



2017 - 2018 FYE Budget Summary

Projected Fee Increase 10.00%

Combined Core & Subscription Program Budget

Major Assumptions - See Budget notes for other Budget assumptions

Revenues

- 1) Fee Increase on General Dues - see attachment for fees by agency. 10.00%
Some agencies may experience a greater increase if connections increased from the prior year.
- 2) SGA Service Fees represents 50% cost sharing excluding staffing allocated to WEP, and the SGA retired annuitant.
- 3) SGA Service Fees pay the unfunded pension liability and represents an allocation to SGA of 39% allocation for FY16. This allocation is based upon CalPERS estimates. RWA anticipates that SGA will pay directly to CalPERS unfunded liability payments on a go forward basis.
- 4) Subscription Program core revenues contribute 15% towards Core operations and represent fees earned by RWA for providing staff consulting services and allocated office costs to the subscription programs.
- 5) Powerhouse Science Center (PSC) represents a unique opportunity to become a partner with PSC to inform and educate the public on water issues that affect RWA's region and beyond. Members represents contributions from membership. Other funding came from a grant in FY15. WEP also contributes \$5,000 per year for a total of \$50,000.
- 6) Other represents interest income and holiday social revenues.
- 7) Subscription Program represents revenues for subscription services from the Water Efficiency Program, Prop 50, Prop 84, Legislative Advocacy, Regional Reliability, Drought grant, Water Energy grant, and the USBR Meter grants. These subscription based programs are subject to approval by the individual participants. The revenues are included for total cash flow estimate purposes. Adopting the fiscal year 2017-2018 budget does not approve the subscription based programs.

Expenses

- 1) Staffing costs include the WEP program staff.
- 2) Staff is allocated 50/50 to SGA and RWA, excluding the WEP position, the project assistant and the legislative staff. The project assistant splits time between SGA, WEP and RWA subscription projects. With the addition of a new legislative staff member, RWA's FTE is 4.8; SGA FTE is 2.2, for a total of 7 FTE and does not include the retired annuitants. Of the RWA 4.8 FTEs, WEP represents 1.4 FTE. Staffing costs projected within salary range for positions and includes a 5% increase for merit and a 2% shift in PERS pick up from the employer to the employee, for a total proposed increase of up to 7%.
- 3) Staffing expenses continue to include additional annual payments to pay the unfunded PERS pension liability over the next several years. This budget assumes this liability and related required payments will increase based upon notification of decreasing the discount rate from 7.5% to 7.0% over the next several years.
- 4) Staffing expenses also reflect hiring the legislative manager to begin in the second quarter of FY17. The funding for this position for FY17 is anticipated to partially come from the strategic plan fund in FY17 and FY18.



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- 5) The WEP project manager is projected to be funded 80% by WEP dues and 20% by RWA Core dues. Over time, the budget assumes the WEP project manager will be 100% funded by core dues, increasing funding by 10% per annum.
- 6) For FY17 and beyond, office costs generally assume 3% increases unless specific increases have been identified, such as the office lease.
- 7) Professional fees include audit, actuarial, PR, accounting, legal, and regional water issues. It also includes \$50,000 consulting fees for the FY17 for helping the new staff person transition to help the implementation of the strategic plan. Additionally, it includes \$60,000 in consulting for IRWM related activities in FY18.
- 8) Other includes office equipment purchases and potential office move costs.
- 9) Core Project Expenses include Powerhouse Science Center expenses.
- 10) Subscription Program represents the direct consulting and expenses for these subscription programs as well as the staff and office costs for the programs. These costs have been included in the program budget to show the cash flow effect on these programs. However, on a consolidated basis (see Summary Table), these costs are not included in both budgets in order to avoid double counting costs.

Revenues in excess of Expenses//Expenses in excess of Revenues

- 1) On a combined basis, expenses are projected to exceed revenues by \$518,800, mainly due to subscription expenses exceeding subscription fees and mainly from the timing of the water energy grant.
- 2) Core revenues are projected to exceed core expenses by approximately \$53,300
- 3) The subscription program projects expenses in excess of revenues. These fees are set aside in the appropriate subscription designation to be used in future periods for the related programs. The subscription based programs pay for office and staffing costs. The staffing and office costs are part of core program costs, yet a portion is paid for by subscriptions by design. Eighty percent of the WEP project manager position cost and a portion of the project assistant position are paid for by the subscription programs but the cost of these positions is included in the Core Program. Twenty percent of the WEP project manager position is paid for by RWA core dues beginning in FY18.

Designations/Restrictions

- 1) The Operating fund is capped at approximately 4 months for FYE 17-18. The current budget proposal caps the operating fund at 4 months so that the strategic fund can be used to help implement the strategic plan.
- 2) The designations and restrictions are broken out by type and subtotaled by core and subscription services. The total change in cash from Projected FY17 to Proposed FY18 by subtotal reflect the departmental effect on each designation and restriction group.
- 3) The Pension plan accounting designation is for the unfunded pension plan payment to be made in FY18. The June 30, 2015 report estimates this amount at June 30, 2016 at approximately \$173,800 (net of the \$225,000 contribution made in FY16). The final total payment amount will depend upon the timing of partial payments over time since unpaid balances accrue additional interest costs in the range of 7.5% to



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Major Assumptions - See Budget notes for other Budget assumptions

6.0% per annum over time.

- 4) The Strategic Plan outlined hiring a legislative and regulatory manager to implement RWA's regional water voice on important water legislation that impacts members and the region. The first step of this implementation plan included hiring a retired annuitant in FY16. The Strategic Plan designation allowed RWA to hire a new staff position in FY 17. This designation will be used to partially fund the position in FY17 and FY18 and is anticipated to be drawn down by FY19.

FY16 Data sources

The FY16 audited financial income statement was used for the various revenues and expenses, with some modifications. Since the budget does work with cash flows, certain items required adjustment to reflect the true cash flow of the organization. For example, the Powerhouse Science Center cash flow for fees collected was \$52,321. but the actual accounting revenue recognized was \$25,000.

FY19 and beyond

- 1) These years assume that the WEP program manager and related office costs will shift over time from being supported by WEP dues to being supported by RWA dues. For FY19, WEP is forecasted to be supported by RWA dues by 30%, and this amount increases by 10% per annum.
- 2) The unfunded pension plan liability is expected to increase with the decline in discount rate. The exact increase is unknown, but estimates of the annual required contributions plus the additional contributions have been based upon CalPERS informational expected increases.
- 3) RWA's lease expires at the beginning of FY19. RWA could expect to incur some moving costs if the leasing location is moved.
- 4) RWA can expect to incur additional integrated water management costs which are currently not forecasted beyond FY18.



2017 - 2018 FYE Budget Summary

Projected Fee Increase

10.00%

Summary Core only program - includes WEP staffing

See Budget Notes for Budget assumptions

	Actual FY16	Budget FY17	Projected FY17	Proposed FY18	Comments
Revenues					
Dues	\$ 751,389	\$ 834,000	\$ 835,200	\$ 923,800	Increase to cover strategic plan costs and anticipated in FY17 Budget process
SGA Service Fee	\$ 468,679	\$ 560,300	\$ 541,400	\$ 595,100	Based upon shared costs.
SGA Service Fee - Unfunded Pension Liabilit	\$ 87,600	\$ -	\$ -	\$ -	SGA's portion of expected pension liability costs @ 39%.
IRWM	\$ -	\$ 25,000	\$ -	\$ -	IRWM now paid through Core dues
Subscription Programs					
WEP (C)	\$ 198,304	\$ 202,400	\$ 191,800	\$ 177,500	Cost reimbursement fees from WEP subscription program
Other (C)	\$ 67,368	\$ 75,900	\$ 92,473	\$ 95,400	Cost reimbursement fees from other subscription programs
Powerhouse Science Center - Members	\$ 52,321	\$ 65,000	\$ 62,600	\$ 60,000	Powerhouse Science Center - Member payment
Other	\$ 12,897	\$ 11,500	\$ 20,900	\$ 15,000	Interest, holiday social revenues
Total Revenues	\$ 1,638,558	\$ 1,774,100	\$ 1,744,373	\$ 1,866,800	
Expenses					
Staff	\$ 1,195,214	\$ 1,260,300	\$ 1,204,449	\$ 1,334,500	Includes 7 FTEs and CalPERS payment for unfunded liability in FY16 -FY18
Office	\$ 96,924	\$ 127,500	\$ 126,000	\$ 131,200	General 3% cost increases assumed unless specifically identified increase
Professional Fees	\$ 255,152	\$ 284,500	\$ 225,150	\$ 300,100	Audit, actuarial, PR, accounting, legal, IRWM, comp survey
Core Project Expenses	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	Powerhouse
Other	\$ 1,599	\$ 2,600	\$ 2,600	\$ 22,700	Office Furniture plus \$20K for office move
Total Expenses	\$ 1,573,889	\$ 1,699,900	\$ 1,583,199	\$ 1,813,500	
Core Revenue less Expenses (A)	\$ 64,669	\$ 74,200	\$ 161,174	\$ 53,300	Excludes Subscription programs. Positive result = core revenues < expenses; negative amount = expenses > revenues
Cash, beginning	\$ 874,236	\$ 979,336	\$ 938,905	\$ 1,100,079	
Source (Use) of Funds (A)	\$ 64,669	\$ 74,200	\$ 161,174	\$ 53,300	
Net change	\$ 64,669	\$ 74,200	\$ 161,174	\$ 53,300	
Cash, ending	\$ 938,905	\$ 1,053,536	\$ 1,100,079	\$ 1,153,379	
					Increase (decrease) in Cash
DESIGNATIONS					
Designations					
Operating Fund	\$ 456,200	\$ 534,300	\$ 505,400	\$ 582,200	\$ 76,800
Membership Dues Fund	\$ 112,700	\$ 125,100	\$ 123,900	\$ 137,200	\$ 13,300
Subscription Program Stabilization	\$ 26,000	\$ 27,800	\$ 28,400	\$ 27,300	\$ (1,100)
Pension Plan Unfunded Liability	\$ 42,000	\$ 42,000	\$ 42,000	\$ 45,000	\$ 3,000
IRWMP Program	\$ -	\$ 8,511	\$ -	\$ -	\$ -
Powerhouse Science Center	\$ 88,031	\$ 143,910	\$ 125,631	\$ 160,631	\$ 35,000
Strategic Plan Fund	\$ 155,900	\$ 96,915	\$ 199,748	\$ 101,048	\$ (98,700)
Non-designated cash	\$ 58,074	\$ 75,000	\$ 75,000	\$ 100,000	\$ 25,000
Subtotal core cash	\$ 938,905	\$ 1,053,536	\$ 1,100,079	\$ 1,153,379	\$ 53,300



