



MARIN MUNICIPAL WATER DISTRICT

Posting Date: September 25, 2018

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

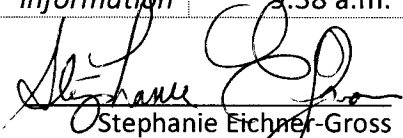
NOTICE OF SPECIAL MEETING BOARD OF DIRECTORS/FINANCE COMMITTEE*

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, September 27, 2018
TIME: 9:30 a.m.
LOCATION: 1) MMWD Board Room, 220 Nellen Ave., Corte Madera, CA 9492
 ** 2) UC Merced 2400 N. Lake Rd., Science & Eng. Rm. 236, Merced, CA (Director Quintero)
 **3) Harrah's Las Vegas, 3475 S. Las Vegas Blvd., 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 July 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

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.

* * * * *

FUTURE BOARD OF DIRECTORS/FINANCE COMMITTEE MEETINGS:

Thursday, , October 25, 2018, 9:30 a.m.	MMWD Board Room
Thursday, November 15, 2018, 9:30 a.m.	MMWD Board Room



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 1
MEETING DATE: September 27, 2018
MEETING: Board of Directors /
Finance Committee

STAFF REPORT

SUBJECT: Minutes of August 23, 2018 Finance Committee Meeting

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

RECOMMENDED ACTION: Approve

ATTACHMENT:

1. Minutes of August 23, 2018 Finance Committee Meeting

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

IN ATTENDANCE:

Directors present: Jack Gibson, Larry Bragman, Larry Russell and Armando Quintero (via teleconference)

Directors absent: Cynthia Koehler

CALL TO ORDER: Director Gibson called the meeting to order at 9:34 a.m.

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

PUBLIC EXPRESSION: None

ITEM 1. Minutes of the July 26, 2018 meeting were approved.

ITEM 2. Monthly Financial Update

The Administrative Services Division Manager/Treasurer (ASDM), Charlie Duggan, presented the financial summary for the month ending July 2018 and a re-cap of FY 2018 ending June 30, 2018.

Fiscal year 2018, preliminary results show total operating revenue on an accrual basis at 81% of budget, with total operating expenses and capital purchases at 72% of budget. Ending reserves as of June 30, 2018 were \$23.1M with an anticipated debt coverage ratio of 1.50.

Fiscal year to date with the month ending July 31, 2018, water revenue was at 8.4% of budget and all other operating revenue was at 7.8% of budget, for total operating revenue of 8.3%. Capital revenue was 0.05%, fire flow revenue was 0.6 %, with the total of all revenue collected being 7.1% of budget.

Fiscal year to date, actual operating expenses total 8.2% of budget. Total operating and capital expenses combined were 6.3% of the total FY 2019 budgeted expenses.

The total unrestricted reserves were \$20.9M, which is 3.3 months of operating budget. There is currently \$26.3M in the capital reserve fund.

A brief discussion ensued pertaining to reserve funds, capital program funding and the upcoming 2 year budget cycle.

ADJOURNMENT

There being no further business, the meeting of August 23, 2018 adjourned at 10:15 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 for August 31, 2018

FISCAL IMPACT: YES **No** X **FISCAL YEAR:** 2018/19

BACKGROUND:

Water Sales and Consumption

Monthly

Water sales for the month of August 2018 were \$8,014,779 which is \$695,979 or 9.5% above budget. When compared to the prior year, water sales for August 2018 increased by \$305,331 or 4% above August 2017.

Billed water consumption (in CCFs) for August 2018 was 1,413,528 CCFs, which is 91,071 CCFs or 6.9% above budget. Compared to the prior year, billed water consumption for August 2018 increased 17,085 CCFs or 1.2%.

Total meter service charges for the month of August 2018 were \$1,850,685 which is \$203,719 or 12% above budget. Compared to the prior year, meter service charges increased by \$202,839 or 11.6%.

The Watershed Fee revenue for the month of August 2018 is \$417,964 or \$43,343 or 11.6% above budget and \$43,336 or 12.7% above August 2017.

