



## 2018- 2019 FYE Budget Summary

**Projected Fee Increase 4.00%**

**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. 4.00%  
The water advocacy is now included as a core program for RWA members since it benefits all members. Members who were previously funding this work will experience an overall combined reduction in fees.
- 2) SGA Service Fees represents 50% cost sharing excluding staffing allocated to WEP and the legislative program and RWA only costs.
- 3) Subscription Program core revenues contribute approximately 13% towards Core operations and represent fees earned by RWA for providing staff consulting services and allocated office costs to the subscription programs.
- 4) 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 WEP grant in FY15. WEP also contributes \$5,000 per year for a total of \$50,000. This will be the last year of collecting for the Powerhouse program.
- 5) Other represents interest income and holiday social revenues.
- 6) Subscription Program represents revenues for subscription services from the Water Efficiency Program, Prop 50, Prop 84, Water Advocacy, Regional Reliability, Drought grant, and the Water Energy grant. 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 2018-2019 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 water advocacy staff. The project assistant splits time between SGA, WEP and RWA subscription projects. With the addition of a new advocacy 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 1.3 FTE. Staffing costs projected within salary range for positions and includes a 5% increase for merit and a 2% COLA. The employees will be picking up the last 1% of their PERS employee portion and will now pay their entire 7% of the employees share.
- 3) Staffing expenses continue to include additional annual payments to pay the unfunded PERS pension liability over the next four years. This budget assumes this liability and related required payments will increase based upon notification of decreasing the discount rate from 7.5% to 7.0% over the next several years.
- 4) The strategic funding was partially used to hire the legislative manager. Over the next two fiscal years it will help to fund part of the water advocacy program which will now become a core program and shared among all of the agencies.
- 5) The WEP project manager is projected to be funded 70% by WEP dues and 30% by RWA core dues. Over time, the budget assumes the



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WEP project manager will be 100% funded by core dues, increasing funding by 10% per annum.

- 6) For FY19 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, human resources and regional water issues and includes \$10,000 in consulting fees for IRWM related activities in FY19. Additionally, the water advocacy subscription program will become a core program starting in FY19 and will use the remaining funds from the Strategic Plan fund over FY19 and FY20. Funding for the water advocacy in FY19 will be \$100,800 from carryover subscription fees and \$19,100 from Strategic Fund. In FY20, funding will be \$90,600 from strategic fund and \$29,400 from core dues. In FY21, \$120K will come from core dues.
- 8) Other includes office equipment purchases.
- 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), the staffing and office 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 expected to exceed revenues by \$249,800, mainly due to subscription expenses exceeding subscription revenues. Of the \$249,800, RWA is projecting to return \$200,000 in advances related to the water energy grant.
- 2) Core expenses are expected to exceed revenues by approximately \$7,100.
- 3) The subscription program projects expenses in excess of revenues. Subscription 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. Seventy percent of the WEP project manager position cost and a portion of the project assistant position are paid for by the subscription programs but the cost of these positions is included in the Core Program. Thirty percent of the WEP project manager position and related office costs are paid for by RWA core dues beginning in FY19.

### **Designations/Restrictions**

- 1) The Operating fund is projected to be approximately six months at the end of FY19 assuming a 4% fee increase.
- 2) The designations and restrictions are broken out by type and subtotaled by core and subscription services. The total change in cash from Projected FY18 to Proposed FY19 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 FY19. The June 30, 2016 report estimates this amount at June 30, 2016 at approximately \$281,700 at a 7.0% discount rate, but doesn't reflect the FY17 \$42K additional payment. RWA anticipates additional pension contributions over the next four years (including FY19) to pay down this unfunded liability. Since RWA's budget



## 2018- 2019 FYE Budget Summary

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**Combined Core & Subscription Program Budget**

**Major Assumptions - See Budget notes for other Budget assumptions**

now anticipates making annual additional lump sum payments to pay down the unfunded liability, these payments should be coming from operating funds on an annual basis.

- 4) The Strategic Plan outlined hiring a legislative and regulatory manager to implement RWA's regional water voice on important water legislation that impacts members and the region. The Strategic Plan designation allowed RWA to hire a new staff position in FY 17. This designation will be drawn down over FY19 and FY20 to assist in transitioning the water policy advocate program to a core program.

### **FY17 Data sources**

The FY17 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 \$58,728 but no actual accounting revenue was recognized in FY17.

### **FY20 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 FY20, WEP is forecasted to be supported by RWA dues by 40%, 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 can expect to incur additional integrated water management costs which are forecasted to be approximately \$10K per year.
- 4) Dues are expected to increase significantly in FY20 and FY21 to support the transition of the government support program as well as support for the WEP program cost shift.



**2018 - 2019 FYE Budget Summary**

**Projected Fee Increase**

**4.00%**

**Summary Core only program - includes WEP staffing**

**See Budget Notes for Budget assumptions**

	Actual FY17	Budget FY18	Projected FY18	Proposed FY19	Comments
<b>Revenues</b>					
Dues	\$ 835,231	\$ 923,800	\$ 922,700	\$ 959,000	Increase to cover strategic plan staffing costs
SGA Service Fee	\$ 476,712	\$ 595,100	\$ 568,900	\$ 624,800	Based upon shared costs.
Subscription Programs					
WEP (C)	\$ 184,310	\$ 177,500	\$ 181,500	\$ 162,300	Cost reimbursement fees from WEP subscription program
Other (C)	\$ 94,406	\$ 95,400	\$ 72,600	\$ 88,600	Cost reimbursement fees from other subscription programs
Powerhouse Science Center - Members	\$ 58,728	\$ 60,000	\$ 59,000	\$ 60,000	Powerhouse Science Center - Member payment
Other	\$ 32,323	\$ 15,000	\$ 25,100	\$ 27,600	Interest, holiday social revenues
<b>Total Revenues</b>	<b>\$ 1,681,710</b>	<b>\$ 1,866,800</b>	<b>\$ 1,829,800</b>	<b>\$ 1,922,300</b>	
<b>Expenses</b>					
Staff	\$ 1,131,157	\$ 1,334,500	\$ 1,300,900	\$ 1,429,200	Includes 7 FTEs and CalPERS payment for unfunded liability in out years
Office	\$ 104,588	\$ 131,200	\$ 129,100	\$ 139,300	General 3% cost increases assumed unless specifically identified increase
Professional Fees	\$ 268,597	\$ 300,100	\$ 325,500	\$ 333,100	Audit, actuarial, PR, accounting, legal, IRWM, human resources, water advocacy
Core Project Expenses	\$ -	\$ 25,000	\$ 50,000	\$ 25,000	Powerhouse FY17 payment delayed to FY18. FY18 will reflect FY17 & FY18
Other	\$ 835	\$ 22,700	\$ 12,700	\$ 2,800	Office Furniture
<b>Total Expenses</b>	<b>\$ 1,505,177</b>	<b>\$ 1,813,500</b>	<b>\$ 1,818,200</b>	<b>\$ 1,929,400</b>	
<b>Core Revenue less Expenses (A)</b>	<b>\$ 176,533</b>	<b>\$ 53,300</b>	<b>\$ 11,600</b>	<b>\$ (7,100)</b>	Excludes Subscription programs. Positive result = core revenues < expenses; negative amount = expenses > revenues
<b>Cash, beginning</b>	<b>\$ 943,816</b>	<b>\$ 1,100,079</b>	<b>\$ 1,120,349</b>	<b>\$ 1,131,949</b>	
Source (Use) of Funds (A)	\$ 176,533	\$ 53,300	\$ 11,600	\$ (7,100)	
Net change	\$ 176,533	\$ 53,300	\$ 11,600	\$ (7,100)	
<b>Cash, ending</b>	<b>\$ 1,120,349</b>	<b>\$ 1,153,379</b>	<b>\$ 1,131,949</b>	<b>\$ 1,124,849</b>	
<b>DESIGNATIONS</b>					
Designations					
Operating Fund	\$ 505,400	\$ 582,200	\$ 628,100	\$ 671,000	\$ 42,900
Membership Dues Fund	\$ 123,900	\$ 137,200	\$ 137,200	\$ 142,700	\$ 5,500
Subscription Program Stabilization	\$ 28,400	\$ 27,300	\$ 25,400	\$ 25,100	\$ (300)
Pension Plan Unfunded Liability	\$ 42,000	\$ 45,000	\$ 45,000	\$ -	\$ (45,000)
Powerhouse Science Center	\$ 146,759	\$ 160,631	\$ 155,759	\$ 190,759	\$ 35,000
Strategic Plan Fund	\$ 199,748	\$ 101,048	\$ 109,748	\$ 90,648	\$ (19,100)
Non-designated cash	\$ 74,142	\$ 100,000	\$ 30,742	\$ 4,642	\$ (26,100)
<b>Subtotal core cash</b>	<b>\$ 1,120,349</b>	<b>\$ 1,153,379</b>	<b>\$ 1,131,949</b>	<b>\$ 1,124,849</b>	<b>\$ (7,100)</b>
					Increase (decrease) in Cash



