Overview

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Proposed Dues

• New rate structure adopted in March 2021

• FY21/22 Budget planned to maintain general rates from FY20/21 Budget; 0% change in total dues

• Individual agency fee may change due to new structure and growth

• No changes to:
  -  ✓ Associate Members
  -  ✓ Affiliate Members
  -  ✓ WEP Dues
Budget Assumptions

• Assumes no change in membership

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

• Administrative 5.7 FTEs for RWA (of 9.0)
  – Compensation in accordance with RWA Policy 400.2
  – SGA pays for 50% of Administrative staff (equiv. of 2 FTE), 20% of Project Assistance time, 10% of Legislative and Regulatory Manager position, and 1 FTE in FY21/22 (combination of retired annuitant/Associate Program Manager)

• Approving budget does not approve subscription-based programs. For FY21/22:
  – Subscription programs help support core costs by 10%
  – WEP programs help support core costs by 20%
FY21/22 Revenues

• Member Dues – generally the same as FY20/21
• SGA Reimbursements – increase due to additional staffing and annual increase in office expenses
• Subscription Program Revenues:
  o WEP Subscription Program – revenues covers WEP PM staffing + overhead charges to the program
  o Staff Reimbursements – Program Management Fees charged to various Programs and Grants
  o Major Projects Program – new program; advanced funds
  o Resilience Program – new program; advanced funds
• Misc. and Interest Income – Interest is declining
• Total FY21/22 Revenues = $2,283,212
FY21/22 Expenses

• Expenses are adjusted from FY20/21 budgeted amounts

• Staffing Expense – higher due to two new staff members. Offset by SGA and subscription programs

• Office Expense – higher due to annual increase, rent and utilities increase for additional office space, and one-time RWA 20\textsuperscript{th} Anniversary costs

• Professional Fees – higher due to annual increase and additional funding for public outreach and communication services (Strategic Plan support)

• Other expenses – furniture for additional staff

• Core Project expenses – IRWM and Powerhouse Science Center payment

• Total FY21/22 Expenses = $2,559,431
RWA’s Unfunded Pension Plan Funding

- RWA Policy 500.15 – pay unfunded liability over 4 year rolling period

- CalPERS January 2021 letter estimates 6.30.19 balance at $109,177 (post FY20/21 payment)

- Valuation report does not include FY19/20 or FY20/21 performance

- Faster funding does create volatility from year to year

- Staff recommends keeping current level of funding until new FY21/22 valuation report
FY21/22 Budget Results

• FY21/22 Budget Result is a planned deficit of ($276,219)

• FY19/20 Audit shows a surplus of $55,910

• FY20/21 Projected Budget Result is a surplus of $196,678 as compared to the approved planned deficit of ($195,379) due to:
  - Staff time reimbursements
  - FY21/22 expense budget savings
  - Major Projects Program advanced funding/restricted
  - Resilience Program advanced funding/restricted
  - Water Bank Phase I & II advanced funding/restricted

• Remaining shortfall will be offset by available cash balance

• Possibility for FY21/22 budget savings in Q1 and Q2 as conditions return to normal
Budget Outlook

• FY22/23 and FY23/24 forecast membership dues increase at 3% and then increase to 5% in FY24/25 and FY25/26

• Future years are compliant with the Operating Designation Policy parameters

• All non-designated cash is depleted

• Currently, there are no new programs forecasted beyond FY22/23 – $50k plug in future years.

• A possible office relocation has been designated in FY21/22 for FY22/23 expense

• Any changes in current membership could have significant financial impact on future budgets
## Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>May 6, 2021</td>
<td>Draft budget to RWA Board for possible adoption</td>
</tr>
<tr>
<td>May 26, 2021</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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Questions and Discussion