

Memorandum

To: Salton Sea Authority Board of Directors
From: G. Patrick O'Dowd, Executive Director/GM
Date: April 27, 2023
Re: **Presentation of FY 2023/2024 Budget for Salton Sea Authority**

GENERAL:

Under this cover find the Salton Sea Authority proposed operating budget for the period July 1, 2023 through June 30, 2024. This budget was prepared relying principally on existing contracts and agreements and tested against historical costs from 2022-2023 actuals and informed by prior years, with a few modifications, including:

- Local Government / Member Assessments – After increasing member assessments to \$200,000 last year, this year's budget keeps member contributions on par with last year's approved request, or \$200,000 per agency member. Preliminary discussions with TMDCI indicate an intent to pay a minimum of the \$10,000, equal to the amount contributed in the current fiscal year. However, and as is our practice, Torrez Martinez Desert Cahuilla Indians contributions are strictly voluntary, are budgeted at zero, and recorded when received.
- Grants Funding – this principally reflects anticipated work on the North Lake Pilot Demonstration Project, fundings for the Desert Shores project and other creditable work reasonably anticipated to materialize during the budget year.
- CNRA Outreach – budgeted amounts are per contract for FY24.
- Salaries and Benefits are budgeted in accordance with the employment policies for the County of Riverside. One new position was budgeted, with 70% of costs to be reimbursed from various existing contracts.
- Travel – Reflects a 20% increase over this year's actual but unchanged from prior year. This investment is justified by both increased travel costs and the prospect of increased travel.

In recent years, the Authority's operating results and cash flows have been negatively impacted by project delays from which the Authority had direct reimbursements as well as the effects of COVID-19. The Authority received no Federal or State support during the COVID emergency, and as a result has experienced operating losses for each of the past four years. Those persistent losses and unreimbursed, escalating costs have had a deep impact on Authority cash flows. However, as a result of strong member support, disciplined spending, and a strategic workforce realignment implemented earlier this year, I am pleased to report that the Authority expects to show positive results from operations for the first time since 2018. We achieved these results even though we received less than 25% of grant revenues because of unanticipated delays in contract implementation. Those issues have largely been resolved and we are confident that the Authority now stands on sound financial footings, and that the budget as presented is a responsible assessment of anticipated operating results for the coming fiscal year.

RECOMMENDATION:

The budget as presented does not seek increased member funding and is projected to produce net positive results from operations. Therefore, Staff is recommending that the Salton Sea Authority Board of Directors approve the budget as presented. Alternatively, the Board could approve the Budget with revisions, or provide Staff direction and continue this item to be revisited again in May.

Respectfully submitted,



G. Patrick Dowd
Executive Director/GM



**Salton Sea Authority
Proposed Budget
General Fund
FY 2023-24**

1 REVENUE

2	Local Government/Member Assessments
3	Tribal Contribution (Voluntary)
4	Other Federal/State/Local Reimbursements
5	Sponsorships
6	Grants and Other Reimbursements to General Fund
7	Department of Water Resources-North Lake Demonstration
8	Bureau of Reclamation-Desert Shores Revitalization
9	California Natural Resources Agency-Community Outreach

10 TOTAL REVENUE

11 EXPENSES

12 SSA ADMINISTRATION

13	Salaries and Benefits
14	Total Salaries
15	Total Employee Benefits
16	Total Salaries and Benefits
17	Contract Services / Professional Fees
18	DC Advocates
19	Sacramento Advocate
20	Grant Administration
21	Attorney Fees
22	Audit & Accounting
23	Total Contract Services / Professional Fees
24	Equipment Maintenance
25	Non-capitalized Office Equipment
26	Insurance
27	Office Expenses /Operating Supplies
28	Operating Expenses / County Charges
29	Office Expenses /Online Services
30	Coachella Water District Board Room Usage Fees
31	Dues & Subscriptions
32	Travel /Mileage
33	Utilities