The total water sales and fixed charges (Service and Watershed Fee) for the month of August 2018 was \$10,283,427 which is \$943,040 or 10.1% above budget and compared to August 2017, it is an increase of \$551,506 or 5.7%.

Fiscal Year to Date

Fiscal year to date, water sales through August 31, 2018 were \$12,635,367 which is \$608,567 or 5% above budget. Compared to the same period last year, water sales through August 31, 2018 increased by \$412,318 or 3.4%.

Billed water consumption (in CCFs), through August 31, 2018 was 2,273,863 CCFs, which is 130,525 CCFs or 6% above budget. Compared to the same period last year, billed water consumption through August 31, 2018 increased by 36,332 CCFs or 1.6%.

Fiscal year to date, total water sales and fixed charges (service and Watershed Fee) through August 31, 2018 was \$16,497,760 when compared to the budget of \$15,483,081 is \$1,014,679 or 6.6% above budget. The 2018/19 water sales and fixed charges compared to prior fiscal year through August 31, 2017 of \$15,670,872 is an increase of \$826,888 or 5.3%.

Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2018/19 as of August 31, 2018. The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances.

As of August 31, 2018 the year to date net increase for the Operating Fund was \$6,241,060.

For the Operating Fund, total revenues as of August 31, 2018 are \$17.1 million or 21.9% of budget. Total operating expenditures of \$10.8 million, not including depreciation and amortization, is 14.2% of budget.

For the Capital and Fire Flow Funds, total revenues are \$0.2 million or 1.2% of budget. Spending on capital and fire flow projects at \$3.1 million is 8.6% of budget as of August 31, 2018.

The Watershed Fund as of August 31, 2018 reflects a surplus of \$355,972.

Fund Balances

Per the attached Reserve Balance Summary as of August 31, 2018, unrestricted / undesignated - operating reserves are \$24.4 net of encumbered amount of \$1.6 million for purchase orders, or 3.8 months of annualized projected operating expenses for 2018/19.

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 2017/18 – 2018/19
2. Billed Water Consumption in CCFs FY 2009/10 – 2018/19
3. Budget to Actual Comparison for 2018/19 as of August 31, 2018
4. Reserve Balance Summary as of August 31, 2018
5. CIP Budget to Actual Comparison for 2018/19 as of August 31, 2018
6. Watershed Fund & Non-Rate Based Revenue as of August, 2018

**Total Water Sales and Fixed Charges & Fees
Fiscal Years 2016/17 - 2018/19**

Month	Fixed Charges											
	Water Sales			Service Charges			Watershed Fee			Total Water Sales and Fixed Charges		
	17/18 Actual	18/19 Budget	18/19 Actual	17/18 Actual	18/19 Budget	18/19 Actual	17/18 Actual	18/19 Budget	18/19 Actual	17/18 Actual	18/19 Budget	18/19 Actual
July	\$ 4,513,602	\$ 4,708,000	\$ 4,620,589	\$ 1,154,510	\$ 1,161,533	\$ 1,288,626	\$ 270,839	\$ 273,160	\$ 305,118	\$ 5,938,951	\$ 6,142,693	\$ 6,214,333
August	7,709,448	7,318,800	8,014,779	1,647,846	1,646,966	1,850,685	374,628	374,621	417,964	9,731,921	9,340,387	10,283,427
September	5,232,947	4,844,452		1,233,287	1,252,588		300,784	303,197		6,767,018	6,400,237	-
October	8,193,115	6,219,933		1,839,386	1,775,408		421,824	414,491		10,454,325	8,409,832	-
November	4,258,259	3,825,519		1,297,305	1,253,431		306,650	304,461		5,862,214	5,383,411	-
December	4,431,406	4,630,103		1,808,017	1,773,354		416,151	413,989		6,655,574	6,817,446	-
January	2,003,113	2,268,410		1,154,911	1,248,343		272,328	304,169		3,430,351	3,820,922	-
February	4,058,223	3,408,017		1,952,994	1,754,748		450,375	410,843		6,461,592	5,573,609	-
March	1,966,918	2,065,365		1,282,794	1,265,118		305,582	307,046		3,555,295	3,637,529	-
April	3,366,127	3,706,568		1,821,708	1,762,722		418,607	412,025		5,606,442	5,881,316	-
May	2,817,477	3,085,596		1,291,229	1,252,285		306,420	305,102		4,415,126	4,642,983	-
June	5,299,302	6,133,484		1,807,578	1,765,979		415,559	412,516		7,522,439	8,311,979	-
TOTAL	\$53,849,936	\$52,214,248	\$12,635,367	\$18,291,565	\$17,912,475	\$3,139,311	\$4,259,747	\$4,235,621	\$723,081	\$76,401,247	\$74,362,344	\$16,497,760

