



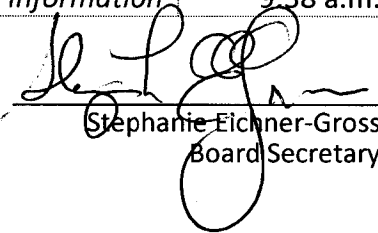
**NOTICE OF SPECIAL MEETING
BOARD OF DIRECTORS/FINANCE COMMITTEE***

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, July 26, 2018
TIME: 9:30 a.m.
LOCATION: 1) MMWD Board Room, 220 Nellen Ave., Corte Madera, CA 94925
 ** 2) Harrah's, 3475 Las Vegas Blvd., Las Vegas, NV 89109 (Director Russell)
 ** 3) UC Merced 2400 N. Lake Rd., Science & Eng. Rm 236, Merced, CA (Director Quintero)

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 June 28, 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

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.

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.

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FUTURE BOARD OF DIRECTORS/FINANCE COMMITTEE MEETINGS:

Thursday, August 23, 2018, 9:30 a.m.	MMWD Board Room
Thursday, September 27, 2018, 9:30 a.m.	MMWD Board Room



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 1
MEETING DATE: July 26, 2018
MEETING: Board of Directors /
Finance Committee

STAFF REPORT

SUBJECT: Minutes of June 28, 2018 Finance Committee Meeting

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

RECOMMENDED ACTION: Approve

ATTACHMENT:

1. Minutes of June 28, 2018 Finance Committee Meeting

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

IN ATTENDANCE:

Directors present: Cynthia Koehler, Larry Bragman, and via teleconference Larry Russell. Jack Gibson (present via teleconference but not participating).

Directors absent: Armando Quintero

CALL TO ORDER: Director Koehler called the meeting to order at 9:31 a.m.

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

PUBLIC EXPRESSION: None

ITEM 1. Minutes of the May 24, 2018 meeting were approved, with date change for Item No. 1 to April 26, 2018.

ITEM 2. Monthly Financial Update

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

Fiscal year to date with the month ending May 31, 2018, water revenue was at 92.6% of budget and all other operating revenue was at 109.8% of budget, for total operating revenue of 93.4%. Capital revenue was 74.5%, fire flow revenue was 96 %, with the total of all revenue collected being 91.3% of budget.

Fiscal year to date, actual operating expenses total 96.5% of budget. Total operating and capital expenses combined were 87.1% of the total FY 2018 budgeted expenses.

The total unrestricted reserves were \$21.5M, which is 3.4 months of operating budget with the debt ratio currently projected to be 1.44. There is currently \$31.6M in the capital reserve fund.

Director Bragman asked to see a comparison of fiscal performance vs. projected performance. The ASDM, Charlie Duggan, advised that revenue for June water sales will be completed in August, due to billing and collection cycles. We should be able to show a comparison at the August Finance Committee meeting.

ADJOURNMENT

There being no further business, the meeting of June 28, 2018 adjourned at 9:38 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 June 30, 2018.

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

BACKGROUND:

Water Sales and Consumption

Monthly

Water sales for the month of June 2018 were \$5,299,302 which is \$834,182 or 13.6% below budget. When compared to the prior year, water sales for June 2018 increased by \$231,122 or 4.6% above June 2017.

Billed water consumption (in CCFs) for June 2018 was 1,095,760 CCFs, which is 5,689 CCFs .52% above budget. Compared to the prior year, billed water consumption for June 2018 increased 43,247 CCFs or 4.1%.

Total meter service charges for the month of June 2018 were \$1,807,578 which is \$41,599 or 2.4% above budget. Compared to the prior year, meter service charges increased by \$65,401 or 10%.

The Watershed Fee revenue for the month of June 2018 is \$415,559 or \$3,043 or 0.74% above budget and \$41,660 or 11% above June 2017.