**2018 - 2019 FYE Budget Summary**  
**Summary Program only**  
**See Program Notes for Budget Assumptions**

<b>Subscription Programs</b>		Actual FY17	Budget FY18	Projected FY18	Proposed FY19	
Revenues		\$ 6,994,077	\$ 12,651,200	\$ 6,222,600	\$ 7,418,600	Prop 84, IRWMP, Drought, Gov't Advocacy & WEP
Expenses - Direct Program		\$ 6,621,380	\$ 12,950,400	\$ 6,338,900	\$ 7,410,400	Prop 50, Prop 84, WEP, CalFed Meter Prog: Government Advocacy
WEP Expenses - Allocated Program	(C)	\$ 184,310	\$ 177,500	\$ 181,500	\$ 162,300	Prop 50, Prop 84, WEP, Government Advocacy
Other Expenses - Allocated Program	(C)	\$ 94,406	\$ 95,400	\$ 72,600	\$ 88,600	Staffing and office costs allocated to subscription programs - WEP
		\$ 6,900,096	\$ 13,223,300	\$ 6,593,000	\$ 7,661,300	Staffing and office costs allocated to other subscription programs
Net subscription income (loss)	(B)	\$ 93,981	\$ (572,100)	\$ (370,400)	\$ (242,700)	
<b>Cash, beginning</b>		\$ 902,321	\$ 1,052,024	\$ 1,239,173	\$ 868,773	
Source (Use) of Funds		\$ 93,981	\$ (572,100)	\$ (370,400)	\$ (242,700)	
Advance adjustments		\$ 242,871	\$ -	\$ -	\$ -	Adjusting for cash used versus accrual accounting of costs
<b>Cash, ending</b>		\$ 1,239,173	\$ 479,924	\$ 868,773	\$ 626,073	
						Increase (decrease) in Cash (FY18 to FY19)
<b>Restrictions and advances</b>						
2015 IRWM Grant (P84 Round 3)		\$ 20,949	\$ -	\$ 27,049	\$ 40,049	\$ 13,000
2015 IRWM Grant (WEP R3)		\$ 7,263	\$ -	\$ 7,263	\$ 7,263	\$ -
IRWM Update		\$ -	\$ -	\$ (40,000)	\$ -	\$ 40,000
Government Relations Contract Lobbyist		\$ 81,806	\$ 72,806	\$ 100,806	\$ 6	\$ (100,800)
Prop 84 Grant Management		\$ 86,572	\$ -	\$ 73,572	\$ 38,572	\$ (35,000)
Prop 50 Grant Management		\$ 11,415	\$ 5,739	\$ 9,415	\$ 7,415	\$ (2,000)
2014 Drought Management		\$ 37,199	\$ 60,053	\$ 37,199	\$ 17,699	\$ (19,500)
Water Energy Grant		\$ 500,000	\$ -	\$ 203,400	\$ 3,400	\$ (200,000)
Regional Reliability		\$ 86,143	\$ -	\$ 43	\$ 43	\$ -
SRCS D		\$ 2,325	\$ -	\$ 25	\$ (2,475)	\$ (2,500)
Water Efficiency Program - Cat 1		\$ 548,772	\$ 422,022	\$ 598,772	\$ 662,872	\$ 64,100
Water Efficiency Program - Cat 2		\$ (143,271)	\$ (80,696)	\$ (148,771)	\$ (148,771)	\$ -
		\$ 1,239,173	\$ 479,924	\$ 868,773	\$ 626,073	\$ (242,700)

Reconcile Summary Split to Summary Table		Projected FY18	Proposed FY19	
Core Program Income (Loss)	(A)	\$ 11,600 (A)	\$ (7,100)	
Subscription Program Income (loss)	(B)	\$ (370,400) (B)	\$ (242,700)	
<b>RWA Total</b>	(D)	\$ (358,800) (D)	\$ (249,800)	See Summary Combined Table



**2018 - 2019 FYE Budget Summary**  
**Projected Fee Increase 4.00%**  
**Combined Core & Subscription Program Budget**  
**See Budget and Program Notes for Budget Assumptions**

