301)	(97)	(227)	-	288

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

Unrestricted Contingency Releases During Q3 Period

Subject Area Source	Date	Description of Change	\$ Authorized
ED	7/25/2024	University of California Santa Cruz (Task funding)	(18,701)
ED	8/23/2024	CH2M Hill Engineers (Water Right Hearing efforts)	(98,374)
ED	9/17/2024	Mizuno (Prep support for Reclamation contract docs)	(14,500)
ED	9/17/2024	Best, Best, and Krieger (CMAR legal services)	(75,000)
ED	9/25/2024	Pinion (Increase commitment amount)	(20,000)
Total			(226,575)

New Contracts and Amendments

Funding Source | UNC = Unrestricted Contingency

| WP = Work Plan

New Contract	Contracted Party	Authorization Date	Contract Changes During Q3 Period	
			Scope of Work Description	Funding Source
	HDR	7/18/2024	TO 5.7 - Reallocation of budgets between tasks	WP
	University of California Santa Cruz	7/25/2024	TO 1.3 - Evaluate effects of project operations	WP/UNC
	The Catalyst Group	8/9/2024	TO 2.2 - Partial removal of funding	WP
✓	Lasswell Strategic Consulting	8/16/2024	TO 1.0 - Strategic planning services	WP
✓	Regional Government Services	8/16/2024	TO 1.0 - Board Clerk RGS	WP
	ICF Jones & Stokes, Inc. (Permit)	8/21/2024	TO 4.6 - Reallocation of budgets between tasks	WP
	Fugro	8/27/2024	TO 4.4 - Reallocation of budgets between tasks	WP
	CH2M Hill Engineers (Conveyance)	9/10/2024	TO 4.5 - Reallocation of budgets between tasks	WP
	AECOM (Reservoir)	9/16/2024	TO 4.5 - Reallocation of budgets between tasks	WP
	Best Best & Krieger	9/17/2024	TO 1.1 - Legal Services (Construction)	UNC
✓	Mizuno Consulting, Inc	9/18/2024	TO 1.0 - Prep support for Reclamation contract docs	UNC
	Brown and Caldwell	9/23/2024	TOA 5.6 - Reallocated funds for Board Clerk RGS	WP
	Somach Simmons & Dunn	9/26/2024	TO 3.4 - Water Rights Support	WP
	Fugro	9/27/2024	TO 4.5 - Reprioritization of Engineering Scope	WP

figures x \$1,000

Subject Area	Initially Contracted	Contract Changes During FY2024				Currently Contracted
		Q1	Q2	Q3	Q4	
Communications	447	-	-			447
Engineering	20,806	-	-	(2,339)		18,467
External Affairs	360	-	-			360
General Project Activities	160	20	-			180
Permitting	7,826	200	534	955		9,516
Planning	115	2,275	50			2,440
Program Ops	3,848	74	1,295	96		5,313
Real Estate	1,444	7	250			1,701
Total Contract Changes	35,007	2,576	2,129	-1,288	0	38,424

Closed Contracts / Task Orders

figures x \$1,000

Contracted Party	Closed Contract / Task Orders during Q3				
	Period of Performance		Task Order ID	\$ Authorized	\$ Spent
	Start	Finish			
None					

2024-2025 Cash Flow (figures x \$1,000,000)

Amendment 3 Cash flow for 2024 & 2025 was revised by Work Plan Update approved at the 10/2023 Board meeting and revised at the 12/2023 Board meeting. Changes to the 2025 budget, as adopted 1 October 2024, will be shown starting Q1 2025 report,

