

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

February 22, 2017; 8:30 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.
3. **CONSENT CALENDAR**
Minutes of the January 25, 2017 Executive Committee meeting
Action: Approve Consent Calendar item
4. **DEVELOPMENT OF FY 2017 – 2018 BUDGET**
Information Presentation and Discussion of Proposed FY 2017-2018 Budget
Action: Recommend RWA Board Approval of Proposed FY 2017-2018 Budget
5. **LEGISLATIVE AND REGULATORY UPDATE**
Information Presentation: Adam Robin, Program Manager
Action: Adopt Positions on Legislation
6. **WATER FUTURE BRANDING FOR REGIONAL RELIABILITY PLAN**
Discussion: John Woodling, Executive Director
7. **COMPENSATION SURVEY**
Action: Direct Executive Director to Undertake Compensation Survey
8. **STRATEGIC PLAN PROGRESS DISCUSSION**
Discussion: John Woodling, Executive Director
9. **MARCH 9, 2017 RWA BOARD MEETING AGENDA**
Action: Approve March 9, 2017 proposed RWA Board Meeting Agenda

10. SUBCOMMITTEE REPORTS

Reports from Subcommittees on Conference, Membership and Office Space

11. EXECUTIVE DIRECTOR'S REPORT

12. DIRECTOR'S COMMENTS

ADJOURNMENT

Upcoming meetings:

Upcoming Executive Committee Meetings –March 22, 2017 and April 26, 2017
at 8:30 a.m. at the RWA office

Next RWA Board of Directors' Meeting – Thursday, March 9, 2017, at 9:00 a.m.
in the RWA conference room, 5620 Birdcage Street, Ste. 110, Citrus Heights, CA
95610

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AGENDA ITEM 3: CONSENT CALENDAR

The minutes from the Executive Committee meeting held January 25, 2017

Action: Approve Consent Calendar Item

1. CALL TO ORDER

Chair Peifer called the meeting of the Executive Committee to order at 8:30 a.m. Individuals in attendance are listed below:

Executive Committee Members

Ron Greenwood, Carmichael Water District
Marcus Yasutake, City of Folsom
Kelye McKinney, City of Roseville
Jim Peifer, City of Sacramento
Kerry Schmitz, Sacramento County Water Agency
Rob Roscoe, Sacramento Suburban Water District
Pam Tobin, San Juan Water District

Staff Members

John Woodling, Rob Swartz, Adam Robin, Cecilia Partridge, Monica Garcia and Ryan Bezerra, legal counsel.

Others in Attendance

Nicole Krotoski participated via conference phone.

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

The minutes from the Executive Committee meeting held December 7, 2016. Mr. Bezerra suggested that a line be added after Mr. Short's name under Executive Committee Members stating that he "arrived as indicated on page 2."

Motion/Second/Carried (M/S/C) Mr. Roscoe moved, with a second by Ms. McKinney, to approve the minutes from the December 7, 2016 Executive Committee meeting with the suggested amendment. The motion carried by the unanimous voice vote of all directors present.

4. 2017 RWA EXECUTIVE COMMITTEE MEETING SCHEDULE

RWA Executive Committee meetings are held on the fourth Wednesday of each month at the RWA office, 5620 Birdcage Street, Suite 110 in Citrus Heights. The

meetings begin at 8:30 a.m. A copy of the proposed schedule of meetings for 2017 was included in the packet. The Executive Committee will continue to meet on the fourth Wednesday of each month with the exception of November and December. The November and December meetings will be combined and held on December 6, 2017.

M/S/C Ms. McKinney moved, with a second by Ms. Tobin to adopt the proposed schedule of Executive Committee meetings for 2017. The motion carried by the unanimous voice vote of all directors present.

5. STATUS OF RWA STRATEGIC PLAN IMPLEMENTATION

John Woodling, Executive Director, gave an informational presentation on RWA's *Strategic Plan 2013-2018+* adopted in late 2013. Three years into implementation, a number of internal and external factors have changed, including the passage of the Sustainable Groundwater Management Act, an unprecedented statewide drought emergency, and an administration proposal for new permanent water conservation requirements. This is an opportune time to revisit the goals and objectives of the strategic plan and evaluate the need to modify or re-prioritize elements of the Plan.

Mr. Woodling asked that the Executive Committee review the Strategic Plan and bring back suggestions to the February Executive Committee meeting of what items to keep, what needs to be modified, and what needs to be deleted or reprioritized. He asked if a Strategic Planning session would be helpful and if the current plan needs to be changed or updated by the Executive Committee to present to the full board. The ultimate goal would be to have the Executive Committee review the Strategic Plan and be prepared for discussion at the February Executive Committee meeting suggested edits to the Strategic Plan to take us to 2018.

