

**LVR Joint Powers Authority  
Finance Committee  
Draft Fiscal Year 2024 Budget**

**March 23, 2023**



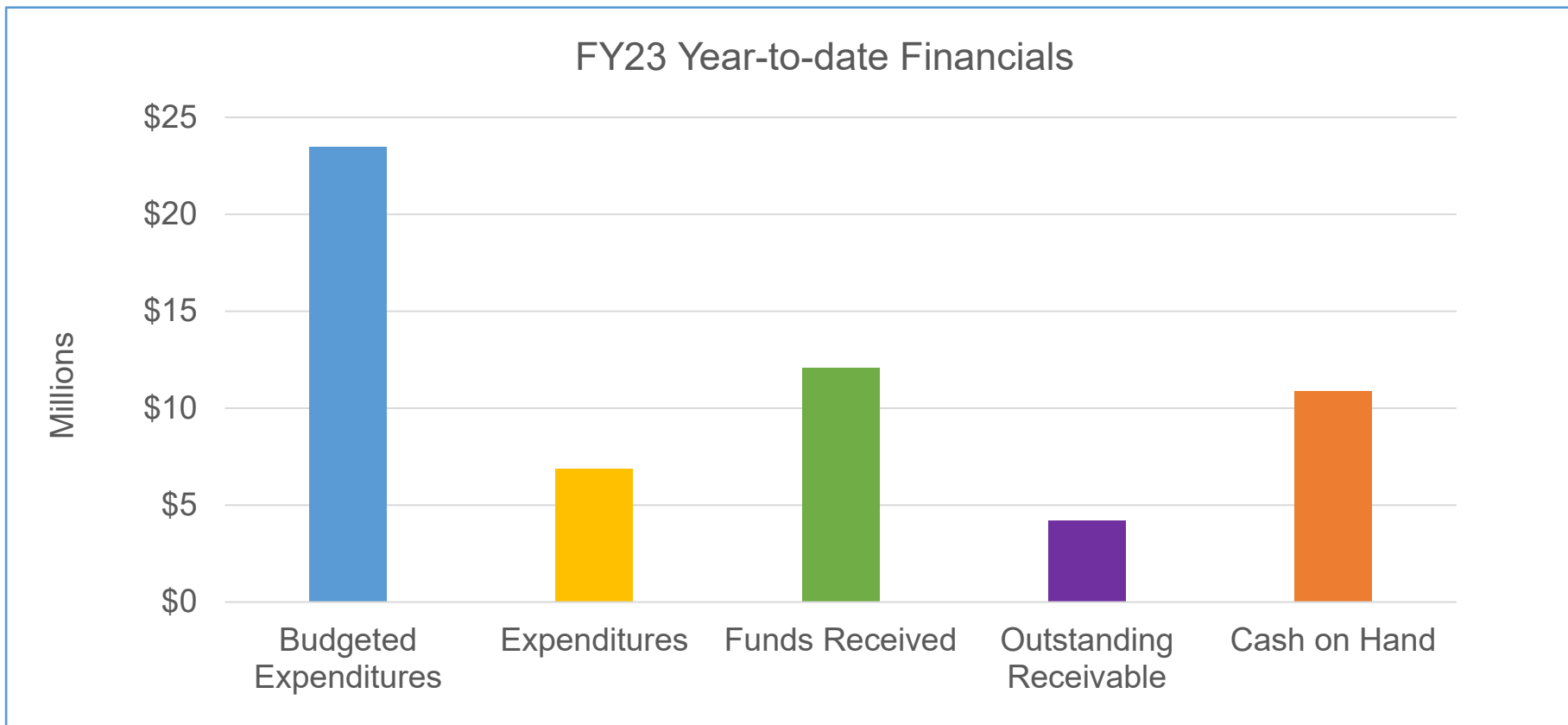
# Agenda

- **FY23 Performance to Date**
- **FY24 Budget Updates Since December**
- **Next Steps**

