



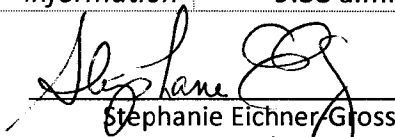
**NOTICE OF SPECIAL MEETING
BOARD OF DIRECTORS/FINANCE COMMITTEE***

Notice is hereby given that a Special Meeting of the Marin Municipal Water District's Board of Directors/Finance Committee will be held as follows:

- MEETING DATE:** Thursday, May 24, 2018
- TIME:** 9:30 a.m.
- LOCATION:** 1) MMWD Board Room, 220 Nellen Ave., Corte Madera, CA 94925
 ** 2) California State Contractor's Board, 9821 Business Park Dr., Sacramento, CA 95827 (Director Russell)

AGENDA

ITEM	RECOMMENDATION	APPROX. START
<input type="checkbox"/> CALL TO ORDER		9:30 a.m.
<input type="checkbox"/> ADOPT AGENDA		9:31 a.m.
<input type="checkbox"/> PUBLIC EXPRESSION†		9:32 a.m.
<input type="checkbox"/> CALENDAR		
1. Minutes of April 26, 2018 Meeting	Approve	9:37 a.m.
2. Monthly Financial Update	Information	9:38 a.m.


 Stephanie Eichner-Gross
 Board Secretary

ADA NOTICE AND HEARING IMPAIRED PROVISIONS: The board room is equipped with sound amplifying units for use by the hearing impaired. The units operate in conjunction with the room's sound system. You may request the personal sound amplifier from the Board Secretary for use during meetings.

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the Marin Municipal Water District to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, an agenda, and/or agenda packet in an appropriate alternative format, or if you require other accommodation, please contact Stephanie Eichner-Gross at (415) 945-1448, at least two

MMWD BOARD OF DIRECTORS: Larry Bragman, Jack Gibson, Cynthia Koehler, Armando Quintero, Larry Russell

**The designated chair is Director Koehler and vice chair is Director Gibson. Other board members may attend as they wish.*

***One or more directors may participate in this meeting via teleconference. The teleconference location(s) is listed above. Members of the public are welcome to attend the meeting at either location.*

†Anyone wishing to speak on an item other than those listed on this agenda will be recognized at this time. We ask any person wishing to be heard to come to the podium to address the board and state your name and address for the public record. A 3-minute limit is customary; however the committee chair may adjust the actual time allotted to accommodate the number of speakers.

days in advance of the meeting. Advance notification within this guideline will enable the district to make reasonable arrangements to ensure accessibility.

* * * * *

FUTURE BOARD OF DIRECTORS/FINANCE COMMITTEE MEETINGS:

Thursday, June 28, 2018, 9:30 a.m.

MMWD Board Room

Thursday, July 26, 2018, 9:30 a.m.

MMWD Board Room



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 1
MEETING DATE: May 24, 2018
MEETING: Board of Directors /
Finance Committee

STAFF REPORT

SUBJECT: Minutes of April 26, 2018 Finance Committee Meeting

SUBMITTED BY: Cheryl Howlett, Finance Analyst, Administrative Services Division

RECOMMENDED ACTION: Approve

ATTACHMENT:

1. Minutes of April 26, 2018 Finance Committee Meeting

**MARIN MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS / FINANCE COMMITTEE**

IN ATTENDANCE:

Directors present: Cynthia Koehler, Larry Bragman, and Larry Russell

Directors absent: Jack Gibson, Armando Quintero

CALL TO ORDER: Director Koehler called the meeting to order at 9:30 a.m.

ADOPT AGENDA: By simple motion, the agenda was adopted.

PUBLIC EXPRESSION: None

ITEM 1. Minutes of the March 22, 2017 meeting were approved.

ITEM 2. Monthly Financial Update

The Administrative Service Division Manager/Treasurer (ASDM), Charlie Duggan, presented the financial summary for the month ending March 2018.