2017 - 2018 FYE Budget Summary
Summary Program only
See Program Notes for Budget Assumptions

Subscription Programs		Actual FY16	Budget FY17	Projected FY17	Proposed FY18	
Revenues		\$ 9,416,526	\$ 6,504,900	\$ 8,381,500	\$ 12,651,200	Prop 84, IRWMP, Drought, Gov't Advocacy & WEP in FY17 Prop 50, Prop 84, WEP, CalFed Meter Prog; Government Advocacy in FY16
Expenses - Direct Program		\$ 9,158,768	\$ 6,472,800	\$ 7,947,523	\$ 12,950,400	Prop 50, Prop 84, WEP, CalFed Meter Prog; Government Advocacy
WEP Expenses - Allocated Program	(C)	\$ 198,304	\$ 202,400	\$ 191,800	\$ 177,500	Staffing and office costs allocated to subscription programs - WEP
Other Expenses - Allocated Program	(C)	\$ 67,368	\$ 75,900	\$ 92,473	\$ 95,400	Staffing and office costs allocated to other subscription programs
		\$ 9,424,440	\$ 6,751,100	\$ 8,231,796	\$ 13,223,300	
Net subscription income (loss)	(B)	\$ (7,914)	\$ (246,200)	\$ 149,704	\$ (572,100)	
Cash, beginning		\$ 668,329	\$ 845,629	\$ 902,320	\$ 1,052,024	
Source (Use) of Funds		\$ (7,914)	\$ (246,200)	\$ 149,704	\$ (572,100)	
Advance adjustments		\$ 241,905	\$ -	\$ -	\$ -	Adjusting for cash used versus accrual accounting of costs
Cash, ending		\$ 902,320	\$ 599,429	\$ 1,052,024	\$ 479,924	
						Increase (decrease) in Cash (FY16 to FY17)
Restrictions and advances						
2015 IRWM Grant (P84 Round 3)		\$ -	\$ 20,000	\$ -	\$ -	\$ -
2015 IRWM Grant (WEP R3)		\$ -	\$ -	\$ 7,500	\$ -	\$ (7,500)
USBR CALFED Meter Programs		\$ 14,966	\$ 2,245	\$ -	\$ -	\$ -
USBR CALFED WaterSMART Meter		\$ 15,416	\$ -	\$ -	\$ -	\$ -
USBR CALFED Retrofits		\$ 131,391	\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist		\$ 77,806	\$ 70,000	\$ 72,806	\$ 72,806	\$ -
Prop 84 Grant Management		\$ 112,090	\$ 96,652	\$ -	\$ -	\$ -
Prop 50 Grant Management		\$ 17,439	\$ 15,250	\$ 6,939	\$ 5,739	\$ (1,200)
2014 Drought Application		\$ 72,833	\$ -	\$ -	\$ -	\$ -
2014 Drought Management		\$ 59,953	\$ 40,000	\$ 60,153	\$ 60,053	\$ (100)
Water Energy Grant		\$ 100,000	\$ -	\$ 562,600	\$ -	\$ (562,600)
Regional Reliability		\$ -	\$ -	\$ 50,000	\$ -	\$ (50,000)
SRCS D		\$ -	\$ 3,323	\$ 3,200	\$ -	\$ (3,200)
Water Efficiency Program - Cat 1		\$ 376,122	\$ 496,559	\$ 369,522	\$ 422,022	\$ 52,500
Water Efficiency Program - Cat 2		\$ (75,696)	\$ (144,600)	\$ (80,696)	\$ (80,696)	\$ -
		\$ 902,320	\$ 599,429	\$ 1,052,024	\$ 479,924	\$ (572,100)

Reconcile Summary Split to Summary Table		Projected FY17	Proposed FY18	
Core Program Income (Loss)	(A)	\$ 161,174	(A) \$ 53,300	
Subscription Program Income (loss)	(B)	\$ 149,704	(B) \$ (572,100)	
RWA Total	(D)	\$ 310,878	(D) \$ (518,800)	See Summary Combined Table



2017 - 2018 FYE Budget Summary
Projected Fee Increase
Combined Core & Subscription Program Budget
See Budget and Program Notes for Budget Assumptions

10.00%

	Projected FY17	Proposed FY18	Change from Prior Year	Comments
Revenues				
Dues	\$ 835,200	\$ 923,800	\$ 88,600	Projected rate increase 10.00%
SGA Service Fee	\$ 541,400	\$ 595,100	\$ 53,700	Based upon shared costs
SGA - Unfunded Pension Liability	\$ -	\$ -	\$ -	SGA anticipated to pay it's unfunded liability directly
Powerhouse Science - RWA Members	\$ 62,600	\$ 60,000	\$ (2,600)	Powerhouse Science Center collected from members over 5 years
Other	\$ 20,900	\$ 15,000	\$ (5,900)	Interest, holiday social
Subscription Program	\$ 8,381,500	\$ 12,651,200	\$ 4,269,700	Prop 50, Prop 84, WEP, Water Meter grants and retrofits, Legislative Advocacy, regional reliability, water energy
Total Revenues	\$ 9,841,600	\$ 14,245,100	\$ 4,403,500	
Expenses				
Staff	\$ 1,204,449	\$ 1,334,500	\$ 130,051	All staff costs, includes water policy staff in Q2.
Office	\$ 126,000	\$ 131,200	\$ 5,200	General 3% cost increases assumed and some specific cost increases
Professional Fees	\$ 225,150	\$ 300,100	\$ 74,950	Audit, PR, accounting, legal, actuary, IRWM, comp survey
Core Project Expenses	\$ 25,000	\$ 25,000	\$ -	Powerhouse Science Center
Other expenses	\$ 2,600	\$ 22,700	\$ 20,100	Office equipment plus approximate \$20K move in FY18
Subscription Program	\$ 7,947,523	\$ 12,950,400	\$ 5,002,877	Prop 50, Prop 84, WEP, Legislative Advocacy, USBR meter programs, regional reliability, water energy grant
Total Expenses	\$ 9,530,722	\$ 14,763,900	\$ 5,233,178	
Revenues net of Expenses (D)	\$ 310,878	\$ (518,800)	\$ (829,678)	
Cash, beginning	\$ 1,841,225	\$ 2,152,103	\$ 310,878	
Source (Use) of Funds	\$ 310,878	\$ (518,800)	\$ (829,678)	
Cash, ending	\$ 2,152,103	\$ 1,633,303	\$ (518,800)	
DESIGNATIONS/RESTRICTIONS/ADVANCES			Increase (decrease) in Cash	
<i>Designations</i>				
Operating Fund	\$ 505,400	\$ 582,200	\$ 76,800	
Membership Dues Fund	\$ 123,900	\$ 137,200	\$ 13,300	
Subscription Program Stabilization	\$ 28,400	\$ 27,300	\$ (1,100)	
Pension Plan Unfunded Liability	\$ 42,000	\$ 45,000	\$ 3,000	
Powerhouse Science Center	\$ 125,631	\$ 160,631	\$ 35,000	
Strategic Plan Fund	\$ 199,748	\$ 101,048	\$ (98,700)	
Non-designated cash	\$ 75,000	\$ 100,000	\$ 25,000	
Subtotal core cash	\$ 1,100,079	\$ 1,153,379	\$ 53,300	
<i>Restrictions and advances</i>				
2015 IRWM Grant (P84 R3)	\$ -	\$ -	\$ -	
2015 IRWM Grant (WEP R3)	\$ 7,500	\$ -	\$ (7,500)	
Prop 50 grant Management	\$ 6,939	\$ 5,739	\$ (1,200)	
Prop 84 Grant Management	\$ -	\$ -	\$ -	
2014 Drought Grant Management	\$ 60,153	\$ 60,053	\$ (100)	
Water Energy Grant	\$ 562,600	\$ -	\$ (562,600)	
Regional Reliability	\$ 50,000	\$ -	\$ (50,000)	
USBR CALFED Meter Programs	\$ -	\$ -	\$ -	
Government Relations Contract Lobbyist	\$ 72,806	\$ 72,806	\$ -	
SRCS D	\$ 3,200	\$ -	\$ (3,200)	
Water Efficiency Program - Cat 1	\$ 369,522	\$ 422,022	\$ 52,500	
Water Efficiency Program - Cat 2	\$ (80,696)	\$ (80,696)	\$ -	
Subtotal program restrictions	\$ 1,052,024	\$ 479,924	\$ (572,100)	
Total Cash Designations/Restrictions	\$ 2,152,103	\$ 1,633,303	\$ (518,800)	