Original Budget-to-Actual Basis 6.55%
 Actual-to-Actual Basis 5.28%
 % of total budget received 22.19%

**Billed Water Consumption In CCF's
Fiscal Year 2009/10 - 2018/19**

Month	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Actual	18/19 Budget	18/19 Actual	Monthly Budget Variance	Actual to Actual % Change
July	958,254	857,071	806,534	940,774	960,503	857,599	709,164	817,152	841,088	820,881	860,335	4.81%	2.29%
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	1,396,443	1,322,457	1,413,528	6.89%	1.22%
September	1,016,214	1,005,679	947,293	1,016,379	977,353	859,553	773,020	844,640	882,952	854,244			
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	1,367,665	1,221,597			
November	687,783	709,313	690,404	691,037	840,947	633,520	649,016	583,819	742,758	644,407			
December	825,217	777,015	865,208	832,615	1,059,733	864,257	842,995	716,927	833,949	835,634			
January	491,259	466,489	522,634	437,843	584,601	463,934	431,637	396,528	410,458	445,197			
February	698,386	707,803	809,417	731,899	869,459	719,107	631,478	606,381	763,871	673,617			
March	394,481	417,369	469,932	458,940	453,943	456,655	362,406	368,448	431,947	407,977			
April	707,372	714,398	730,127	878,103	708,756	832,060	639,191	598,740	702,023	709,999			
May	528,781	575,547	551,643	721,094	569,555	600,821	464,956	475,565	540,290	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>1,095,760</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>10,009,204</u>	<u>9,555,322</u>	<u>2,273,863</u>		
			Budget-to-Actual Basis		<u>6.09%</u>								
			Actual-to-Actual Basis		<u>1.62%</u>								
			% of total budget		<u>23.80%</u>								

Marin Municipal Water District
Budget to Actual Comparison for 2018/19 - All Funds
Actual as of August 31, 2018
Unaudited

Revenues and Expenditures	2018/19 Adopted Budget	Actual as of August 31, 2018	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 52,214,248	\$ 12,633,763	24.2%
Service Charge	17,912,475	3,140,916	17.5%
Watershed Management Fee	4,235,621	723,081	17.1%
Total Water Sales and Service Charge	<u>74,362,344</u>	<u>16,497,760</u>	22.2%
<i>Other Revenues:</i>			
Rents and Royalties	740,000	107,888	14.6%
Grants	250,000	-	0.0%
Watershed Rents and Royalties	920,000	150,550	16.4%
Watershed Payments	420,000	60,961	14.5%
Late Payment and Special Read Charges	370,000	72,605	19.6%
Interest	250,000	146,802	58.7%
Miscellaneous	750,000	26,018	3.5%
Total Other Revenues	<u>3,700,000</u>	<u>564,824</u>	15.3%
 Total Operating Revenues	 <u>78,062,344</u>	 <u>17,062,584</u>	 21.9%
Expenditures:			
Personnel services	45,105,349	6,144,616	13.6%
Materials and supplies	2,434,085	464,379	19.1%
Operations	6,360,498	524,853	8.3%
Water conservation rebate program	599,500	17,675	2.9%
Electrical power	4,000,361	843,333	21.1%
Water purchased	6,674,509	1,033,358	15.5%
Insurance, including claims	1,260,000	648,624	51.5%
General and administrative	3,020,800	593,296	19.6%
Debt service - interest and principal	10,200,976	850,081	8.3%
Overhead cost allocated to capital	(3,327,320)	(298,692)	9.0%
Total Expenditures and Capital Purchases	<u>76,328,758</u>	<u>10,821,524</u>	14.2%
 Transfer out to Capital Fund (PayGo)	 <u>2,000,000</u>	 <u>-</u>	 0.0%
 Net Operating Fund Increase(Decrease)	 <u>\$ (266,414)</u>	 <u>\$ 6,241,060</u>	
Operating Reserves			
Opening Reserves	\$ 23,678,473	\$ 23,678,473	
Net Operating Fund Increase(Decrease)	(266,414)	6,241,060	
Encumbrances for Purchase Orders	-	(1,642,663)	
Accrual adjustments	-	(3,892,728)	
Ending Reserves	<u>\$ 23,412,059</u>	<u>\$ 24,384,142</u>	

