

Requested Action:

Review and comment on the Amendment 3 work plan early budget estimates and cash flow for the 18-month and 36-month work periods.

Detailed Description/Background:

Staff has continued the development of the Amendment 3 Work Plan by preparing a high-level cost and cash flow estimate based on the Authority's work plan goals and objectives. In general, the total of the high-level budgets for each of the subject areas is consistent with previous presented high-level Amendment 3 estimates of approximately \$100 million dollars for an 18-month work plan and higher for a 36-month work plan, currently estimated to \$112M.

The 18-month work plan will accomplish all the Amendment 3 goals and objectives and aligns with the previously discussed estimated \$350/af cash call. The 36-month work plan also accomplishes the same goals and objectives and completes critical activities within the first 18 months such as securing the water right permit, CDFW incidental take permit, and Federal Biological Opinion. This aligns with the previously discussed estimated \$400/af cash call. However, as previously discussed, after the first 18 months the Authority may decide to secure bank financing for the remaining 18 months.

Graphs of high-level monthly estimated expenses and revenue funding (i.e., cash calls, WSIP, and WIIN) were prepared for the 18- and 36-month work plans and both graphs indicate that there appears sufficient revenue funding to meet the estimated monthly expense "burn rates". However, further analysis needs to be conducted to determine the exact scheduling and amounts of each individual cash call.

Currently, the most significant expense activities are engineering work needed to secure key permits and geotechnical investigations which together account for approximately half of the total Amendment 3 expenditures. Attachment A provides working draft subject areas pie charts for the 18- and 36-month work plans.

Staff will be proposing budgets for each of the subject areas which will be the line items that the Authority will be managed to and apply the delegation of authority matrix when changes occur.

A “soft call” survey is planned to go out after this meeting to seek feedback on anticipated participation levels and preference for the 18 vs 36-month work period. Results of the survey will be shared with the RC/AB at a future meeting.

Prior Action:

April 2021: Received a report on the Amendment 3 Work Plan draft Organization Chart, updated objectives, and timeline being used to prepare the work plan.

Fiscal Impact/Funding Source:

There are sufficient funds in the Amendment 2 work plan to cover preparation of the Amendment 3 work plan.

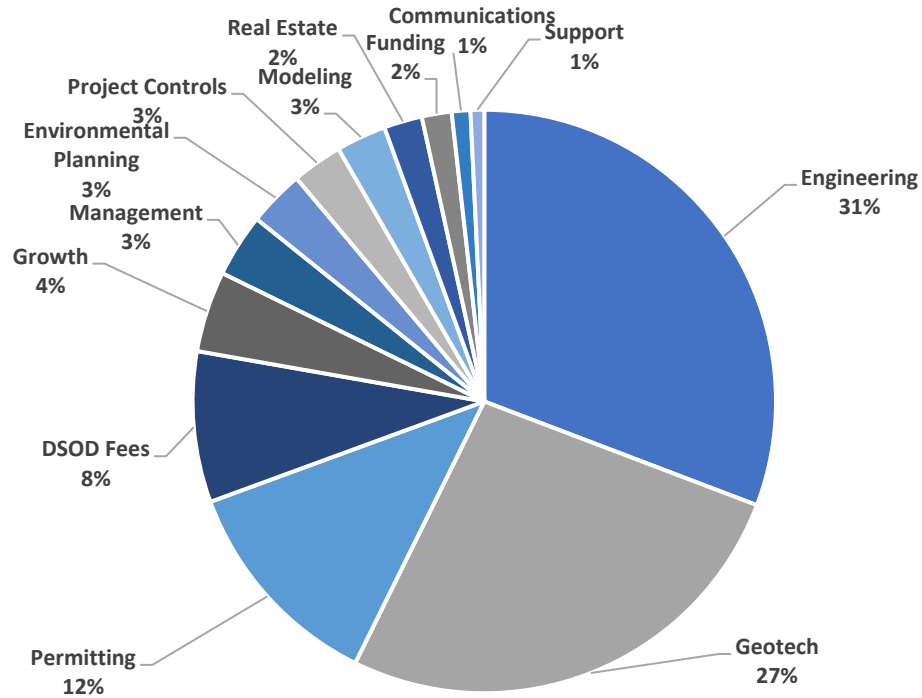
Staff Contact:

Joe Trapasso

Attachments:

Attachment A: Working Draft 18- and 36-Month Subject Areas Pie Charts.

Working Draft 18-Month Subject Area Pie Chart



Working Draft 36-Month Subject Area Pie Chart