% increase in fees: actual & projected FY18 general				10.00%		10.00%	10.00%	10.00%	10.00%	10.00%
% increase in fees: actual & projected FY17 associate/affiliate		11.00%		10.00%		8.00%	8.00%	8.00%	8.00%	8.00%
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%	3.00%
Total FTE	6	7		6.6	7		7	7	7	7
RWA FTE	3.8	4.8		4.4	4.8		4.8	4.8	4.8	4.8

RWA PROPOSED FY' 2017-2018 BUDGET PROJECTION

5-Year Projection

	RWA FY 16 Actual Per Audit	RWA FY 17 Budget	RWA FY 17 Actual at Dec. 2016	RWA Total FY 17 Projected		RWA FY 18 Budget	Notes		RWA Projected FY 19	RWA Projected FY 20	RWA Projected FY 21	RWA Projected FY 22
ANNUAL REVENUES			rounded									
OPERATING REVENUES												
General Assessments/Fees	\$ 713,814	\$ 792,800	\$ 784,900	\$ 784,900		\$ 863,500	1		\$ 949,900	\$ 1,044,900	\$ 1,149,400	\$ 1,264,300
Associate Membership Fee	\$ 31,200	\$ 34,800	\$ 41,300	\$ 41,300		\$ 51,300	2		\$ 51,300	\$ 51,300	\$ 51,300	\$ 51,300
Affiliate Membership Fee	\$ 6,375	\$ 6,400	\$ 9,000	\$ 9,000		\$ 9,000	3		\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
SGA Service Agreement Fee	\$ 468,679	\$ 560,300	\$ 214,300	\$ 541,400		\$ 595,100	4		\$ 621,800	\$ 670,000	\$ 704,000	\$ 756,900
SGA Service Agreement Fee - Pension	\$ 87,600	\$ -	\$ -	\$ -		\$ -	5		\$ -	\$ -	\$ -	\$ -
WEP Subscription Program	\$ 198,304	\$ 202,400	\$ 81,500	\$ 191,800		\$ 177,500	6		\$ 169,200	\$ 158,600	\$ 145,100	\$ 129,100
Subscription Program - other	\$ 67,368	\$ 75,900	\$ 56,400	\$ 92,473		\$ 95,400	6		\$ 54,700	\$ 1,200	\$ 1,200	\$ 1,200
IRWMP - From Designation	\$ -	\$ 25,000	\$ -	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
Powerhouse Science Center - Members	\$ 52,321	\$ 65,000	\$ 62,600	\$ 62,600		\$ 60,000	7		\$ 60,000	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 6,010	\$ 7,300	\$ 15,000	\$ 15,000		\$ 8,000	8		\$ 8,800	\$ 9,700	\$ 10,700	\$ 11,800
Interest Income	\$ 6,887	\$ 4,200	\$ 2,900	\$ 5,900		\$ 7,000	9		\$ 7,600	\$ 7,500	\$ 8,600	\$ 8,700
TOTAL REVENUE	\$ 1,638,558	\$ 1,774,100	\$ 1,267,900	\$ 1,744,373		\$ 1,866,800			\$ 1,932,300	\$ 1,952,200	\$ 2,079,300	\$ 2,232,300
STAFF EXPENSES (General):												
Staff Salaries/Wages - 100%	\$ 653,292	\$ 793,800	\$ 348,300	\$ 764,114		\$ 867,200	10		\$ 918,800	\$ 964,400	\$ 1,012,300	\$ 1,062,600
Benefits	\$ 257,332	\$ 341,000	\$ 108,600	\$ 310,235		\$ 325,900	11		\$ 348,200	\$ 387,000	\$ 442,200	\$ 501,000
Pension Plan Unfunded Liability	\$ 225,000	\$ 42,000	\$ -	\$ 42,000		\$ 42,000	12		\$ 45,000	\$ 50,000	\$ 55,000	\$ 60,000
Payroll Taxes	\$ 43,602	\$ 62,700	\$ 18,000	\$ 61,100		\$ 69,400	13		\$ 73,500	\$ 77,200	\$ 81,000	\$ 85,000
Travel/Meals/Conferences	\$ 13,282	\$ 15,600	\$ 5,200	\$ 22,000		\$ 25,000	14		\$ 25,800	\$ 26,600	\$ 27,400	\$ 28,200
Professional Development/Training	\$ 2,706	\$ 5,200	\$ 1,600	\$ 5,000		\$ 5,000	15		\$ 5,200	\$ 5,400	\$ 5,600	\$ 5,800
TOTAL GENERAL STAFF EXPENSES	\$ 1,195,214	\$ 1,260,300	\$ 481,700	\$ 1,204,449		\$ 1,334,500			\$ 1,416,500	\$ 1,510,600	\$ 1,623,500	\$ 1,742,600

% increase in fees: actual & projected FY18 general				10.00%		10.00%	10.00%	10.00%	10.00%	10.00%
% increase in fees: actual & projected FY17 associate/affiliate		11.00%		10.00%		8.00%	8.00%	8.00%	8.00%	8.00%
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%	3.00%
Total FTE	6	7		6.6		7		7	7	7
RWA FTE	3.8	4.8		4.4		4.8		4.8	4.8	4.8

