



Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



Regional Water Authority

Fiscal Year 20 Budget

March 14, 2019

Overview

- Benefits of RWA Membership
- Proposed Member Dues
- Proposed Associate Member Dues
- Significant Historical Assumptions
- Other drivers for this year's budget and fees
 - Strategic Plan Implementation and Funding
 - RWA's Unfunded Pension Plan Funding
 - Water Efficiency Program (WEP) Manager Cost Shift
 - Powerhouse Science Center
 - Succession Planning
- Timeline



Benefits of RWA Membership

- Forum for Regional Collaboration on All Things Water
- 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

Proposed Member Dues

- FY20 Budget – Projected dues increase – 5%
 - FY19 budgeting projected 15% increase for FY 20
- FY18 costs below projections (\$107,500 > cash balance)
 - Advocacy position vacant until November
 - Legal, Public Relations below estimates
- FY21, FY22 and FY23 projected at 18%, 17% and 15%, respectively
 - Delayed increase may result in higher increases in out years



Proposed Associate Member Dues

- Associate member Dues – 3% increase
 - No voting
 - Executive Committee recommended the lesser of RWA annual dues increase or 3%



Significant Historical Assumptions

- SGA shares 50% in common office/admin costs
 - SGA pays its own PERS
- Administrative 4.8 FTEs for RWA (of 7)
 - Salaries within range of salary survey plus potential for COLA (2%) and merit (4%)
 - Consulting HR support
- Approving budget does not approve subscription based programs
 - Subscription programs help support RWA core costs – 10% in FY19
- Assumes no change in membership

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 - \$70,300 in FY20
 - 100% funding from core in FY21

Sources	FY19	FY20	FY21
Lobby Subscription Program Fund	\$60,000		
Strategic Plan Fund	\$60,000	\$49,700	
Core Dues		\$70,300	\$120,000
Expenses	\$120,000	\$120,000	\$120,000

RWA's Unfunded Pension Plan Funding

- Budget follows Policy 500.15
- Lower payments due to favorable market performance @ 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>



Water Efficiency Program (WEP)

The WEP program manager assists RWA core functions

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

Continue shifting 10% per year of WEP staffing and office costs to be paid by RWA core program

- Core to pay 40% of WEP in FY20; cap at 50% in FY21
- Increases core dues over time
- Recognizing that water efficiency is a core function of RWA
 - WEP may spend savings on additional programs or reduce fees



Powerhouse Science Center

- RWA sponsoring
 - Science education and information in Northern California
 - Money collected from agencies over 5 years and placed in designation
 - Payments will be made over 15 years
 - New members yielded \$13K additional funds
 - Overage will be credited on FY20 invoice



Succession Planning

- Upcoming retirement in FY20
- Uncertainty in salary and benefits for FY20
 - Finance Manager at Tier 2? Not included in budget
- Overlapping salaries during transition
 - Budgeted approximately \$20K in one-time transition costs for FY20
 - If unused, will be set aside in succession planning fund
- Budgeted Executive Director at present salary

Timeline

Date	Action
March 14, 2019	Draft budget 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