	Projected FY18	Proposed FY19	Change from Prior Year	Comments
<b>Revenues</b>				
Dues	\$ 922,700	\$ 959,000	\$ 36,300	Projected rate increase 4.00%
SGA Service Fee	\$ 568,900	\$ 624,800	\$ 55,900	Based upon shared costs
Powerhouse Science - RWA Members	\$ 59,000	\$ 60,000	\$ 1,000	Powerhouse Science Center collected from members over 5 years - last year of collection in FY19
Other	\$ 25,100	\$ 27,600	\$ 2,500	Interest, holiday social
Subscription Program	\$ 6,222,600	\$ 7,418,600	\$ 1,196,000	Prop 50, Prop 84, WEP, Legislative Advocacy, regional reliability, water energy
<b>Total Revenues</b>	<b>\$ 7,798,300</b>	<b>\$ 9,090,000</b>	<b>\$ 1,291,700</b>	
<b>Expenses</b>				
Staff	\$ 1,300,900	\$ 1,429,200	\$ 128,300	All staff costs, including additional pension plan liability payment
Office	\$ 129,100	\$ 139,300	\$ 10,200	General 3% cost increases assumed and some specific cost increases
Professional Fees	\$ 325,500	\$ 333,100	\$ 7,600	Audit, PR, accounting, legal, actuary, IRWM, human resources
Core Project Expenses	\$ 50,000	\$ 25,000	\$ (25,000)	Powerhouse Science Center
Other expenses	\$ 12,700	\$ 2,800	\$ (9,900)	Office equipment
Subscription Program	\$ 6,338,900	\$ 7,410,400	\$ 1,071,500	Prop 50, Prop 84, WEP, Legislative Advocacy, regional reliability, water energy grant
<b>Total Expenses</b>	<b>\$ 8,157,100</b>	<b>\$ 9,339,800</b>	<b>\$ 1,182,700</b>	
<b>Revenues net of Expenses (D)</b>	<b>\$ (358,800)</b>	<b>\$ (249,800)</b>	<b>\$ 109,000</b>	
<b>Cash, beginning</b>	<b>\$ 2,359,522</b>	<b>\$ 2,000,722</b>	<b>\$ (358,800)</b>	
Source (Use) of Funds	\$ (358,800)	\$ (249,800)	\$ 109,000	
<b>Cash, ending</b>	<b>\$ 2,000,722</b>	<b>\$ 1,750,922</b>	<b>\$ (249,800)</b>	
			Increase (decrease) in Cash	
<b>DESIGNATIONS/RESTRICTIONS/ADVANCES</b>				
<i>Designations</i>				
Operating Fund	\$ 628,100	\$ 671,000	\$ 42,900	
Membership Dues Fund	\$ 137,200	\$ 142,700	\$ 5,500	
Subscription Program Stabilization	\$ 25,400	\$ 25,100	\$ (300)	
Pension Plan Unfunded Liability	\$ 45,000	\$ -	\$ (45,000)	
Powerhouse Science Center	\$ 155,759	\$ 190,759	\$ 35,000	
Strategic Plan Fund	\$ 109,748	\$ 90,648	\$ (19,100)	
Non-designated cash	\$ 30,742	\$ 4,642	\$ (26,100)	
<b>Subtotal core cash</b>	<b>\$ 1,131,949</b>	<b>\$ 1,124,849</b>	<b>\$ (7,100)</b>	
<i>Restrictions and advances</i>				
2015 IRWM Grant (P84 R3)	\$ 27,049	\$ 40,049	\$ 13,000	
2015 IRWM Grant (WEP R3)	\$ 7,263	\$ 7,263	\$ -	
IRWM Update	\$ (40,000)	\$ -	\$ 40,000	
Prop 50 grant Management	\$ 9,415	\$ 7,415	\$ (2,000)	
Prop 84 Grant Management	\$ 73,572	\$ 38,572	\$ (35,000)	
2014 Drought Grant Management	\$ 37,199	\$ 17,699	\$ (19,500)	
Water Energy Grant	\$ 203,400	\$ 3,400	\$ (200,000)	
Regional Reliability	\$ 43	\$ 43	\$ -	
Government Relations Contract Lobbyist	\$ 100,806	\$ 6	\$ (100,800)	
SRCS D	\$ 25	\$ (2,475)	\$ (2,500)	
Water Efficiency Program - Cat 1	\$ 598,772	\$ 662,872	\$ 64,100	
Water Efficiency Program - Cat 2	\$ (148,771)	\$ (148,771)	\$ -	
<b>Subtotal program restrictions</b>	<b>\$ 868,773</b>	<b>\$ 626,073</b>	<b>\$ (242,700)</b>	
<b>Total Cash Designations/Restrictions</b>	<b>\$ 2,000,722</b>	<b>\$ 1,750,922</b>	<b>\$ (249,800)</b>	

% increase in fees: actual & projected FY19 general				4.00%		15.00%	22.00%	8.00%	5.00%
% increase in fees: actual & projected FY18 associate/affiliate		10.00%		10.00%		10.00%	10.00%	10.00%	
% increase in expenses		3.00%		3.00%		3.00%	3.00%	3.00%	3.00%
Total FTE	6	7		7		7	7	7	7
RWA FTE	3.8	4.8		4.8		4.8	4.8	4.8	4.8

**RWA PROPOSED FY' 2018-2019 BUDGET PROJECTION**

**5-Year Projection**

	RWA FY 17 Actual Per Audit	RWA FY 18 Budget	RWA FY 18 Actual at Dec. 2017	RWA Total FY 18 Projected		RWA FY 19 Budget	Notes		RWA Projected FY 20	RWA Projected FY 21	RWA Projected FY 22	RWA Projected FY 23
<b>ANNUAL REVENUES</b>			<b>rounded</b>									
<b>OPERATING REVENUES</b>												
General Assessments/Fees	\$ 784,911	\$ 863,500	\$ 863,500	\$ 863,500		\$ 897,800	1		\$ 1,032,500	\$ 1,259,700	\$ 1,360,500	\$ 1,428,500
Associate Membership Fee	\$ 41,320	\$ 51,300	\$ 51,300	\$ 51,300		\$ 53,300	2		\$ 53,300	\$ 53,300	\$ 53,300	\$ 53,300
Affiliate Membership Fee	\$ 9,000	\$ 9,000	\$ 7,875	\$ 7,900		\$ 7,900	3		\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900
SGA Service Agreement Fee	\$ 476,712	\$ 595,100	\$ 228,252	\$ 568,900		\$ 624,800	4		\$ 660,100	\$ 704,200	\$ 723,800	\$ 766,300
WEP Subscription Program	\$ 184,310	\$ 177,500	\$ 82,846	\$ 181,500		\$ 162,300	6		\$ 155,600	\$ 145,000	\$ 132,400	\$ 118,900
Subscription Program - other	\$ 94,406	\$ 95,400	\$ 46,200	\$ 72,600		\$ 88,600	6		\$ 45,500	\$ 16,000	\$ 11,000	\$ 1,000
Powerhouse Science Center - Members	\$ 58,728	\$ 60,000	\$ 58,994	\$ 59,000		\$ 60,000	7		\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	\$ 15,676	\$ 8,000	\$ 6,655	\$ 7,100		\$ 8,000	8		\$ 9,200	\$ 11,200	\$ 12,100	\$ 12,700
Interest Income	\$ 16,647	\$ 7,000	\$ 6,862	\$ 18,000		\$ 19,600	9		\$ 18,800	\$ 16,900	\$ 16,300	\$ 15,100
<b>TOTAL REVENUE</b>	<b>\$ 1,681,710</b>	<b>\$ 1,866,800</b>	<b>\$ 1,352,484</b>	<b>\$ 1,829,800</b>		<b>\$ 1,922,300</b>			<b>\$ 1,982,900</b>	<b>\$ 2,214,200</b>	<b>\$ 2,317,300</b>	<b>\$ 2,403,700</b>
<b>STAFF EXPENSES (General):</b>												
Staff Salaries/Wages - 100%	\$ 763,705	\$ 867,200	\$ 406,818	\$ 862,500		\$ 922,300	10		\$ 968,100	\$ 1,016,200	\$ 1,066,600	\$ 1,119,600
Benefits	\$ 250,213	\$ 325,900	\$ 97,919	\$ 297,400		\$ 333,100	11		\$ 360,400	\$ 392,600	\$ 421,700	\$ 445,700
Pension Plan Unfunded Liability	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000		\$ 63,000	12		\$ 63,000	\$ 63,000	\$ 63,000	\$ -
Payroll Taxes	\$ 50,790	\$ 69,400	\$ 23,470	\$ 69,000		\$ 73,800	13		\$ 77,400	\$ 81,300	\$ 85,300	\$ 89,600
Travel/Meals/Conferences	\$ 19,598	\$ 25,000	\$ 10,085	\$ 25,000		\$ 30,000	14		\$ 30,900	\$ 31,800	\$ 32,800	\$ 33,800
Professional Development/Training	\$ 4,851	\$ 5,000	\$ -	\$ 5,000		\$ 7,000	15		\$ 7,200	\$ 7,400	\$ 7,600	\$ 7,800
<b>TOTAL GENERAL STAFF EXPENSES</b>	<b>\$ 1,131,157</b>	<b>\$ 1,334,500</b>	<b>\$ 580,292</b>	<b>\$ 1,300,900</b>		<b>\$ 1,429,200</b>			<b>\$ 1,507,000</b>	<b>\$ 1,592,300</b>	<b>\$ 1,677,000</b>	<b>\$ 1,696,500</b>