RWA PROPOSED FY' 2017-2018 BUDGET PROJECTION

5-Year Projection

	RWA FY 16 Actual Per Audit	RWA FY 17 Budget	RWA FY 17 Actual at Dec. 2016	RWA Total FY 17 Projected		RWA FY 18 Budget	Notes		RWA Projected FY 19	RWA Projected FY 20	RWA Projected FY 21	RWA Projected FY 22
OFFICE EXPENSES:												
Rent & Utilities Contract	\$ 19,497	\$ 25,000	\$ 10,400	\$ 25,000		\$ 25,000	16		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
General Liability Insurance	\$ 23,586	\$ 25,000	\$ 25,000	\$ 25,000		\$ 25,800	17		\$ 26,600	\$ 27,400	\$ 28,200	\$ 29,000
Office Maintenance	\$ -	\$ 3,100	\$ -	\$ 500		\$ 500	18		\$ 600	\$ 700	\$ 800	\$ 900
Postage and Postal Meter	\$ 2,927	\$ 3,100	\$ 500	\$ 3,000		\$ 3,100	19		\$ 3,200	\$ 3,300	\$ 3,400	\$ 3,500
Telephone/internet/web hosting	\$ 10,811	\$ 11,300	\$ 4,000	\$ 11,000		\$ 12,000	20		\$ 12,400	\$ 12,800	\$ 13,200	\$ 13,600
Meetings & Annual Banquet	\$ 9,048	\$ 13,500	\$ 11,600	\$ 15,000		\$ 14,000	21		\$ 14,400	\$ 14,800	\$ 15,200	\$ 15,700
Printing/Supplies	\$ 14,220	\$ 26,400	\$ 6,000	\$ 26,400		\$ 27,200	23		\$ 28,000	\$ 28,800	\$ 29,700	\$ 30,600
Dues & Subscriptions	\$ 7,593	\$ 7,700	\$ 5,000	\$ 7,900		\$ 11,000	24		\$ 11,300	\$ 11,600	\$ 11,900	\$ 12,300
Computer hardware/software	\$ 4,254	\$ 5,200	\$ 3,900	\$ 5,200		\$ 5,400	25		\$ 5,600	\$ 5,800	\$ 6,000	\$ 6,200
Computer maintenance	\$ 4,988	\$ 7,200	\$ 2,400	\$ 7,000		\$ 7,200	26		\$ 7,400	\$ 7,600	\$ 7,800	\$ 8,000
TOTAL OFFICE EXPENSE	\$ 96,924	\$ 127,500	\$ 68,800	\$ 126,000		\$ 131,200			\$ 159,500	\$ 162,800	\$ 166,200	\$ 169,800
PROFESSIONAL FEES												
RWA Legal	\$ 50,940	\$ 70,000	\$ 21,500	\$ 50,000		\$ 50,000	27		\$ 52,500	\$ 55,100	\$ 57,900	\$ 60,800
RWA/SGA Audit and GASB report	\$ 20,476	\$ 19,100	\$ 650	\$ 19,750		\$ 23,000	28		\$ 28,000	\$ 29,400	\$ 30,900	\$ 32,400
ADP Payroll Services/banking	\$ 1,590	\$ 1,900	\$ 800	\$ 1,900		\$ 2,000	29		\$ 2,100	\$ 2,200	\$ 2,300	\$ 2,400
RWA Consultants	\$ 182,146	\$ 193,500	\$ 85,000	\$ 153,500		\$ 225,100	30		\$ 159,300	\$ 195,200	\$ 182,700	\$ 208,900
TOTAL PROFESSIONAL FEES	\$ 255,152	\$ 284,500	\$ 107,950	\$ 225,150		\$ 300,100			\$ 241,900	\$ 281,900	\$ 273,800	\$ 304,500
OTHER EXPENSES												
Office furniture & Fixed Assets - Net	\$ 1,599	\$ 2,600	\$ -	\$ 2,600		\$ 2,700	31		\$ 2,800	\$ 2,900	\$ 3,000	\$ 3,100
Office Move	\$ -	\$ -	\$ -	\$ -		\$ 20,000			\$ -	\$ -	\$ -	\$ -
New Server	\$ -	\$ -	\$ -	\$ -		\$ -	31		\$ -	\$ 15,000	\$ -	\$ -
TOTAL Other Expenses	\$ 1,599	\$ 2,600	\$ -	\$ 2,600		\$ 22,700			\$ 2,800	\$ 17,900	\$ 3,000	\$ 3,100
CORE PROJECT EXPENSES												
Powerhouse Science Center	\$ 25,000	\$ 25,000	\$ -	\$ 25,000		\$ 25,000	32		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Core Project Expenses	\$ 25,000	\$ 25,000	\$ -	\$ 25,000		\$ 25,000			\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
TOTAL EXPENSES	\$ 1,573,889	\$ 1,699,900	\$ 658,450	\$ 1,583,199		\$ 1,813,500	33		\$ 1,845,700	\$ 1,998,200	\$ 2,091,500	\$ 2,245,000
Net Income (Loss) - Total	\$ 64,669	\$ 74,200	\$ 609,450	\$ 161,174		\$ 53,300	34		\$ 86,600	\$ (46,000)	\$ (12,200)	\$ (12,700)

% increase in fees: actual & projected FY18 general				10.00%		10.00%	10.00%	10.00%	10.00%	10.00%
% increase in fees: actual & projected FY17 associate/affiliate		11.00%		10.00%		8.00%	8.00%	8.00%	8.00%	8.00%
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%	3.00%
Total FTE	6	7		6.6	7	7	7	7	7	7
RWA FTE	3.8	4.8		4.4	4.8	4.8	4.8	4.8	4.8	4.8

RWA PROPOSED FY' 2017-2018 BUDGET PROJECTION

5-Year Projection

	RWA FY 16 Actual Per Audit	RWA FY 17 Budget	RWA FY 17 Actual at Dec. 2016	RWA Total FY 17 Projected		RWA FY 18 Budget	Notes		RWA Projected FY 19	RWA Projected FY 20	RWA Projected FY 21	RWA Projected FY 22
CALCULATED CASH RESERVES												
CASH available, Beginning	\$ 874,236	\$ 979,336	\$ 938,905	\$ 938,905		\$ 1,100,079	35		\$ 1,153,379	\$ 1,239,979	\$ 1,193,979	\$ 1,181,779
SOURCE (USE) OF FUNDS	\$ 64,669	\$ 74,200	\$ 609,450	\$ 161,174		\$ 53,300	34		\$ 86,600	\$ (46,000)	\$ (12,200)	\$ (12,700)
CASH available, Ending	\$ 938,905	\$ 1,053,536	\$ 1,548,355	\$ 1,100,079		\$ 1,153,379	36		\$ 1,239,979	\$ 1,193,979	\$ 1,181,779	\$ 1,169,079
Operating Fund (4 to 6 months)	\$ 456,200	\$ 534,300	\$ 219,500	\$ 505,400		\$ 582,200	37		\$ 821,700	\$ 787,900	\$ 781,400	\$ 773,100
Membership Dues Stabilization @ 15%	\$ 112,700	\$ 125,100	\$ 123,900	\$ 123,900		\$ 137,200	38		\$ 150,200	\$ 164,400	\$ 180,100	\$ 197,300
Subscription Progr. Stabilization @ 10%	\$ 26,000	\$ 27,800	\$ 27,800	\$ 28,400		\$ 27,300	39		\$ 22,400	\$ 16,000	\$ 14,600	\$ 13,000
Pension Plan Unfunded Liability	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000		\$ 45,000	40		\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000
IRWMP Designated Fund	\$ -	\$ 8,511	\$ -	\$ -		\$ -	41		\$ -	\$ -	\$ -	\$ -
Powerhouse Science Center Fund	\$ 88,031	\$ 143,910	\$ 150,631	\$ 125,631		\$ 160,631	42		\$ 195,631	\$ 170,631	\$ 145,631	\$ 120,631
Strategic Plan Fund	\$ 155,900	\$ 96,915	\$ 155,900	\$ 199,748		\$ 101,048	43		\$ -	\$ -	\$ -	\$ -
Non-designated Cash	\$ 58,074	\$ 75,000	\$ 828,624	\$ 75,000		\$ 100,000	44		\$ 48	\$ 48	\$ 48	\$ 48
Total Cash in bank	\$ 938,905	\$ 1,053,536	\$ 1,548,355	\$ 1,100,079		\$ 1,153,379	36		\$ 1,239,979	\$ 1,193,979	\$ 1,181,779	\$ 1,169,079
# of months core + non-designated cash covers expenses	4.7	4.6		4.6		4.7	45		5.6	4.9	4.7	4.3

RWA
FY 2017-2018 BUDGET PROJECTION NOTES
CORE ONLY

- 1 Assumes a 10% increase in RWA general fees due to partially paying for the new water policy position as well as continued set aside of CalPERS unfunded liability for future payment.
- 2 There are now five associate members. The fee increase for associates equals the percentage increase for the general membership.
- 3 On May 15, 2014, the RWA Board approved a "RWA Affiliate" membership class. The purpose of the Affiliate membership will help to promote communication between water managers and the community and to support RWA's efforts to educate and inform the public.
- 4 Administrative fees due to RWA from Sacramento Groundwater Authority (SGA) for management, office and program services. Calculated as shared operating expenses, plus SGA asset/office equipment purchases, minus RWA legal, RWA only consulting fees, plus SGA only costs paid by RWA.
- 5 Administrative fees due to RWA from Sacramento Groundwater Authority (SGA) for allocated pension plan liabilities. (see note 40). This amount represents 39% of the unfunded liability allocated to SGA as estimated by CalPERS. RWA anticipates that SGA will begin paying it's share of the unfunded liability directly to CalPERS in FY17.
- 6 Represents projected cash/fees earned by RWA from managing subscription based programs. The WEP subscription component represents fees that cover staffing, benefits, and office overhead costs and is projected to decrease it's contribution to the CORE program over time as the cost of funding the WEP manager and related office costs is shifting incrementally at 10% per year. For FY18, RWA is projecting a 20% shift of costs being paid by RWA Core dues..
- 7 The Powerhouse Science Center will be a premier venue for science education and information in northern California. The Regional Water Authority was presented with a unique opportunity to become a partner with the Center in informing and educating the public on water issues that affect our region. RWA entered into a 15-year agreement with the Center to sponsor and guide the content development for two exhibits (\$250K each). The payments will be collected from members over the next 5 years and placed in a designation and will be paid out over 15 years. For the water detective exhibit, the California Water Awareness Campaign will contribute \$100K on RWA's behalf. Additionally, a Prop 84 WEP grant helped fund \$50K and the WEP program will fund another \$50K at \$5K per year over 10 years.

