



MARIN MUNICIPAL WATER DISTRICT

Posting Date: June 21, 2019

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

NOTICE OF SPECIAL MEETING BOARD OF DIRECTORS (FINANCE)

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

MEETING DATE: Thursday, June 27, 2019

TIME: 9:30 a.m.

LOCATION: 1) MMWD Board Room, 220 Nellen Ave., Corte Madera, CA 9492
2) Planet Hollywood, 3667 Las Vegas Blvd. So., Las Vegas, NV (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 May 23, 2019 Special Board Meeting (Finance)	<i>Approve</i>	9:37 a.m.
2. Monthly Financial Update	<i>Discussion</i>	9:38 a.m.
3. Capital Maintenance Fee Payment Plan for Local Government Agencies: proposed Board Policy No. 52	<i>Approve</i>	10:08 a.m.
4. Capital Maintenance Fee Revenue and Expenditure Tracking	<i>Discussion & Direction to Staff</i>	10:25 a.m.



Stephanie Eichner-Gross
Board Secretary

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

* 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 board chair may adjust the actual time allotted to accommodate the number of speakers.

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.

INFORMATION PACKETS ARE AVAILABLE FOR REVIEW AT THE CIVIC CENTER LIBRARY, CORTE MADERA LIBRARY, FAIRFAX LIBRARY, MILL VALLEY LIBRARY, MMWD OFFICE AND MMWD WEBSITE (MARINWATER.ORG)

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FUTURE BOARD OF DIRECTORS MEETINGS:

Tuesday, July 2, 2019, 7:30 p.m.	MMWD Board Room
Tuesday, July 16, 2019, 7:30 p.m.	MMWD Board Room
Friday, July 19, 2019, 9:30 a.m. (District Operations)	MMWD Board Room
Thursday, July 25, 2019, 9:30 a.m. (Finance)	MMWD Board Room



**MARIN MUNICIPAL
WATER DISTRICT**

ITEM No. 1
MEETING DATE: June 27, 2019
MEETING: Board of Directors

STAFF REPORT

SUBJECT: Minutes of May 23, 2019 Board of Directors Meeting (Finance)

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

RECOMMENDED ACTION: Approve

ATTACHMENT:

1. Minutes of May 23, 2019 Board of Directors Meeting (Finance)

**MARIN MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS (FINANCE)**

Minutes of the meeting of the Special meeting of the Board of Directors (Finance) held on Thursday, May 23, 2019 at 220 Nellen Avenue, Corte Madera, California.

Directors present: Cynthia Koehler, Jack Gibson, Larry Bragman, Larry Russell, Armando Quintero (Note: Director Quintero joined by teleconference, Director Russell arrived after the start of the meeting)

Directors absent: None

CALL TO ORDER:

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

ADOPT AGENDA:

The Board adopted the agenda as presented by the following roll call vote:

Ayes: Directors Koehler, Gibson, Quintero and Bragman
Noes: None
Absent: Directors Russell
Abstain: None

PUBLIC EXPRESSION:

Mimi Willard spoke (at 00:00:43 of the meeting recording).

ITEM 1. MINUTES OF THE April 25, 2019

The minutes of the April 25, 2019 meeting were approved as amended by the following roll vote:

Ayes: Directors Bragman, Gibson, Koehler, Russell and Quintero
Noes: None
Absent: None
Abstain: None

ITEM 2. MONTHLY FINANCIAL UPDATE

Charlie Duggan, Administrative Services Division Manager/Treasurer (ASDM), presented the staff report and provided an overview of the financial summary for the month ending April 30, 2019.

ITEM 3. PRESENTATION ON WORKPLACE CULTURE INITIATIVE AND LEADERSHIP TRAINING

Vikie Garay, Human Resources Manager/Treasurer, gave a presentation on workplace culture, employee engagement and the ongoing leadership training program.

The item was opened for public comment.

Larry Minikes spoke (at 00:50: 34 of the meeting recording).

ITEM 4. PRIVATE FIRE SERVICES

Mike Ban, Engineering & Environmental Services Division Manager, presented the staff report explaining that private fire services installed are for the purpose of fire suppression systems in dwellings and should not be used for any other reason than fire suppression or occasional testing of the system. In order to address instances wherein water from private fire services is used for purposes other than fire suppression or testing of fire suppression equipment, District staff will present a proposed detailed enforcement approach for illicit use of private fire services at a future meeting for Board consideration. A short discussion ensued.

ADJOURNMENT

There being no further business, the meeting of May 23, 2019, was adjourned at 10:45 a.m.