% increase in fees: actual & projected FY19 general					4.00%			15.00%	22.00%	8.00%	5.00%	
% increase in fees: actual & projected FY18 associate/affiliate			10.00%		10.00%			10.00%	10.00%	10.00%		
% increase in expenses			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	
<b>RWA PROPOSED FY' 2018-2019 BUDGET PROJECTION</b>								<b>5-Year Projection</b>				
	RWA FY 17 Actual Per Audit	RWA FY 18 Budget	RWA FY 18 Actual at Dec. 2017	RWA Total FY 18 Projected		RWA FY 19 Budget	Notes		RWA Projected FY 20	RWA Projected FY 21	RWA Projected FY 22	RWA Projected FY 23
<b>OFFICE EXPENSES:</b>												
Rent & Utilities Contract	\$ 19,497	\$ 25,000	\$ 10,403	\$ 25,000		\$ 32,300	16		\$ 32,300	\$ 35,600	\$ 35,600	\$ 35,600
General Liability Insurance	\$ 24,813	\$ 25,800	\$ 25,729	\$ 25,900		\$ 26,500	17		\$ 27,300	\$ 28,100	\$ 28,900	\$ 29,800
Office Maintenance	\$ -	\$ 500	\$ -	\$ 500		\$ 500	18		\$ 600	\$ 700	\$ 800	\$ 900
Postage and Postal Meter	\$ 1,093	\$ 3,100	\$ 1,909	\$ 3,000		\$ 3,000	19		\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400
Telephone/internet/web hosting	\$ 11,173	\$ 12,000	\$ 5,047	\$ 12,300		\$ 12,700	20		\$ 13,100	\$ 13,500	\$ 13,900	\$ 14,300
Meetings & Annual Banquet	\$ 13,924	\$ 14,000	\$ 2,700	\$ 15,000		\$ 15,500	21		\$ 16,000	\$ 16,500	\$ 17,000	\$ 17,500
Printing/Supplies	\$ 15,401	\$ 27,200	\$ 6,786	\$ 20,000		\$ 20,600	23		\$ 21,200	\$ 21,800	\$ 22,500	\$ 23,200
Dues & Subscriptions	\$ 7,077	\$ 11,000	\$ 2,204	\$ 11,000		\$ 11,300	24		\$ 11,600	\$ 11,900	\$ 12,300	\$ 12,700
Computer hardware/software	\$ 4,379	\$ 5,400	\$ -	\$ 5,400		\$ 5,600	25		\$ 5,800	\$ 6,000	\$ 6,200	\$ 6,400
Computer maintenance	\$ 7,231	\$ 7,200	\$ 6,620	\$ 11,000		\$ 11,300	26		\$ 11,600	\$ 11,900	\$ 12,300	\$ 12,700
<b>TOTAL OFFICE EXPENSE</b>	<b>\$ 104,588</b>	<b>\$ 131,200</b>	<b>\$ 61,398</b>	<b>\$ 129,100</b>		<b>\$ 139,300</b>			<b>\$ 142,600</b>	<b>\$ 149,200</b>	<b>\$ 152,800</b>	<b>\$ 156,500</b>
<b>PROFESSIONAL FEES</b>												
RWA Legal	\$ 59,754	\$ 50,000	\$ 32,221	\$ 65,000		\$ 68,300	27		\$ 71,700	\$ 75,300	\$ 79,100	\$ 83,100
RWA/SGA Audit	\$ 20,250	\$ 23,000	\$ 350	\$ 21,400		\$ 32,000	28		\$ 33,600	\$ 35,300	\$ 37,100	\$ 39,000
ADP Payroll Services/banking	\$ 2,065	\$ 2,000	\$ 979	\$ 2,600		\$ 2,700	29		\$ 2,800	\$ 2,900	\$ 3,000	\$ 3,100
RWA Consultants	\$ 186,528	\$ 225,100	\$ 53,020	\$ 236,500		\$ 230,100	30		\$ 345,200	\$ 380,800	\$ 359,900	\$ 393,800
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 268,597</b>	<b>\$ 300,100</b>	<b>\$ 86,570</b>	<b>\$ 325,500</b>		<b>\$ 333,100</b>			<b>\$ 453,300</b>	<b>\$ 494,300</b>	<b>\$ 479,100</b>	<b>\$ 519,000</b>
<b>OTHER EXPENSES</b>			<b>\$ 42,612</b>									
Office furniture & Fixed Assets - Net	\$ 835	\$ 2,700	\$ 789	\$ 12,700		\$ 2,800	31		\$ 2,900	\$ 3,000	\$ 3,100	\$ 3,200
Office Move	\$ -	\$ 20,000	\$ -	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -
New Server	\$ -	\$ -	\$ -	\$ -		\$ -	31		\$ -	\$ 15,000	\$ -	\$ -
<b>TOTAL Other Expenses</b>	<b>\$ 835</b>	<b>\$ 22,700</b>	<b>\$ 789</b>	<b>\$ 12,700</b>		<b>\$ 2,800</b>			<b>\$ 2,900</b>	<b>\$ 18,000</b>	<b>\$ 3,100</b>	<b>\$ 3,200</b>
<b>CORE PROJECT EXPENSES</b>												
Powerhouse Science Center	\$ -	\$ 25,000	\$ -	\$ 50,000		\$ 25,000	32		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Total Core Project Expenses</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>		<b>\$ 25,000</b>			<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,505,177</b>	<b>\$ 1,813,500</b>	<b>\$ 729,049</b>	<b>\$ 1,818,200</b>		<b>\$ 1,929,400</b>	33		<b>\$ 2,130,800</b>	<b>\$ 2,278,800</b>	<b>\$ 2,337,000</b>	<b>\$ 2,400,200</b>
<b>Net Income (Loss) - Total</b>	<b>\$ 176,533</b>	<b>\$ 53,300</b>	<b>\$ 623,435</b>	<b>\$ 11,600</b>		<b>\$ (7,100)</b>	34		<b>\$ (147,900)</b>	<b>\$ (64,600)</b>	<b>\$ (19,700)</b>	<b>\$ 3,500</b>