Capital and Fire Flow Funds

Revenues and Expenditures	2018/19 Adopted Budget	Actual as of August 31, 2018	% of Budget
Revenues:			
Connection Charges	\$ 1,865,000	\$ 84,814	4.5%
Interest Income	15,000	25,213	168.1%
Transfer-in from Operating (PayGo)	2,000,000	-	
Contributed Capital:			
Fire Flow	4,500,000	28,470	0.6%
Connection Fees and Grants	6,218,000	34,820	0.6%
Total Revenues and Contributed Capital	<u>14,598,000</u>	<u>173,316</u>	1.2%
Capital Expenditures:			
Capital Projects - District	29,613,000	1,411,473	4.8%
Capital Projects - Fire Flow	4,500,000	1,149,877	25.6%
Capital equipment purchases	1,736,000	513,585	29.6%
Total Capital and Fire Flow Expenditures	<u>35,849,000</u>	<u>3,074,935</u>	8.6%
Net Capital and Fire Flow Fund Increase(Decrease)	<u>\$ (21,251,000)</u>	<u>\$ (2,901,619)</u>	13.7%
Capital Reserves			70.0%
Capital Fund			
Opening Reserves	\$ 32,931,073	\$ 32,931,073	
Net Capital Fund Increase(Decrease)	(19,530,000)	(1,266,627)	
Capital equipment purchases	(1,736,000)	(513,585)	
	-	-	
Encumbered for Contracts		(4,384,722)	
Accrual adjustments	-	(2,698,142)	
Ending Reserves	<u>\$ 11,665,073</u>	<u>\$ 24,067,997</u>	
Fire Flow Fund			
Opening Reserves	\$ (1,973,143)	\$ (1,973,143)	
Net Fire Flow Fund Increase(Decrease)	-	(1,121,407)	
Encumbered for Contracts		(1,088,792)	
Accrual adjustments	-	(152,235)	
Ending Reserves	<u>\$ (1,973,143)</u>	<u>\$ (4,335,577)</u>	

Reserve Balance Summary

	Actual			Preliminary	Projected
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	8/31/2018
Restricted	\$ 9,501,989	\$ 9,327,468	\$ 7,723,634	\$ 1,958,730	\$ 3,735,348
Board Designated	11,491,220	9,441,758	9,847,168	10,425,446	10,425,446
Watershed Fund	-		35,425	114,515	470,487
Rate Stabilization Fund	5,900,000	5,700,000	8,000,000	8,000,000	8,000,000
Fire Flow Fund	1,939,529	656,839	426,571	(1,973,143)	(4,335,577)
Capital (including bond proceeds)	30,044,160	18,974,590	1,610,857	32,931,073	20,781,994
Unrestricted/undesignated -	19,959,569	16,947,253	20,077,803	23,678,473	24,389,117
Operating					
Total	\$ 78,836,467	\$ 61,047,907	\$ 47,721,458	\$ 75,135,094	\$ 63,466,814
Months Reserve Urestricted -					
Operating to Annualized Actual	3.93	3.34	4.09	3.55	3.83
Expenditure					
Debt Coverage Ratio	1.28	1.25	1.50	1.50	1.35

