



NOTICE OF MEETING

FINANCE & ADMINISTRATION COMMITTEE/BOARD OF DIRECTORS (FINANCE & ADMINISTRATION)

(Per paragraph 3 on page 10 under subsection *Committee Meetings* of the Board Handbook: The Board, as a practice, generally does not take final action on items during committee meetings, unless District staff determines the urgency of the item requires immediate action that cannot be delayed until a subsequent regular bi-monthly Board meeting.)

MEETING DATE: 06-23-2022

TIME: 9:30 a.m.

LOCATION: This meeting will be held virtually pursuant to Government Code section 54953(e) (Assembly Bill (AB) 361).

To participate online, go to <https://us06web.zoom.us/j/81110533069>. You can also participate by phone by calling **1-669-900-6833** and entering the **webinar ID#: 811 1053 3069**.

PARTICIPATION DURING MEETINGS: During the public comment periods, the public may comment by clicking the “raise hand” button on the bottom of the Zoom screen; if you are joining by phone and would like to comment, press *9 and we will call on you as appropriate.

EMAILED PUBLIC COMMENTS: You may submit your comments in advance of the meeting by emailing them to BoardComment@MarinWater.org. All emailed comments received by 7:30 a.m. on the day of the meeting will be provided to the Board of Directors prior to the meeting. All emails will be posted on our website. (Please do not include personal information in your comment that you do not want published on our website such as phone numbers and home addresses.)

AGENDA ITEMS	RECOMMENDATIONS
Call to Order and Roll Call	
Adopt Agenda	<i>Approve</i>
Public Comment <i>Members of the public may comment on any items not listed on the agenda during this time. Comments will be limited to three minutes per speaker, and time limits may be reduced by the Committee Chair to accommodate the number of speakers and ensure that the meeting is conducted in an efficient manner.</i>	

AGENDA ITEMS	RECOMMENDATIONS
Calendar	
1. Monthly Financial Update – May 2022 <i>(Approximate Time 20 Minutes)</i>	<i>Information</i>
Adjournment <i>(9:50 a.m.- Time Approximate)</i>	

ADA NOTICE AND HEARING IMPAIRED PROVISIONS:

In accordance with the Americans with Disabilities Act (ADA) and California Law, it is Marin Water’s policy to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are a person with a disability 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 accommodations, please contact Board Secretary Terrie Gillen at 415.945.1448, at least two days in advance of the meeting. Advance notification will enable the Marin Water 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, MARIN WATER OFFICE, AND ON THE MARIN WATER WEBSITE (MARINWATER.ORG)

FUTURE BOARD MEETINGS:

- ❖ Tuesday, June 28, 2022
Board of Directors’ Special Meeting
(Strategic Water Supply Assessment Working Session V)
5:00 p.m.

- ❖ Tuesday, July 5, 2022
Board of Directors’ Regular Bi-Monthly Meeting
7:30 p.m.



 Board Secretary



Item Number: 01
Meeting Date: 06-23-2022
Meeting: Finance &
Administration Committee/
Board of Directors (Finance &
Administration)

Informational Item

TO: Finance & Administration Committee/Board of Directors (Finance & Administration)

FROM: Bret Uppendahl, Finance Director

BU

THROUGH: Ben Horenstein, General Manager

BH

DIVISION NAME: Administrative Services Division

ITEM: Monthly Financial Update – May 2022

SUMMARY

The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of May 2022, the fiscal year-to-date total revenue is \$90.5 million, or 81.2 percent, of budgeted revenue and total expenditure is \$104.8 million, or 76.3 percent, of budgeted expenditure. It is notable that water sales, including fixed charges, are down by approximately 14.8 percent compared to the prior year as conservation efforts are realized. The unrestricted/operating fund balance is \$22.8 million, which is 2.92 months of annualized operating budget.

DISCUSSION

Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2021-22 as of May 31, 2022.

The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances.