The total water sales and fixed charges (Service and Watershed Fee) for the month of June 2018 was \$7,522,439 which is \$789,540 or 9.5% below budget and compared to June 2017, it is an increase of \$437,183 or 6%.

Fiscal Year to Date

Fiscal year to date, water sales through June 30, 2018 were \$53,849,936 which is \$1,635,688 or 3.1% above budget. Compared to the same period last year, water sales through June 30, 2018 increased by \$8,814,361 or 19.6%.

Billed water consumption (in CCFs), through June 30, 2018 was 10,009,204 CCFs, which is 453,882 CCFs or 4.75% above budget. Compared to the same period last year, billed water consumption through June 30, 2018 increased by 1,031,210 CCFs or 11.5%.

Total water sales and fixed charges (service and Watershed Fee) as of June 30, 2018 was \$76,401,247 when compared to the budget of \$74,362,344 is \$2,038,903 or 2.74% above budget. The 2017/18 water sales and fixed charges compared to prior fiscal year through June 30, 2017 of \$65,771,831 is an increase of \$10,629,416 or 16.16%.

Budget to Actual Comparison – All Funds

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

As of June 30, 2018 the year to date net decrease for the Operating Fund was \$2.7 million after a PayGo transfer of \$6.25 million to Capital Fund.

For the Operating Fund, total revenues as of June 30, 2018 are \$80.8 million or 103.7% of budget. Total operating expenditures of \$77.3 million, not including depreciation and amortization, is 107.4% of budget.

For the Capital and Fire Flow Funds, total revenues are \$12.9 million, which includes a PayGo transfer-in of \$6.25 million from operating fund. This is 83.0% of budgeted revenue and capital contribution. Spending on capital and fire flow projects at \$26.7 million is 77.6% of budget as of June 30, 2018.

The Watershed Fund as of June 30, 2018 reflects a surplus of \$79,090.

Fund Balances

Per the attached Reserve Balance Summary as of June 30, 2018, unrestricted / undesignated - operating reserves are \$23.1 million net of a PayGo transfer of \$6.25 million to Capital Fund and encumbered amount of \$2.1 million for purchase orders, or 3.6 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 June 30, 2018
4. Reserve Balance Summary as of June 30, 2018
5. Watershed Fund & Non-Rate Based Revenue as of June 30, 2018
6. CIP Budget to Actual Comparison for 2017/18 as of June 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	3,366,127	1,640,133	1,762,722	1,821,708	373,440	412,025	418,607	4,729,603	5,881,316	5,606,442
May	2,203,606	3,085,596	2,817,477	1,163,089	1,252,285	1,291,229	273,512	305,102	306,420	3,640,207	4,642,983	4,415,126
June	5,068,180	6,133,484	5,299,302	1,643,177	1,765,979	1,807,578	373,899	412,516	415,559	7,085,256	8,311,979	7,522,439
TOTAL	\$45,035,574	\$52,214,248	\$53,849,936	\$16,851,658	\$17,912,475	\$18,291,565	\$3,884,599	\$4,235,621	\$4,259,747	\$65,771,831	\$74,362,344	\$76,401,247

Original Budget-to-Actual Basis 2.74%
 Actual-to-Actual Basis 16.16%
 % of total budget received 102.74%

**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>	<u>1,095,760</u>	0.52%	4.11%
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>10,009,204</u>		
			Budget-to-Actual Basis		<u>4.75%</u>							
			Actual-to-Actual Basis		<u>11.49%</u>							
			% of total budget		<u>104.75%</u>							