# **FY23 Performance to Date**



# FY23 Performance to Date

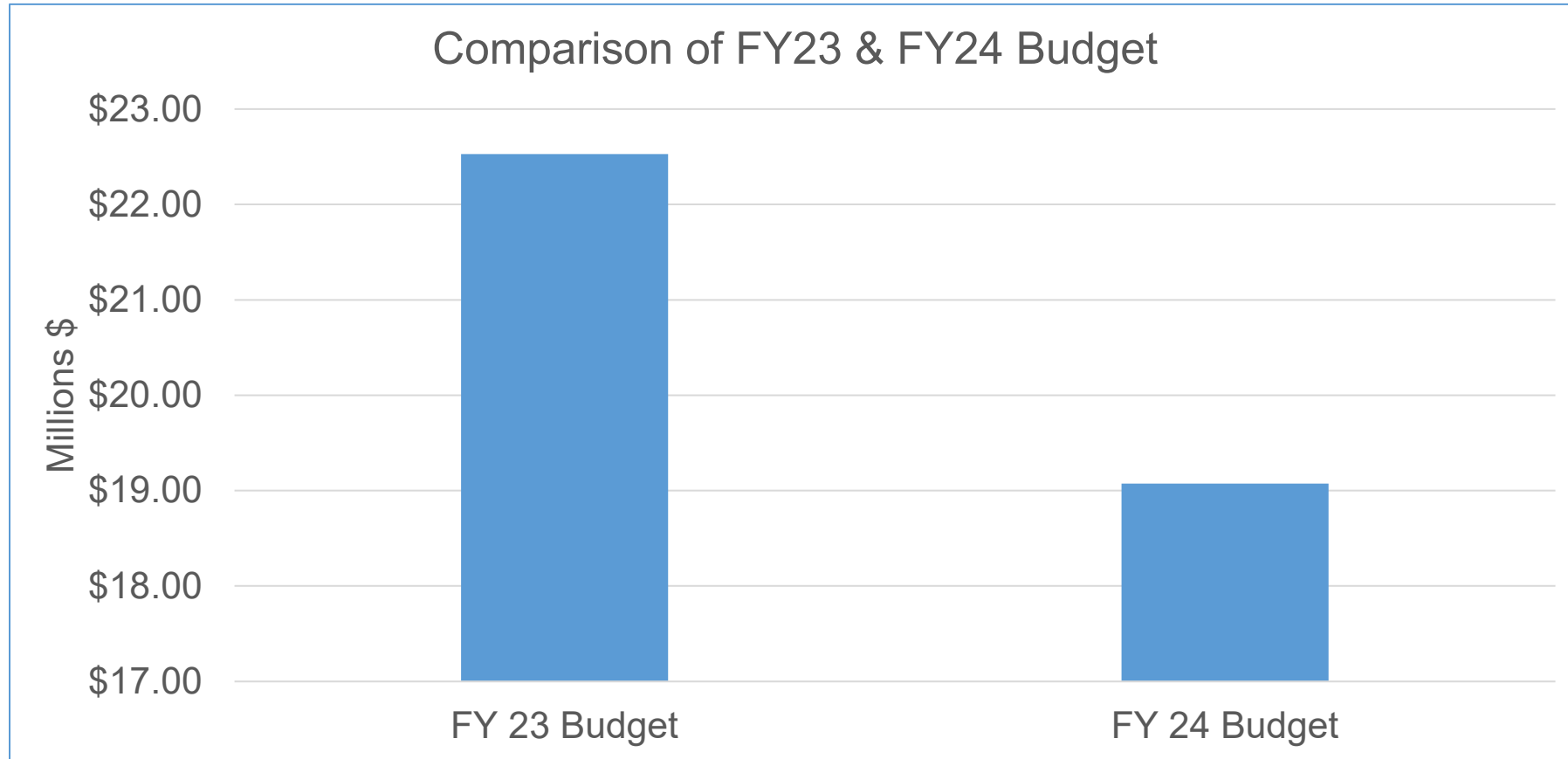


# Use of Contingency in FY23

- FY23 adopted budget included \$1.34M in contingency
- JPA used about \$400k contingency in FY23 to date
  - FY22 audit
  - Executive Director recruitment
  - Executive Director contract
  - Pipeline inspection bid
  - Government relations
  - In-person Board meeting expenses
- Approximately \$900k contingency remaining in FY23