Fiscal year to date with the month ending March 31, 2018, water revenue was at 79% of budget and all other operating revenue was at 79% of budget, for total operating revenue of 79%. Capital revenue was 70%, fire flow revenue was 56%, with the total of all revenue collected being 77% of budget.

Fiscal year to date, actual operating expenses total 78% of budget. Total operating and capital expenses combined were 70% of the total FY 2018 budgeted expenses.

The total unrestricted reserves were \$18.1M, which is 3 months of operating budget with the debt ratio currently projected to be 1.44. There is currently \$33.1M in the capital reserve fund.

ADJOURNMENT

There being no further business, the meeting of April 26, 2018 adjourned at 9:40 a.m.



STAFF REPORT

SUBJECT: Monthly Financial Update
SUBMITTED BY: Charles Duggan Jr. Administrative Services Division Manager/Treasurer
Administrative Services Division
RECOMMENDED ACTION: Information

EXECUTIVE SUMMARY: The Monthly Financial Update as of April 30, 2018.

FISCAL IMPACT: YES _____ NO X _____ **FISCAL YEAR:** 2017/18

BACKGROUND:

Water Sales and Consumption

Monthly

Water sales for the month of April 2018 were \$3,360,729 which is \$345,840 or 9.3% below budget. When compared to the prior year, water sales for April 2018 increased by \$644,699 or 24% above April 2017.

Billed water consumption (in CCFs) for April 2018 was 702,023 CCFs, which is 7,976 CCFs 1% below budget. Compared to the prior year, billed water consumption for April 2018 increased 103,283 CCFs or 17.25%.

Total meter service charges for the month of April 2018 were \$1,821,708 which is \$58,986 or 3.35% above budget. Compared to the prior year, meter service charges increased by \$181,575 or 11%.

The Watershed Fee revenue for the month of April 2018 is \$418,607 or \$6,582 or 1.6% above budget and \$45,167 or 12% above April 2017.

The total water sales and fixed charges (Service and Watershed Fee) for the month of April 2018 was \$5,601,044 which is \$280,272 or 4.8% below budget and compared to April 2017, it is an increase of \$871,441 or 18.4%.

Fiscal Year to Date

Fiscal year to date, water sales through April 30, 2018 were \$45,727,759 which is \$2,732,591 or 6% above budget. Compared to the same period last year, water sales through April 30, 2018 increased by \$7,963,970 or 21%.

Billed water consumption (in CCFs), through April 30, 2018 was 8,373,154 CCFs, which is 437,144 CCFs or 5.5% above budget. Compared to the same period last year, billed water consumption through April 30, 2018 increased by 923,238 CCFs or 12.4%.

Total water sales and fixed charges (service and Watershed Fee) as of April 30, 2018 was \$64,458,285 when compared to the budget of \$61,407,382 is \$3,050,903 or 5% above budget. The 2017/18 water sales and fixed charges compared to prior fiscal year through April 30, 2017 of \$55,046,368 is an increase of \$9,411,916 or 17%.

Estimated sales based on water production for the last twelve months less an estimate of non-revenue water (9.3%) equals 22,867 AF. The net water production assumed in the Cost of Service Analysis for FY2018 was 21,937 acre feet.

Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2017/18 as of April 30, 2018. The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances.

As of April 30, 2018 the year to date net decrease for the Operating Fund was \$1.5 million after a PayGo transfer of \$6.25 million to Capital Fund.

For the Operating Fund, total revenues as of April 30, 2018 are \$68.0 million or 87.2% of budget. Total operating expenditures of \$63.3 million, not including depreciation and amortization, is 87.9% of budget.

For the Capital and Fire Flow Funds, total revenues are \$12.4 million, which includes a PayGo transfer-in of \$6.25 million from operating fund. This is 79.8% of budgeted revenue and capital contribution. Spending on capital and fire flow projects at \$20.5 million is 59.6% of budget as of April 30, 2018.

The Watershed Fund as of April 30, 2018 reflects a surplus of \$356,553.

Fund Balances

Per the attached Reserve Balance Summary as of April 30, 2018, unrestricted / undesignated - operating reserves are \$21.4 million net of a PayGo transfer of \$6.25 million to Capital Fund and encumbered amount of \$2.3 million for purchase orders, or 3.4 months of annualized projected operating expenses for 2017/18.