President, Board of Directors

ATTEST:

Secretary



STAFF REPORT

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

EXECUTIVE SUMMARY: The Monthly Financial Update for May 31, 2019

FISCAL IMPACT: YES NO **FISCAL YEAR:** 2018/19

BACKGROUND:

Water Sales and Consumption

Monthly

Water sales for the month of May 2019 were \$2,604,112 which is \$481,484 or 16% below the monthly budget. When compared to the prior year, water sales for May 2019 decreased by \$213,366 or were 7.6% below May 2018.

Billed water consumption (in CCFs) for May 2019 was 533,115 CCFs, which is 3,874 CCFs or .73% above the monthly budget. Compared to the prior year, billed water consumption for May 2019 decreased 7,175 CCFs or 1.3%.

Total meter service charges for the month of May 2019 were \$1,297,692 which is \$45,407 or 3.6% above budget. Compared to the prior year, meter service charges decreased by \$6,463 or 0.5%.

The Watershed Fee revenue for the month of May 2019 is \$307,810 or \$2,708 or 0.9% above budget and \$1,390 or 0.45% above May 2018.

The total water sales and fixed charges (Service and Watershed Fee) for the month of May 2019 were \$4,209,614 which is \$433,369 or 9.3% below budget and compared to May 2018, it is a decrease of \$205,512 or 4.7%.

Fiscal Year to Date

The fiscal year to date water sales through May 31, 2019 were, \$46,913,615, which is \$832,851 or 1.8% above budget. Compared to the same period last year, water sales through May 31, 2019 decreased by \$1,637,019 or 3.4%.

Billed water consumption (in CCFs), through May 31, 2019 was 8,797,859 CCFs, which is

332,608 CCFs or 3.9% above budget. Compared to the same period last year, billed water consumption through May 31, 2019 decreased by 115,585 CCFs or 1.3%.

Fiscal year to date, total water sales and fixed charges (service and Watershed Fee) through May 31, 2019 was \$67,735,612 when compared to the budget of \$66,050,365 is \$1,685,248 or 2.6% above budget. The 2018/19 water sales and fixed charges compared to prior fiscal year through May 31, 2018 of \$68,878,809 is a decrease of \$1,143,196 or 1.7%.

Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2018/19 as of May 31, 2019. The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances.

As of May 31, 2019 the year to date net increase for the Operating Fund was \$4,073,334.

For the Operating Fund, total revenues as of May 31, 2019 are \$71.4 million or 91.4% of budget. Total operating expenditures of \$67.3 million, not including depreciation and amortization, is 88.4% of budget.

For the Capital and Fire Flow Funds, total revenues are \$6.7 million or 45.7% of budget. Spending on capital and fire flow projects at \$16.2 million is 44.8% of budget as of May 31, 2019.

The Watershed Fund as of May 31, 2019 reflects a surplus of \$696,972, mainly because the watershed capital projects are funded through non-watershed revenue.

Fund Balances

Per the attached Reserve Balance Summary as of May 31, 2019, unrestricted / undesignated - operating reserves are \$27.8 million, or 4.4 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	<input checked="" type="checkbox"/> NA <input type="checkbox"/>
	General Counsel	<input type="checkbox"/> NA <input checked="" type="checkbox"/>
	General Manager	<input checked="" type="checkbox"/> NA <input type="checkbox"/>

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 May 31, 2019
4. Reserve Balance Summary as of May 31, 2019
5. CIP Budget to Actual Comparison for 2018/19 as of May 31, 2019
6. Watershed Fund & Non-Rate Based Revenue as of May 31, 2019