# Comparison of FY23 & FY24

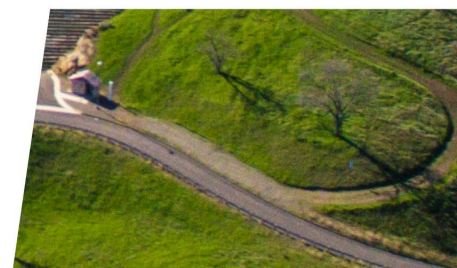
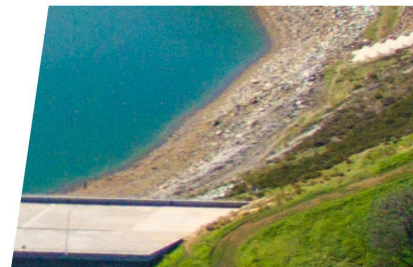
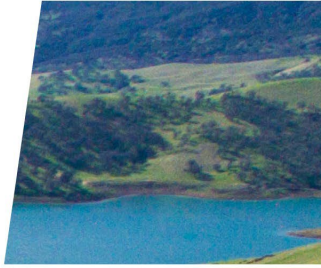


# **FY24 Budget Updates**



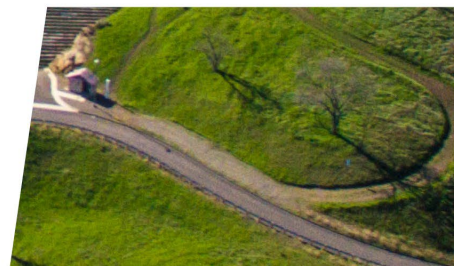
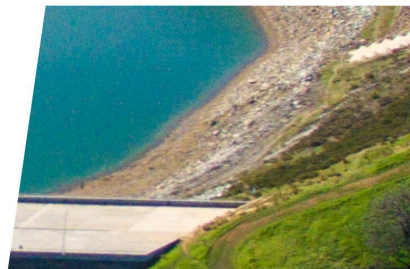
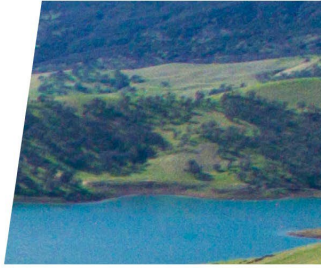
# Proposed Format of FY24 Budget Book

- Agency Background
- Sources of Funds
- Use of Funds
- Appendix for FY24 construction costs
  - Included for illustrative purposes in the event the project advances to construction during FY24 and budget adjustment needed



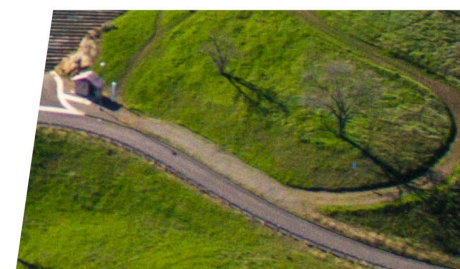
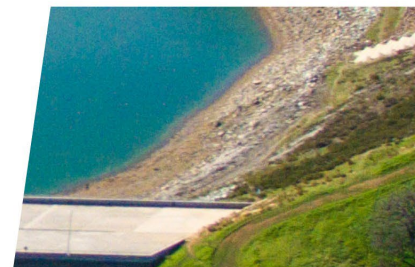


