



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



# Regional Water Authority

## *Fiscal Year 2023-24 Budget*

January 2023



# Overview

- Budget Policies
- Budget Assumptions
- Budget Outlook
- Budget Schedule

# Budget Policies

- Administrative and Management Service Agreement Policy 100.2:
  - SGA shares 50% in common office/admin costs
  - 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 9 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 (*cont.*)

- Financial Commitment and Assignment Policy 500.1 – Framework for operating fund and other additional commitments (“designation”):
  1. Operating fund – 4 to 6 months
  2. Membership Dues Stabilization –15%
  3. Subscription Program Stabilization –10%
  4. Powerhouse Science Center –\$150k remaining
  5. Other Funds – Special Projects, office move, etc.
  6. Non-designated Cash
- PERS Liability Policy 500.15 – commits to pay down over a 4-year period. No Unfunded Liability in FY2024



# Budget Assumptions

- Revenues and Expenses:
  - ✓ Dues calculated on a base retail connection fee
  - ✓ For FY2023, it was \$2.28 per connection
  - ✓ Forecasted 4.5% Increase in FY2024
  - ✓ Based on using 3% CPI for Office Expense, 3% for staff COLA, and 5% on Professional Fees
  - ✓ Budget assumes no changes in membership
- Subscription programs support RWA core costs
  - ✓ Approving budget does not approve subscription-based programs
  - ✓ For FY2024, WEP Manager Staff and Office Expense will reimburse up to 20% from Core Dues



# Budget Assumptions (*cont.*)

- PERS and OPEB:
  - ✓ Staff pays the full employee share of their pension contributions
  - ✓ SGA pays its own PERS
  - ✓ In accordance with RWA Policy, staff recommends \$0 additional payment to PERS (\$37k savings)
  - ✓ Based on Actuary's Report, \$60k payment towards CERBT to fund OPEB (retiree health) due to higher number of retirees and current employees – cost to be shared with SGA
- Budget Goal:
  - ✓ Balanced Budget by member dues increase and use of budget savings from prior years
  - ✓ Actual budget results may not be achieved



# Fiscal Year 2023 Budget Outlook

- FY2023 Core Program running at the margin resulting from CPI, salary survey adjustments, staff turnover and increasing professional services costs
- FY2022 Core Dues Increase was 0%; FY2023 was 3.7%; FY2024 Projected at 4.5%
- Current LAIF balance is higher due to restricted funds for Water Bank, WEP, and CIMS/BOSS
- LAIF Interest Rate is improving
- Potential New Grants - Water Bank, Infrastructure, and WEP which present opportunities for staff to charge their time
- Possible Office Relocation



# Budget Schedule

Date	Action
Feb – March 2023	Work on budget numbers including Subscription Program
April 2023	Draft budget to the EC
May 2023	Draft budget to RWA Board for possible adoption
May 2023	Budget back to EC if not adopted
June 2023 Special Board Meeting	Budget to RWA Board for adoption





## Questions and Discussion