Overview

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- Proposed Associate Member Dues
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Proposed Dues Increase

- FY 21 Budget – Projected dues increase – 7%
  - FY 20 budgeting projected 18% increase for FY 21

- FY 19 costs below projections ($290,700>cash)
  - Executive Director vacancy for four months
  - Office and Admin expenses below estimates
  - Increased interest income

- FY 20 budget below projections ($125,458 improvement)
  - Staffing and Admin expenses below estimates
  - Increased Subscription Program Revenues
  - Increased interest income

- FY 22, 23, 24 and 25 projected at 7% annually for baseline projection.
Proposed Associate Member Dues

• Associate member Dues – 3% increase
  – No voting
  – Lesser of RWA annual dues or 3%, whichever is lower

• No change in Affiliate Dues
Budget Assumptions

• SGA shares 50% in common office/admin costs
  – SGA pays its own PERS

• Administrative 4.7 FTEs for RWA (of 7.5)
  – Salaries within range of salary survey plus potential for COLA (2%) and merit (4%)
  – SGA pays for .5 FTE annuitant and .10 FTE of Legislative and Regulatory Manager position

• Approving budget does not approve subscription based programs
  – Subscription programs help support RWA core costs by 10%

• Assumes no change in membership
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

Delayed shifting of additional 10% per year of WEP staffing and office costs

- Core expected to pay 50% of WEP in FY21 at the cap
- FY21 Proposed Budget to pay 40%
- WEP projected increase is estimated at 3% in FY21
  - Subject to Committee approval
  - WEP’s last increase was in 2018
RWA’s Unfunded Pension Plan Funding

• Budget follows Policy 500.15
• CalPERS October 2019 letter estimates 6.30.19 balance at $125,318 (after FY19 $63K and FY20 $15k payments)
• Faster funding does create volatility from year to year. Could be higher in FY22.

<table>
<thead>
<tr>
<th></th>
<th>Based on FY21 Proposed Budget</th>
<th>Running Total</th>
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<tbody>
<tr>
<td>Prior FY21</td>
<td>$78,000</td>
<td>-$110,000</td>
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<tr>
<td>FY21</td>
<td>$36,667</td>
<td>-$73,333</td>
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<tr>
<td>FY22</td>
<td>$36,667</td>
<td>-$36,666</td>
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<tr>
<td>FY23</td>
<td>$36,666</td>
<td>$0</td>
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<tr>
<td>Total</td>
<td>$188,000</td>
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Revised Budget Projections

<table>
<thead>
<tr>
<th>Budget Result</th>
<th>Proposed FY20</th>
<th>Projected FY20</th>
<th>Proposed FY21</th>
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<tbody>
<tr>
<td>Core Program</td>
<td>($156,800)</td>
<td>($31,342)</td>
<td>($176,779)</td>
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<td>Subscription Programs</td>
<td>$89,900</td>
<td>$255,961</td>
<td>($13,267)</td>
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<td>Combined Total</td>
<td>($66,900)</td>
<td>$224,619</td>
<td>($190,046)</td>
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- FY21 Core Budget deficit is to be offset by Powerhouse Science Center Designation and Non-designated Cash.
Budget Outlook

• FY22 and future years set membership dues increase at a constant 7% for cashflow projection purposes.
  – Staff expansion in FY22 for SGA with increased SGA reimbursement in RWA projections

• Future years show depletion of non-designated cash and lower Operating Fund coverage starting FY24

• Currently, there are no new programs beyond FY21. This is not likely the case and revenues will improve.
  – Prop 1 IRWM, Water Bank, and potentially stimulus money

• Any changes in current membership could have significant impact on rate increases in the future.
## Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>May 14, 2020</td>
<td>Draft budget to RWA Board for possible adoption</td>
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<tr>
<td>May 27, 2020</td>
<td>Budget back to EC if not adopted</td>
</tr>
<tr>
<td>Special June Meeting</td>
<td>Budget to RWA Board for adoption</td>
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