RWA
FY 2017-2018 BUDGET PROJECTION NOTES
CORE ONLY

- 8 Miscellaneous revenues include revenues collected for the December holiday social and cash discounts from CalCard for paying on time.
- 9 Interest income from the RWA Local Agency Investment Fund (LAIF) account.
- 10 Staff salaries include a total of seven full time positions, split between the organizations, with a total of 2.2 FTEs for SGA. The FTE count does not include the retired annuitants. This year's salaries reflect an increase of 7% to account for merit increases, which accounts for the shifting of classic employees paying 2% of their CalPERS contribution, and follows compensation policy 400.2. Per direction from the board when implementing the strategic plan, there is a new legislative and regulatory staff position that started in December 2016. FY18 reflects full year of this position.
- 11 Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for the seven staff members. FY 2018 budget anticipates an increase in medical costs of 7.0%, other costs at 3% and OPEB costs to fund explicit and implicit subsidy and using the implicit credit subsidy from current employees as calculated by the actuaries. Reflects employees paying 2% more of their CalPERS contribution so RWA's contribution for the employees' share drops from 3% to 1%. In FY18, a salary compensation study will be done and will include the additional 1%, so that by FY19, classic employees pay their 7% share of CalPERS contribution.
- 12 Represents the estimated 100% payment of the allocated unfunded pension liability to RWA over several years, with an installment payment in FY2016. After FY16, the projected payments reflects the estimated funding calculation for prior unfunded costs now only allocated to RWA. Beginning in FY19, CalPERS will decrease the discount rate from 7.5% to 6.5%, increasing the unfunded liability as much as 40%. This budget reflects continued additional annual down payments to pay down this unfunded liability. See note 40 for additional details.
- 13 Payroll taxes for seven staff members. Payroll taxes for the retired annuitant are included in the retired annuitant costs.
- 14 Travel and conferences.
- 15 Includes computer training and other professional development classes.
- 16 In accordance with ACWA/JPIA lease. The current lease expires in FY18. FY18 built in moving costs of \$20K.

RWA
FY 2017-2018 BUDGET PROJECTION NOTES
CORE ONLY

- 17 No increase in costs for property and liability coverage obtained through ACWA JPIA forecasted for the coming year.
- 18 Includes costs for office maintenance needs.
- 19 Reflects mailing activities and cost of postage machine rental.
- 20 Includes telephone and conference call costs, web hosting for the website and internet service costs.
- 21 Miscellaneous meeting charges including food/refreshments. In house preparation of refreshments for board meetings has lowered the expenses in this category compared to prior years. Includes cost of the annual holiday
- 22 Not used
- 23 Includes supplies, printing, copier maintenance and copier lease costs.
- 24 Dues include ACWA, AWWA, CSDA, Water Education Foundation and Sacramento Metro Chamber of Commerce. Subscriptions include Wavelength legislative service, Business Journal and Sacramento Bee.
- 25 Acquisition of new hardware/software to replace aging and out-of-date components.
- 26 General computer maintenance service.
- 27 Legal expenses in support of general RWA board meetings, resolutions, regulatory analyses, and services related to contracts. Expanded RWA involvement in external issues necessitate increased legal fees. Additionally, on November 13, 2014, the RWA Board approved a legal services contract with Best, Best & Krieger for assistance with the CALPERS pension benefits issue. The CALPERS issue should be completed by June 30, 2016.
- 28 Audit fees are set by the awarded proposal. The Executive Committee continued the contract with Richardson and Company to make a smooth transition with the CalPERS issue with SGA for one year only in FY18. Will need new auditors for FY19.
- 29 Payroll service costs for 7 employees, two retired annuitants, plus commercial banking fees.

RWA
FY 2017-2018 BUDGET PROJECTION NOTES
CORE ONLY

- 30 Fees for public relations, communications, outreach services (media relations, meeting facilitation, engineering support, workshop facilitation), HR services, accounting and budgeting support, and actuarial valuations (GASB 68 and 75). For FY16, \$100,000 was budgeted for the water policy consulting services to help relieve the RWA staff's overwhelming workload that has increased over the past few years. RWA plans on using the retired annuitant through FY17 to help assist the new staff member and is budgeted at \$50,000 but expected to use about \$30K. Also includes \$60K for IRWM work in FY18.
- 31 Includes furniture. Anticipates a possible replacement of the server in FY20 and website overhaul in FY16. Includes potential moving costs related to the lease expiration in FY19.
- 32 Reflects expected annual payment to Powerhouse science center. The initial payment was made in FY15 for \$50k and was funded from the WEP Prop 84 grant funds.
- 33 Represents total operating expenses, excluding subscription based direct program expenses. The operating fund designation is based upon four to six months of operating expenses excluding core project expenses and any one-time large, non-recurring expenses.
- 34 Represents the difference between total funds received versus total expenses during the year for the core program.
- 35 Beginning cash reflects cash related to the core programs. Audited accrual cash balance are converted to cash basis to account for cash impact on core and subscription programs.
- 36 Total cash. The designations are detailed in footnotes 37-44.
- 37 Represents the operating fund designation to pay for operating expenditures. Per policy, this fund range target is four to six months of operating expenses, not including Core Project expenses and non-recurring one-time expenses, such as the CalPERS Pension lump sum payments. For FY16 through FY18, the operating designation was set at a maximum of 4 months in order to fund the Strategic Plan Fund designation. For FY17, the Strategic Plan Fund designation will start to be used to fund the new staff member and will be depleted by FY19. See note 43.
- 38 Represents membership dues designation according to policy at 15% of anticipated membership dues.
- 39 Represents the subscription program designation according to policy at 10% of expected management fees and indirect office costs.

RWA
FY 2017-2018 BUDGET PROJECTION NOTES
CORE ONLY

- 40 The total estimate for the unfunded pension liability for RWA at June 30, 2016 is approximately \$173,171 based upon CalPERS June 30, 2015 report and does include the \$225,000 payment. This unfunded liability will be split between SGA and RWA, allocating 39% to SGA. Beginning in FY17, RWA is anticipated to pay just the RWA portion. Each year the unpaid balance continues to accrue interest at the expected investment rate of 7.5%, thereby increasing the liability cost until fully funded. The payment in FY16 to CalPERS did include contributions from SGA to fund the payment. CalPERS decided in November 2016 to lower the discount rate beginning in FY18 over a period of time until the rate reaches 6.5%. The change in discount rate could increase the unfunded liability by 40%. This budget reflects a continued path to pay additional unfunded liability contributions every year.
- 41 This subscription program ended in FY14 with the remaining funds assigned to RWA core to be used for purposes related to updating or maintaining the IRWMP as a RWA Core Project activity. Core dues must now fund this core activity and is reflected as part of the consulting costs.
- 42 RWA entered into a 15-year agreement with the Powerhouse Science Center to sponsor and guide the content development for two exhibits (\$250K each). The payments will be collected from members over 5 years, placed in a designation and will be paid out over 15 years. The California Water Awareness Campaign contributed \$100K on RWA's behalf. Additionally, a Prop 84 WEP grant funded \$50K in FY15 and the WEP program will fund another \$50K (over 10 years).
- 43 The strategic plan outlined staffing a legislative and regulatory manager to implement RWA's regional water voice on important water legislation that impacts members and the region. The first step of this implementation plan included hiring a retired annuitant in FY16 to develop the program. The program has proved to be successful and will be staffed by a full-time person (for 6 months in FY17) to fully implement the strategic plan goals. This designation will be drawn down by the end of FY19.
- 44 Represents cash over and above designation policies, if any. Funds can be used to pay outstanding year end payables.
- 45 Per policy, the target range for this fund is four to six months of operating expenses, which does not include Core Project expenses and one-time non-recurring costs, such as the pension plan unfunded liability payments. In anticipation of fully implementing the strategic plan and funding the water policy position in future years, the operating designation maximum for FY16-18 is targeted at four months, with the balance of additional funds being set aside in the strategic plan designation. The strategic fund plan will be drawn down by the end of FY19.

