



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



# Regional Water Authority

## *Fiscal Year 2024-25 Budget*

February 2024



# Overview

- Budget Policies
- Dues Calculation Methodology
- FY 2023/24 Budget Assumptions
- FY 2023/24 Budget Outlook
- FY 2024/25 Budget Outlook
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# 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% - Manager of Government Relations (**.9 FTE**)

100% - Strategic Affairs and WEP Managers (**2 FTE**)\*

*\* subscription based funded positions*



# Budget Policies (*cont.*)

- Financial Designation/Reserve Policy 500.1 –Framework for operating fund and other additional commitments (“designation”):
  1. Operating fund – 4 to 6 months of operating expenses
  2. Membership Dues Stabilization –15% of member dues
  3. Subscription Program Stabilization –10% of subscription program revenues
  4. Powerhouse Science Center –\$125k remaining

# Budget Policies (*cont.*)

- PERS Liability Funding Policy 500.15
  - Pay off unfunded accrued liability over a 4-year period.
  - Unfunded Accrued Liability \$308,921; per policy FY 24/25 payment would be \$77,230
- OPEB Liability Funding Policy 500.10
  - Pay off unfunded liability over a 10-year period.
  - FY 22/23 Net OPEB Asset of \$117,369
  - Actuary is working on our OPEB Actuarial Valuation. GASB 75 requires valuation every two years and updated annually.

# Dues Calculation Methodology

- Small Agency – Up to 7,000 Connections
- Medium Agency – 7,001 to 30,000 Connections
- Large Agency – Over 30,000 Connections
- FY 23/24 Dues
  - Small Agency:
    - First 3,000 Connections = \$2.28 per
    - 3,001 to 7,000 Connections = \$1.14 per
  - Medium and Large Agency
    - First 30,000 Connections = \$2.28 per
    - 30,001 to 40,000 Connections = \$1.14 per
    - 40,001 to 50,000 Connections = \$0.57 per
    - 50,001 to 60,000 Connections = \$0.29 per
    - Over 60,000 = \$0.07 per

# Dues Calculation Methodology (cont.)

- Exceptions:
  - Agencies outside core American River Basin region receive a 10% discount on calculated dues.
  - San Juan Water District is treated as the minimum size of a large member agency.
    - Rate x 30,000 Connections
  - New Members – 50% discount in first year/25% discount in second year
- Dues History:
  - FY 20/21 = 5.0% Increase
  - FY 21/22 = No Change
  - FY 22/23 = 3.7% Increase
  - FY 23/24 = No Change



# FY 2023/24 Budget Assumptions

When FY 23/24 Budget was approved, RWA assumed:

- 2% dues increases in FY 24/25 and FY 25/26
- No PERS unfunded accrued liability pension funding
- 30% WEP Transfer for FY 23/24
- 10% CIMS Transfer for FY 23/24





# FY 2023/24 Budget Outlook

- FY 23/24 budget had a planned deficit of \$259k covered by RWA reserves
- Interest income - \$61K YTD
  - December 2022 = 2.07% LAIF Rate
  - December 2023 = 4.00% LAIF Rate
- Mid-year budget to actual appears to be on target with the budget plan

# FY 2024/25 Budget Outlook

- PERS Unfunded Accrued Liability Funding
- Increase in OPEB funding
- Increase in interest income
- Accounting Consultant – FY 23/24 ~ \$56K

# Budget Schedule

Date	Action
Feb – March 2024	Work on budget numbers including Subscription Programs
April 2024	Draft budget to the EC
May 2024	Draft budget to RWA Board for possible adoption
May 2024	Budget back to EC if not adopted
June 2024 Special Board Meeting	Budget to RWA Board for adoption



## Questions and Discussion