



Requested Action:

Authority Board consider approval of membership dues covering Authority general and administrative costs estimated not to exceed \$415,000 in fiscal year 2026, which equates to dues per member of \$45,000 (9 members total) and \$5,000 per Associate Member (2 members total). Authorize release of invoices in January 2026.

Detailed Description/Background:

Authority Board dues are reassessed annually, and the 2026 dues need to be established for invoicing Authority Board members in January 2026. This year's assessment used a similar evaluation to what was used in 2025, which separates project agreement costs from general and administrative costs per Section 5 of the Joint Powers Agreement.

Revenue Assumptions:

Authority revenue consists entirely of Authority Board dues. The following assumptions were used to establish dues.

1. Membership dues are recommended to be maintained at \$45,000 per Authority Member and \$5,000 per Associate Member.
2. Membership levels (assumed): 9 Authority Members and 2 Associate Members (non-voting) positions.

Expense Assumptions:

AB general and administrative costs are a function of direct expenses (e.g., cost of the Maxwell office) and shared expenses (i.e., Board Clerk and a share of ED time).

This year's evaluation incorporated a review of last year's cost allocation approach. The review found that 2025 AB expense activities are projected to come in at approximately \$411k when all 2025 invoices have been received. This is approximately \$4k under the revised budgeted amount of \$415k.

Projecting 2026 AB expenses results in anticipated \$414k expenditures related to Authority Board activities, validating the recommendation not to increase AB dues for the FY 2026 period.

Prior Authority Board Action:

June 2025: Approval of revised 2025 expense and revenue budget including the addition of 1 Associate Member (\$5,000) which occurred after the November 2024 approval.

November 2024: Approved membership dues covering Authority general and administrative costs estimated to not exceed \$410,000 in fiscal year 2025, which equates to dues per member of \$45,000 (9 members total) and \$5,000 per Associate Member (1 member total). Authorize release of invoices in January 2024.

Fiscal Impact/Funding Source:

The above approval will result in \$415k in Authority Board dues, which is anticipated to be sufficient to cover Authority Board related expenses in 2026.

Staff Contact:

O'Connell

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Authority Board Expense Activities

Authority Board Expense Activities

Consultant/Vendor	Expense Activity	AB/RC Split
ACWA & ACWA JPIA	Annual dues and Authority insurance	100% AB
Adept Solutions	IT related services and computer equipment	50% AB / 50% RC
BC (Marcia/Wendy)	Project Coordinator/ Office Admin & Board Clerk	10% AB / 90% RC
RGS	Board Clerk, as needed and training	10% AB / 90% RC
Richardson	Financial Auditing Services	100% AB
Starting Line (1)	Accounting	25% AB / 75% RC
Maxwell Office	Office expenses (rent, supplies, credit card, etc.)	100% AB
The Catalyst Group (2)	Strategic planning	25% AB / 75% RC
Waterology	Preparation/attendance AB meetings	10% AB / 90% RC
Young Wooldridge	General Counsel	50% AB / 50% RC

(1) The AB/RC allocation has been updated from 100% AB to 25% AB / 75% RC to reflect the anticipated expanded role in supporting the Project as it transitions into preparing for construction and subsequent phases. Additional responsibilities include managing state and federal reimbursement funding, providing ERP implementation support, and advancing strategic project controls across the organization.

(2) The AB/RC allocation has been updated from 100% AB to 25% AB / 75% RC to reflect the additional effort required to support Phase 3/4/5 strategic planning and the associated management structure.