

3 September 2020

TO: NBWA Board

FROM: Judy Kelly, Executive Director

RE: Proposal to Reduce NBWA FY 20/21 Dues Agenda Item 7

**Background.** We are all aware that this is a time of great uncertainty around the virus and the economy. The NBWA Steering Committee, at its meeting in June, discussed the current financial and administrative issues facing our members. Anticipated revenues for cities and counties have fallen and may fall further as the region continues to deal with a constrained economy and steep job losses. The Steering Committee reaffirmed a primary NBWA goal of keeping the member agencies together through this difficult time and given that goal, is proposing to the Board a one-time dues relief for this fiscal year by reducing dues across all members by 20% percentage.

**Budget Impact.** The current NBWA 20/21 budget [approved May 2020] includes a membership dues total \$185,290 for operating expenses. The budget also shows an additional \$80,000 allocated for Special Benefit Projects [NBWA-funded projects such as the Re-Oaking Strategy]\*. A 20% reduction in dues payments would reduce the NBWA budget by \$37,058.

Should you approve the dues reduction, the \$37,058 would be deducted from the Special Benefit Projects portion of the budget.

Should the Board wish to fund new Special Benefit Projects this year, the budget has line items that could be reallocated for such use. Those line items include \$20,000 in contingency funds and \$5,000 for an IRWM Plan update.

Therefore, there would remain flexibility within a revised budget to accomplish the core activities needed to run the Association, and to fund--through budget reallocation--new Special Benefit Projects.

Reduction in dues would range from a \$5,000 - \$6,000 for our largest members like the counties, to \$1,000 for our smaller members.

**Recommendation.** The Steering Committee recommends a one-time reduction in NBWA dues of 20%. The Board may take this action on 11 September, or hold it over until a following meeting for further discussion. The Dues Invoices for NBWA have not yet been sent to members. Should the Board wish to carry over this discussion, I recommend a decision on this question be made by October so that MMWD is able to send out the dues invoices for the current fiscal year.

\*Special Benefit Projects are funded by carryover funds left over from the previous fiscal year and the dues from our two most recent members, Napa County and Solano County Water.