Regional Water Authority See Budget Projection Notes for Budget Assumptions				FY' 2017-2018 Program Budget Projection								
	RWA FY 16 Actual	RWA FY 17	RWA FY 17 Dec. 2016	RWA Total FY 17		FY 18 Proposed Budget	Notes		Projected FY 19	Projected FY 20	Projected FY 21	Projected FY 22
REVENUES/GRANTS/AGREEMENTS												
Proposition 50 Grant Management Fees	\$ 17,204	\$ -	\$ 8,200	\$ 12,000		\$ -	1,2		\$ -	\$ -	\$ -	\$ -
Prop. 50 Grant Awards	\$ 4,716,191	\$ -	\$ 302,000	\$ 377,000		\$ -	2		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Application	\$ 30,000	\$ -	\$ -	\$ -		\$ -	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (RWA R3)	\$ -	\$ -	\$ -	\$ 205,500		\$ 657,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management Fees (RWA R3)	\$ -	\$ 45,000	\$ 15,000	\$ 17,000		\$ 20,000	3		\$ 30,500	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (WEP R3)	\$ -	\$ -	\$ 119,800	\$ 210,000		\$ 611,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management Fees (WEP R3)	\$ -	\$ -	\$ 7,500	\$ 11,800		\$ 8,600	3		\$ -	\$ -	\$ -	\$ -
Regional Reliability Plan Management Fees	\$ -	\$ -	\$ 255,200	\$ 450,000		\$ 350,000	4		\$ -	\$ -	\$ -	\$ -
2014 Drought Application Fees	\$ 14,447	\$ -	\$ -	\$ -		\$ -	5		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Management Fees	\$ -	\$ -	\$ -	\$ 96,000		\$ 46,000	6		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Reimbursements from DWR	\$ 1,127,128	\$ 2,000,000	\$ 35,300	\$ 1,705,800		\$ 3,400,500	7		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Management Fees	\$ -	\$ -	\$ 200,000	\$ 509,100		\$ 10,100	8		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Reimbursements DWR	\$ 27,354	\$ -	\$ 22,500	\$ 1,212,800		\$ 1,212,800	9		\$ -	\$ -	\$ -	\$ -
Proposition 84 Grant Management	\$ 14,555	\$ -	\$ -	\$ 15,000		\$ 12,000	10		\$ -	\$ -	\$ -	\$ -
Proposition 84 Reimbursements from DWR	\$ 1,660,980	\$ 3,798,300	\$ -	\$ 2,700,000		\$ 5,400,000	11		\$ -	\$ -	\$ -	\$ -
USBR CalFed Meter 2013 fees	\$ 4,951	\$ -	\$ -	\$ -		\$ -	12		\$ -	\$ -	\$ -	\$ -
USBR CalFed Meter 2014 fees	\$ 2,550	\$ -	\$ -	\$ -		\$ -	13		\$ -	\$ -	\$ -	\$ -
USBR CalFed WaterSmart Meter 2014 Fees	\$ 2,100	\$ -	\$ -	\$ -		\$ -	14		\$ -	\$ -	\$ -	\$ -
USBR CalFed Retrofits 2014 Fees	\$ 390,288	\$ -	\$ 76,500	\$ 76,500		\$ -	15		\$ -	\$ -	\$ -	\$ -
American River Basin (ARB Plan of Study)	\$ -	\$ -	\$ 30,000	\$ 30,000		\$ -	16		\$ -	\$ -	\$ -	\$ -
Labor Compliance Revenues	\$ 13,886	\$ -	\$ -	\$ -		\$ -	17		\$ -	\$ -	\$ -	\$ -
American River Basin Proposal	\$ 15,000	\$ -	\$ -	\$ -		\$ -	18		\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist Fees	\$ 122,194	\$ 130,000	\$ -	\$ 115,000		\$ 120,000	19		\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Water Efficiency Program Admin. Fees (Cat.1)	\$ 597,873	\$ 431,600	\$ 431,600	\$ 431,600		\$ 453,200	20		\$ 453,200	\$ 453,200	\$ 453,200	\$ 453,200
Water Efficiency Grant Revenues (Cat. 2)	\$ 656,502	\$ 100,000	\$ 93,000	\$ 200,000		\$ 350,000	21		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Water Efficiency Program Admin. Fees (Cat. 2)	\$ 3,323	\$ -	\$ 6,400	\$ 6,400		\$ -	21		\$ -	\$ -	\$ -	\$ -
TOTAL PROGRAM REVENUE	\$ 9,416,526	\$ 6,504,900	\$ 1,603,000	\$ 8,381,500		\$ 12,651,200			\$ 953,700	\$ 923,200	\$ 923,200	\$ 923,200
PROGRAM EXPENSES												
Proposition 50 Grant Management	\$ 7,914	\$ 5,000	\$ 3,100	\$ 15,000		\$ -	1,2		\$ -	\$ -	\$ -	\$ -
Prop. 50 Grant Payments	\$ 4,716,191	\$ -	\$ 302,000	\$ 377,000		\$ -	2		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Application Expenses	\$ 29,996	\$ -	\$ -	\$ -		\$ -	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (RWA R3)	\$ -	\$ -	\$ -	\$ 205,500		\$ 657,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management (RWA R3)	\$ -	\$ -	\$ -	\$ -		\$ -	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (WEP R3)	\$ 71,669	\$ -	\$ 119,800	\$ 210,000		\$ 611,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management Expenses (WEP R3)	\$ -	\$ -	\$ -	\$ -		\$ 7,500	3		\$ -	\$ -	\$ -	\$ -
Regional Reliability Plan Direct Expenses	\$ 41,607	\$ -	\$ 58,900	\$ 400,000		\$ 400,000	4		\$ -	\$ -	\$ -	\$ -
2014 Drought Application	\$ -	\$ -	\$ -	\$ 72,833		\$ -	5		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Management	\$ -	\$ -	\$ -	\$ 75,800		\$ -	6		\$ 37,053	\$ -	\$ -	\$ -
2014 Drought Grant Disbursements from DWR	\$ 1,111,642	\$ 2,000,000	\$ 35,300	\$ 1,705,800		\$ 3,400,500	7		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Management	\$ -	\$ -	\$ 27,100	\$ 30,000		\$ 568,400	8		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Reimbursements DWR	\$ 21,284	\$ -	\$ 22,500	\$ 1,212,800		\$ 1,212,800	9		\$ -	\$ -	\$ -	\$ -
Proposition 84 implementation Grant Management	\$ -	\$ -	\$ -	\$ 112,090		\$ -	10		\$ -	\$ -	\$ -	\$ -
Proposition 84 payments to Member Agencies	\$ 1,660,980	\$ 3,798,300	\$ -	\$ 2,700,000		\$ 5,400,000	11		\$ -	\$ -	\$ -	\$ -

Regional Water Authority See Budget Projection Notes for Budget Assumptions				FY' 2017-2018 Program Budget Projection								
	RWA	RWA	RWA	RWA		FY 18	Notes		Projected	Projected	Projected	Projected
	FY 16		FY 17	Total		Proposed			FY 19	FY 20	FY 21	FY 22
USBR CalFed Meter 2013	\$ -	\$ -	\$ -	\$ -		\$ -	12		\$ -	\$ -	\$ -	\$ -
USBR CalFed Meter 2014	\$ -	\$ 24,400	\$ -	\$ 12,500		\$ -	13		\$ -	\$ -	\$ -	\$ -
USBR CalFed WaterSmart Meter 2014	\$ -	\$ 21,300	\$ -	\$ 12,500		\$ -	14		\$ -	\$ -	\$ -	\$ -
USBR CalFed Retrofits 2014	\$ 389,113	\$ 178,400	\$ 127,800	\$ 204,300		\$ -	15		\$ -	\$ -	\$ -	\$ -
American River Basin (ARB Plan of Study)	\$ -	\$ -	\$ 18,100	\$ 30,000		\$ -	16		\$ -	\$ -	\$ -	\$ -
Labor Compliance Revenues	\$ 13,886	\$ -	\$ -	\$ -		\$ -	17		\$ -	\$ -	\$ -	\$ -
American River Basin Proposal	\$ 14,964	\$ -	\$ -	\$ -		\$ -	18		\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist & Fees	\$ 122,194	\$ 130,000	\$ 60,000	\$ 120,000		\$ 120,000	19		\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Water Efficiency Program Admin. (Cat. 1)	\$ 283,247	\$ 231,400	\$ 51,300	\$ 251,400		\$ 223,200	20		\$ 241,300	\$ 234,700	\$ 225,500	\$ 214,000
Water Efficiency Grant Payments (Cat. 2)	\$ 674,081	\$ 84,000	\$ 156,600	\$ 200,000		\$ 350,000	21		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Water Efficiency Program Admin. (Cat. 2)	\$ -	\$ -	\$ -	\$ -		\$ -	21		\$ -	\$ -	\$ -	\$ -
Staffing and Office Program Management	\$ 265,672	\$ 278,300	\$ 137,900	\$ 284,273		\$ 272,900	22		\$ 223,900	\$ 159,800	\$ 146,300	\$ 130,300
TOTAL PROGRAM EXPENSES	\$ 9,424,440	\$ 6,751,100	\$ 1,120,400	\$ 8,231,796		\$ 13,223,300			\$ 972,253	\$ 864,500	\$ 841,800	\$ 814,300
Net Income (Loss)	\$ (7,914)	\$ (246,200)	\$ 482,600	\$ 149,704		\$ (572,100)	23		\$ (18,553)	\$ 58,700	\$ 81,400	\$ 108,900