For the Operating Fund, total revenues as of May 31, 2022 are \$70.0 million, or 78.9 percent, of budget. Total operating expenditures of \$80.7 million, not including depreciation and amortization, are 86.0 percent of budget. For reference, if revenues and expenses tracked linearly, we would expect them to be at 91.7 percent of fiscal year budget at the end of May.

For the Capital and Fire Flow Funds, total revenues are \$20.5 million, or 90.1 percent of budget, and are comprised primarily of CMF funds of \$14.8 million. Spending on capital and fire flow projects is \$24.1 million, or 55.4 percent, of budget as of May 31, 2022, as CIP projects typically do not follow smooth trends in expenditures. As noted in Attachment 5, an additional \$9.4

million is encumbered, bringing total expenditures with encumbrances to \$33.5 million, or 76.9 percent of budget.

Water Sales and Consumption

The fiscal year to date water sales through May 31, 2022 were \$40.9 million, which is 70 percent of the annual water sales forecast. Billed water consumption through May 31, 2022 was 16,886 AF, which is 22.7 percent lower than this time last year.

Year-to-date water sales and fixed charges (Service and Watershed Fees) through May 31, 2022 were \$65.0 million, which is 75.6 percent of total annual revenue forecast of \$86.0 million. Compared to the same period for the previous fiscal year water sales and fixed charges decreased by \$11,244,029, or 14.8 percent.

Fund Balances

Per the attached Fund Balance Summary, as of May 31, 2022, the unrestricted / undesignated - operating fund balance is \$22.8 million, or 2.92 months of annualized projected operating expenses for FY 2021-22. As of May 31, 2022, the Rate Stabilization fund balance is \$1.94 million, a decrease of \$7.46 million since the beginning of the fiscal year due to funding of the Emergency Intertie project, drought and conservation related costs.

Forecasts

Staff will review drought related impacts on revenue and expenditures along with a forecast of fiscal year end 2021-22 fund balances. Staff will also present scenarios regarding the possible drought effects on the fiscal year 2022-23 financials.

FISCAL IMPACT

None

ATTACHMENT(S)

1. Total Water Sales and Fixed Charges & Fees 2020/21 – 2021/22
2. Billed Water Consumption in AFs FY 2010/11 – 2021/22
3. Budget to Actual Comparison for 2021/22 as of May 31, 2022
4. Fund Balance Summary as of May 31, 2022
5. CIP Budget to Actual Comparison for 2021/22 as of May 31, 2022

**Total Water Sales and Fixed Charges & Fees
Fiscal Years 2020/21 - 2021/22**

Month	Fixed Charges											
	Water Sales			Service Charges			Watershed Fee			Total Water Sales and Fixed Charges		
	20/21 Actual	21/22 Budget	21/22 Actual	20/21 Actual	21/22 Budget	21/22 Actual	20/21 Actual	21/22 Budget	21/22 Actual	20/21 Actual	21/22 Budget	21/22 Actual
July	5,148,860	\$4,840,348	3,893,617	1,408,195	1,541,834	1,432,560	322,117	352,676	332,631	6,879,172	\$ 6,734,858	5,658,808
August	7,895,649	\$8,155,135	5,886,691	2,003,578	2,193,720	2,074,186	439,045	480,697	455,201	10,338,272	10,829,551	8,416,079
September	5,919,811	\$5,825,972	4,294,155	1,410,919	1,544,817	1,481,863	321,199	351,671	342,640	7,651,930	7,722,460	6,118,658
October	7,930,465	\$7,823,307	5,453,392	1,999,518	2,189,274	2,192,958	437,931	479,477	477,901	10,367,913	10,492,057	8,124,251
November	4,977,568	\$4,816,404	2,677,846	1,416,720	1,551,168	1,486,833	321,799	352,328	346,383	6,716,088	6,719,900	4,511,062
December	6,216,270	\$5,794,180	3,552,255	2,013,149	2,204,199	2,031,642	441,057	482,900	441,523	8,670,476	8,481,278	6,025,420
January	2,624,605	\$2,544,160	1,664,449	1,405,078	1,538,421	1,135,716	318,852	349,101	255,644	4,348,535	4,431,682	3,055,809
February	3,594,233	\$3,566,451	3,880,232	1,992,768	2,181,884	2,641,965	437,055	478,518	593,694	6,024,056	6,226,853	7,115,891
March	1,978,100	\$2,097,854	2,285,844	1,400,299	1,533,189	1,539,722	319,385	349,685	355,422	3,697,784	3,980,727	4,180,987
April	3,972,353	\$3,930,424	4,297,065	2,047,123	2,241,396	2,163,652	441,798	483,711	474,297	6,461,274	6,655,531	6,935,014
May	3,367,351	\$3,059,352	2,978,821	1,382,615	1,513,826	1,512,020	320,761	351,191	349,379	5,070,727	4,924,370	4,840,220
June	6,153,533	\$6,029,493		2,052,718	2,247,523		451,028	493,817		8,657,279	8,770,833	-
TOTAL	59,778,799	\$58,483,079	40,864,366	20,532,680	\$22,481,250	19,693,118	4,572,027	\$5,005,772	4,424,715	\$84,883,506	\$85,970,101	\$64,982,198