STRATEGIC PLAN ALIGNMENT: The requested action aligns with the district’s Strategic Plan Goal 2: Financial Stewardship - Strategy 2 – ensure activities are transparent and reporting is accurate – Objective 3 – provide monthly reporting.

REVIEWED BY: A.S.D. Manager/Treasurer	[X] NA []
General Counsel	[] NA [X]
General Manager	[X] NA []

ATTACHMENTS:

- 1. Total Water Sales and Fixed Charges & Fees 2016/17 – 2017/18
- 2. Billed Water Consumption in CCFs FY 2009/10 – 2017/18
- 3. Budget to Actual Comparison for 2017/18 as of April 30, 2018
- 4. Reserve Balance Summary as of April 30, 2018
- 5. Watershed Fund & Non-Rate Based Revenue as of April 30, 2018
- 6. CIP Budget to Actual Comparison for 2017/18 as of April 30, 2018

**Total Water Sales and Fixed Charges & Fees
Fiscal Years 2016/17 - 2017/18**

Month	Fixed Charges											
	Water Sales			Service Charges			Watershed Fee			Total Water Sales and Fixed Charges		
	16/17	17/18	17/18	16/17	17/18	17/18	16/17	17/18	17/18	16/17	17/18	17/18
	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual
July	4,401,041	\$ 4,708,000	\$ 4,513,602	\$ 1,161,533	\$ 1,161,533	\$ 1,154,510	\$ 273,160	\$ 273,160	\$ 270,839	\$ 5,835,735	\$ 6,142,693	\$ 5,938,951
August	6,848,959	7,318,800	7,709,448	1,646,966	1,646,966	1,647,846	374,621	374,621	374,628	8,870,546	9,340,387	9,731,921
September	4,811,047	4,844,452	5,232,947	1,163,372	1,252,588	1,233,287	271,731	303,197	300,784	6,246,150	6,400,237	6,767,018
October	6,077,399	6,219,933	8,193,115	1,651,989	1,775,408	1,839,386	375,744	414,491	421,824	8,105,133	8,409,832	10,454,325
November	2,934,928	3,825,519	4,258,259	1,164,161	1,253,431	1,297,305	272,912	304,461	306,650	4,372,000	5,383,411	5,862,214
December	3,484,414	4,630,103	4,431,406	1,650,069	1,773,354	1,808,017	375,275	413,989	416,151	5,509,758	6,817,446	6,655,574
January	1,890,864	2,268,410	2,003,113	1,159,405	1,248,343	1,154,911	272,640	304,169	272,328	3,322,909	3,820,922	3,430,351
February	2,920,167	3,408,017	4,058,223	1,632,681	1,754,748	1,952,994	372,335	410,843	450,375	4,925,184	5,573,609	6,461,592
March	1,678,940	2,065,365	1,966,918	1,175,082	1,265,118	1,282,794	275,329	307,046	305,582	3,129,351	3,637,529	3,555,295
April	2,716,029	3,706,568	3,360,729	1,640,133	1,762,722	1,821,708	373,440	412,025	418,607	4,729,603	5,881,316	5,601,044
May	2,203,606	3,085,596		1,163,089	1,252,285		273,512	305,102		3,640,207	4,642,983	
June	5,068,180	6,133,484		1,643,177	1,765,979		373,899	412,516		7,085,256	8,311,979	
TOTAL	\$45,035,574	\$52,214,248	\$45,727,759	\$16,851,658	\$17,912,475	\$15,192,758	\$3,884,599	\$4,235,621	\$3,537,768	\$65,771,831	\$74,362,344	\$64,458,285

Original Budget-to-Actual Basis 4.97%
 Actual-to-Actual Basis 17.10%
 % of total budget received 86.68%