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

Revenues and Expenditures	2017/18 Ajusted Budget	Actual as of June 30, 2018	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 52,214,248	\$ 53,849,936	103.1%
Service Charge	17,912,475	18,291,565	102.1%
Watershed Management Fee	4,235,621	4,259,747	100.6%
Total Water Sales and Service Charge	<u>74,362,344</u>	<u>76,401,247</u>	102.7%
<i>Other Revenues:</i>			
Rents and Royalties	700,000	641,267	91.6%
Grants	250,000	443,942	177.6%
Watershed Rents and Royalties	910,000	922,405	101.4%
Watershed Payments	400,000	335,222	83.8%
Late Payment and Special Read Charges	360,000	347,635	96.6%
Interest	250,000	1,065,527	426.2%
Miscellaneous	697,000	691,189	99.2%
Total Other Revenues	<u>3,567,000</u>	<u>4,447,186</u>	124.7%
Total Operating Revenues	<u>77,929,344</u>	<u>80,848,433</u>	103.7%
Expenditures:			
Personnel services	41,690,466	47,399,264	113.7%
Materials and supplies	2,437,397	2,248,525	92.3%
Operations	6,600,797	4,676,807	70.9%
Water conservation rebate program	493,107	119,185	24.2%
Electrical power	3,836,563	3,486,267	90.9%
Water purchased	6,363,399	6,776,322	106.5%
Insurance, including claims	1,250,000	1,334,458	106.8%
General and administrative	3,255,737	2,941,922	90.4%
Debt service - interest and principal	9,421,976	10,227,689	108.6%
Overhead cost allocated to capital	<u>(3,327,320)</u>	<u>(1,869,260)</u>	56.2%
Total Expenditures and Capital Purchases	<u>72,022,122</u>	<u>77,341,179</u>	107.4%
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>\$ (2,742,746)</u>	
Operating Reserves			
Opening Reserves	\$ 20,077,803	\$ 20,077,803	
Net Operating Fund Increase(Decrease)	(92,778)	(2,742,746)	
Encumbrances for Purchase Orders	-	(1,116,445)	
Accrual adjustments	-	6,875,220	
Ending Reserves	<u>\$ 19,985,025</u>	<u>\$ 23,093,832</u>	

Capital and Fire Flow Funds

Revenues and Expenditures	2017/18 Ajusted Budget	Actual as of June 30, 2018	% of Budget
Revenues:			
Connection Charges	\$ 1,865,000	\$ 999,336	53.6%
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	4,518,478	100.4%
Connection Fees and Grants	3,166,000	1,099,681	34.7%
Total Revenues and Contributed Capital	<u>15,546,000</u>	<u>12,901,661</u>	83.0%
Capital Expenditures:			
Capital Projects - District	27,671,000	18,782,145	67.9%
Capital Projects - Fire Flow	4,500,000	6,926,627	153.9%
Capital equipment purchases	2,200,000	957,942	43.5%
Total Capital and Fire Flow Expenditures	<u>34,371,000</u>	<u>26,666,714</u>	77.6%
Net Capital and Fire Flow Fund Increase(Decrease)	<u>\$ (18,825,000)</u>	<u>\$ (13,765,053)</u>	73.1%
Capital Reserves			70.0%
Capital Fund			
Opening Reserves	\$ 1,610,857	\$ 1,610,857	
Net Capital Fund Increase(Decrease)	(16,640,000)	(10,398,961)	
Capital equipment purchases	(2,200,000)	(957,942)	
Proceeds from 2017 Bond Issuance	42,000,000	42,000,000	
Encumbered for Contracts		(2,797,374)	
Accrual adjustments	-	188,491	
Ending Reserves	<u>\$ 24,770,857</u>	<u>\$ 29,645,070</u>	
Fire Flow Fund			
Opening Reserves	\$ 426,571	\$ 426,571	
Net Fire Flow Fund Increase(Decrease)	-	(2,408,150)	
Encumbered for Contracts		(1,202,383)	
Accrual adjustments	-	30,941	
Ending Reserves	<u>\$ 426,571</u>	<u>\$ (3,153,021)</u>	