# Key Assumptions



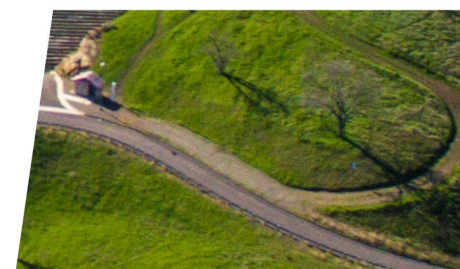
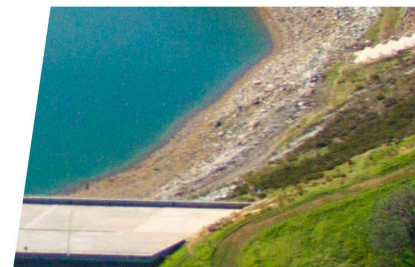
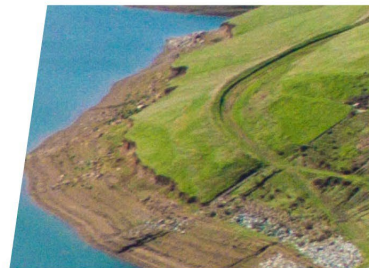
# Key Assumptions

- Assume Service Agreements are executed March 2024
  - 6-month delay from December presentation
- All local funds come thru Multi-Party Agreement
- No WIFIA loan drawdown available in FY24
  - Can update budget if schedule accelerates
- Not going to construction in FY24
- No need to collect capital reserve funds



## Key Assumptions (cont.)

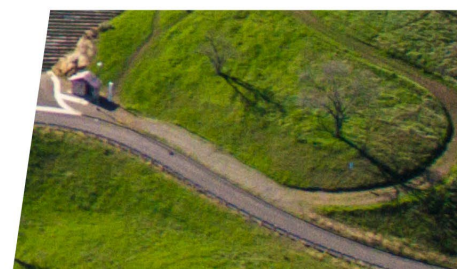
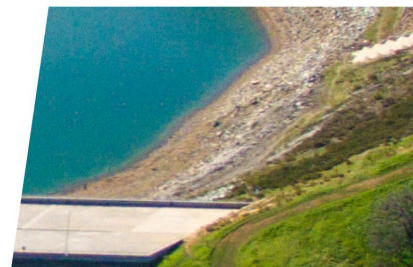
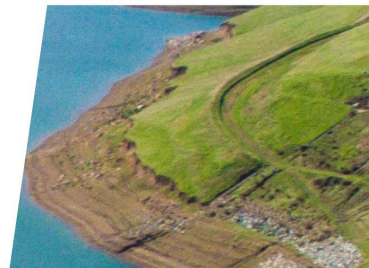
- State Early Funding will be fully expended by early FY24
- Federal Planning Assistance Agreement will be fully expended in FY24
- FY23 carryover funds ~ \$6.3M
  - Greater CWC and Reclamation funding available in FY23 than previously estimated
  - Lower JPA and CCWD spending than estimated
  - Unused FY23 contingency funds





## Key Assumptions (cont.)

- Prior to JPA receiving or distributing funds, key contracts need to be in place:
  - Program management – RFP closes today
  - CPA services – 3/31 RFP issue
  - Insurance – April 12 Board Meeting
  - Banking services – TBD



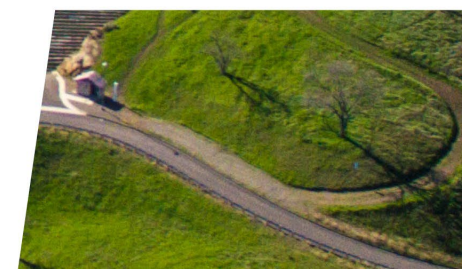
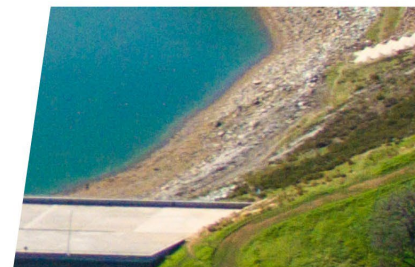
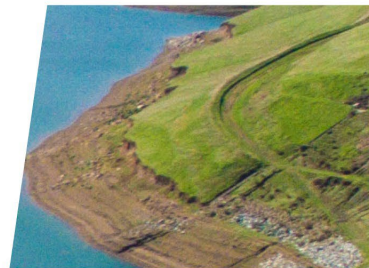
# Source of Funds: State