After discussion it was suggested that water workshops sponsored by RWA be scheduled with focus on water education topics that would draw the interest of new board members, elected officials, city council members, county supervisors, members of all of the special districts that are involved with water, state and federal legislative staff and water managers. This type of workshop would create a better understanding of what the water issues are from a Sacramento regional perspective and elevate the status of RWA as a regional leader on water issues.

Chair Peifer appointed a Conference and Education Subcommittee including Rob Roscoe, Kelye McKinney, Pam Tobin and Kerry Schmitz. The committee will discuss and recommend on a possible conference, workshops or ongoing series of events.

Mr. Greenwood entered meeting.

Mr. Woodling requested that the Executive Committee members review the Strategic Plan and send comments to him prior to the February Executive

Committee meeting. The comments should include what RWA has accomplished, identifying RWA successes, and whether RWA is or should be in a lead or supporting role on specific items. The Executive Committee will further discuss the plan and develop a process to get further feedback from the full RWA Board.

6. DEVELOPMENT OF FISCAL YEAR 2017 – 2018 BUDGET

Staff has begun the process of preparing a draft budget for fiscal year 2017-18. Staff presented a proposed timeline for budget development as well as key issues for feedback from the Executive Committee. A draft budget will be presented to the Executive Committee at the February meeting and, if there is consensus, a draft budget will be presented to the full board in March. If the full board does not decide to take action on the budget in March, then a draft budget with any feedback from the board will come back to the Executive Committee in March to refine further with the intent to have the budget passed no later than the May board meeting.

Mr. Woodling outlined some of the issues that need to be addressed for the February Executive Committee budget discussion. For the Fiscal Year 2017-18 there is a proposed 10% dues increase with an 8% to 9% increase in out years. The rate increase is driven by factors including bringing the WEP Manager's salary into the RWA core budget, the continuing CalPERS pension liability increases and adding a fulltime advocacy position. Associate member dues are also proposed to increase by 10%.

The value that RWA provides to Affiliate members needs to be better identified. There was discussion on how to engage the Affiliate members and how to communicate a better water issues message to them. Affiliate members will be invited to attend future water educational workshops. The full board budget presentation should include a reminder of the value of RWA including the successful grant programs, the current regional planning and how RWA has assisted the region with the drought emergency.

In the budget for FY 2018-19 there will potentially be office moving expenses or a lease increase as our current lease expires August 2018. It was suggested that a subcommittee be appointed to consider alternatives and possibly negotiate a long term lease prior to August 2018.

When the shift was made for the Integrated Regional Water Management (IRWM) Plan to be a core program there was some money from the subscription program that came with that program. That money has now been depleted. There will be a line item for updating the IRWM Plan, with the bulk of the funding coming from the recent grant we received. Since outreach has expanded beyond the Water Efficiency Program, it is timely to discuss development of a comprehensive public outreach program in the budget. With members expanding their outreach communications themselves does that reduce the need for an RWA budget for that or is it an indication that the RWA budget is not adequate to meet regional needs. There was discussion on increasing RWA membership and approaching both the City of Davis and the City of Woodland to join RWA. There is a need to increase the participation of members who don't actively participate at this time. We should

define a role for members to assist the Executive Director in bringing in new RWA members.

Chair Peifer appointed a building lease subcommittee including Marcus Yasutake, Ron Greenwood, Pam Tobin and John Woodling. The committee's direction is to look into leasing options and to possibly secure a long term lease prior to August 2018. EC members suggested Robert Dugan as Chair of a Membership Committee, but no others were appointed.

7. LEGISLATIVE AND REGULATORY UPDATE

Adam Robin, Legislative and Regulatory Affairs Program Manager, gave an update on legislation, RWA's lobbyist subscription program, two state board regulatory items and an update on discussions on Prop 218 reform. He provided a map that indicated the local legislative districts and RWA member service areas. Working with Soyla Fernandez, staff has met with staff from each of the local state representatives. RWA staff has also held meetings with Assemblymember Cooper and Senator Nielsen. Upcoming meetings are scheduled with Assemblymember Gallagher, Vice Chair of the Assembly Water, Parks, and Wildlife Committee, and Senator Stone, Vice Chair of the Senate Natural Resources and Water Committee. In those meetings staff are introducing the members to RWA and discussing issues that we may be dealing with in the coming year, such as conservation. Staff are actively tracking over sixty pieces of legislation with 20 bills currently identified that may be of interest to RWA.