**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	\$ 4,628,766	\$ 1,154,510	\$ 1,161,533	\$ 1,291,109	\$ 270,839	\$ 273,160	\$ 305,496	\$ 5,938,951	\$ 6,142,693	\$ 6,225,371
August	7,709,448	7,318,800	8,039,335	1,647,846	1,646,966	1,857,620	374,628	374,621	419,343	9,731,921	9,340,387	10,316,299
September	5,232,947	4,844,452	5,532,082	1,233,287	1,252,588	1,269,103	300,784	303,197	306,925	6,767,018	6,400,237	7,108,109
October	8,193,115	6,219,933	7,108,329	1,839,386	1,775,408	1,841,530	421,824	414,491	422,309	10,454,325	8,409,832	9,372,168
November	4,258,259	3,825,519	3,914,044	1,297,305	1,253,431	1,291,725	306,650	304,461	305,404	5,862,214	5,383,411	5,511,173
December	4,431,406	4,630,103	4,968,787	1,808,017	1,773,354	1,823,223	416,151	413,989	418,331	6,655,574	6,817,446	7,210,341
January	2,003,113	2,268,410	2,071,269	1,154,911	1,248,343	1,290,688	272,328	304,169	306,061	3,430,351	3,820,922	3,668,017
February	4,058,223	3,408,017	3,302,998	1,952,994	1,754,748	1,825,840	450,375	410,843	418,442	6,461,592	5,573,609	5,547,281
March	1,966,918	2,065,365	1,747,046	1,282,794	1,265,118	1,289,435	305,582	307,046	306,948	3,555,295	3,637,529	3,343,429
April	3,366,127	3,706,568	2,996,846	1,821,708	1,762,722	1,811,018	418,607	412,025	415,947	5,606,442	5,881,316	5,223,811
May	2,817,477	3,085,596	2,604,112	1,291,229	1,252,285	1,297,692	306,420	305,102	307,810	4,415,126	4,642,983	4,209,614
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	\$46,913,615	\$18,291,565	\$17,912,475	\$16,888,983	\$4,259,747	\$4,235,621	\$3,933,014	\$76,401,247	\$74,362,344	\$67,735,612

Original Budget-to-Actual Basis 2.55%
 Actual-to-Actual Basis -1.66%
 % of total budget received 91.09%

**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 %
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	934,385	9.38%	5.83%
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	1,285,253	5.21%	-6.03%
November	687,783	709,313	690,404	691,037	840,947	633,520	649,016	583,819	742,758	644,407	725,022	12.51%	-2.39%
December	825,217	777,015	865,208	832,615	1,059,733	864,257	842,995	716,927	833,949	835,634	944,610	13.04%	13.27%
January	491,259	466,489	522,634	437,843	584,601	463,934	431,637	396,528	410,458	445,197	432,628	-2.82%	5.40%
February	698,386	707,803	809,417	731,899	869,459	719,107	631,478	606,381	763,871	673,617	664,283	-1.39%	-13.04%
March	394,481	417,369	469,932	458,940	453,943	456,655	362,406	368,448	431,947	407,977	383,010	-6.12%	-11.33%
April	707,372	714,398	730,127	878,103	708,756	832,060	639,191	598,740	702,023	709,999	621,690	-12.44%	-11.44%
May	528,781	575,547	551,643	721,094	569,555	600,821	464,956	475,565	540,290	529,241	533,115	0.73%	-1.33%
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>8,797,859</u>		
			Budget-to-Actual Basis		<u>3.93%</u>								
			Actual-to-Actual Basis		<u>-1.30%</u>								
			% of total budget		<u>92.07%</u>								

Marin Municipal Water District
Budget to Actual Comparison for 2018/19 - All Funds
Actual as of May 31, 2019
Unaudited

Revenues and Expenditures	2018/19 Adopted Budget	Actual as of May 31, 2019	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 52,214,248	\$ 46,913,615	89.8%
Service Charge	17,912,475	16,888,983	94.3%
Watershed Management Fee	4,235,621	3,933,014	92.9%
Total Water Sales and Service Charge	<u>74,362,344</u>	<u>67,735,612</u>	91.1%
<i>Other Revenues:</i>			
Rents and Royalties	740,000	598,182	80.8%
Grants	250,000	12,154	4.9%
Watershed Rents and Royalties	920,000	840,906	91.4%
Watershed Payments	420,000	333,847	79.5%
Late Payment and Special Read Charges	370,000	306,761	82.9%
Interest	250,000	1,253,145	501.3%
Miscellaneous	750,000	292,097	38.9%
Total Other Revenues	<u>3,700,000</u>	<u>3,637,092</u>	98.3%
 Total Operating Revenues	 <u>78,062,344</u>	 <u>71,372,704</u>	 91.4%
Expenditures:			
Personnel services	48,119,547	42,250,681	87.8%
Materials and supplies	2,434,085	2,083,887	85.6%
Operations	6,360,498	4,568,681	71.8%
Water conservation rebate program	599,500	111,242	18.6%
Electrical power	4,000,361	3,230,988	80.8%
Water purchased	6,674,509	5,990,413	89.8%
Insurance, including claims	1,260,000	1,196,849	95.0%
General and administrative	3,020,800	2,466,457	81.6%
Debt service - interest and principal	10,200,976	9,350,895	91.7%
Overhead cost allocated to capital	(6,500,000)	(3,950,721)	60.8%
Total Expenditures and Capital Purchases	<u>76,170,276</u>	<u>67,299,370</u>	88.4%
 Transfer out to Capital Fund (PayGo)	 <u>2,000,000</u>	 <u>-</u>	 0.0%
 Net Operating Fund Increase(Decrease)	 <u>\$ (107,932)</u>	 <u>\$ 4,073,334</u>	
Operating Reserves			
Opening Reserves	\$ 20,264,665	\$ 20,264,665	
Net Operating Fund Increase(Decrease)	(107,932)	4,073,334	
Accrual adjustments	-	3,514,017	
Ending Reserves	<u>\$ 20,156,733</u>	<u>\$ 27,852,016</u>	

