



**Regional Water Authority**  
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



# Regional Water Authority

## *Fiscal Year 2021-22 Budget*

January 27, 2021



# Overview

- Benefits of RWA Membership
- Budget Policies
- FY 2022 Budget Goals
- RWA Member Dues
- FY 2022 Budget Outlook
- Strategic Plan Implementation
- 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



# Budget Policies

- Financial Commitment and Assignment Policy 500.1 – Framework for operating fund and other additional commitments (“designation”)
  - Operating fund – 4 to 6 months
  - Membership Dues Stabilization –15%
  - Subscription Program Stabilization –10%
  - Powerhouse Science Center –\$175k remaining
  - Other additional funds –special projects (RWA anniversary), sponsorships, office move, etc.
  - Non-designated Cash

# Budget Policies

- SGA shares 50% in common office/admin costs
  - Administrative and Management Service Agreement Policy 100.2
  - SGA fully reimburses 100% SGA Only Costs
- Compensation Policy 400.2: salaries within range plus potential for COLA and merit
- Administrative 5.7 FTEs for RWA (**out of 8.5 FTEs**):
  - 50% - Executive Director, Manager of Technical Services, FASM, and Exec. Assistant (**2 FTE**)
  - 80% - Project Research Assistant (**.8 FTE**)
  - 90% - Legislative & Reg. Affairs Manager (**.9 FTE**)
  - 100% - Strategic Affairs and WEP Managers (**2 FTE**)\*

*\* subscription based funded positions*



# Budget Policies

- Subscription programs support RWA core costs –10%
  - Approving budget does not approve subscription-based programs
  - WEP Manager Staff and Office Expense is reimbursed up to 40% from Core Dues
  - Strategic Affairs Manager is 100% subscription paid
- PERS:
  - Staff pays the full 7% employee share of their pension contributions.
  - SGA pays its own PERS
  - Unfunded PERS Liability Policy 500.15 – commits to pay down over a 4-year period. Due to FY21 financial performance, staff recommends continuing current level of funding.

# FY22 Budget Goals

- 0% Increase in Core and WEP overall dues while complying with all budget policies
- Balanced Budget by using budget savings from prior years
- Budget assumes no changes in membership
- Strategic Plan
  - Align SP25+ objectives with budget
  - Create designations for multi-year objectives
- RWA Board Adoption of FY22 Budget in March 2021
- Actual budget results may not be achieved



# RWA Member Dues

RWA core dues have been set by using retail connections and a predefined category model of small, medium, and large agency fees, with an exception that a small or medium agency that is a wholesaler be treated as a large agency.

RWA Ad Hoc Dues Committee met three times over the last two months to review the current dues calculation to present three possible alternatives:

- A. Keep the current dues structure
- B. Modify the current dues structure by adjusting the category thresholds and provide discounts or surcharges where applicable
- C. Modify the current dues structure by setting a declining cost per retail connection as the agency size increases







# FY 2022 Budget Outlook

- Revenues:
  - Minor revenue loss (\$11,500) from member dues
  - Increased project revenues: water bank, water transfers, Prop 1, etc.
  - SGA reimbursements will increase to offset increase in SGA expenses incurred
  - Interest income decrease
- Expenditures:
  - 3% CPI and 5% on Professional Fess
  - Staff and Benefit costs will increase
  - PERS Unfunded Liability Payment will stay the same
  - OPEB expense will increase from FY21



# Strategic Plan Implementation

- Strategic Plan defined four categorical objective areas:
  - Planning
  - Implementation
  - Communication
  - Advocacy

Fiscal Year 2022 core budget does not include any additional funding for these areas. Budget will align Strategic Plan Objectives in the form of key performance indicators (KPIs). Direction will be needed from the EC if changes are to be made.

# Timeline

Date	Action
February 24, 2021	Draft budget to the EC
March 11, 2021	Draft budget to RWA Board for possible adoption
March 24, 2021	Budget back to EC if not adopted
May 13, 2021	Budget to RWA Board for adoption



## Questions and Discussion