Last week the State Board issued a press release stating that Division of Drinking Water District Offices would begin issuing permit amendments to every community water system in the state requiring them to provide lead sampling services for K-12 schools upon request.

The State Water Board has announced a February 8th workshop where they will be hearing from their staff and panels of stakeholders on a report they are developing in response to AB 401. AB 401 requires the Water Board to prepare a plan and submit recommendations to the legislature for creating a statewide, low income, rate payer assistance program by February of 2018. The next steps are determining a funding source for that program. Staff will continue to monitor AB 401. An update will be given at the February Executive Committee.

Mr. Roscoe exited the meeting.

Kerry Schmitz exited the meeting.

John Woodling, Executive Director, gave an update on conservation, emergency regulations and long term regulations. The Water Board held a workshop focusing on the continuation of the urban water conservation emergency regulation. As long as the emergency regulation is in place the Water Board will continue to receive monthly data. Ryan Bezerra and Paul Helliker took the coalition letter submitted in

response to the Administration's draft "Making Water Conservation a California Way of Life" report and developed proposed legislative language. That language has been provided to ACWA and a drafting work group of the State Legislative Committee. A key issue will be ensuring the final approach to conservation standards and target setting does not allow the State Water Board to get long-term authority to change those standards through the regulatory process. Spot bill language has been given to Soyla Fernandez with the intent of potentially introducing a legislative vehicle as an alternative to the Administration proposal.

Mr. Bezerra said that on December 22, 2016 DWR and Reclamation released a final EIR/EIS for the California Water Fix. Staff is working on comments that are due January 30, 2017.

8. EXECUTIVE DIRECTOR'S REPORT

Government Affairs Update – Staff are reviewing proposed emergency regulations for water conservation. Comments may be submitted by the January deadline for written comments.

Grants Update – Staff is currently managing four grants totaling \$30 million. Staff submitted the final report for the \$25 million 2006 DWR Prop 50 Implementation Grant, and DWR has accepted the report. DWR is in the process of releasing the final retention on the project. In January, RWA received reimbursement of more than \$300K for three projects that were recently completed under the Prop 50 Implementation Grant.

November 2016 COLA – Consistent with RWA policy, pay scales and salaries were increased January 1, 2017 by 1.7% based on the November consumer price index for small western cities (attached). The updated pay scales are also attached.

9. DIRECTORS' COMMENTS

Mr. Greenwood announced that 2017 calendars sponsored by Carmichael Water District and Barrett Middle School are available for sale. The art work was submitted by students of Barrett Middle School.

Ms. McKinney reported that the City of Roseville City Council nominated Susan Rohan as RWA representative and Scott Alvord as RWA alternate representative. Placer County Water Agency and the City of Roseville have joined together to participate in the planning of the proposed Sites Reservoir. PCWA and Roseville will share a seat on the Sites board, which will alternate annually.

Chair Peifer suggested that it would be good idea to figure out how the pension liability obligation will continue to be the responsibility of an RWA member who chooses to leave the organization.

ADJOURNMENT

With no further business to come before the Executive Committee, Chair Peifer adjourned the meeting at 11:05 a.m.

By:

Chairperson

Attest:

Nancy Marrier, Board Secretary / Treasurer

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AGENDA ITEM 4: DEVELOPMENT OF FY 2017 – 2018 BUDGET

BACKGROUND:

Each year the RWA Executive Committee (EC) reviews and makes a recommendation for adoption of the budget by the full board. The EC discussed some strategic drivers of the proposed Fiscal Year 2017-2018 budget (“FY18 Budget”) at the January 25, 2017 EC meeting. The EC was presented with a list of the significant decisions that impacted the development of the budget objectives and outcomes which drive fees and expenses.

The following topics were discussed:

- 1) FY18 represents the first full year of implementation of the advocacy element of the strategic plan, including a full year of staffing costs. The Strategic Plan Fund that began in FY16 is helping to pay for this implementation in FY17 and FY18. This Strategic Plan Fund was funded by capping the operating fund at four months, Any available resources over four months was then directed towards this fund. The intent of the designation was to support future activities while limiting large single-year fee increases. It is expected that the strategic plan fund will no longer be needed by FY19 as rates will then support the new staff position. The four month cap on the operating fund will also be lifted.
- 2) The WEP Program Manager continues to assist with RWA core functions. Some of these activities have included State Water Resources Control Board emergency regulations, water supply data collection, the water-energy study, and the development of an RWA annual report. During the FY17 budget cycle, approximately 10% of the staffing costs associated with this position was shifted to RWA core dues to reflect the support provided to the core program by this position. Since this position supports multiple core programs, the FY18 budget will reflect an increase to 20% of staffing and related office costs to be funded by core dues. The subsequent years will also assume an increasing 10% per year (FY22 projected at 60% paid for by core dues). This offsets costs to the WEP Program, meaning WEP more fully funds direct public outreach costs.
- 3) In keeping with RWA’s direction in reducing the pension plan unfunded liability, the FY18 budget will reflect an additional payment above the required annual payment. The FY19 through FY22 budget also reflects a best guess at increased required costs and additional payments toward the unfunded liability that are now resulting from CalPERS reducing the discount rate from 7.5% to 7.0% as announced in December 2016.