**Billed Water Consumption In CCF's
Fiscal Year 2009/10 - 2017/18**

<u>Month</u>	<u>09/10 Actual</u>	<u>10/11 Actual</u>	<u>11/12 Actual</u>	<u>12/13 Actual</u>	<u>13/14 Actual</u>	<u>14/15 Actual</u>	<u>15/16 Actual</u>	<u>16/17 Actual</u>	<u>17/18 Budget</u>	<u>17/18 Actual</u>	<u>Monthly Budget Variance</u>	<u>Actual to Actual %</u> <u>Change</u>
July	958,254	857,071	806,534	940,774	960,503	857,599	709,164	817,152	820,881	841,088	2.46%	2.93%
August	1,524,804	1,505,682	1,373,824	1,552,514	1,483,888	1,387,986	1,141,147	1,312,021	1,322,457	1,396,443	5.59%	6.43%
September	1,016,214	1,005,679	947,293	1,016,379	977,353	859,553	773,020	844,640	854,244	882,952	3.36%	4.54%
October	1,374,363	1,431,554	1,326,605	1,377,982	1,400,285	1,209,902	1,125,237	1,205,260	1,221,597	1,367,665	11.96%	13.47%
November	687,783	709,313	690,404	691,037	840,947	633,520	649,016	583,819	644,407	742,758	15.26%	27.22%
December	825,217	777,015	865,208	832,615	1,059,733	864,257	842,995	716,927	835,634	833,949	-0.20%	16.32%
January	491,259	466,489	522,634	437,843	584,601	463,934	431,637	396,528	445,197	410,458	-7.80%	3.51%
February	698,386	707,803	809,417	731,899	869,459	719,107	631,478	606,381	673,617	763,871	13.40%	25.97%
March	394,481	417,369	469,932	458,940	453,943	456,655	362,406	368,448	407,977	431,947	5.88%	17.23%
April	707,372	714,398	730,127	878,103	708,756	832,060	639,191	598,740	709,999	702,023	-1.12%	17.25%
May	528,781	575,547	551,643	721,094	569,555	600,821	464,956	475,565	529,241			
June	<u>1,044,386</u>	<u>1,118,447</u>	<u>1,215,077</u>	<u>1,377,068</u>	<u>1,150,742</u>	<u>1,020,910</u>	<u>1,079,197</u>	<u>1,052,513</u>	<u>1,090,071</u>			
TOTAL	<u>10,251,300</u>	<u>10,286,367</u>	<u>10,308,698</u>	<u>11,016,248</u>	<u>11,059,765</u>	<u>9,906,304</u>	<u>8,849,444</u>	<u>8,977,994</u>	<u>9,555,322</u>	<u>8,373,154</u>		
			Budget-to-Actual Basis		<u>5.51%</u>							
			Actual-to-Actual Basis		<u>12.39%</u>							
			% of total budget		<u>87.63%</u>							

Marin Municipal Water District
Budget to Actual Comparison for 2017/18 - All Funds
Actual as of April 30, 2018
Unaudited

Revenues and Expenditures	2017/18 Ajusted Budget	Actual as of April 30, 2018	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 52,214,248	\$ 45,727,759	87.6%
Service Charge	17,912,475	15,192,758	84.8%
Watershed Management Fee	4,235,621	3,537,768	83.5%
Total Water Sales and Service Charge	<u>74,362,344</u>	<u>64,458,285</u>	86.7%
<i>Other Revenues:</i>			
Rents and Royalties	700,000	533,380	76.2%
Grants	250,000	249,919	100.0%
Watershed Rents and Royalties	910,000	772,085	84.8%
Watershed Payments	400,000	269,889	67.5%
Late Payment and Special Read Charges	360,000	286,391	79.6%
Interest	250,000	871,709	348.7%
Miscellaneous	697,000	544,049	78.1%
Total Other Revenues	<u>3,567,000</u>	<u>3,527,424</u>	98.9%
 Total Operating Revenues	 <u>77,929,344</u>	 <u>67,985,709</u>	 87.2%
Expenditures:			
Personnel services	41,690,466	39,233,945	94.1%
Materials and supplies	2,437,397	1,739,812	71.4%
Operations	6,600,797	3,353,276	50.8%
Water conservation rebate program	493,107	92,609	18.8%
Electrical power	3,836,563	2,805,227	73.1%
Water purchased	6,363,399	5,114,040	80.4%
Insurance, including claims	1,250,000	1,176,451	94.1%
General and administrative	3,255,737	2,675,041	82.2%
Debt service - interest and principal	9,421,976	8,523,074	90.5%
Overhead cost allocated to capital	(3,327,320)	(1,436,786)	43.2%
Total Expenditures and Capital Purchases	<u>72,022,122</u>	<u>63,276,688</u>	87.9%
 Transfer out to Capital Fund (PayGo)	 <u>6,000,000</u>	 <u>6,250,000</u>	 104.2%
 Net Operating Fund Increase(Decrease)	 <u>\$ (92,778)</u>	 <u>\$ (1,540,979)</u>	
Operating Reserves			
Opening Reserves	\$ 20,077,803	\$ 20,077,803	
Net Operating Fund Increase(Decrease)	(92,778)	(1,540,979)	
Encumbrances for Purchase Orders	-	(2,288,022)	
Accrual adjustments	-	5,106,758	
Ending Reserves	<u>\$ 19,985,025</u>	<u>\$ 21,355,560</u>	