As of August 31, 2018	Principal	Interest	Total
2012 Bond	80,580,000.00	73,085,980.00	153,665,980.00
2016 Bond	31,380,000.00	25,847,200.00	57,227,200.00
2017 Bond	35,385,000.00	31,109,800.00	66,494,800.00
Total Bond Debt	147,345,000.00	130,042,980.00	277,387,980.00
MERA	40,670.23		40,670.23
CREB	733,500.00		733,500.00
AEEP	2,450,000.00		2,450,000.00
LGVSD	5,427,023.77	2,570,354.59	7,997,378.36
Total Other Debt	8,651,194.00	2,570,354.59	11,221,548.59
Total Outstanding Debt	155,996,194.00	132,613,334.59	288,609,528.59

Marin Municipal Water District
Budget to Actual Comparison for 2018/19 - Capital Fund
Actual as of August 31, 2018
Unaudited

CIP Projects	FY2018/19 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 8/31/18	Encumbered for Contracts As of 8/31/18	Total Capital & Fire Flow As of 8/31/18
District Pipeline Replacement / Improvement	\$ 9,464,504	\$ 1,131,374	\$ 1,823,829	\$ 2,955,203
Replacements - Tank Maintenance & Replacement	\$ 3,516,282	\$ 1,489	\$ 17,567	\$ 19,056
Replacements - Treatment Plant Facilities	\$ 6,338,516	\$ 12,845	\$ 428,507	\$ 441,352
Replacements - Capital Contingency Fund		-		
Replacements - Dam/Pump/Control System/Meters	\$ 5,196,372	\$ 99,188	\$ 397,793	\$ 496,981
Fire Chief's Fund	\$ 150,000	\$ 426	-	\$ 426
System Improvements	\$ 558,583	\$ 20,805	\$ -	\$ 20,805
Watershed - Minor Structures I/R/R	4,797	5,443	-	\$ 5,443
Watershed - Ranger Residence & Minor Structure Imp	87,822	8,302	60,491	\$ 68,793
Watershed - Road Repair & Improvement	2,191,400	40,737	1,201,813	\$ 1,242,550
Reimbursable Grant Projects	1,404,518	11,732	178,526	\$ 190,258
Reimbursable Customer Projects	\$ 69,177	\$ 53,541	\$ -	\$ 53,541
Information Technology - Capital Equipments/Project	\$ 619,005	\$ 25,591	\$ 129,199	\$ 154,790
Fire Flow Replacement	\$ 4,500,000	\$ 1,149,877	\$ 1,088,792	\$ 2,238,669
Capital Equipment Purchases	\$ 1,729,284	\$ 513,585	\$ 146,997	\$ 660,582
Total Capital Projects	\$ 35,830,260	\$ 3,074,935	\$ 5,473,514	\$ 8,548,449

Marin Municipal Water District
Watershed & Other Non Rate Based Revenue and Expenditures
Actual as of August 31, 2018
Unaudited

Revenues and Expenditures	2018/19 Budget	Actual as of August 31, 2018	% of Budget
Watershed Revenues			
Watershed Management Fee	\$ 4,235,621	\$ 723,424	17.1%
Rent and Leases	910,000	150,550	16.5%
Permits, Parking and Passes	400,000	57,217	14.3%
Grants	-	-	
Other	-	3,000	
Total Watershed Revenues	<u>5,545,621</u>	<u>934,192</u>	16.8%
Expenditures - Operating and Capital			
Operating	5,996,709	562,653	9.4%
Capital equipment purchases	<u>147,947</u>	<u>15,567</u>	10.5%
Total Expenditures and Capital Purchases	<u>6,144,656</u>	<u>578,220</u>	9.4%
Surplus (Deficit)	(599,035)	355,972	-59.4%
Transfer from Operating Fund	<u>599,035</u>	<u>-</u>	
Net Surplus (Deficit)	<u>\$ -</u>	<u>\$ 355,972</u>	
Other Non-Water Revenue			
Rent and Leases - Non Watershed		<u>107,888</u>	
Total Non Rate Based Other Revenues		<u>107,888</u>	
Discount Program for Low Income & Medically Disabled			
Low Income - Fee waived		36,539	
Medically Disabled - Fee waived		<u>18,274</u>	
		<u>54,814</u>	
Net Surplus (Deficit)		<u>53,075</u>	