## Early Funding Agreement (thru December 2023)

- Between CCWD and CWC
- Estimated amount available in FY24 ~ \$2M

## Final funding award agreement (TBD)

- Between JPA and CWC
- Total amount ~\$454M over the whole project
- 50% reimbursement of eligible costs
- Contract will take time to execute after award hearing
- Will revise pending Final Award Hearing



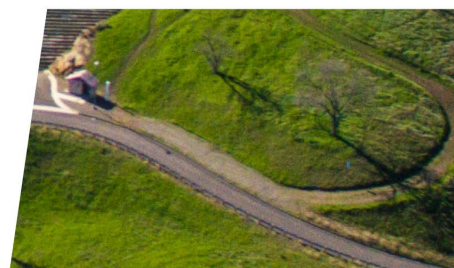
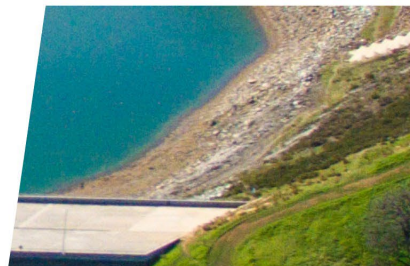
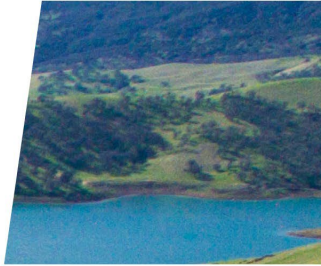
# Source of Funds: Federal

## Reclamation Planning Assistance Agreement (thru December 2023)

- Between CCWD and Reclamation
- 24% reimbursement
- Estimated available in FY24 ~\$2.1M
- Possible to amend to add up to \$3M more

## Reclamation Construction Assistance Agreement (TBD)

- Between JPA and Reclamation
- \$164M appropriated to date





# Sources of Funds: Local

## Multi-Party Agreement Amendment No. 5 (July 2023 – June 2024)

- Budget & Scope of Work match JPA FY24 budget
- Total \$8.673M
- Even split 7 ways, per agency ~ \$1.239M