34 TOTAL SSA ADMINISTRATION

35 GRANT EXPENSES

36	Department of Water Resources-North Lake Demonstration
37	Bureau of Reclamation-Desert Shores Revitalization
38	California Natural Resources Agency-Community Outreach
39	Reimbursement to General Fund

40 TOTAL GRANT EXPENSES

41 TOTAL EXPENSES

42 NET INCOME / (LOSS)

43 PROJECTED BEGINNING CASH - 7/1/23

44 PROJECTED ENDING CASH - 6/30/24

	A	B	C	D	E	F
	FY 22/23 Adopted Budget General Fund	FY 22/23 Projected YTD General Fund	FY 23/24 Proposed Budget General Fund	\$ Difference (C-B)	% Difference (D/B)	FY 23/24 Proposed Budget Grants
	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	0%	\$ -
	-	10,000	-	(10,000)	-100%	-
	250,000	400	25,000	24,600	6150%	-
	-	-	25,000	25,000	0%	-
	110,000	49,900	194,400	144,500	290%	-
	-	-	-	-	-	2,000,000
	-	-	-	-	-	750,000
	-	-	-	-	-	215,000
10 TOTAL REVENUE	1,160,000	860,300	1,044,400	184,100	21%	2,965,000
11 EXPENSES						
12 SSA ADMINISTRATION						
13 Salaries and Benefits						
14 Total Salaries	270,600	236,600	309,300	72,700	31%	-
15 Total Employee Benefits	135,300	141,200	171,600	30,400	22%	-
16 Total Salaries and Benefits	405,900	377,800	480,900	103,100	27%	-
17 Contract Services / Professional Fees						
18 DC Advocates	88,200	89,700	94,200	4,500	5%	-
19 Sacramento Advocate	84,000	84,000	88,200	4,200	5%	-
20 Grant Administration	100,000	55,900	-	(55,900)	-100%	-
21 Attorney Fees	50,000	49,100	54,000	4,900	10%	-
22 Audit & Accounting	75,000	69,300	76,200	6,900	10%	-
23 Total Contract Services / Professional Fees	397,200	348,000	312,600	(35,400)	-10%	-
24 Equipment Maintenance	8,700	8,600	8,300	(300)	-3%	-
25 Non-capitalized Office Equipment	-	-	8,000	8,000	0%	-
26 Insurance	10,500	10,700	11,600	900	8%	-
27 Office Expenses /Operating Supplies	8,300	7,900	8,700	800	10%	-
28 Operating Expenses / County Charges	-	6,700	7,400	700	10%	-
29 Office Expenses /Online Services	3,300	3,600	4,000	400	10%	-
30 Coachella Water District Board Room Usage Fees	-	2,400	2,400	-	0%	-
31 Dues & Subscriptions	14,200	8,000	10,000	2,000	25%	-
32 Travel /Mileage	40,000	33,600	40,000	6,400	20%	-
33 Utilities	-	-	-	-	-	-
34 TOTAL SSA ADMINISTRATION	888,100	807,300	893,900	86,600	11%	-
35 GRANT EXPENSES						
36 Department of Water Resources-North Lake Demonstration	-	-	-	-	-	1,918,900
37 Bureau of Reclamation-Desert Shores Revitalization	-	-	-	-	-	725,000
38 California Natural Resources Agency-Community Outreach	-	-	-	-	-	121,600
39 Reimbursement to General Fund	-	-	-	-	-	194,400
40 TOTAL GRANT EXPENSES	-	-	-	-	-	2,959,900
41 TOTAL EXPENSES	888,100	807,300	893,900	86,600	11%	2,959,900
42 NET INCOME / (LOSS)	\$ 271,900	\$ 53,000	\$ 150,500	\$ 97,500	184%	\$ 5,100
43 PROJECTED BEGINNING CASH - 7/1/23			\$ (19,750)			
44 PROJECTED ENDING CASH - 6/30/24			\$ 130,750			