Capital and Fire Flow Funds

Revenues and Expenditures	2018/19 Adopted Budget	Actual as of May 31, 2019	% of Budget
Revenues:			
Connection Charges	\$ 1,865,000	\$ 1,164,938	62.5%
Interest Income	15,000	191,004	1273.4%
Transfer-in from Operating (PayGo)	2,000,000	-	
Contributed Capital:			
Fire Flow	4,500,000	4,320,667	96.0%
Connection Fees and Grants	6,218,000	989,337	15.9%
Total Revenues and Contributed Capital	<u>14,598,000</u>	<u>6,665,946</u>	45.7%
Capital Expenditures:			
Capital Projects - District	30,040,436	12,142,899	40.4%
Capital Projects - Fire Flow	4,500,000	3,326,342	73.9%
Capital equipment purchases	1,736,000	775,509	44.7%
Total Capital and Fire Flow Expenditures	<u>36,276,436</u>	<u>16,244,750</u>	44.8%
Net Capital and Fire Flow Fund Increase(Decrease)	<u>\$ (21,678,436)</u>	<u>\$ (9,578,804)</u>	44.2%
Capital Reserves			40.7%
Capital Fund			
Opening Reserves	\$ 37,040,971	\$ 37,040,971	
Net Capital Fund Increase(Decrease)	(19,957,436)	(9,797,620)	
Capital equipment purchases	(1,736,000)	(775,509)	
Accrual adjustments	-	(5,432,809)	
Ending Reserves	<u>\$ 15,347,535</u>	<u>\$ 21,035,033</u>	
Fire Flow Fund			
Opening Reserves	\$ (1,973,265)	\$ (1,973,265)	
Net Fire Flow Fund Increase(Decrease)	-	994,324	
Accrual adjustments	-	(46,785)	
Ending Reserves	<u>\$ (1,973,265)</u>	<u>\$ (1,025,726)</u>	

Reserve Balance Summary

	Actual			Final	Projected
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	5/31/2019
Restricted	\$ 9,501,989	\$ 9,327,468	\$ 7,723,634	\$ 6,443,970	\$ 2,265,479
Board Designated	11,491,220	9,441,758	9,847,168	10,425,446	12,838,000
Watershed Fund	-		35,425	114,515	696,972
Rate Stabilization Fund	5,900,000	5,700,000	8,000,000	9,400,000	9,400,000
Pension Reserve Fund	-	-	-	2,000,000	2,000,000
Fire Flow Fund	1,939,529	656,839	426,571	(1,973,265)	(1,025,726)
Capital (including bond proceeds)	30,044,160	18,974,590	1,610,857	37,040,971	21,035,033
Unrestricted/undesignated - Operating	19,959,569	16,947,253	20,077,803	20,264,665	27,852,016
Total	\$ 78,836,467	\$ 61,047,907	\$ 47,721,458	\$ 83,716,302	\$ 75,061,774
Months Reserve Unrestricted - Operating to Annualized Actual Expenditure	3.93	3.34	4.09	3.45	4.38
Debt Coverage Ratio	1.28	1.25	1.50	1.52	1.50

As of April 30, 2019	Principal	Interest	Total
2012 Bond	80,580,000.00	72,173,641.25	152,753,641.25
2016 Bond	31,380,000.00	25,106,212.50	56,486,212.50
2017 Bond	35,385,000.00	30,212,275.00	65,597,275.00
Total Bond Debt	147,345,000.00	127,492,128.75	274,837,128.75
NERA	40,670.23		40,670.23
CREB	611,250.00		611,250.00
AEEP	2,365,246.00	509,220.00	2,874,466.00
LGVSD	5,214,258.11	2,371,613.86	7,585,871.97
Total Other Debt	8,231,424.34	2,880,833.86	11,112,258.20
Total Outstanding Debt	155,576,424.34	130,372,962.61	285,949,386.95