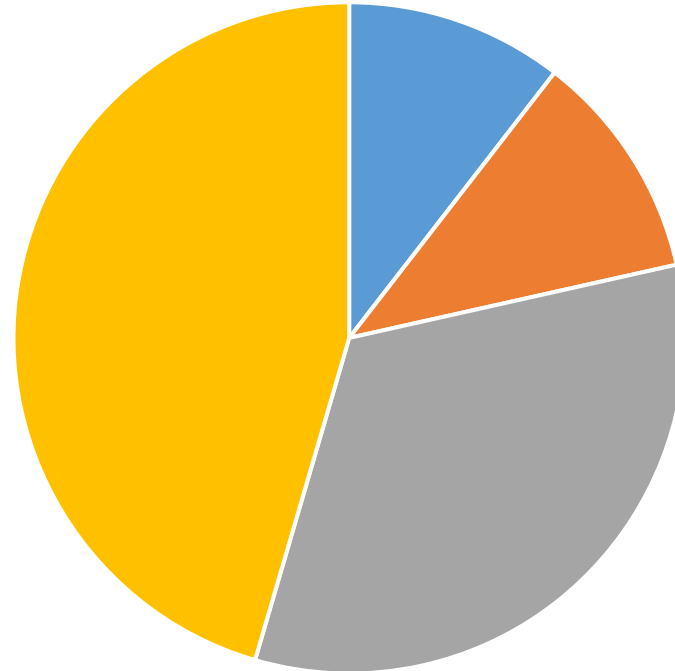
# FY24 Sources of Funds

Source	\$ (1,000)	Notes
Early Funding Agreement	\$2,000	Early Funding Agreement will be fully expended in FY24.
Reclamation Assistance Agreement	\$2,100	Reclamation Assistance Agreement will be fully expended in FY24.
Carryover (rebudget) funding from FY23	\$6,300	Amount of funding previously collected for work that will be performed in FY24.
Multiparty Agreement No. 5	\$8,673	Amount of funding needed to fund all anticipated FY 24 expenses at the JPA that is not covered by previously collected funds, state, and federal funds.
<b>Total</b>	<b>\$19,073</b>	



# Source of Funds Summary FY24

Source of Funding = \$19.073M



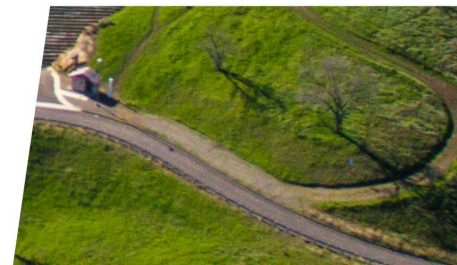
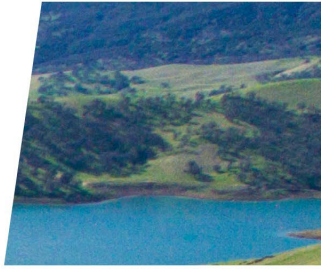
- Early Funding Agreement
- Reclamation Assistance Agreement
- Carryover (rebudget) funding from FY23
- Multiparty Agreement No. 5





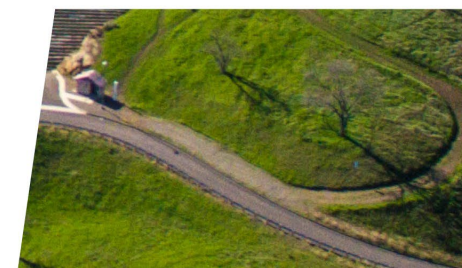
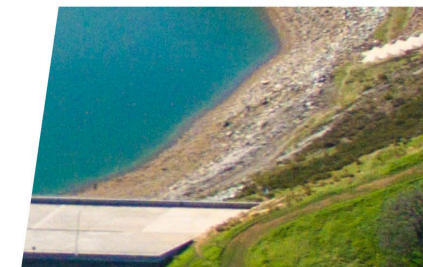
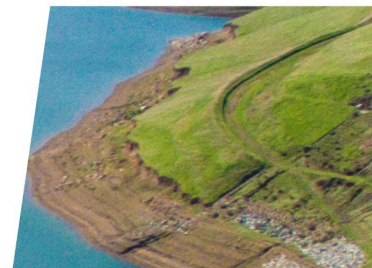
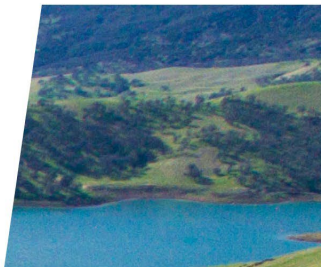
# Use of Funds