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- 4) RWA will continue to fund the OPEB plan, including the expected increases as a result of the decreased discount rate and changes to the valuation as a result of implicit versus explicit subsidies valuation conducted July 1, 2015.
- 5) The IRWMP program is being fully funded by the core program, beginning in FY18. Historically the program was funded by a designation which has been fully utilized.
- 6) RWA's lease will be coming up for renewal at the beginning of fiscal year 2019 (August 2018). RWA will set aside costs for a potential move at the end of FY18. Chair Peifer appointed a building lease subcommittee that includes Marcus Yasutake, Ron Greenwood, Pam Tobin and John Woodling. The committee's charge is to look into leasing options and to possibly secure a long term lease. RWA staff negotiated a very favorable lease rate at the time ACWA JPIA moved out of the building. RWA needs to plan for a potential increase in the office lease in FY19.

Based upon the discussions above as well as historical financial information, the FY18 proposed budget is attached for your review.

Summary Budget Overview

Revenues

- 1) A total 10% increase on general and associate membership fees is proposed. This 10% increase was forecast in the previous year. The increase is needed to fully implement the strategic plan, plus continuing to pay sums towards the unfunded pension liability. Additionally, core revenues are now projected to cover 20% of the WEP manager costs and related office expenses.
- 2) No increases to affiliate membership fees are planned.
- 3) SGA service fees represent 50% sharable costs according to the Administrative Services Agreement and exclude the Water Efficiency Program staffing, the legislative program manager, and the retired annuitants for RWA and SGA. SGA does pay for 20% of the project assistant position.
- 4) Subscription program revenues provide 15% of needed RWA Core revenues and reflect income earned from providing staffing and office support to subscription based programs, including the WEP.
- 5) Powerhouse Science Center reflects five year allocated funding with FY19 as the final year.
- 6) Other revenues represent interest income and holiday social revenues.

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Expenses

- 1) The core program budgets for all staffing positions including the WEP position and new legislative program manager position. RWA Core dues are projected to pay for 20% of WEP program manager position and related office costs.
- 2) Shared staffing costs are allocated 50/50 to SGA and RWA which excludes the WEP program manager, legislative Program Manager, the project assistant position. The project assistant is allocated 20% to SGA. These allocations result in 4.8 FTEs for RWA and 2.2 FTEs for SGA for a total of 7 fulltime positions.
- 3) Staff salaries are within ranges assigned by a 2012 total compensation survey and reflect a possible 5% increase for merit (including COLA), plus 2% to compensate for the employees paying 2% of their PERS retirement contribution. In FY18, staff will pay 6% of their PERS portion. Beginning in FY19, staff will pay the full 7% employee share.
- 4) The FY18 budget now includes a legislative program manager staff position for a full year.
- 5) Benefit costs also include projected increases for CalPERS pension payments, OPEB and health care, and a reduction of a 2% employer pick up of the employee portion of PERS retirement benefits, so that RWA is only paying 1% of the employee portion in FY18.
- 6) Office cost increases are based upon estimated increases in FY18. For FY19 and beyond, these costs are estimated at 3% annual increases unless specific increases have been identified, such as the office lease renewal which is budgeted for an expected increase.
- 7) Professional fees now include IRWM consulting costs. It also includes higher audit, accounting and actuarial analysis fees due to the new reporting requirement for GASB 68 and implementation of GASB 75, increased public relations, stable legal costs, a compensation survey, and \$21,000 for unexpected items.
- 8) Other includes office equipment purchases and potential office move costs of \$20,000.
- 9) Core project expenses include costs associated with the Powerhouse Science Center partnership.

Revenues net of Expenses

- 1) Core revenues in excess of core expenses project a net cash inflow of approximately \$47,300 for the core program. The subscription based programs pay for use of staff time as well as some allocated office costs to run these programs.
- 2) Subscription expenses are projected to exceed revenues by approximately \$572,100, largely due to the Water Energy Grant. Many subscription program expenses will be funded from previously collected funds which have been set aside for this purpose.