Marin Municipal Water District
Budget to Actual Comparison for 2018/19 - Capital Fund
Actual as of May 31, 2019
Unaudited

CIP Projects	FY2018/19 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 5/31/19	Encumbered for Contracts As of 5/31/19	Total Capital & Fire Flow As of 5/31/19
District Pipeline Replacement / Improvement	\$ 9,615,118	\$ 6,481,157	\$ 1,693,808	\$ 8,174,965
Replacements - Tank Maintenance & Replacement	\$ 3,516,282	\$ 20,232	\$ 1,285	\$ 21,517
Replacements - Treatment Plant Facilities	\$ 6,172,502	\$ 386,408	\$ 312,656	\$ 699,064
Replacements - Dam/Pump/Control System/Meters	\$ 5,149,820	\$ 2,156,076	\$ 550,458	\$ 2,706,535
Fire Chief's Fund	\$ 150,000	\$ 426	-	\$ 426
System Improvements	\$ 558,583	\$ 156,797	\$ 1,405	\$ 158,202
Watershed - Minor Structures I/R/R	4,797	11,713	10,000	\$ 21,713
Watershed - Ranger Residence & Minor Structure Impro	87,822	76,148	-	\$ 76,148
Watershed - Road Repair & Improvement	2,191,400	1,530,197	78,879	\$ 1,609,076
Reimbursable Grant Projects	1,404,518	178,358	179,697	\$ 358,056
Reimbursable Customer Projects	\$ 530,753	\$ 854,774	-	\$ 854,774
Information Technology - Capital Equipments/Projects	\$ 619,005	\$ 290,613	\$ 18,475	\$ 309,088
Fire Flow Replacement	\$ 4,500,000	\$ 3,326,342	\$ 566,868	\$ 3,893,210
Capital Equipment Purchases	\$ 1,729,284	\$ 775,509	\$ 64,808	\$ 840,317
Total Capital Projects	\$ 36,229,884	\$ 16,244,750	\$ 3,478,339	\$ 19,723,090

Marin Municipal Water District
Watershed & Other Non Rate Based Revenue and Expenditures
Actual as of May 31, 2019
Unaudited

Revenues and Expenditures	2018/19 Budget	Actual as of May 31, 2019	% of Budget
Watershed Revenues			
Watershed Management Fee	\$ 4,235,621	\$ 3,933,014	92.9%
Rent and Leases	910,000	840,906	92.4%
Permits, Parking and Passes	400,000	317,670	79.4%
Grants	-	362,013	
Other	-	12,312	
Total Watershed Revenues	<u>5,545,621</u>	<u>5,465,915</u>	98.6%
Expenditures - Operating and Capital			
Operating	5,996,709	4,883,458	81.4%
Capital Purchases & Projects	<u>2,431,966</u>	<u>1,637,527</u>	67.3%
Total Expenditures and Capital Purchases	<u>8,428,675</u>	<u>6,520,985</u>	77.4%
Surplus (Deficit)	(2,883,054)	(1,055,070)	36.6%
Transfer from Operating & Capital Fund	<u>2,883,054</u>	<u>1,637,527</u>	
Net Surplus (Deficit)	<u>\$ -</u>	<u>\$ 582,457</u>	
Other Non-Water Revenue			
Rent and Leases - Non Watershed		<u>598,182</u>	
Total Non Rate Based Other Revenues		<u>598,182</u>	
Discount Program for Low Income & Medically Disabled			
Low Income - Fee waived		225,334	
Medically Disabled - Fee waived		<u>106,823</u>	
		<u>332,157</u>	
Net Surplus (Deficit)		<u>266,026</u>	



STAFF REPORT

SUBJECT: Capital Maintenance Fee Payment Plan for Local Governmental Agencies : proposed Board Policy No. 52

SUBMITTED BY: Charles Duggan Jr. Administrative Services Division Manager/Treasurer
Administrative Services Division

RECOMMENDED ACTION: Approve

EXECUTIVE SUMMARY:

Local public agencies such as schools, cities, and towns often budget biannually and/or have fiscal plans stretching out for several years making unexpected new expenditures very challenging to address. To assist with implementation of the District’s newly created Capital Maintenance Fee (CMF) a payment plan policy has been developed for the Board’s consideration.

The District’s CMF will begin July 1, 2019 and appear on an agency’s bimonthly billing statement beginning in August, 2019.