Regional Water Authority See Budget Projection Notes for Budget Assumptions				FY' 2017-2018 Program Budget Projection								
	RWA FY 16	RWA	RWA FY 17	RWA Total		FY 18 Proposed	Notes		Projected FY 19	Projected FY 20	Projected FY 21	Projected FY 22
CASH RESERVES												
Beginning reserves	\$ 668,329	\$ 845,629	\$ 902,320	\$ 902,320		\$ 1,052,024	24		\$ 479,924	\$ 461,371	\$ 520,071	\$ 601,471
SOURCE (USE) OF FUNDS	\$ (7,914)	\$ (246,200)	\$ 482,600	\$ 149,704		\$ (572,100)	23		\$ (18,553)	\$ 58,700	\$ 81,400	\$ 108,900
ADVANCE ADJUSTMENTS	\$ 241,905	\$ -	\$ -	\$ -		\$ -	25		\$ -	\$ -	\$ -	\$ -
CASH RESERVES, Ending	\$ 902,320	\$ 599,429	\$ 1,384,920	\$ 1,052,024		\$ 479,924	26		\$ 461,371	\$ 520,071	\$ 601,471	\$ 710,371
Subscription Program Designations/Advanced Revenues												
Water Efficiency Program - Category 1	\$ 376,122	\$ 496,559	\$ 677,422	\$ 369,522		\$ 422,022	27		\$ 464,722	\$ 524,622	\$ 607,222	\$ 717,322
Water Efficiency Program - Category 2	\$ (75,696)	\$ (144,600)	\$ (141,796)	\$ (80,696)		\$ (80,696)	27		\$ (80,696)	\$ (80,696)	\$ (80,696)	\$ (80,696)
Subtotal - Designations	\$ 300,426	\$ 351,959	\$ 535,626	\$ 288,826		\$ 341,326	26		\$ 384,026	\$ 443,926	\$ 526,526	\$ 636,626
Advanced Revenues (recognized as income when expenses are incurred)												
2015 IRWM Grant (RWA R3)	\$ -	\$ 20,000	\$ 9,600	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant (WEP R3)	\$ -	\$ -	\$ 5,800	\$ 7,500		\$ -			\$ -	\$ -	\$ -	\$ -
USBR CALFED Meter Grant 2014	\$ 14,966	\$ 2,245	\$ 12,966	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
USBR CalFed WaterSmart Meter 2014	\$ 15,416	\$ -	\$ 13,416	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
USBR CALFED Retrofits 2014	\$ 131,391	\$ -	\$ 76,491	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist	\$ 77,806	\$ 70,000	\$ 17,806	\$ 72,806		\$ 72,806			\$ 72,806	\$ 72,806	\$ 72,806	\$ 72,806
Prop 84 Grant Management	\$ 112,090	\$ 96,652	\$ 100,090	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
Prop 50 Grant Management	\$ 17,439	\$ 15,250	\$ 16,239	\$ 6,939		\$ 5,739			\$ 4,539	\$ 3,339	\$ 2,139	\$ 939
2014 Drought Application	\$ 72,833	\$ -	\$ 72,833	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
2014 Drought Management	\$ 59,953	\$ 40,000	\$ 52,653	\$ 60,153		\$ 60,053			\$ -	\$ -	\$ -	\$ -
2014 Water Energy	\$ 100,000	\$ -	\$ 258,400	\$ 562,600		\$ -			\$ -	\$ -	\$ -	\$ -
Regional Reliability Plan	\$ -	\$ -	\$ 196,300	\$ 50,000		\$ -			\$ -	\$ -	\$ -	\$ -
American River Basin (ARB Plan of Study)	\$ -	\$ -	\$ 11,900	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
SRCS	\$ -	\$ 3,323	\$ 4,800	\$ 3,200		\$ -			\$ -	\$ -	\$ -	\$ -
Subtotal - Advances	\$ 601,894	\$ 247,470	\$ 849,294	\$ 763,198		\$ 138,598	28		\$ 77,345	\$ 76,145	\$ 74,945	\$ 73,745
Total	\$ 902,320	\$ 599,429	\$ 1,384,920	\$ 1,052,024		\$ 479,924			\$ 461,371	\$ 520,071	\$ 601,471	\$ 710,371

RWA PROGRAM
FY 2017-2018 BUDGET PROJECTION NOTES

- 1 The American River Basin Integrated Regional Water Management Plan, developed jointly by the Regional Water Authority (RWA) and the Freeport Regional Water Authority (FRWA) in June 2006, was among seven projects recommended for funding statewide in a two-step grant process through Proposition 50. The \$25 million grant helped fund key elements of the plan, including a suite of 14 infrastructure projects. The grant concluded in FY17, but there are ongoing reporting requirements to the state for 10 years. Funds for reporting have been collected and are reflected in advanced revenues. See note 28 below. At the conclusion of final reporting, any unused funds will be returned to participating agencies.
- 2 Department of Water Resources grant proceeds earned by participating agencies, but administered through RWA. These funds are then paid to members as received.
- 3 The IRWM application fees and expenses equaled \$30,000. RWA was awarded the grant and collected fees for program management. This IRWM grant though DWR developed and executed a funding agreement for the \$1.757 million grant award from the 2015 Proposition 84 Integrated Regional Water Management Implementation Grant to support four priority projects in the region, including a regional water efficiency grant.
- 4 The Regional Reliability Plan is a subscription project launched in FY17. Funding for the project include \$50k from the IRWM designation, fees collected from project participants, reimbursement from a Drought Contingency Planning Grant awarded to Placer County Water Agency in FY16, and reimbursement from a Prop 1 Planning Grant awarded to RWA in FY17. Expenses are to fund consultant support to develop the plan, which will include an update to the RWA Integrated Regional Water Management Plan.
- 5 This 2014 Drought grant application was entered into by 12 agencies to help the region maintain water supply when drought conditions persist. The grant was awarded to RWA. (see note 6)
- 6 RWA received a final recommendation on November 12, 2014 from the Department of Water Resources (DWR) for a \$9.765 million award from the 2014 Integrated Regional Water Management Drought Grant funded through Proposition 84. These fees are for RWA's grant management expenses in administering the grant award and were collected from participating agencies in FY16 and are reflected in advanced revenue (see note 28). The grant partially funds 17 projects by 12 different agencies that will help the region maintain water supply during a drought. The DWR funding agreement was completed in July 2015 and is expected to be completed in FY18.
- 7 The 2014 drought grant reimbursements from DWR and disbursements to member agencies.

- 8 The 2014 Water Energy grant with DWR to develop a funding agreement for a \$2.5 million award from the DWR 2014 Water-Energy Grant Program. The project addresses the Sacramento region disadvantaged communities' (DACs) need to replace high-water-use and high-energy-use fixtures with more efficient fixtures to lower income households. The contractor-based and customer-based project provides fixtures directly to customers free of charge. The Project will replace approximately 30,000 fixtures, and will conserve more than 1,500 million gallons (MG) of water and 1,600 megawatts (MW) of energy in DACs in the service areas of Sacramento, West Sacramento, Sacramento Suburban Water District (SSWD) and California American (CalAm). Fees are being collected from participating agencies to fund contractor activities while awaiting reimbursement from the grant. At the conclusion of the project, the fees collected will be returned to participating agencies.
- 9 The 2014 Water Energy grant reimbursements from DWR and disbursements to member agencies.
- 10 These fees are for RWA's grant management expenses in administering a \$16.03 million award from the Prop 84 Implementation Grant Program. The project commenced in FY 2012. Staff estimated a total project management expense of approximately \$183,300, the remainder was collected in FY 2016. Funds will be designated for use in Prop 84 Implementation Grant Management until program requirements are completed. Projects are expected to be completed in 2018 with up to 10 years of post-project performance monitoring required.
- 11 The Proposition 84 grant reimbursements from DWR and disbursements to member agencies.
- 12 The 2013 USBR CALFED grant was awarded to Sacramento Suburban Water District in 2013. RWA prepared the grant application, with SSWD acting as the applicant for a regional \$500,000 grant to install water meters. Other participants include the City of Sacramento and Sacramento County Water Agency. RWA is acting as the grant manager including ensuring participants comply with contract terms, prepare quarterly reports and prepare reimbursement invoices. Actual reimbursement for grant expenses (e.g., contractors) were distributed directly to SSWD, then out to participants. The funds collected here are for grant management expenses only, and include some funding for SSWD expenses as incurred (e.g., distributing checks to participants, single audit requirement, etc.). This grant was completed in December, 2015.
- 13 Early in 2014, RWA was notified by the Bureau of Reclamation of three successful grant applications. RWA prepared the applications and submitted them through Sacramento Suburban Water District, because RWA is not considered an eligible applicant. The first of the applications is for a meter grant through the Calfed Bay-Delta grant program. The award is for \$300,000. Agencies receiving a portion of the grants are SSWD, City of Sacramento, and the City of West Sacramento. RWA is acting as the grant manager including ensuring participants comply with contract terms, prepare quarterly reports and prepare reimbursement invoices. Actual reimbursement for grant expenses (e.g., contractors) are distributed directly to SSWD, then out to participants. The funds collected here are for grant management expenses only, and include some funding for SSWD expenses as incurred (e.g., distributing checks to participants, single audit requirement, etc.). This project will be completed in FY17.