% increase in fees: actual & projected FY19 general				4.00%		15.00%	22.00%	8.00%	5.00%
% increase in fees: actual & projected FY18 associate/affiliate		10.00%		10.00%		10.00%	10.00%	10.00%	
% increase in expenses		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
<b>RWA PROPOSED FY' 2018-2019 BUDGET PROJECTION</b>									
<b>5-Year Projection</b>									

	RWA FY 17 Actual Per Audit	RWA FY 18 Budget	RWA FY 18 Actual at Dec. 2017	RWA Total FY 18 Projected		RWA FY 19 Budget	Notes		RWA Projected FY 20	RWA Projected FY 21	RWA Projected FY 22	RWA Projected FY 23
<b>CALCULATED CASH RESERVES</b>												
CASH available, Beginning	\$ 943,816	\$ 1,100,079	\$ 1,120,349	\$ 1,120,349		\$ 1,131,949	35		\$ 1,124,849	\$ 976,949	\$ 912,349	\$ 892,649
SOURCE (USE) OF FUNDS	\$ 176,533	\$ 53,300	\$ 623,435	\$ 11,600		\$ (7,100)	34		\$ (147,900)	\$ (64,600)	\$ (19,700)	\$ 3,500
CASH available, Ending	\$ 1,120,349	\$ 1,153,379	\$ 1,743,784	\$ 1,131,949		\$ 1,124,849	36		\$ 976,949	\$ 912,349	\$ 892,649	\$ 896,149
Operating Fund (4 to 6 months)	\$ 505,400	\$ 582,200	\$ 243,000	\$ 628,100		\$ 671,000	37		\$ 628,200	\$ 558,500	\$ 550,500	\$ 571,100
Membership Dues Stabilization @ 15%	\$ 123,900	\$ 137,200	\$ 137,200	\$ 137,200		\$ 142,700	38		\$ 162,900	\$ 197,000	\$ 212,100	\$ 222,300
Subscription Progr. Stabilization @ 10%	\$ 28,400	\$ 27,300	\$ 27,300	\$ 25,400		\$ 25,100	39		\$ 20,100	\$ 16,100	\$ 14,300	\$ 12,000
Pension Plan Unfunded Liability	\$ 42,000	\$ 45,000	\$ 45,000	\$ 45,000		\$ -	40		\$ -	\$ -	\$ -	\$ -
Powerhouse Science Center Fund	\$ 146,759	\$ 160,631	\$ 205,753	\$ 155,759		\$ 190,759	41		\$ 165,759	\$ 140,759	\$ 115,759	\$ 90,759
Strategic Plan Fund	\$ 199,748	\$ 101,048	\$ -	\$ 109,748		\$ 90,648	42		\$ -	\$ -	\$ -	\$ -
Non-designated Cash	\$ 74,142	\$ 100,000	\$ 1,085,531	\$ 30,742		\$ 4,642	43		\$ (10)	\$ (10)	\$ (10)	\$ (10)
Total Cash in bank	\$ 1,120,349	\$ 1,153,379	\$ 1,743,784	\$ 1,131,949		\$ 1,124,849	36		\$ 976,949	\$ 912,349	\$ 892,649	\$ 896,149
# of months core + non-designated cash covers expenses	4.8	4.7		6.3		6.0	44		5.0	4.1	4.0	4.1

**RWA**  
**FY 2018-2019 BUDGET PROJECTION NOTES**  
**CORE ONLY**

- 1 Assumes a 4% increase in RWA general fees due to partially paying for the lobbyist program that will become a part of the core program as well as continued set aside of CalPERS unfunded liability for future payment.
- 2 There are now five associate members.
- 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 Not used
- 6 Represents projected cash/fees earned by RWA from managing subscription based programs. The WEP subscription component represents fees that cover staffing, benefits, and office overhead costs and is projected to decrease its contribution to the CORE program over time as the cost of funding the WEP manager and related office costs is shifting incrementally at 10% per year. For FY19, RWA is projecting a 30% shift of costs being paid by RWA Core dues.
- 7 The Powerhouse Science Center will be a premier venue for science education and information in northern California. The Regional Water Authority was presented with a unique opportunity to become a partner with the Center in informing and educating the public on water issues that affect our region. RWA entered into a 15-year agreement with the Center to sponsor and guide the content development for two exhibits (\$250K each). The payments were collected from members and placed in a designation and will be paid out over 15 years. The California Water Awareness Campaign 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. Includes back payment from El Dorado County Water Agency.
- 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 2018-2019 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 the compensation survey amounts approved by the RWA Board. It also will include shifting the last 1% to the employees so that employees pay their entire CalPERS contribution of 7%.
- 11 Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for the seven staff members. FY 2019 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. In FY18, a salary compensation study was completed and included the employees paying their 7% share of CalPERS contribution.
- 12 Represents the estimated 100% payment of the allocated unfunded pension liability to RWA over four years, with an installment payment in FY2019. This budget reflects continued additional annual down payments to pay down this unfunded liability at a 7.0% discount rate. 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 The current lease expires in FY18. The RWA Board approved a new lease that will start in August, 2018. The lease terms includes two years at \$1.00 square foot and increases for three years at \$1.10 square foot.
- 17 Property and liability coverage obtained through ACWA JPIA.
- 18 Includes costs for office maintenance needs.
- 19 Reflects mailing activities and cost of postage machine rental.
- 20 Includes telephone and conference call costs, web hosting for the website and internet service costs.
- 21 Miscellaneous meeting charges including food/refreshments. In house preparation of refreshments for board meetings has lowered the expenses in this category compared to prior years. Includes cost of the annual holiday social event.