Reserve Balance Summary

	Actual				Projected
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Restricted	\$ 9,346,061	\$ 9,501,989	\$ 9,327,468	\$ 7,723,634	\$ 1,959,602
Board Designated	9,633,824	11,491,220	9,441,758	9,847,168	10,425,446
Watershed Fund	-	-		35,425	114,515
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	(3,153,021)
Capital Fund (including PayGo and net of encumbrances)	47,305,458	30,044,160	18,974,590	1,610,857	29,645,070
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>23,093,832</u>
Total	<u>\$ 96,348,703</u>	<u>\$ 78,836,467</u>	<u>\$ 61,047,907</u>	<u>\$ 47,721,458</u>	<u>\$ 70,085,444</u>
Months Reserve Urestricted - Operating to Annualized Actual Expenditure	4.08	3.93	3.34	4.09	3.58
Debt Coverage Ratio	1.52	1.28	1.25	1.50	1.46

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 June 30, 2018	% of Budget
Watershed Revenues			
Watershed Management Fee	\$ 4,235,621	\$ 4,259,747	100.6%
Rent and Leases	910,000	922,405	101.4%
Permits, Parking and Passes	400,000	309,413	77.4%
Grants	-	-	
Other	-	19,677	
Total Watershed Revenues	<u>5,545,621</u>	<u>5,511,241</u>	99.4%
Expenditures - Operating and Capital Equipments			
Operating	5,996,709	5,410,049	90.2%
Capital equipment purchases	<u>147,947</u>	<u>22,102</u>	14.9%
Total Expenditures and Capital Purchases	<u>6,144,656</u>	<u>5,432,151</u>	88.4%
Surplus (Deficit)	(599,035)	79,090	-13.2%
Transfer from Operating Fund	<u>599,035</u>	<u>-</u>	
Net Surplus (Deficit)	<u>\$ -</u>	<u>\$ 79,090</u>	
Other Non-Water Revenue			
Rent and Leases - Non Watershed		<u>641,267</u>	
Total Non Rate Based Other Revenues		<u>641,267</u>	
Discount Program for Low Income & Medically Disabled			
Low Income - Fee waived		235,052	
Medically Disabled - Fee waived		<u>111,158</u>	
		<u>346,211</u>	
Net Surplus (Deficit)		<u>295,056</u>	

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

CIP Projects	FY2017/18 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 6/30/18	Encumbered for Contracts As of 6/30/18	Total Capital & Fire Flow As of 6/30/18
District Pipeline Repl	\$ 6,800,000	\$ 7,232,010	\$ 1,337,177	\$ 8,569,187
Replacements - Tank	\$ 1,730,000	\$ 645,092	\$ 17,567	\$ 662,659
Replacements - Treat	\$ 3,930,000	\$ 4,051,850	\$ 241,922	\$ 4,293,772
Replacements - Dam/	\$ 4,300,000	\$ 1,982,275	\$ 279,064	\$ 2,261,339
Fire Chief's Fund	\$ 150,000	\$ -	\$ -	\$ -
System Improvement	\$ 1,545,000	\$ 80,008	\$ -	\$ 80,008
Watershed - Minor Stru	85,000	2,730	4,797	\$ 7,527
Watershed - Ranger F	920,000	860,028	61,409	\$ 921,437
Watershed - Road Re	3,390,000	822,955	37,903	\$ 860,859
Reimbursable Grant F	2,416,000	1,624,219	178,526	\$ 1,802,745
Reimbursable Custon	\$ 1,550,000	\$ 756,193	\$ -	\$ 756,193
Information Technolo	\$ 940,000	\$ 724,783	\$ 70,616	\$ 795,400
Fire Flow Replaceme	\$ 4,500,000	\$ 6,926,627	\$ 1,202,383	\$ 8,129,010
Capital Equipment Pu	\$ 2,195,000	\$ 957,942	\$ 568,394	\$ 1,526,336
Total Capital Projects	\$ 34,366,000	\$ 26,666,714	\$ 3,999,757	\$ 30,666,471