- 14 The second of three grant applications from the USBR is the WaterSMART Meter grant for residential water meter installations. The award is for \$300,000. Agencies receiving a portion of the grants are SSWD and the City of Sacramento. RWA is acting as the grant manager including ensuring participants comply with contract terms, prepare quarterly reports and prepare reimbursement invoices. Actual reimbursement for grant expenses (e.g., contractors) are distributed directly to SSWD, then out to participants. The funds collected here are for grant management expenses only, and include some funding for SSWD expenses as incurred (e.g., distributing checks to participants, single audit requirement, etc.). This project will be completed in FY17.
- 15 The third of three grants was for the USBR CalFed Retrofit grant. An application for a direct install indoor efficient fixtures was submitted through SSWD to the Calfed Bay-Delta grant program. This award is for \$300,000 and will be used to expand the direct install program, which is funded through a Proposition 84 grant from the Department of Water Resources. Many agencies in the region will benefit from this grant award. RWA is acting as the grant manager including ensuring participants comply with contract terms, prepare quarterly reports and prepare reimbursement invoices. Actual reimbursement for grant expenses (e.g., contractors) are distributed directly to SSWD, then out to participants. The funds collected here are for grant management expenses only, and include some funding for SSWD expenses as incurred (e.g., distributing checks to participants, single audit requirement, etc.). This project will be completed in FY17.
- 16 The American River Basin Study (ARBS) Letter Proposal - This was a fee collected in FY17 to fund development of a proposal to USBR to conduct a detailed analysis of supply and demand under future climate conditions in the American River Basin. Fees were provided by five agencies that will participate in the study - the cities of Folsom, Roseville, and Sacramento, El Dorado County Water Agency, and Placer County Water Agency. The fees were used to fund consultant support to develop the proposal in FY17.
- 17 The RWA Labor Compliance Project (LCP) was developed by RWA to provide recipients of Prop 84 grant funds awarded through the ARB IRWMP with a compliance option if they do not have an existing DIR-approved LCP or do not want to expend the resources to apply to DIR for and to administer their own LCP.
- 18 The ARBS Plan of Study Development - This was a fee to fund development of a detailed Plan of Study (POS) for the ARBS. USBR announced an award of federal funds to support the ARBS in FY17. In order to complete an agreement with USBR to receive the support, the POS needed to be submitted. Fees were collected from the participating agencies identified in note 16 above. The fees are being used to fund direct consulting support to complete the POS.
- 19 Represents the program to hire a contract lobbyist to help with state legislative issues.
- 20 Anticipated revenues and direct costs for the program from the Water Efficiency (WEP) Program for Category I. WEP budget still under development. These fees reflect a proposed 5% increase.

- 21 WEP Category II revenue and expenses are projected for WEP Prop 84 grant, the Prop 50 grant, and the SRCSD incentives program. The subscription programs are approved as the opportunity or need arises for the program.
- 22 The cost of staffing and office associated with the subscription programs (including WEP) is included to reflect the cashflow effect to the programs. It also represents the amount of money earned by the Core Program for the services they provide. This activity generates cash to the core program by using RWA staff. Effectively, RWA is a consultant to these programs. The WEP budget includes the WEP project manager at 80% and the project assistant at 60% time, for a total of 1.4 FTEs for WEP.
- 23 Net revenues (loss). Any revenues in excess of expenses are typically set aside in designations to be used in future periods. Losses are typically a result of timing differences from funds collected in one fiscal year but spent in the next fiscal year. These "losses" are funded from carryover restricted cash designations from previous years.
- 24 Since subscription programs often collect monies in one fiscal cycle, but may not expend or use the funds until future fiscal cycles, these cash resources are reflected in this section to determine the amount of impact the subscription program has to overall available resources.
- 25 Advance adjustments are timing differences between cashflow effect of advances received or used versus accrual effect as recorded in the audited financial statements. Grant management fees are collected in advance of grant expenses. Because these fees can be returned back to members if not used, the accounting records will only reflect revenue when expenses are incurred, which often result in a zero net income. The remaining unused fees are used in later years which uses the advance balance from the prior year.
- 26 Represents the remaining net cash amounts reserved for subscription programs to fulfill future program obligations.
- 27 Represents the cumulative funds in excess of revenues for the Water Efficiency Program. Starting in FY15, \$5K per year for 10 years is being allocated from WEP Cat 1 to Powerhouse Science Center as one of the funding sources for Water Detective.
- 28 Advances are not considered revenue from an accounting perspective. However, as expenses are incurred for these program, the cash advances are used and affect cash balances. The balances represent remaining unspent cash for each of the programs.

RWA 2017-2018 Fee Schedule

RWA Annual Dues - Updated Connections

Fee increase:

10.00%

Agency	Type	2016-2017 Annual Dues (A)	Proposed RWA 2017-2018 Annual Dues using updated Connections (B)	Powerhouse Science Center (PSC)
California American Water	Large	\$ 61,646	\$ 67,811	\$ 4,885
Carmichael Water District	Medium	\$ 21,288	\$ 23,035	\$ 1,842
Citrus Heights Water District	Medium	\$ 35,422	\$ 39,152	\$ 3,178
City of Folsom	Medium	\$ 36,559	\$ 40,460	\$ 3,038
City of Lincoln	Medium	\$ 32,190	\$ 35,427	\$ 1,620
City of Roseville	Large	\$ 61,646	\$ 67,811	\$ 4,885
City of Sacramento/Dept. of Utilities	Large	\$ 61,646	\$ 67,811	\$ 4,885
City of West Sacramento	Medium	\$ 27,419	\$ 29,672	\$ 1,908
City of Yuba City	Medium	\$ 33,387	\$ 36,744	\$ 2,824
Del Paso Manor Water District	Small	\$ 5,300	\$ 5,847	\$ 415
El Dorado Irrigation District	Large	\$ 61,646	\$ 67,811	\$ 4,885
Elk Grove Water District	Medium	\$ 22,019	\$ 24,233	\$ 1,754
Fair Oaks Water District	Medium	\$ 24,870	\$ 27,566	\$ 2,190
Golden State Water Company	Medium	\$ 29,580	\$ 32,958	\$ 2,414
Orange Vale Water Company	Small	\$ 7,903	\$ 8,693	\$ 626
Placer County Water Agency	Large	\$ 61,646	\$ 67,811	\$ 4,885
Rancho Murrieta CSD	Small	\$ 7,903	\$ 8,570	\$ 618
Rio Linda/Elverta Water District	Small	\$ 7,903	\$ 8,693	\$ 626
Sacramento County Water Agency	Large	\$ 61,646	\$ 67,811	\$ 4,885
Sacramento Suburban Water District	Large	\$ 61,646	\$ 67,811	\$ 4,885
San Juan Water District (10,070 FY04; 10,561 FY13)	Large	\$ 61,646	\$ 67,811	\$ 1,733
TOTALS		\$ 784,913	\$ 863,535	\$ 58,981

RWA Associate Members	2016-2017 Annual Dues	2017-2018 Annual Dues	PSC
Placer County	\$ 6,520	\$ 12,900	\$ 1,340
El Dorado County Water Agency	\$ 4,700	\$ 5,200	\$ 537
Sacramento Area Flood Control Agency	\$ 6,700	\$ 7,400	\$ 756
Sacramento Municipal Utilities District	\$ 11,700	\$ 12,900	\$ 1,340
SRCSD	\$ 11,700	\$ 12,900	\$ 1,340
ASSOCIATE MEMBER TOTALS	\$ 41,320	\$ 51,300	\$ 5,313

Notes:

- (1) Retail connection are used to scale the agency size. Information derived from information received from members.
- (2) All agencies fees for FY 2017 rates represent an increase in total dues from FY2016. Decreases in fees are a result of reallocating fees according to revised connection info.
- (3) Wholesale water suppliers (i.e. San Juan WD) are included in "large" utility group, regardless of the actual number of retail connections, as a more accurate indication of "true" utility size.

Powerhouse Science Center

- (1) Collect \$60,000 per year for 5 years; (2) SJWD adjusted to retail connections only; (3) \$50,000 Prop 84 grant funding applied;
- (4) \$5,000 WEP funding over 10 years; (5) \$100,000 contribution from California Water Awareness Campaign.