



MARIN MUNICIPAL WATER DISTRICT

Posting Date: June 25, 2018

220 Nellen Avenue Corte Madera CA 94925-1169
www.marinwater.org

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, June 28, 2018

TIME: 9:30 a.m.

LOCATION: 1) MMWD Board Room, 220 Nellen Ave., Corte Madera, CA 94925

** 2) The Venetian, 3355 Las Vegas Blvd. South, Las Vegas, NV 89109 (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 May 24, 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 days in advance of the meeting. Advance notification within this guideline will enable the district to make reasonable arrangements to ensure accessibility.

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.

* * * * *

FUTURE BOARD OF DIRECTORS/FINANCE COMMITTEE MEETINGS:

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

MMWD Board Room

Thursday, August 23, 2018, 9:30 a.m.

MMWD Board Room



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 1
MEETING DATE: June 28, 2018
MEETING: Board of Directors /
Finance Committee

STAFF REPORT

SUBJECT: Minutes of May 24, 2018 Finance Committee Meeting

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

RECOMMENDED ACTION: Approve

ATTACHMENT:

1. Minutes of May 24, 2018 Finance Committee Meeting

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

IN ATTENDANCE:

Directors present: Cynthia Koehler, Jack Gibson, Larry Bragman, Larry Russell and Armando Quintero

Directors absent: None

CALL TO ORDER: Director Koehler called the meeting to order at 9:32 a.m.

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

PUBLIC EXPRESSION: Roger Roberts, of San Rafael, commented on water usage slowly increasing and urged public communication on upcoming budget.

ITEM 1. Minutes of the April 26, 2018 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 April 2018.

Fiscal year to date with the month ending April 30, 2018, water revenue was at 86.7% of budget and all other operating revenue was at 98.9% of budget, for total operating revenue of 87.2%. Capital revenue was 73.1%, fire flow revenue was 96.2%, with the total of all revenue collected being 86.1% of budget.

Fiscal year to date, actual operating expenses total 87.9% of budget. Total operating and capital expenses combined were 78.8% of the total FY 2018 budgeted expenses.

The total unrestricted reserves were \$21.4M, which is 3.4 months of operating budget with the debt ratio currently projected to be 1.51. There is currently \$31.3M in the capital reserve fund.

A short discussion ensued pertaining to total debt, the debt coverage ratio and reserves.

ADJOURNMENT

There being no further business, the meeting of May 24, 2018 adjourned at 10:04 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 May 31, 2018.

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

BACKGROUND:

Water Sales and Consumption

Monthly

Water sales for the month of May 2018 were \$2,815,958 which is \$269,638 or 8.7% below budget. When compared to the prior year, water sales for May 2018 increased by \$612,352 or 28% above May 2017.

Billed water consumption (in CCFs) for May 2018 was 540,290 CCFs, which is 11,049 CCFs 2% above budget. Compared to the prior year, billed water consumption for May 2018 increased 64,725 CCFs or 13.6%.

Total meter service charges for the month of May 2018 were \$1,291,229 which is \$38,944 or 3% above budget. Compared to the prior year, meter service charges increased by \$128,140 or 11%.

The Watershed Fee revenue for the month of May 2018 is \$306,420 or \$1,318 or 0.4% above budget and \$32,908 or 12% above May 2017.

The total water sales and fixed charges (Service and Watershed Fee) for the month of May 2018 was \$4,413,606 which is \$229,377 or 4.9% below budget and compared to May 2017, it is an increase of \$773,399 or 21.25%.

Fiscal Year to Date

Fiscal year to date, water sales through May 31, 2018 were \$48,543,716 which is \$2,462,952 or 5.3% above budget. Compared to the same period last year, water sales through May 31, 2018 increased by \$8,576,322 or 21%.

Billed water consumption (in CCFs), through May 31, 2018 was 8,913,444 CCFs, which is 448,193 CCFs or 5.3% above budget. Compared to the same period last year, billed water consumption through May 31, 2018 increased by 987,963 CCFs or 12.5%.

Total water sales and fixed charges (service and Watershed Fee) as of May 31, 2018 was \$68,871,891 when compared to the budget of \$66,050,365 is \$2,821,526 or 4.2% above budget. The 2017/18 water sales and fixed charges compared to prior fiscal year through May 31, 2017 of \$58,686,575 is an increase of \$10,185,316 or 17.4%.

Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2017/18 as of May 31, 2018. The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances.

As of May 31, 2018 the year to date net decrease for the Operating Fund was \$2.9 million after a PayGo transfer of \$6.25 million to Capital Fund.

For the Operating Fund, total revenues as of May 31, 2018 are \$72.8 million or 93.4% of budget. Total operating expenditures of \$69.5 million, not including depreciation and amortization, is 96.5% of budget.

For the Capital and Fire Flow Funds, total revenues are \$12.5 million, which includes a PayGo transfer-in of \$6.25 million from operating fund. This is 80.4% of budgeted revenue and capital contribution. Spending on capital and fire flow projects at \$23.3 million is 67.7% of budget as of May 31, 2018.

