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

<table>
<thead>
<tr>
<th>Sources</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Program Dues ~ FY 18 balance $86,800</td>
<td>$135,000</td>
<td>$60,000</td>
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<tr>
<td>Strategic Plan Fund ~ FY 18 balance $109,700</td>
<td>$60,000</td>
<td>$49,700</td>
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<tr>
<td>Core Dues</td>
<td></td>
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<td>$70,300</td>
<td>$120,000</td>
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<td>Expenses</td>
<td>$135,000</td>
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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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Based on FY19 Budget</th>
<th>Proposed Budget</th>
<th>Difference</th>
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<tbody>
<tr>
<td>FY20</td>
<td>$63,000</td>
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<tr>
<td>FY21</td>
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<tr>
<td>FY22</td>
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<tr>
<td>FY23</td>
<td>$ -0-</td>
<td>$15,000</td>
<td>$15,000</td>
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<tr>
<td>Total</td>
<td>$189,000</td>
<td>$60,000</td>
<td>-$129,000</td>
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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

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>February 27, 2019</td>
<td>Draft budget to the EC</td>
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<tr>
<td>March 14, 2019</td>
<td>Draft budget to RWA Board for possible adoption</td>
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<tr>
<td>March 27, 2019</td>
<td>Budget back to EC if not adopted</td>
</tr>
<tr>
<td>April 24, 2109</td>
<td>Budget back to EC if not adopted</td>
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<tr>
<td>May 2, 2019</td>
<td>Budget to RWA Board for adoption</td>
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Questions and Discussion