**RWA**  
**FY 2018-2019 BUDGET PROJECTION NOTES**  
**CORE ONLY**

- 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, the Capitol Morning Report and Sacramento Bee.
- 25 Acquisition of new hardware/software to replace aging and out-of-date components.
- 26 General computer maintenance service. A new contract was signed to include cloud back up replacing the tape back up system. This coverage is needed because it is more secure and will reduce downtime if something happens to the server.
- 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.
- 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. The audit costs will increase.
- 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, water policy advocacy, and actuarial valuations (GASB 68 and 75).
- 31 Includes furniture and office equipment. Anticipates a possible replacement of the server in FY21.
- 32 Reflects expected annual payment to Powerhouse science center. RWA negotiated a new contract with the PH and includes a \$50k payment in FY 18 (\$25K for FY 2017 and \$25K for FY18). Payments will continue at \$25K per year. (15 years total)
- 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.

**RWA**  
**FY 2018-2019 BUDGET PROJECTION NOTES**  
**CORE ONLY**

- 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 net of SGA expected reimbursements (approximately 90%), not including Core Project expenses and non-recurring one-time expense. For FY16 through FY17, the operating designation was set at a maximum of 4 months in order to fund the Strategic Plan Fund designation.
- 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 \$281,700 at 7.0% based upon CalPERS June 30, 2016 report and doesn't factor in the FY17 \$42K additional payment. This unfunded liability represents 100% of RWA's liability. According to Policy 500.15, RWA will now budget to pay the unfunded liability over a four year period using the latest data available from CalPERS valuation reports. Previously, RWA had approximated additional payments over a longer time horizon (approximately 10 years due to anticipated decreases in discount rates).
- 41 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).
- 42 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 program has proved to be successful and is now staffed by a full-time person to fully implement the strategic plan goals. This designation will be drawn down by the end of FY20 and will be used to fund the second half of FY19 and the remainder in FY20 to help pay for the water advocacy consultant fees which will now be a core program mid FY19.

**RWA**  
**FY 2018-2019 BUDGET PROJECTION NOTES**  
**CORE ONLY**

- 43 Represents cash over and above designation policies, if any.
- 44 Per policy, the target range for this fund is four to six months of operating expenses net of SGA reimbursements, and does not include Core Project expenses and one-time non-recurring costs. In anticipation of fully implementing the strategic plan and funding the water policy position in future years, the operating designation maximum for FY16-17 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 FY20.

Regional Water Authority See Budget Projection Notes for Budget Assumptions				FY' 2018-2019 Program Budget Projection								
	RWA FY 17 Actual	RWA FY 18 Budget	RWA FY 18 Dec. 2017	RWA Total FY 18		FY 19 Proposed Budget	Notes		Projected FY 20	Projected FY 21	Projected FY 22	Projected FY 23
<b>REVENUES/GRANTS/AGREEMENTS</b>												
Proposition 50 Grant Management Fees	\$ 14,239	\$ -	\$ -	\$ -		\$ -	1,2		\$ -	\$ -	\$ -	\$ -
Prop. 50 Grant Awards	\$ 377,629	\$ -	\$ -	\$ -		\$ -	2		\$ -	\$ -	\$ -	\$ -
2018 IRWM Update				\$ 190,000		\$ 60,000			\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (RWA R3)	\$ -	\$ 657,000	\$ -	\$ 205,500		\$ 657,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management Fees (RWA R3)	\$ 10,893	\$ 20,000	\$ 3,271	\$ 21,100		\$ 28,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (WEP R3)	\$ 238,226	\$ 611,000	\$ -	\$ 200,000		\$ 500,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management Fees (WEP R3)	\$ 2,165	\$ 8,600	\$ -	\$ 3,800		\$ 7,600	3		\$ -	\$ -	\$ -	\$ -
Regional Reliability Plan Management Fees	\$ 298,997	\$ 350,000	\$ 88,460	\$ 88,500		\$ -	4		\$ -	\$ -	\$ -	\$ -
2014 Drought Application Fees	\$ 118	\$ -	\$ -	\$ -		\$ -	5		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Management Fees	\$ 5,469	\$ 46,000	\$ -	\$ 15,300		\$ 11,500	6		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Reimbursements from DWR	\$ 1,113,031	\$ 3,400,500	\$ -	\$ 371,800		\$ 2,209,000	7		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Management Fees	\$ -	\$ 10,100	\$ -	\$ 28,900		\$ -	8		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Reimbursements DWR	\$ 807,916	\$ 1,212,800	\$ 847,154	\$ 1,740,600		\$ -	9		\$ -	\$ -	\$ -	\$ -
Proposition 84 Grant Management	\$ 25,518	\$ 12,000	\$ -	\$ -		\$ -	10		\$ -	\$ -	\$ -	\$ -
Proposition 84 Reimbursements from DWR	\$ 2,849,653	\$ 5,400,000	\$ 447,188	\$ 2,536,000		\$ 3,143,500	11		\$ -	\$ -	\$ -	\$ -
USBR CalFed Meter 2014 fees	\$ 4,390	\$ -	\$ -	\$ -		\$ -	13		\$ -	\$ -	\$ -	\$ -
USBR CalFed WaterSmart Meter 2014 Fees	\$ 3,830	\$ -	\$ -	\$ -		\$ -	14		\$ -	\$ -	\$ -	\$ -
USBR CalFed Retrofits 2014 Fees	\$ 207,262	\$ -	\$ -	\$ -		\$ -	15		\$ -	\$ -	\$ -	\$ -
American River Basin (ARB Plan of Study)	\$ 30,000	\$ -	\$ -	\$ -		\$ -	16		\$ -	\$ -	\$ -	\$ -
Labor Compliance Revenues	\$ 71,079	\$ -	\$ 15,149	\$ 15,100		\$ -	17		\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist Fees	\$ 120,000	\$ 120,000	\$ 21,000	\$ 154,000		\$ -	19		\$ -	\$ -	\$ -	\$ -
Water Efficiency Program Admin. Fees (Cat.1)	\$ 450,727	\$ 453,200	\$ 451,964	\$ 452,000		\$ 452,000	20		\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000
Water Efficiency Grant Revenues (Cat. 2)	\$ 358,860	\$ 350,000	\$ 58,719	\$ 200,000		\$ 350,000	21		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Water Efficiency Program Admin. Fees (Cat. 2)	\$ 4,075	\$ -	\$ -	\$ -		\$ -	21		\$ -	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM REVENUE</b>	<b>\$ 6,994,077</b>	<b>\$ 12,651,200</b>	<b>\$ 1,932,905</b>	<b>\$ 6,222,600</b>		<b>\$ 7,418,600</b>			<b>\$ 802,000</b>	<b>\$ 802,000</b>	<b>\$ 802,000</b>	<b>\$ 802,000</b>
<b>PROGRAM EXPENSES</b>												
Proposition 50 Grant Management	\$ 7,074	\$ -	\$ -	\$ 2,000		\$ 2,000	1,2		\$ -	\$ -	\$ -	\$ -
Prop. 50 Grant Payments	\$ 377,629	\$ -	\$ -	\$ -		\$ -	2		\$ -	\$ -	\$ -	\$ -
2018 IRWM Update Expenses	\$ 9,587		\$ 7,677	\$ 230,000		\$ 20,000			\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (RWA R3)	\$ -	\$ 657,000	\$ -	\$ 205,500		\$ 657,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Management (RWA R3)	\$ -	\$ -	\$ -	\$ -		\$ -	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Pass Through (WEP R3)	\$ 46,088	\$ 611,000	\$ -	\$ 200,000		\$ 500,000	3		\$ -	\$ -	\$ -	\$ -
2015 IRWM Grant Manage Expenses (WEP R3)	\$ 132,874	\$ 7,500	\$ -	\$ -		\$ -	3		\$ -	\$ -	\$ -	\$ -
Regional Reliability Plan Direct Expenses	\$ 307,389	\$ 400,000	\$ 84,352	\$ 174,600		\$ -	4		\$ -	\$ -	\$ -	\$ -
2014 Drought Application	\$ -	\$ -	\$ -	\$ -		\$ -	5		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Management	\$ 31	\$ -	\$ 16	\$ -		\$ -	6		\$ -	\$ -	\$ -	\$ -
2014 Drought Grant Disbursements from DWR	\$ 1,099,472	\$ 3,400,500	\$ -	\$ 371,800		\$ 2,209,000	7		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Management	\$ -	\$ 568,400	\$ 15	\$ 300,000		\$ 200,000	8		\$ -	\$ -	\$ -	\$ -
2014 Water Energy Grant Reimbursements DWR	\$ 830,612	\$ 1,212,800	\$ 1,153,379	\$ 1,740,600		\$ -	9		\$ -	\$ -	\$ -	\$ -
Proposition 84 implementation Grant Management	\$ 31	\$ -	\$ 47	\$ -		\$ -	10		\$ -	\$ -	\$ -	\$ -
Proposition 84 payments to Member Agencies	\$ 2,849,653	\$ 5,400,000	\$ 447,188	\$ 2,536,000		\$ 3,143,500	11		\$ -	\$ -	\$ -	\$ -
USBR CalFed Meter 2014	\$ 840	\$ -	\$ -	\$ -		\$ -	13		\$ -	\$ -	\$ -	\$ -
USBR CalFed WaterSmart Meter 2014	\$ 280	\$ -	\$ -	\$ -		\$ -	14		\$ -	\$ -	\$ -	\$ -