- JPA Services
- JPA Reserves
- CCWD Services
- CCWD Labor
- Contingency
- Total



# FY24 Use of Funds

	FY24	Notes
<b>JPA Services</b>		
Management	\$1,456	Includes Executive Direction and Program Management
Administration	\$235	Includes Expenses of Board Meetings and Miscellaneous Fees
Financial	\$590	Includes Financial Advisor, fees for credit rating, CPA, Auditor
External Affairs	\$810	Includes government affairs and support for negotiations with external agencies
Legal	\$365	Includes general counsel, bond counsel, and other legal support
<i>Subtotal</i>	\$3,456	
<b>JPA Reserves</b>		
Capital Project Fund	\$0	
<b>CCWD Services</b>		
Management	\$75	Communications support
Environmental Planning	\$1,446	Permitting consultants, modeling
Design	\$6,264	Dam design, Transfer-Bethany Pipeline, Pumping Plant No. 1
Construction	\$0	
Legal	\$1,090	General counsel, specialty land counsel, CEQA counsel, water rights
Fees	\$974	Permit application fees, SWRCB change petition fees
<i>Subtotal</i>	\$9,849	
<b>CCWD Labor</b>		
Management	\$203	General management and public affairs
Environmental Planning	\$1,725	Planning, watershed & lands, water resources, strategic initiatives
Design	\$2,508	Engineering, operations & maintenance
Construction	\$0	
<i>Subtotal</i>	\$4,436	
<b>Contingency</b>	<b>\$1,332</b>	
<b>Total</b>	<b>\$19,073</b>	



# FY24 Use of Funds: JPA Services

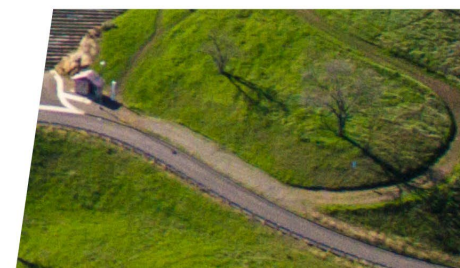
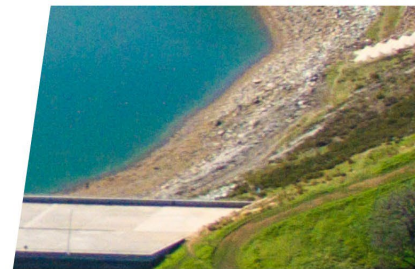
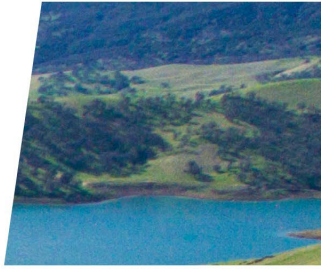
JPA Services	\$ (1,000)	Notes
Management	\$1,436	Executive Direction and Program Management
Administration	\$285	Expenditures for Board Meetings and Miscellaneous Fees
Financial	\$660	Financial Advisor, CPA, Auditor
External Affairs	\$810	Public and government relations and support for negotiations with external agencies
Legal	\$351	General counsel, bond counsel, and other legal support
<b>Subtotal</b>	<b>\$3,542</b>	





# FY24 Use of Funds: JPA Reserves

- Capital Project Fund Reserve
  - 17% of annual capital budget per JPA Agreement
- In December, draft budget included collection of Capital Project Reserve
- Since construction is not expected in FY24, no Capital Project Reserve collection needed



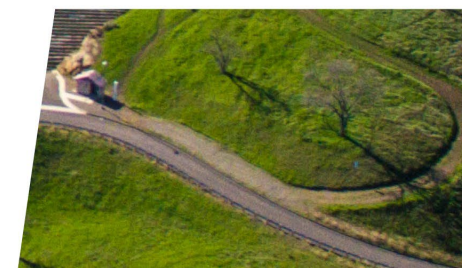
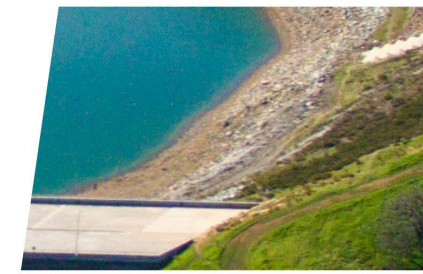
# FY24 Use of Funds: CCWD Services