Capital and Fire Flow Funds

Revenues and Expenditures	2017/18 Ajusted Budget	Actual as of April 30, 2018	% of Budget
Revenues:			
Connection Charges	\$ 1,865,000	\$ 597,731	32.0%
Interest Income	15,000	25,498	170.0%
Transfer-in from Operating (PayGo)	6,000,000	6,250,000	104.2%
Contributed Capital:			
Fire Flow	4,500,000	4,330,679	96.2%
Connection Fees and Grants	3,166,000	1,199,874	37.9%
Total Revenues and Contributed Capital	<u>15,546,000</u>	<u>12,403,782</u>	79.8%
Capital Expenditures:			
Capital Projects - District	27,671,000	15,578,707	56.3%
Capital Projects - Fire Flow	4,500,000	4,180,431	92.9%
Capital equipment purchases	2,200,000	730,509	33.2%
Total Capital and Fire Flow Expenditures	<u>34,371,000</u>	<u>20,489,647</u>	59.6%
Net Capital and Fire Flow Fund Increase(Decrease)	<u>\$ (18,825,000)</u>	<u>\$ (8,085,865)</u>	43.0%
Capital Reserves			70.0%
Capital Fund			
Opening Reserves	\$ 1,610,857	\$ 1,610,857	
Net Capital Fund Increase(Decrease)	(16,640,000)	(7,505,604)	
Capital equipment purchases	(2,200,000)	(730,509)	
Proceeds from 2017 Bond Issuance	42,000,000	42,000,000	
Encumbered for Contracts		(4,523,780)	
Accrual adjustments	-	438,377	
Ending Reserves	<u>\$ 24,770,857</u>	<u>\$ 31,289,341</u>	
Fire Flow Fund			
Opening Reserves	\$ 426,571	\$ 426,571	
Net Fire Flow Fund Increase(Decrease)	-	150,248	
Encumbered for Contracts		(2,509,147)	
Accrual adjustments	-	6,373	
Ending Reserves	<u>\$ 426,571</u>	<u>\$ (1,925,955)</u>	

Reserve Balance Summary

	Actual				Projected
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	4/30/2018
Restricted	\$ 9,346,061	\$ 9,501,989	\$ 9,327,468	\$ 7,723,634	\$ 2,718,852
Board Designated	9,633,824	11,491,220	9,441,758	9,847,168	12,647,168
Watershed Fund	-	-		35,425	391,978
Rate Stabilization Fund	7,300,000	5,900,000	5,700,000	8,000,000	8,000,000
Fire Flow Fund (net of encumbrances)	1,736,460	1,939,529	656,839	426,571	(1,925,955)
Capital Fund (including PayGo and net of encumbrances)	47,305,458	30,044,160	18,974,590	1,610,857	31,289,341
Unrestricted/undesignated - Operating (net of encumbrances)	<u>21,026,900</u>	<u>19,959,569</u>	<u>16,947,253</u>	<u>20,077,803</u>	<u>21,355,560</u>
Total	<u>\$ 96,348,703</u>	<u>\$ 78,836,467</u>	<u>\$ 61,047,907</u>	<u>\$ 47,721,458</u>	<u>\$ 74,476,944</u>
Months Reserve Urestricted - Operating to Annualized Actual Expenditure	4.08	3.93	3.34	4.09	3.40
Debt Coverage Ratio	1.52	1.28	1.25	1.50	1.44