Original Budget-to-Actual Basis **-15.83%**
 Actual-to-Actual Basis **-14.75%**
 % of total budget received **75.59%**

**Billed Water Consumption In AF
Fiscal Year 2010/11 - 2020/21**

<u>Month</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 Actual</u>	<u>18/19 Actual</u>	<u>19/20 Actual</u>	<u>2021 Actual</u>	<u>21/22 Budget</u>	<u>21/22 Actual</u>	<u>Monthly Budget Variance</u>	<u>Actual to Actual % Change</u>
July	1,968	1,852	2,160	2,205	1,969	1,628	1,876	1,931	1,975	1,834	2,022	1,940	1,642	-15.36%	-18.77%
August	3,457	3,154	3,564	3,407	3,186	2,620	3,012	3,206	3,245	3,112	3,215	3,194	2,500	-21.74%	-22.24%
Septem	2,309	2,175	2,333	2,244	1,973	1,775	1,939	2,027	2,145	2,112	2,205	2,122	1,604	-24.41%	-27.24%
Octobe	3,286	3,045	3,163	3,215	2,778	2,583	2,767	3,140	2,951	3,058	3,124	3,068	2,293	-25.25%	-26.58%
Novem	1,628	1,585	1,586	1,931	1,454	1,490	1,340	1,705	1,664	1,837	1,882	1,772	1,153	-34.94%	-38.73%
Decem	1,784	1,986	1,911	2,433	1,984	1,935	1,646	1,914	2,169	2,295	2,418	2,199	1,439	-34.57%	-40.49%
Januar	1,071	1,200	1,005	1,342	1,065	991	910	942	993	1,186	1,157	1,070	735	-31.31%	-36.49%
Februa	1,625	1,858	1,680	1,996	1,651	1,450	1,392	1,754	1,525	1,556	1,625	1,615	1,646	1.89%	1.25%
March	958	1,079	1,054	1,042	1,048	832	846	992	879	1,105	970	986	948	-3.91%	-2.27%
April	1,640	1,676	2,016	1,627	1,910	1,467	1,375	1,612	1,427	1,883	1,775	1,674	1,717	2.57%	-3.25%
May	1,321	1,266	1,655	1,308	1,379	1,067	1,092	1,240	1,224	1,378	1,459	1,325	1,209	-8.74%	-17.09%
June	2,568	2,789	3,161	2,642	2,344	2,478	2,416	2,516	2,349	2,711	2,559	2,533	-		
TOTAL	23,614	23,666	25,290	25,390	22,742	20,316	20,611	22,978	22,546	24,065	24,410	23,500	16,886		
											Budget-to-Actual Basis			-19.46%	
											Actual-to-Actual Basis			-22.72%	
											% of total budget			71.86%	

Marin Municipal Water District
Budget to Actual Comparison for 2021/22 - All Funds
Actual as of May 31, 2022
Unaudited