CCWD Services	\$ (1,000)	Notes
Management	\$75	Communications support
Environmental Planning	\$1,446	Permitting consultants, modeling consultant
Design	\$6,264	Consultants for Dam design, Transfer-Bethany Pipeline, Pumping Plant No.1, Program Management
Construction	\$0	No construction assumed
Legal	\$1,090	General counsel, specialty land counsel, CEQA counsel, water rights counsel
Fees	\$974	Permit application fees, SWCRB change petition fees
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# FY24 Use of Funds: CCWD Labor

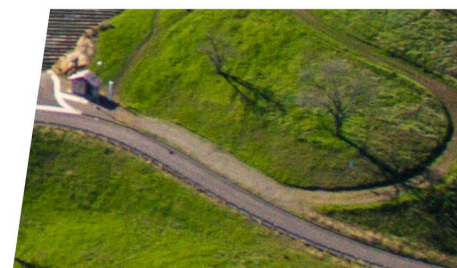
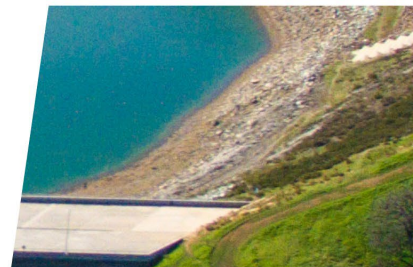
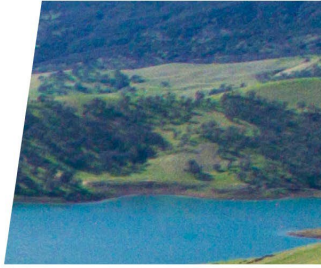
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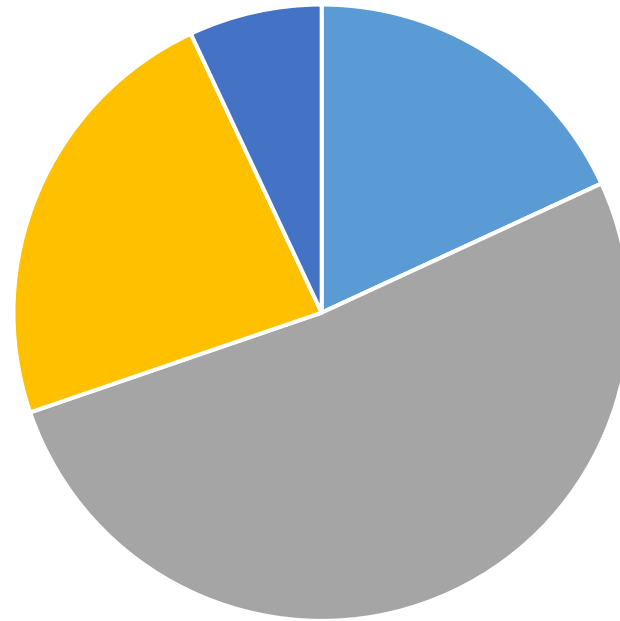
# FY24 Use of Funds: Contingency

- Assume 10% of JPA Services + CCWD Services
- JPA Services + CCWD Services ~\$ 13.3M
- Contingency ~ \$1.3M



# FY24 Use of Funds Summary

Use of Funds = \$19.073M



■ JPA Services   ■ JPA Reserves   ■ CCWD Services   ■ CCWD Labor   ■ Contingency



# Potential FY24 Construction Deposit (Appendix)

Pumping Plant No. 1	First Year Construction (\$1,000s)
Materials Testing	\$ 100
Construction Management Services	\$ 576
Construction	\$ 19,200
Project Labor Agreement Support	\$ 30
Design Services During Construction	\$ 1,100
Permit & Fees	\$ 300
<b>Total</b>	<b>\$ 21,306</b>





# Next Steps

April - JPA Board initial discussion on Budget approach

April - Finance Committee Draft Budget Book

May - JPA Board Draft Budget Book

May - Finance Committee Preview Final Budget Book

June - JPA Board consider adoption of FY24 Budget