<b>Regional Water Authority</b> See Budget Projection Notes for Budget Assumptions				<b>FY' 2018-2019 Program Budget Projection</b>								
	<b>RWA</b>	<b>RWA</b>	<b>RWA</b>	<b>RWA</b>		<b>FY 19</b>	<b>Notes</b>		<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>FY 17</b>	<b>FY 18</b>	<b>FY 18</b>	<b>Total</b>		<b>Proposed</b>			<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
USBR CalFed Retrofits 2014	\$ 203,718	\$ -	\$ -	\$ -		\$ -	15		\$ -	\$ -	\$ -	\$ -
American River Basin (ARB Plan of Study)	\$ 29,716	\$ -	\$ -	\$ -		\$ -	16		\$ -	\$ -	\$ -	\$ -
Labor Compliance Expenses	\$ 71,079	\$ -	\$ 15,149	\$ 15,100		\$ -	17		\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist & Fees	\$ 120,000	\$ 120,000	\$ 75,000	\$ 135,000		\$ 100,800	19		\$ -	\$ -	\$ -	\$ -
Water Efficiency Program Admin. (Cat.1)	\$ 171,448	\$ 223,200	\$ 51,300	\$ 228,300		\$ 228,100	20		\$ 225,200	\$ 218,600	\$ 210,300	\$ 201,300
Water Efficiency Grant Payments (Cat. 2)	\$ 363,859	\$ 350,000	\$ 156,600	\$ 200,000		\$ 350,000	21		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Staffing and Office Program Management	\$ 278,716	\$ 272,900	\$ 129,046	\$ 254,100		\$ 250,900	22		\$ 201,100	\$ 161,000	\$ 143,400	\$ 119,900
<b>TOTAL PROGRAM EXPENSES</b>	<b>\$ 6,900,096</b>	<b>\$ 13,223,300</b>	<b>\$ 2,119,769</b>	<b>\$ 6,593,000</b>		<b>\$ 7,661,300</b>			<b>\$ 776,300</b>	<b>\$ 729,600</b>	<b>\$ 703,700</b>	<b>\$ 671,200</b>
<b>Net Income (Loss)</b>	<b>\$ 93,981</b>	<b>\$ (572,100)</b>	<b>\$ (186,864)</b>	<b>\$ (370,400)</b>		<b>\$ (242,700)</b>	23		<b>\$ 25,700</b>	<b>\$ 72,400</b>	<b>\$ 98,300</b>	<b>\$ 130,800</b>