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- 3) Combined core and subscription expenses versus revenues net a projected decrease in cash flow of approximately \$524,800 essentially caused by the subscription program timing of cash collections versus expenses.

Designations

- 1) The operating fund is targeted at four months for FYE 17-18, which falls within the policy guideline of four to six months. The operating fund designation will be capped at four months, with any remaining resources funding the Strategic Plan Fund and/or not designated.
- 2) The Strategic Plan Fund represents resources being set aside to fully implement the strategic plan. The FY18 budget anticipates using a portion of this fund to pay for the new legislative program manager until it is depleted in FY19.
- 3) The Powerhouse Science Center ("PSC") designation represents the difference in collection of fees for this project versus the payments made per the contract with PSC.
- 4) The designations are detailed by type. The total change in cash from Projected FY17 to Proposed FY18 by subtotal for the core program reflects the overall net cash inflow of approximately \$47,300 and the effect on each type of designation.
- 5) The designations for the subscription program reflect a decrease of approximately \$572,100 over subscription based expenses, largely due to the water energy grant expected costs in FY18. These programs typically collect revenues in advance of expenses. These expenses will be funded from the corresponding program designations.

SUBSCRIPTION PROGRAMS

These subscription based programs are subject to approval by the individual participants. The revenues are included for total estimate purposes and to reflect the expected contribution towards the Core program for staffing and office costs which is budgeted at 15% for FY18. Adopting the fiscal year 2017-2018 budget does not approve the subscription based programs.

- 1) Subscription program revenues are projected for the Water Efficiency Program (WEP Category 1 and 2), Prop 84 grant management and grant revenue, the regional reliability plan management fees, the government relations contract lobbyist, the 2014 drought grant management and grant revenue, the 2014 Water Energy grant management and grant revenues, and the 2015 IRWM grant. The revenues include fees from participants and grant reimbursements from existing grants.
- 2) Subscription program expenses represent the direct consulting and third-party costs for these subscription programs. It also includes the cost of using RWA staff and allocated office costs to determine the cash flow effect on these

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programs. In a combined budget, the RWA staff and allocated office costs are netted out to avoid double counting of the costs since these costs are also included in the Core budget. See Summary Table – Split Program for a reconciliation of the individual budgets to the overall RWA budget per the combined Executive Summary Table.

- 3) The subscription based programs collect fees in advance of expenses and often straddle several years prior to completion. The funds are held in an advance restriction until the expenses are incurred. With the exception of WEP, these additional program advances are only recognized as income as the related expenses are incurred. These advances are tracked for budgeting purposes and also included on the detail program budget sheet. While WEP fees are set aside for WEP services, these fees are recognized as incurred.
- 4) The subscription restrictions reflect the available funds for these programs. The use of these designations projected in FY18 is reflected in the changes in the individual restrictions.

Outlook for FY 2019

In looking out to the future, RWA can anticipate another potential 10% increase in dues in FY19 in order to meet increased expenses related to new staffing, increased leasing costs, continue paying the unfunded pension plan liability and increased costs related to the change in discount rate, and continue paying for the shift of the WEP manager costs to be funded 30% by core dues. The unfunded pension plan liability cost is expected to increase due to the change in discount rate. FY19 and beyond does reflect increased budgeted 6% salary costs but does not incorporate increases that may arise due to revision of job classifications or compensation benchmark comparisons. Future projections assume RWA and SGA share staffing and administrative costs and subscription based programs will contribute 12% of revenues to pay for Core staffing and office costs.

Finally, no changes to membership are anticipated, including any decline due to agency consolidations or nonparticipation. These changes would have a significant impact on rate increases in the future.

STAFF RECOMMENDATION:

Information Presentation and Discussion of Proposed FY 2017-2018 Budget

Action: Recommend RWA Board Approval of Proposed FY 2017-2018 Budget



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%
- 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.
- 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 6.5% 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.
- 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



2017 - 2018 FYE Budget Summary

Projected Fee Increase 10.00%

Combined Core & Subscription Program Budget

Major Assumptions - See Budget notes for other Budget assumptions

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 \$524,800, 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 \$47,300.
- 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. Most of cost of the WEP project manager position 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. 20% 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 in future years.
- 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 \$173,700. The final total payment amount will depend upon the timing of partial payments over time since unpaid balances accrue additional interest costs of 7.5% per annum.
- 4) The Strategic Plan outlined hiring a legislative and regulatory manager to implement RWA's regional water voice on important water