Marin Municipal Water District
Watershed & Other Non Rate Based Revenue and Expenditures
Actual as of April 30, 2018
Unaudited

Revenues and Expenditures	2017/18 Budget	Actual as of April 30, 2018	% of Budget
Watershed Revenues			
Watershed Management Fee	\$ 4,235,621	\$ 3,537,768	83.5%
Rent and Leases	910,000	772,085	84.8%
Permits, Parking and Passes	400,000	255,687	63.9%
Grants	-	-	
Other	-	9,203	
Total Watershed Revenues	<u>5,545,621</u>	<u>4,574,743</u>	82.5%
Expenditures - Operating and Capital Equipments			
Operating	5,996,709	4,196,088	70.0%
Capital equipment purchases	<u>147,947</u>	<u>22,102</u>	14.9%
Total Expenditures and Capital Purchases	<u>6,144,656</u>	<u>4,218,190</u>	68.6%
Surplus (Deficit)	(599,035)	356,553	-59.5%
Transfer from Operating Fund	<u>599,035</u>	<u>-</u>	
Net Surplus (Deficit)	<u>\$ -</u>	<u>\$ 356,553</u>	
Other Non-Water Revenue			
Rent and Leases - Non Watershed		<u>533,380</u>	
Total Non Rate Based Other Revenues		<u>533,380</u>	
Discount Program for Low Income & Medically Disabled			
Low Income - Fee waived		193,893	
Medically Disabled - Fee waived		<u>91,456</u>	
		<u>285,349</u>	
Net Surplus (Deficit)		<u>248,031</u>	

Marin Municipal Water District
Budget to Actual Comparison for 2017/18 - Capital Fund
Actual as of April 30, 2018
Unaudited

CIP Projects	FY2017/18 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 4/30/18	Encumbered for Contracts As of 4/30/18	Total Capital & Fire Flow As of 4/30/18
District Pipeline Replacement / Improvement	\$ 6,800,000	\$ 5,612,866	\$ 2,175,511	\$ 7,788,376
Replacements - Tank Maintenance & Replacement	\$ 1,730,000	\$ 638,526	\$ 17,567	\$ 656,093
Replacements - Treatment Plant Facilities	\$ 3,930,000	\$ 3,368,603	\$ 863,952	\$ 4,232,554
Replacements - Dam/Pump/Control System/Meters	\$ 4,300,000	\$ 1,638,387	\$ 464,498	\$ 2,102,884
Fire Chief's Fund	\$ 150,000	\$ -	-	\$ -
System Improvements	\$ 1,545,000	\$ 64,552	\$ -	\$ 64,552
Watershed - Ranger Residence & Minor Structure Improvement	920,000	746,967	76,915	\$ 823,882
Watershed - Road Repair & Improvement	3,390,000	746,704	74,116	\$ 820,820
Reimbursable Grant Projects	2,416,000	1,574,284	178,526	\$ 1,752,810
Reimbursable Customer Projects	\$ 1,550,000	\$ 611,405	\$ 788	\$ 612,193
Information Technology - Capital Equipments/Projects	\$ 940,000	\$ 576,414	\$ 193,776	\$ 770,190
Fire Flow Replacement	\$ 4,500,000	\$ 4,180,431	\$ 2,509,147	\$ 6,689,579
Capital Equipment Purchases	\$ 2,195,000	\$ 730,509	\$ 478,132	\$ 1,208,641
Total Capital Projects	\$ 34,366,000	\$ 20,489,647	\$ 7,032,927	\$ 27,522,575