Revenues and Expenditures	2021/22 Adjusted Budget	Actual as of May 31, 2022	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 58,483,079	\$ 40,864,366	69.9%
Service Charge	22,481,250	19,693,118	87.6%
Watershed Management Fee	5,005,772	4,424,715	88.4%
Total Water Sales and Service Charge	85,970,101	64,982,198	75.6%
<i>Other Revenues:</i>			
Rents	666,903	669,949	100.5%
Grants	-	2,519,725	
Watershed Rents	939,166	886,172	94.4%
Watershed Payments	365,116	391,005	107.1%
Late Payment and Special Read Charges	120,133	117,332	97.7%
Interest	336,497	187,453	55.7%
Miscellaneous	350,647	263,198	75.1%
Total Other Revenues	2,778,462	5,034,834	181.2%
 Total Operating Revenues	 88,748,563	 70,017,033	 78.9%
Expenditures:			
Personnel services	53,772,177	45,942,145	85.4%
Materials and supplies	3,218,135	2,080,855	64.7%
Operations	8,940,923	6,109,978	68.3%
Water conservation rebate program	1,790,323	1,636,958	91.4%
Electrical power	5,477,922	3,792,407	69.2%
Water purchased	8,100,000	10,383,250	128.2%
Insurance, including claims	1,425,500	1,932,391	135.6%
General and administrative	6,124,407	4,142,683	67.6%
Debt service - interest and principal	10,184,004	9,335,337	91.7%
Overhead cost allocated to capital	(5,197,000)	(4,664,465)	89.8%
Total Operating Expenditures	93,836,390	80,691,538	86.0%
 Transfer out to Capital Fund (PayGo)	 -	 -	
 Net Operating Fund Increase(Decrease)	 \$ (5,087,827)	 \$ (10,674,505)	
Operating Fund Balance			
Opening Fund Balance	\$ 32,619,471	\$ 32,619,471	
Net Operating Fund Increase(Decrease)	(5,087,827)	(10,674,505)	
Transfer (to)/from Rate Stabilization Fund		1,496,000	
Accrual adjustments	398	(639,154)	
Ending Fund Balance	\$ 27,532,042	\$ 22,801,812	

Capital and Fire Flow Funds

Revenues and Expenditures	Budget	Actual as of May 31, 2022	% of Budget
Revenues:			
Customer Reimbursement Project	\$ 710,182	\$ 468,937	66.0%
Interest Income	15,000	1,688	11.3%
Transfer-in from Operating (PayGo)	-	-	
Contributed Capital:			
Fire Flow	4,500,000	4,324,076	96.1%
Capital Maintenance Fee	17,370,793	14,813,147	85.3%
Capital Connection Fee	100,000	334,871	334.9%
Capital Grants & Contribution		509,392	
Total Revenues and Contributed Capital	22,695,975	20,452,109	90.1%
Capital Expenditures:			
Capital Projects - District	33,577,907	19,586,705	58.3%
Capital Projects - Fire Flow	7,660,774	3,553,367	46.4%
Capital equipment purchases	2,287,805	977,709	42.7%
Total Capital and Fire Flow Expenditures	43,526,485	24,117,780	55.4%
Net Capital and Fire Flow Fund Increase(Decrease)	\$ (20,830,510)	\$ (3,665,671)	17.6%
Capital Fund Balance			
Capital Fund			
Opening Fund Balance	\$ 21,061,136	\$ 21,061,136	
Net Capital Fund Increase(Decrease)	(17,669,737)	(3,458,671)	
Transfer (to)/from Rate Stabilization Fund		5,650,000	
Capital equipment purchases		(977,709)	
Accrual adjustments	3,809,223	3,015,161	
Ending Fund Balance	\$ 7,200,622	\$ 25,289,917	
Fire Flow Fund			
Opening Fund Balance	\$ 3,139,821	\$ 3,139,821	
Net Fire Flow Fund Increase(Decrease)	(3,160,774)	770,709	
Accrual adjustments	-	(584,453)	
Ending Fund Balance	\$ (20,953)	\$ 3,326,077	