2017 - 2018 FYE Budget Summary

Projected Fee Increase 10.00%

Combined Core & Subscription Program Budget

Major Assumptions - See Budget notes for other Budget assumptions

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	\$ 923,900	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	\$ -	\$ -	
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	\$ 1,866,900	
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	\$ 53,400	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	\$ 53,400	
Net change	\$ 64,669	\$ 74,200	\$ 161,174	\$ 53,400	
Cash, ending	\$ 938,905	\$ 1,053,536	\$ 1,100,079	\$ 1,153,479	
					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	\$ 101,148	\$ (98,600)
Non-designated cash	\$ 58,074	\$ 75,000	\$ 75,000	\$ 100,000	\$ 25,000
Subtotal core cash	\$ 938,905	\$ 1,053,536	\$ 1,100,079	\$ 1,153,479	\$ 53,400



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		\$ -	\$ 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) \$ 53,400	
Subscription Program Income (loss)	(B)	\$ 149,704	(B) \$ (572,100)	
RWA Total	(D)	\$ 310,878	(D) \$ (518,700)	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	\$ 923,900	\$ 88,700	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	\$ 14,245,200	\$ 4,403,600	
Expenses				
Staff	\$ 1,204,449	\$ 1,334,500	\$ 130,051	All staff costs, includes water policy staff in Q2. Includes \$225,000 payment to CalPERS for unfunded pension in FY16.
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	\$ (518,700)	\$ (829,578)	
Cash, beginning	\$ 1,841,225	\$ 2,152,103	\$ 310,878	
Source (Use) of Funds	\$ 310,878	\$ (518,700)	\$ (829,578)	
Cash, ending	\$ 2,152,103	\$ 1,633,403	\$ (518,700)	
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	\$ 101,148	\$ (98,600)	
Non-designated cash	\$ 75,000	\$ 100,000	\$ 25,000	
Subtotal core cash	\$ 1,100,079	\$ 1,153,479	\$ 53,400	
<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	\$ 1,633,403	\$ (518,700)	

% 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	7	7	7	7	7	7	7	7
RWA FTE	3.8	4.8	4.8	4.8	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
ANNUAL REVENUES			rounded									
OPERATING REVENUES												
General Assessments/Fees	\$ 713,814	\$ 792,800	\$ 784,900	\$ 784,900		\$ 863,600	1		\$ 950,000	\$ 1,045,000	\$ 1,149,500	\$ 1,264,500
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		\$ 621,400	\$ 669,600	\$ 703,600	\$ 763,700
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		\$ 1,866,900			\$ 1,932,000	\$ 1,951,900	\$ 2,079,000	\$ 2,239,300
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	\$ 515,600
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	\$ 1,757,200

% 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		7		7	7	7	7	7
RWA FTE	3.8	4.8		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
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		\$ 500	\$ 500	\$ 500	\$ 500
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		\$ 5,000	\$ 5,200	\$ 5,400	\$ 5,600
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			\$ 158,800	\$ 162,000	\$ 165,300	\$ 168,800
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		\$ 1,845,000	\$ 1,997,400	\$ 2,090,600	\$ 2,258,600
Net Income (Loss) - Total	\$ 64,669	\$ 74,200	\$ 609,450	\$ 161,174		\$ 53,400	34		\$ 87,000	\$ (45,500)	\$ (11,600)	\$ (19,300)

% 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	7	7	7	7	7	7	7	7
RWA FTE	3.8	4.8	4.8	4.8	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		\$ 1,153,479	\$ 1,240,479	\$ 1,194,979	\$ 1,183,379
SOURCE (USE) OF FUNDS	\$ 64,669	\$ 74,200	\$ 609,450	\$ 161,174		\$ 53,400	34		\$ 87,000	\$ (45,500)	\$ (11,600)	\$ (19,300)
CASH available, Ending	\$ 938,905	\$ 1,053,536	\$ 1,548,355	\$ 1,100,079		\$ 1,153,479	36		\$ 1,240,479	\$ 1,194,979	\$ 1,183,379	\$ 1,164,079
Operating Fund (4 to 6 months)	\$ 456,200	\$ 534,300	\$ 219,500	\$ 505,400		\$ 582,200	37		\$ 822,200	\$ 788,900	\$ 783,000	\$ 768,000
Membership Dues Stabilization @ 15%	\$ 112,700	\$ 125,100	\$ 123,900	\$ 123,900		\$ 137,200	38		\$ 150,200	\$ 164,400	\$ 180,100	\$ 197,400
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		\$ 101,148	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		\$ 1,153,479	36		\$ 1,240,479	\$ 1,194,979	\$ 1,183,379	\$ 1,164,079
# of months core + non-designated cash covers expenses	4.7	4.6		4.6		4.7	45		5.6	4.9	4.7	4.2

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.
- 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.
- 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.

