



Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



Regional Water Authority

Fiscal Year 2019-20 Budget

January 23, 2019



Overview

- Benefits of RWA Membership
- Strategic Plan Implementation
- Water Efficiency Program (WEP) Manager Cost Shift
- Powerhouse Science Center
- Associate Member Dues
- Succession Plan
- Additional Unfunded Pension Plan Funding
- Timeline
- Questions and Discussion



Benefits of RWA Membership

- Forum for Regional Collaboration on Water Policy and Projects
- Venue for Information Sharing
- Regional Voice/Presence on Statewide Issues
- Legislative/Regulatory Representation
- Facilitate Regional Planning
- Regional Implementation of Projects and Programs
- Collaborative savings (chemicals, labor compliance)
- Successful model for grant funding

Strategic Plan Implementation and Funding

- In FY17, RWA transitioned to a full-time staffing for a legislative/regulatory position
 - Funding from Strategic Plan in FY18; Core dues in FY19
- In 2018, RWA Board voted to fund the lobbyist as a core program
- Funding shifts over time to Core Dues

Sources	FY18	FY19	FY20	FY21
Subscription Program Dues ~ FY 18 balance \$86,800	\$135,000	\$60,000		
Strategic Plan Fund ~ FY 18 balance \$109,700		\$60,000	\$49,700	
Core Dues			\$70,300	\$120,000
Expenses	\$135,000	\$120,000	\$120,000	\$120,000



Water Efficiency Program (WEP)

The WEP program manager has been assisting with RWA core functions

- State Water Board emergency regulations
- Water supply data collection/analysis
- Water Energy study
- RWA annual report
- SB606/AB1668 Compliance

FY17 Budget began shifting 10% per year of WEP staffing and office costs to be paid by RWA core program.

- Recognizing that water efficiency is a core function of RWA
- WEP is a focused subscription program
- Increases core dues over time
- Decreases WEP's need for increases in fees, unless WEP spends this savings on additional programs
- Shift oversight to RWA Board
- Core expected to pay 40% of WEP in FY20
- FY21 - @ 50%. Is this the balance point?





Powerhouse Science Center

- RWA entered into an agreement with the Powerhouse Science Center
 - Science education and information in Northern California
 - Money collected from agencies over 5 years and placed in designation
 - Additional members yielded \$13K additional funds
 - Overage will be credited on FY20 invoice?
 - Payments will be made over 15 years

Associate Member Dues

- Associate member Dues
 - No voting
 - No greater than 3% increase?



Succession Planning

- Upcoming retirement in FY20
- Overlapping salaries during transition
- Finance Manager at Tier 2
- Budget for Executive Director salary
- Set aside designation for succession planning?

RWA's Unfunded Pension Liability

- Budget follows Policy 500.15
- Improvement due to market performances @ 6.30.17
- CalPERS 7.26.18 letter estimates 6.30.19 balance at \$58,000 (after FY19 \$63K payment)
- Faster funding does create volatility from year to year. Could be higher in FY21.

	Based on FY19 Budget	Proposed Budget	Difference
FY20	\$63,000	\$15,000	-\$48,000
FY21	\$63,000	\$15,000	-\$48,000
FY22	\$63,000	\$15,000	-\$48,000
FY23	<u>\$ -0-</u>	<u>\$15,000</u>	<u>\$15,000</u>
Total	<u>\$189,000</u>	<u>\$60,000</u>	<u>-\$129,000</u>



Dues Increase Projection

- FY 19 budgeting projected 15% increase for FY 20
- FY 18 costs below projections
 - Advocacy position vacant until November
 - Legal, PR below estimates
 - IRWM costs funded by subscription versus core
- FY 20 Budget – Tentatively projected dues increase – 5%

Timeline

Date	Action
February 27, 2019	Draft budget to the EC
March 14, 2019	Draft budget to RWA Board for possible adoption
March 27, 2019 April 24, 2109	Budget back to EC if not adopted
May 2, 2019	Budget to RWA Board for adoption



Questions and Discussion