Fund Balance Summary

	Audited			Projected
	6/30/2019	6/30/2020	6/30/2021	5/31/2022
Restricted	\$ 7,653,646	\$ 6,959,570	\$ 4,418,546	\$ 3,935,851
Board Designated	6,643,705	14,239,307	15,468,957	13,718,957
Watershed Fund	-	-	-	-
Rate Stabilization Fund	9,400,000	9,400,000	9,400,000	1,942,000
Pension Reserve Fund	2,000,000	2,000,000	2,000,000	2,000,000
Fire Flow Fund	(1,363,318)	2,021,206	3,139,821	3,326,077
Capital Fund	23,957,026	25,255,175	21,061,135	25,289,917
Unrestricted/undesignated - Operating	<u>27,359,341</u>	<u>26,162,068</u>	<u>32,619,471</u>	<u>22,801,811</u>
Total	<u>\$ 75,650,400</u>	<u>\$ 86,037,326</u>	<u>\$ 88,107,930</u>	<u>\$ 73,014,614</u>
Months Operating Fund Unrestricted - Operating to Annualized Actual Expenditure	4.19	3.69	3.69	2.92
Debt Coverage Ratio	1.39	2.10	2.81	1.40
As of May 31, 2022	Principal	Interest	Total	
2012 Bond	74,415,000	61,612,140	136,027,140	
2016 Bond	31,380,000	20,660,288	52,040,288	
2017 Bond	33,500,000	25,254,375	58,754,375	
Total Bond Debt	139,295,000	107,526,803	246,821,803	
CREB	366,750		366,750	
AEEP	1,930,238	328,268	2,258,506	
LGVSD	4,398,076	1,797,781	6,195,856	
Total Other Debt	6,695,064	2,126,049	8,821,112	
Total Outstanding Debt	145,990,064	109,652,851	255,642,915	

CIP Projects	FY2021/22 Adjusted Budget	Capital Projects YTD	Encumbered for	Total Capital & Fire
		Actual Expenditures	Contracts	Flow
		As of 5/31/22	As of 5/31/22	As of 5/31/22
District Pipeline Replacement / Improvement	\$ 14,953,018	\$ 10,007,924	\$ 3,243,526	\$ 13,251,450
Replacements - Tank Maintenance & Replacement	\$ 1,925,691	\$ 811,919	\$ 887,648	\$ 1,699,567
Replacements - Treatment Plant Facilities	\$ 5,428,022	\$ 2,674,738	\$ 2,381,865	\$ 5,056,604
Replacements - Dam/Pump/Control System/Meters	\$ 4,173,948	\$ 3,147,336	\$ 253,734	\$ 3,401,069
Fire Chief's Fund	\$ 143,855	\$ -	\$ -	\$ -
Program Management- Asset Mangement	\$ 411,569	\$ 141,722	\$ 265,715	\$ 407,437
System Improvements	\$ 400,000	\$ 100,910	\$ 176,288	\$ 277,199
Watershed - Minor Structures I/R/R	36,088	23,695	4,288	\$ 27,983
Watershed - Ranger Residence & Minor Structure Improvement	-	-	-	\$ -
Watershed - Trail Repair and Improvement	100,000	50,000	50,000	\$ 100,000
Watershed - Road Repair & Improvement	791,970	81,129	40,780	\$ 121,909
Watershed - Natural Resource Project	2,121,563	1,471,479	506,468	\$ 1,977,947
Reimbursable Grant Projects	1,260,741	268,284	195,376	\$ 463,660
Reimbursable Customer Projects	\$ 1,505,687	\$ 786,669	\$ 2,508	\$ 789,177
Information Technology - Capital Equipments/Projects	\$ 325,755	\$ 20,900	\$ 52,944	\$ 73,844
Fire Flow Replacement	\$ 7,660,774	\$ 3,553,367	\$ 840,550	\$ 4,393,917
Capital Equipment Purchases	\$ 2,287,805	\$ 977,709	\$ 453,364	\$ 1,431,072
Total Capital Projects	\$ 43,526,485	\$ 24,117,780	\$ 9,355,055	\$ 33,472,835