Overview

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Proposed Dues Increase

- FY21 Budget – Projected dues increase – 5%
  - FY20 budgeting projected 18% increase for FY21

- FY19 costs below projections ($290,700>cash)
  - Manager of Technical Services served as Interim Executive Director for four months
  - Office and Admin expenses below estimates
  - Increased interest income

- FY20 budget below projections ($125,458 improvement)
  - Staffing and Admin expenses below estimates
  - Increased Subscription Program Revenues
  - Increased interest income
Proposed Associate and Affiliate Dues

These memberships help with RWA’s communication outreach for messaging, branding and education purposes.

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

• No change in Affiliate Dues - $750
Budget Assumptions

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

• Administrative 4.7 FTEs for RWA (of 7.5)
  – Follows RWA Policy 400.2 for staff increases
  – 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 support RWA core costs by 10%

• Assumes no change in membership
• Budget results may not be achieved
FY21 Budgeted Revenues

• Dues
• SGA Service Agreement
• Subscription Program Revenues
  – WEP
  – Other Subscription Programs
• Miscellaneous Revenues
• Interest Income
FY21 Budgeted Revenues (cont’d.)
FY21 Budgeted Expenses

• Staff Expense Category
  – Salaries and Benefits (incl. WEP) covers health, vision, dental, PERS, and employee allowances
  – Employees pay full share of employee PERS
  – SGA Fee reimburses 37% of staffing cost and almost $100k towards Office and Professional Fees budget categories

• Office Expense Category
  – Increase in Rent & Insurance costs
  – Includes some contingency
FY21 Budgeted Expenses (cont’d.)

• Professional Fees Category
  – Can be RWA only or SGA shared
  – RWA Only: Legal, Advocacy, PR, and Strategic Plan
  – RWA/SGA shared: HR, Financial, Audit, Actuarial, and General Consulting (non-project)

• Other Expense Category – furniture purchases, office move, and computer replacements (shared)

• RWA Core Project Expenses – IRWM and Powerhouse Science Center
FY21 Budgeted Expenses (cont’d.)

Total Expenses = $2,135,529
Cost Share: RWA = $1,473,679 and SGA = $661,850
Water Efficiency Program (WEP)

FY21 Proposed Budget to pay 40% of WEP staffing and office costs for assisting with RWA Core functions (water supply, energy, regs. & compliance).

- Deferred shifting of additional 10%
- WEP projected increase is estimated at 3% in FY21
  - WEP’s last increase was in 2018
  - Subject to Committee approval
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.*

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<th>Based on FY21 Proposed Budget</th>
<th>Running Total</th>
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<tr>
<td>Prior FY21</td>
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<td>Total</td>
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*Could be higher in FY22
## Projected Budget Results

<table>
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<th>Budget Results</th>
<th>Proposed FY21</th>
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<tr>
<td>Core Program</td>
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<tr>
<td>Subscription Programs</td>
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<tr>
<td>Combined Total</td>
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- FY21 Core Budget deficit is to be offset by Powerhouse Science Center Designation and Non-designated Cash.
- FY21 Subscription Program deficit is due to cashflows.
Budget Outlook

- FY22 through FY24 dues increase at 7% for cashflow and 10% in FY25 to meet Operating Fund coverage.

![RWA Member Dues Increase Chart]
Budget Outlook (cont’d.)

• SGA Staff expansion in FY22
• Depletion of non-designated cash and lowering Operating Fund coverage starting FY23
• No new programs forecasted beyond FY21...
  – Prop 1 IRWM, Water Bank, stimulus money and other grant opportunities
• Any changes in current membership could have significant impact on rate increases in the future.
Questions and Discussion