RWA
FY 2017-2018 BUDGET PROJECTION NOTES
CORE ONLY

- 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.
- 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.

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- 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.
- 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.
- 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.

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FY 2017-2018 BUDGET PROJECTION NOTES
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- 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.
- 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.

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- 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 D	\$ -	\$ 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	\$ 5,800	\$ 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	\$ 8,693	\$ 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	\$ 863,612	\$ 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.

February 22, 2017

AGENDA ITEM 5: LEGISLATIVE AND REGULATORY UPDATE

BACKGROUND:

RWA staff will update the Executive Committee on legislative and regulatory issues including:

- a. Long-Term Conservation Legislation
- b. SWRCB Emergency Urban Water Conservation Regulation
- c. Proposition 218 - SB 231 and SCA 4
- d. SWRCB AB 401 (2015) Statewide Low-Income Water Rate Assistance Program
- e. SWRCB Lead Sampling of Drinking Water in California Schools Initiative

RWA staff will also provide an update on Lobbyist Subscription Program activities, membership, and recommended positions/priorities on legislation.

STAFF RECOMMENDATION:

Information Presentation: Adam Robin, Program Manager

Action: Adopt Positions on Legislation

February 22, 2017

AGENDA ITEM 6: WATER FUTURE BRANDING FOR REGIONAL RELIABILITY PLAN

BACKGROUND:

RWA and its members are undertaking a number of efforts to plan for the region's future water supply reliability, including the Regional Water Reliability Plan, development of a regional "water bank," regional water transfers, the RiverArc project, and implementation of the modified Lower American River Flow Management Standard.

To better discuss these efforts with state and federal representatives and agency staff, local elected officials and the public, the regional business community, potential partners outside the region, and others, the City of Roseville and Placer County Water Agency led efforts to develop a branding and marketing strategy for the package. RWA's public relations consultant was tasked with coordinating with the RWA member efforts.

The group held two focus groups, with influencers and the general public to test key messages about the program as well as get feedback on potential brands. The status of the project and the "Water Future" brand were presented to the participants of the Regional Water Reliability Plan, some of whom requested that the Executive Committee discuss the branding/marketing efforts.

STAFF RECOMMENDATION:

Discussion: John Woodling, Executive Director

February 22, 2017

AGENDA ITEM 7: COMPENSATION SURVEY

BACKGROUND:

RWA Policy 400.2, Employee Compensation Policy, states,

The Executive Committee will generally conduct a compensation survey at least every five years to ensure that the total compensation offered by the Authority (salaries, wages, and benefits) is consistent with this Policy; provided, however that a compensation survey may be commissioned at any time if directed by the Executive Committee or if recommended by the Executive Director and approved by the Executive Committee. The Executive Committee may also use its discretion to waive or vary the five year commitment.

The last RWA compensation survey was completed in late 2012. Staff recommends undertaking a survey during 2017.

STAFF RECOMMENDATION:

Action: Direct Executive Director to Undertake Compensation Survey

February 22, 2017

AGENDA ITEM 8: STRATEGIC PLAN PROGRESS DISCUSSION

BACKGROUND:

RWA adopted its *Strategic Plan 2013-2018+* in late 2013. In the interim, a number of internal and external factors have changed, including the passage of the Sustainable Groundwater Management Act, the drought emergency, and proposals for new permanent water conservation standards.

At the January 25, 2017 Executive Committee meeting, the Executive Committee discussed the progress on strategic plan implementation as well as the approach to updating, modifying, and reprioritizing elements of the plan. Staff solicited input from the Executive Committee on the progress of the strategic plan, and will seek input on presenting progress to the full RWA Board.

STAFF RECOMMENDATION:

Discussion: John Woodling, Executive Director

February 22, 2017

AGENDA ITEM 9: MARCH 9, 2017 RWA BOARD MEETING AGENDA

Action: Approve March 9, 2017 proposed RWA Board Meeting Agenda

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, March 9, 2017, 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT

3. CONSENT CALENDAR

- a. Information: Final minutes of the December 7, 2016 and January 25, 2017 Executive Committee meetings
- b. Draft minutes from the January 12, 2017 RWA regular board meeting
- c. Approve the amended RWA pay schedule for the period January 1, 2017 to include the Executive Director's position

Action: Approve the Consent Calendar Items

4. LEGISLATIVE AND REGULATORY UPDATE

Discussion: Adam Robin, Project Manager

5. FISCAL YEAR 2017 – 2018 BUDGET

Action: Approve Fiscal Year 2017 – 2018 Budget

6. STRATEGIC PLAN PROGRESS DISCUSSION

Presentation: John Woodling

7. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, March 22, 2017 and April 26, 2017 2017, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, May 25, 2017, 9:00 a.m., at the RWA Office.

