



Regional Water Authority
BUILDING ALLIANCES IN NORTHERN CALIFORNIA



Regional Water Authority

Fiscal Year 2025-26 Budget

February 2025



Overview

- Budget Policies
- Dues Calculation Methodology
- FY 2024/25 Budget Outlook
- FY 2025/26 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 5.6 FTEs for RWA (**out of 9 FTEs**):

50% - Executive Director, Manager of Technical Services, FASM, and Exec. Assistant (**2 FTE**)

80% - Project Research Assistant and Manager of Government Relations(**1.6 FTE**)

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

** subscription program 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

Budget Policies (*cont.*)

- PERS Liability Funding Policy 500.15
 - Pay off unfunded accrued liability over a 4-year period.
 - Unfunded Accrued Liability \$374,942; per policy FY 25/26 payment would be \$94k. Up from \$77,300 in FY24/25
- OPEB Liability Funding Policy 500.10
 - Pay off unfunded liability over a 10-year period.
 - Actuary is working on our updated OPEB valuation. GASB 75 requires valuation every two years and updated annually.
 - Additional Payment for FY 24/25 - \$2,700

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 24/25 Dues
 - Small Agency:
 - First 3,000 Connections = \$2.39 per
 - 3,001 to 7,000 Connections = \$1.20 per
 - Medium and Large Agency
 - First 30,000 Connections = \$2.39 per
 - 30,001 to 40,000 Connections = \$1.20 per
 - 40,001 to 50,000 Connections = \$0.60 per
 - 50,001 to 60,000 Connections = \$0.30 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 24/25 = ~5.0% Increase

FY 2024/25 Budget Outlook

- \$77,300 additional PERS unfunded accrued liability pension funding
- \$75,000 in office rent, first full year in Gateway Oaks office
- \$75,000 in Watershed Resilience Grant Staff Reimbursement
- First full year of no accounting consultant
 - FY 23/24 Budget Line item ~\$69,000
- 20% WEP Transfer for FY 24/25
- 10% CIMS Transfer for FY 24/25



FY 2025/26 Budget Outlook

- \$94k Additional CalPERS Unfunded Accrued Liability Funding
- Staff Time Reimbursements
- Compensation - March COLA
- Future years...

Budget Schedule

Date	Action
Feb – March 2023	Work on budget numbers including Subscription Programs
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