The Watershed Fund as of May 31, 2018 reflects a surplus of \$322,857.

Fund Balances

Per the attached Reserve Balance Summary as of May 31, 2018, unrestricted / undesignated - operating reserves are \$21.5 million net of a PayGo transfer of \$6.25 million to Capital Fund and encumbered amount of \$2.8 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 May 31, 2018
4. Reserve Balance Summary as of May 31, 2018
5. Watershed Fund & Non-Rate Based Revenue as of May 31, 2018
6. CIP Budget to Actual Comparison for 2017/18 as of May 31, 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 Actual	17/18 Budget	17/18 Actual	16/17 Actual	17/18 Budget	17/18 Actual	16/17 Actual	17/18 Budget	17/18 Actual	16/17 Actual	17/18 Budget	17/18 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	2,815,958	1,163,089	1,252,285	1,291,229	273,512	305,102	306,420	3,640,207	4,642,983	4,413,606
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	\$48,543,716	\$16,851,658	\$17,912,475	\$16,483,987	\$3,884,599	\$4,235,621	\$3,844,188	\$65,771,831	\$74,362,344	\$68,871,891

Original Budget-to-Actual Basis 4.27%
 Actual-to-Actual Basis 17.36%
 % of total budget received 92.62%

**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	540,290	2.09%	13.61%
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>8,913,444</u>		
			Budget-to-Actual Basis		<u>5.29%</u>							
			Actual-to-Actual Basis		<u>12.47%</u>							
			% of total budget		<u>93.28%</u>							

Marin Municipal Water District
Budget to Actual Comparison for 2017/18 - All Funds
Actual as of May 31, 2018
Unaudited

Revenues and Expenditures	2017/18 Ajusted Budget	Actual as of May 31, 2018	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 52,214,248	\$ 48,543,716	93.0%
Service Charge	17,912,475	16,483,987	92.0%
Watershed Management Fee	4,235,621	3,844,188	90.8%
Total Water Sales and Service Charge	<u>74,362,344</u>	<u>68,871,891</u>	92.6%
<i>Other Revenues:</i>			
Rents and Royalties	700,000	587,323	83.9%
Grants	250,000	215,558	86.2%
Watershed Rents and Royalties	910,000	847,245	93.1%
Watershed Payments	400,000	303,433	75.9%
Late Payment and Special Read Charges	360,000	320,271	89.0%
Interest	250,000	985,723	394.3%
Miscellaneous	697,000	658,079	94.4%
Total Other Revenues	<u>3,567,000</u>	<u>3,917,631</u>	109.8%
Total Operating Revenues	<u>77,929,344</u>	<u>72,789,522</u>	93.4%
Expenditures:			
Personnel services	41,690,466	42,899,092	102.9%
Materials and supplies	2,437,397	1,925,073	79.0%
Operations	6,600,797	3,889,749	58.9%
Water conservation rebate program	493,107	111,456	22.6%
Electrical power	3,836,563	3,085,328	80.4%
Water purchased	6,363,399	5,864,128	92.2%
Insurance, including claims	1,250,000	1,218,401	97.5%
General and administrative	3,255,737	2,692,280	82.7%
Debt service - interest and principal	9,421,976	9,375,382	99.5%
Overhead cost allocated to capital	<u>(3,327,320)</u>	<u>(1,577,337)</u>	47.4%
Total Expenditures and Capital Purchases	<u>72,022,122</u>	<u>69,483,552</u>	96.5%
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>\$ (2,944,030)</u>	
Operating Reserves			
Opening Reserves	\$ 20,077,803	\$ 20,077,803	
Net Operating Fund Increase(Decrease)	(92,778)	(2,944,030)	
Encumbrances for Purchase Orders	-	(2,844,905)	
Accrual adjustments	-	7,231,138	
Ending Reserves	<u>\$ 19,985,025</u>	<u>\$ 21,520,006</u>	

Capital and Fire Flow Funds

Revenues and Expenditures	2017/18 Ajusted Budget	Actual as of May 31, 2018	% of Budget
Revenues:			
Connection Charges	\$ 1,865,000	\$ 692,785	37.1%
Interest Income	15,000	34,167	227.8%
Transfer-in from Operating (PayGo)	6,000,000	6,250,000	104.2%
Contributed Capital:			
Fire Flow	4,500,000	4,319,673	96.0%
Connection Fees and Grants	3,166,000	1,209,316	38.2%
Total Revenues and Contributed Capital	<u>15,546,000</u>	<u>12,505,941</u>	80.4%
Capital Expenditures:			
Capital Projects - District	27,671,000	16,816,685	60.8%
Capital Projects - Fire Flow	4,500,000	5,520,720	122.7%
Capital equipment purchases	2,200,000	928,817	42.2%
Total Capital and Fire Flow Expenditures	<u>34,371,000</u>	<u>23,266,222</u>	67.7%
Net Capital and Fire Flow Fund Increase(Decrease)	<u>\$ (18,825,000)</u>	<u>\$ (10,760,281)</u>	57.2%
Capital Reserves			70.0%
Capital Fund			
Opening Reserves	\$ 1,610,857	\$ 1,610,857	
Net Capital Fund Increase(Decrease)	(16,640,000)	(8,630,416)	
Capital equipment purchases	(2,200,000)	(928,817)	
Proceeds from 2017 Bond Issuance	42,000,000	42,000,000	
Encumbered for Contracts		(3,061,997)	
Accrual adjustments	-	580,227	
Ending Reserves	<u>\$ 24,770,857</u>	<u>\$ 31,569,854</u>	
Fire Flow Fund			
Opening Reserves	\$ 426,571	\$ 426,571	
Net Fire Flow Fund Increase(Decrease)	-	(1,201,047)	
Encumbered for Contracts		(1,806,719)	
Accrual adjustments	-	3,516	
Ending Reserves	<u>\$ 426,571</u>	<u>\$ (2,577,679)</u>	