February 22, 2017

AGENDA ITEM 10: SUBCOMMITTEE REPORTS

BACKGROUND:

At the January meeting of the Executive Committee, Chair Peifer appointed three subcommittees to work on specific issues. Kerry Schmitz was appointed Chair of a Conference/Education Subcommittee that also included Rob Roscoe, Pam Tobin and Kelye McKinney. Pam Tobin, Ron Greenwood, Marcus Yasutake and John Woodling were appointed to an Office Space/Lease Subcommittee to evaluate office space options for RWA when its lease on 5620 Birdcage expires in 2018. Robert Dugan was appointed Chair of a Membership Subcommittee to evaluate and help recruit potential new members.

STAFF RECOMMENDATION:

Reports from Subcommittees on Conference, Membership and Office Space

February 22, 2017

AGENDA ITEM 11: EXECUTIVE DIRECTOR'S REPORT

FEBRUARY 22, 2017

TO: REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

- a. Water Efficiency Update** – In 2016, the region saved 25% compared to 2013 or approximately 41.6 billion gallons. The December 2016 savings were 24% compared to the December 2013. The cumulative savings for the Emergency Regulation timeframe from June 2015 through December 2016 is 28% or 78.8 billion gallons. The most current state savings information available is cumulative savings from June 2015 through December 2016 at 23% (793 billion gallons).
- b. Grants Update** – Staff is currently managing four grants totaling \$30 million. RWA has received confirmation from DWR that the \$25 million 2006 DWR Prop 50 Implementation Grant terms have been met (see enclosed letter). DWR is in the process of releasing the final retention on the project. In February, RWA received a commitment letter from DWR for the \$250K 2016 Prop 1 Integrated Regional Water Management Planning Grant award. The grant will be used to update the American River Basin IRWM Plan to meet updated standards released in 2016.

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



January 30, 2017

Rob Swartz
Regional Water Authority
5620 Birdcage, Suite # 180
Citrus Heights, CA 95610

Subject: Regional Water Authority, Proposition 50 Implementation Grant Program,
Agreement 4600007651, Project Closeout and Grant Closure

Dear Mr. Swartz:

The California Department of Water Resources (DWR) has released retention in the amount of \$75,629.46 for Project 12 – Sunset Industrial Area Groundwater Supply Improvements (Project 12) of the subject grant agreement. Please provide us notice when you receive the last remaining retention payment.

This letter serves as notification that contractual obligations, with the exception of Post Performance Reporting, for the above referenced grant agreement between Regional Water Authority and DWR have been fulfilled. In accordance with the Submission of Reports section of the grant agreement, please submit your first Post Performance Report for Project 12 no later than March 30, 2017. Post Performance Reporting has already begun for all other projects in the grant, which are required to be submitted annually for 10 years. Post Performance Reports provide DWR, the legislature, and the public updates of the benefits yielded by State grant funding. Note that failure to submit these reports is a violation of the grant agreement. All Post Performance Reports should be transmitted to DWR as an email attachment and in a Microsoft Word compatible format or as a PDF. The email should be sent to DWR_IRWM@water.ca.gov. The subject line of the email should include the agreement number and "Post-Performance Report". As per the Project 9 Close-Out email submitted to your Agency on December 12, 2016, Post Performance Reports will not be required for Project 9 – Consumnes River Management Opportunities (TNC).

Please be mindful that the Grantee is obligated to continue records retention as there is a potential for a post completion audit of the Grant. Also, transmitted with this letter is a performance evaluation for you to retain for your records.

Thank you for your interest in the Proposition 50 IRWM Grant Program and your efforts to manage water resources in the American River Basin. If you have any questions, please contact Jason Brabec at Jason.Brabec@water.ca.gov or 916-657-4893.

Sincerely,

A handwritten signature in black ink, appearing to read "Zaffar Eusuff".

Zaffar Eusuff, Implementation Program Manager
Financial Assistance Branch
Division of Integrated Regional Water Management

February 22, 2017

AGENDA ITEM 12: DIRECTORS' COMMENTS