The policy would allow local governmental agencies to defer a maximum of two years of initial CMF payments and then establish a payment plan not to exceed a term of five years. Interest for outstanding balances will be charged at the District’s Local Agency Investment Fund (LAIF) rate plus 1%.

The District will be working with agencies in reducing future charges through meter downsizing, or through water conservation site assessment and implementation measures. It is anticipated that local public agencies will need additional time for CMF deferrals that would be warranted providing those agencies working with the District and pursuing and implementing water conservation changes. Consequently, the proposed policy would also authorize the General Manager to extend any CMF deferral period of an additional two years provided the local public agency can demonstrate they are working on efforts to downsize their meter sizing or similar efforts that may reduce the CMF fee.

STRATEGIC PLAN ALIGNMENT:

The requested action aligns with the district’s Strategic Plan Goal 2 (Financial Stewardship) and Objective 1 (Ensure financial planning is sufficient to address MMWD needs and risks).

REVIEWED BY:	A.S.D Manager/Treasurer	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
	General Counsel	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
	General Manager	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>

Attachment: No. 1: Draft Board Policy No. 52

SUBJECT: CAPITAL MAINTENANCE FEE PAYMENT PLAN FOR LOCAL GOVERNMENTAL AGENCIES

The Board of Directors, recognizing that local public agencies often have multi-year budgeting processes, is establishing a Payment Plan Program during the initial implementation phase of the Capital Maintenance Fee (CMF). The initial implementation phase of the CMF shall be from July 1, 2019 through June 30, 2021, and during that period local public agencies may request a deferral of the CMF. The General Manager shall have the authority to extend CMF deferrals up to an additional two years if the agency can demonstrate they are working on efforts to downsize their meter sizing or similar efforts that may reduce the CMF fee.

Between July 1, 2019 and June 30, 2021, requests by local governmental agencies for CMF deferrals or payment plans may be approved by the General Manager, or his/her designee, providing the following conditions are met:

1. Local public agencies request to defer payments for CMF charges, for Fiscal Years 2020 and 2021 only. Requests will be made in writing and stipulate the requested length of deferral and length of time for repayment.
2. Payments plans shall not exceed five years. An applicant may elect to make payments over a shorter time period.
3. The agency requesting a deferral shall execute a payment plan agreement with the District and commit to a repayment schedule.
4. At the end of the deferral period, an agency will then pay the total deferred amount, with interest, according to the amortization schedule established in writing in the payment plan agreement.
5. Interest will accrue and will be charged from the time the deferred payments are owed until the time all deferred amounts are paid.
6. Interest will be charged on the unpaid balance at a rate that is 1% above that which the District receives on its Local Agency Investment Fund (LAIF).
7. If payments are late by more than 10 working days the District may cancel the payment plan and bill the agency for all amounts owed on the agency's next bi-monthly bill.



STAFF REPORT

SUBJECT: Capital Maintenance Fee Revenue and Expenditure Tracking
SUBMITTED BY: Charles Duggan Jr. Administrative Services Division Manager/Treasurer
Administrative Services Division
RECOMMENDED ACTION: Discussion & Direction to Staff

EXECUTIVE SUMMARY:

At the recent public hearing concerning rates the District expressed the intent to track Capital Maintenance Fee (CMF) revenues and expenditures with regular reporting to the Board of Directors.

The District currently has in place a robust tracking procedure for capital funds, including the revenues and projects associated with the Fire Flow Fee, and the CMF will be managed using a similar process. All revenues collected from the CMF will be placed in the Capital Maintenance Fund and the status of that fund will be reported to the Board of Directors on a monthly basis at the Board meetings scheduled to discuss financial matters. This Capital Maintenance Fund will retain monies held for capital projects only and will not be comingled with operating and maintenance funds, nor transferred for such use. Also on a monthly basis, the Board will receive reporting on capital spending as they do now, along with the details of the CMF revenues and expenditures.

The sum of residual bond receipts and CMF collections will comprise the Capital Fund Balance until all bond funds are expended at which time the Capital Fund will hold only CMF monies. Similar to our tracking and reporting related to Fire Flow funds, reporting in this manner will ensure clear and transparent tracking of our CMF funds for the Board and public.

STRATEGIC PLAN ALIGNMENT:

The requested action aligns with the district’s Strategic Plan Goal 2 (Financial Stewardship) and Objective 1 (Ensure financial planning is sufficient to address MMWD needs and risks).

REVIEWED BY:	A.S.D Manager/Treasurer	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
	General Counsel	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
	General Manager	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>

Attachment: None