Reserve Balance Summary

	Actual				Projected
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	5/31/2018
Restricted	\$ 9,346,061	\$ 9,501,989	\$ 9,327,468	\$ 7,723,634	\$ 2,589,319
Board Designated	9,633,824	11,491,220	9,441,758	9,847,168	12,647,168
Watershed Fund	-	-		35,425	358,283
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	(2,577,679)
Capital Fund (including PayGo and net of encumbrances)	47,305,458	30,044,160	18,974,590	1,610,857	31,569,854
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>21,528,675</u>
Total	<u>\$ 96,348,703</u>	<u>\$ 78,836,467</u>	<u>\$ 61,047,907</u>	<u>\$ 47,721,458</u>	<u>\$ 74,115,619</u>
Months Reserve Urestricted - Operating to Annualized Actual Expenditure	4.08	3.93	3.34	4.09	3.43
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 May 31, 2018	% of Budget
Watershed Revenues			
Watershed Management Fee	\$ 4,235,621	\$ 3,844,188	90.8%
Rent and Leases	910,000	847,245	93.1%
Permits, Parking and Passes	400,000	285,416	71.4%
Grants	-	-	
Other	-	12,503	
Total Watershed Revenues	<u>5,545,621</u>	<u>4,989,352</u>	90.0%
Expenditures - Operating and Capital Equipments			
Operating	5,996,709	4,644,392	77.4%
Capital equipment purchases	<u>147,947</u>	<u>22,102</u>	14.9%
Total Expenditures and Capital Purchases	<u>6,144,656</u>	<u>4,666,494</u>	75.9%
Surplus (Deficit)	(599,035)	322,857	-53.9%
Transfer from Operating Fund	<u>599,035</u>	<u>-</u>	
Net Surplus (Deficit)	<u>\$ -</u>	<u>\$ 322,857</u>	
Other Non-Water Revenue			
Rent and Leases - Non Watershed		<u>587,323</u>	
Total Non Rate Based Other Revenues		<u>587,323</u>	
Discount Program for Low Income & Medically Disabled			
Low Income - Fee waived		211,273	
Medically Disabled - Fee waived		<u>98,968</u>	
		<u>310,240</u>	
Net Surplus (Deficit)		<u>277,083</u>	

Marin Municipal Water District
Budget to Actual Comparison for 2017/18 - Capital Fund
Actual as of May 31, 2018
Unaudited

CIP Projects	FY2017/18 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 5/31/18	Encumbered for Contracts As of 5/31/18	Total Capital & Fire Flow As of 5/31/18
District Pipeline Replacement / Improvement	\$ 6,800,000	\$ 6,361,959	\$ 1,725,882	\$ 8,087,841
Replacements - Tank Maintenance & Replacement	\$ 1,730,000	\$ 639,583	\$ 17,567	\$ 657,149
Replacements - Treatment Plant Facilities	\$ 3,930,000	\$ 3,432,937	\$ 847,051	\$ 4,279,988
Replacements - Dam/Pump/Control System/Meters	\$ 4,300,000	\$ 1,789,416	\$ 373,996	\$ 2,163,412
Fire Chief's Fund	\$ 150,000	\$ -	-	\$ -
System Improvements	\$ 1,545,000	\$ 69,484	\$ -	\$ 69,484
Watershed - Ranger Residence & Minor Structure Improvement	920,000	847,872	61,409	\$ 909,281
Watershed - Road Repair & Improvement	3,390,000	780,166	61,130	\$ 841,296
Reimbursable Grant Projects	2,416,000	1,600,519	178,526	\$ 1,779,045
Reimbursable Customer Projects	\$ 1,550,000	\$ 670,767	\$ -	\$ 670,767
Information Technology - Capital Equipments/Projects	\$ 940,000	\$ 623,982	\$ 146,208	\$ 770,190
Fire Flow Replacement	\$ 4,500,000	\$ 5,520,720	\$ 1,394,582	\$ 6,915,302
Capital Equipment Purchases	\$ 2,195,000	\$ 928,817	\$ 573,188	\$ 1,502,005
Total Capital Projects	\$ 34,366,000	\$ 23,266,222	\$ 5,379,538	\$ 28,645,760