Regional Water Authority See Budget Projection Notes for Budget Assumptions				FY' 2018-2019 Program Budget Projection								
	RWA FY 17	RWA FY 18	RWA FY 18	RWA Total		FY 19 Proposed	Notes		Projected FY 20	Projected FY 21	Projected FY 22	Projected FY 23
<b>CASH RESERVES</b>												
Beginning reserves	\$ 902,321	\$ 1,052,024	\$ 1,239,173	\$ 1,239,173		\$ 868,773	24		\$ 626,073	\$ 651,773	\$ 724,173	\$ 822,473
<b>SOURCE (USE) OF FUNDS</b>	\$ 93,981	\$ (572,100)	\$ (186,864)	\$ (370,400)		\$ (242,700)	23		\$ 25,700	\$ 72,400	\$ 98,300	\$ 130,800
ADVANCE ADJUSTMENTS	\$ 242,871	\$ -	\$ -	\$ -		\$ -	25		\$ -	\$ -	\$ -	\$ -
<b>CASH RESERVES, Ending</b>	<b>\$ 1,239,173</b>	<b>\$ 479,924</b>	<b>\$ 1,052,309</b>	<b>\$ 868,773</b>		<b>\$ 626,073</b>	<b>26</b>		<b>\$ 651,773</b>	<b>\$ 724,173</b>	<b>\$ 822,473</b>	<b>\$ 953,273</b>
<b>Subscription Program Designations/Advanced Revenues</b>												
Water Efficiency Program - Category 1	\$ 548,772	\$ 422,022	\$ 870,436	\$ 598,772		\$ 662,872	27		\$ 736,572	\$ 827,472	\$ 939,272	\$ 1,073,572
Water Efficiency Program - Category 2	\$ (143,271)	\$ (80,696)	\$ (243,873)	\$ (148,771)		\$ (148,771)	27		\$ (148,771)	\$ (148,771)	\$ (148,771)	\$ (148,771)
<b>Subtotal - Designations</b>	<b>\$ 405,501</b>	<b>\$ 341,326</b>	<b>\$ 626,563</b>	<b>\$ 450,001</b>		<b>\$ 514,101</b>	<b>26</b>		<b>\$ 587,801</b>	<b>\$ 678,701</b>	<b>\$ 790,501</b>	<b>\$ 924,801</b>
<b>Advanced Revenues (recognized as income when expenses are incurred)</b>												
2015 IRWM Grant (RWA R3)	\$ 20,949	\$ -	\$ 20,949	\$ 27,049		\$ 40,049			\$ 25,049	\$ 10,049	\$ 49	\$ 49
2015 IRWM Grant (WEP R3)	\$ 7,263	\$ -	\$ 6,693	\$ 7,263		\$ 7,263			\$ 7,263	\$ 7,263	\$ 7,263	\$ 7,263
2018 IRWMP Update			\$ (7,677)	\$ (40,000)		\$ -			\$ -	\$ -	\$ -	\$ -
Government Relations Contract Lobbyist	\$ 81,806	\$ 72,806	\$ 27,806	\$ 100,806		\$ 6			\$ 6	\$ 6	\$ 6	\$ 6
Prop 84 Grant Management	\$ 86,572	\$ -	\$ 77,590	\$ 73,572		\$ 38,572			\$ 9,072	\$ 9,072	\$ 9,072	\$ 9,072
Prop 50 Grant Management	\$ 11,415	\$ 5,739	\$ 11,415	\$ 9,415		\$ 7,415			\$ 6,415	\$ 5,415	\$ 4,415	\$ 3,415
2014 Drought Management	\$ 37,199	\$ 60,053	\$ 24,758	\$ 37,199		\$ 17,699			\$ 17,699	\$ 17,699	\$ 17,699	\$ 17,699
2014 Water Energy	\$ 500,000	\$ -	\$ 172,761	\$ 203,400		\$ 3,400			\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400
Regional Reliability Plan	\$ 86,143	\$ -	\$ 90,251	\$ 43		\$ 43			\$ 43	\$ 43	\$ 43	\$ 43
SRCSD	\$ 2,325	\$ -	\$ 1,200	\$ 25		\$ (2,475)			\$ (4,975)	\$ (7,475)	\$ (9,975)	\$ (12,475)
<b>Subtotal - Advances</b>	<b>\$ 833,672</b>	<b>\$ 138,598</b>	<b>\$ 425,746</b>	<b>\$ 418,772</b>		<b>\$ 111,972</b>	<b>28</b>		<b>\$ 63,972</b>	<b>\$ 45,472</b>	<b>\$ 31,972</b>	<b>\$ 28,472</b>
<b>Total</b>	<b>\$ 1,239,173</b>	<b>\$ 479,924</b>	<b>\$ 1,052,309</b>	<b>\$ 868,773</b>		<b>\$ 626,073</b>			<b>\$ 651,773</b>	<b>\$ 724,173</b>	<b>\$ 822,473</b>	<b>\$ 953,273</b>

**RWA PROGRAM**  
**FY 2018-2019 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 RWA was awarded the IRWM 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 the grant is expected to be completed in FY19.
- 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. Fees of \$300,000 will be returned to participants in FY18 and the remaining \$200,000 are projected to be returned in FY19.
- 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 Not used
- 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 was 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 was 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 was 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 was 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 was for \$300,000 and was 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 acted 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 was 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 Not used
- 19 Represents the program to hire a contract water advocate consultant to help with state legislative issues. This program will be moved to RWA core and will use the remaining funds from the Strategic Plan through FY20.
- 20 Anticipated revenues and direct costs for the program from the Water Efficiency (WEP) Program for Category I. WEP budget still under development.
- 21 WEP Category II revenue and expenses are projected for WEP Prop 84 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 70% and the project assistant at 60% time, for a total of 1.3 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 2018-2019 Fee Schedule

## RWA Annual Dues - Updated Connections

Fee increase:

4.00%

Agency	Type	2017-2018 Annual Dues (A)	Proposed RWA 2018-2019 Annual Dues using updated Connections (B)	Powerhouse Science Center (PSC)
California American Water	Large	\$ 67,811	\$ 70,523	\$ 4,885
Carmichael Water District	Medium	\$ 23,035	\$ 23,721	\$ 1,842
Citrus Heights Water District	Medium	\$ 39,152	\$ 40,401	\$ 3,178
City of Folsom	Medium	\$ 40,460	\$ 42,029	\$ 3,038
City of Lincoln	Medium	\$ 35,427	\$ 37,590	\$ 1,620
City of Roseville	Large	\$ 67,811	\$ 70,523	\$ 4,885
City of Sacramento/Dept. of Utilities	Large	\$ 67,811	\$ 70,523	\$ 4,885
City of West Sacramento	Medium	\$ 29,672	\$ 30,495	\$ 1,908
City of Yuba City	Medium	\$ 36,744	\$ 38,026	\$ 2,824
Del Paso Manor Water District	Small	\$ 5,847	\$ 6,081	\$ 415
El Dorado Irrigation District	Large	\$ 67,811	\$ 70,523	\$ 4,885
Elk Grove Water District	Medium	\$ 24,233	\$ 25,590	\$ 1,754
Fair Oaks Water District	Medium	\$ 27,566	\$ 28,392	\$ 2,190
Golden State Water Company	Medium	\$ 32,958	\$ 34,303	\$ 2,414
Orange Vale Water Company	Small	\$ 8,693	\$ 9,041	\$ 626
Placer County Water Agency	Large	\$ 67,811	\$ 70,523	\$ 4,885
Rancho Murrieta CSD	Small	\$ 8,570	\$ 8,937	\$ 618
Rio Linda/Elverta Water District	Small	\$ 8,693	\$ 9,041	\$ 626
Sacramento County Water Agency	Large	\$ 67,811	\$ 70,523	\$ 4,885
Sacramento Suburban Water District	Large	\$ 67,811	\$ 70,523	\$ 4,885
San Juan Water District (10,687 FY18; 10,667 FY17)	Large	\$ 67,811	\$ 70,523	\$ 1,733
<b>TOTALS</b>		<b>\$ 863,535</b>	<b>\$ 897,834</b>	<b>\$ 58,981</b>

RWA Associate Members	2017-2018 Annual Dues	2018-2019 Annual Dues	PSC
Placer County	\$ 12,900	\$ 13,400	\$ 1,340
El Dorado County Water Agency	\$ 5,200	\$ 5,400	\$ 537
Sacramento Area Flood Control Agency	\$ 7,400	\$ 7,700	\$ 756
Sacramento Municipal Utilities District	\$ 12,900	\$ 13,400	\$ 1,340
SRCS	\$ 12,900	\$ 13,400	\$ 1,340
<b>ASSOCIATE MEMBER TOTALS</b>	<b>\$ 51,300</b>	<b>\$ 53,300</b>	<b>\$ 5,313</b>

**Notes:**

- (1) Retail connection are used to scale the agency size. Information derived from information received from members.
- (2) All agencies fees for FY 2018 rates represent an increase in total dues from FY2017. When comparing combined fees with water policy subscription fees, any agencies that previously funded this effort will pay less in total for FY18 than FY17.
- (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.
- (4) RWA Associates pay an annual fee equal to 0.1% of the entity's annual operating budget, rounded up to the next even thousand dollars.

**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 (6) FY19 last year to collect Powerhouse program.