

## 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:** 12-22-2022

**TIME:** 9:30 a.m.

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

To participate online, go to <https://us06web.zoom.us/j/81110533069>. You can also participate by phone by calling **1-669-900-6833** or **1-669-444-9171** 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](mailto: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>
<b>Public Comment</b> <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
<b>Calendar (9:35 a.m. – Time Approximate)</b>	
1. Minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of October 27, 2022 (Approximate Time 1 Minute)	<i>Approve</i>
2. Monthly Financial Update – November 2022 (Approximate Time 20 Minutes)	<i>Information</i>
3. Rate Setting Process Update (Approximate Time 30 Minutes)	<i>Information</i>
<b>Adjournment (10:26 a.m.- Time Approximate)</b>	

**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 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, January 3, 2023  
Board of Directors' Regular Bi-Monthly Meeting, Financing Authority Meeting, and Financing Corporation Meeting  
6:00 p.m. – Closed Session, 7:30 p.m. Open Session
- ❖ Tuesday, January 17, 2023 (Tentative)  
Board of Directors' Regular Bi-Monthly Meeting  
7:30 p.m.

  
 Board Secretary



**Item Number:** 01  
**Meeting Date:** 12-22-2022  
**Meeting:** Finance &  
Administration Committee/  
Board of Directors (Finance &  
Administration)

## Approval Item

### TITLE

Minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of October 27, 2022

### RECOMMENDATION

Approve the minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of October 27, 2022

### SUMMARY

The Finance & Administration Committee/Board of Directors (Finance & Administration) held its regularly scheduled monthly meeting on October 27, 2022. The minutes of that meeting are attached.

New directors may vote on approval of the minutes. An affirmative vote to approve the minutes merely expresses support for making the minutes an official record of the District. Corrections, if any, may still be submitted and considered by the board.

### DISCUSSION

None

### FISCAL IMPACT

None

### ATTACHMENT(S)

1. Minutes of the October 27, 2022, Meeting of the Finance & Administration Committee/Board of Directors (Finance & Administration)

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Communications & Public Affairs Department	 Terrie Gillen Board Secretary	 Ben Horenstein General Manager

**MARIN MUNICIPAL WATER DISTRICT  
FINANCE & ADMINISTRATION COMMITTEE /BOARD OF DIRECTORS (FINANCE &  
ADMINISTRATION) MEETING**

**MINUTES**

**Thursday, October 27, 2022**

**Via teleconference**

(In accordance with Assembly Bill 361)

**CALL TO ORDER AND ROLL CALL:**

Chair Koehler called the meeting to order at 9:30 a.m.

***Directors Present:*** Larry Bragman, Larry Russell, Monty Schmitt, and Cynthia Koehler  
(*Director Bragman arrived during the adoption of the agenda.*)

***Directors Absent:*** Jack Gibson

**ADOPT AGENDA:**

On motion made by Director Schmitt and seconded by Director Russell, the board approved the adoption of the agenda. The following roll call vote was made.

Ayes: Directors Bragman, Russell, Schmitt, and Koehler  
Noes: None  
Absent: Director Gibson

There were no public comments.

**PUBLIC COMMENT:**

There were no public comments.

**CALENDAR ITEMS:**

**Item 1 Minutes of the Finance & Administration Committee/Board of Directors (Finance &  
Administration) Meeting of September 22, 2022**

On motion made by Director Russell and seconded by Director Bragman, the board approved the adoption of the agenda. The following roll call vote was made.

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

There were no public comments.

## **Item 2 Monthly Financial Update – September 2022**

Finance Director/Treasurer Bret Uppendahl provided the monthly financial update, including the state of the District's revenues and expenditures, and short and long-term budget strains. Discussion ensued.

There were three (3) public comments.

This was an informational item. The committee did not take any formal action.

## **Item 3 Quarterly Investment Report – September 2022**

Finance Director Uppendahl also presented this item. Discussion followed between the board and staff.

There were no public comments.

This was an informational item. The committee did not take any formal action.

## **Item 4 Updated Records Retention Schedule**

The board secretary reported on the purpose of updating the District schedule, including compliance of state and federal laws and bringing this item to the board every five years, or as needed, for review and update. Discussion ensued.

There was one (1) public comment.

The committee referred this item to future board meeting for approval.

## **ADJOURNMENT**

There being no further business, the Finance & Administration Committee/Board of Directors (Finance & Administration) meeting adjourned at 10:51 a.m.

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Board Secretary



**Item Number:** 02  
**Meeting Date:** 12-22-2022  
**Meeting:** Finance &  
Administration Committee/  
Board of Directors (Finance &  
Administration)

## Informational Item

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

**FROM:** Bret Uppendahl, Finance Director

**THROUGH:** Ben Horenstein, General Manager

**DIVISION NAME:** Administrative Services Division

**ITEM:** Monthly Financial Update – November 2022

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### SUMMARY

The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of November 2022, District revenue is \$45.9 million, which is 39.7% of budgeted revenue, and total expenditures including encumbrances are \$51.5 million, or 43.6% of budget. It is notable that water sales, excluding fixed charges, are down by approximately 18% compared to the original budget as conservation efforts continue to be realized.

### DISCUSSION

#### Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2022-23 as of November 30, 2022. The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances. For reference, if revenues and expenses tracked linearly, they would be expected to be at 41.7% of the fiscal year budget at the end of November. Water sales, which are relatively higher in the summer months, would be expected to be 51.1% of the fiscal year budget at this time of year.

For the Operating Fund, total revenues as of November 30, 2022 are \$38.6 million, or 41.9% of budget. Total operating expenditures, not including depreciation and amortization, are \$36.2 million, or 38.8% of budget.

For the Capital and Fire Flow Funds, total revenues are \$7.3 million, which is 31.1% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$6.8 million, which are at 37.7% of the budget. Spending on capital and fire flow projects is \$7.5 million, or 29.6% of budget as of November 30, 2022, as CIP projects typically do not follow linear

trends in expenditures. As noted in Attachment 4, an additional \$7.9 million is encumbered, bringing total expenditures with encumbrances to \$15.3 million, or 60.9% of budget.

### **Water Sales and Consumption**

The fiscal year to date billed water sales through November 30, 2022 were \$25.7 million, which is 42% of the annual water sales forecast, but only 82% of the expected revenue through the first five months of the year. Billed water consumption through November 30, 2022 was 9,746 AF, which is 6.0% higher than this time last year.

Year-to-date total water sales and fixed charges (service and watershed fees) through November 30, 2022 were \$36.8 million, which is 41.1% of the total annual revenue forecast of \$89.5 million. Compared to the same period for the previous fiscal year water sales and fixed charges increased by \$3,943,204, or 12.0%.

### **Forecasts**

Staff continues to assess the short term and long term impacts of reduced water sales and projections for fiscal year 2023 will be revised throughout the year as additional data is available. Assuming that water consumption remains consistent with recent trends, the District will face water sales revenue losses of \$9 million to \$15 million. Under these circumstances, unbudgeted expenditures such as more costly water purchases or pumping costs will result in net operating losses ranging between \$13 million and \$19 million.

In order to mitigate the use of reserves, Staff is reviewing revenue enhancement options and taking targeted actions to reduce expenditures. Expenditure reduction strategies include delaying recruitments for open positions, deferring vehicle and equipment replacements, capping annual water conservation rebate funding, and deferring Capital Improvement Plan (CIP) expenditures. Savings from delayed recruitments is expected to be at least \$4 million in the current year. Of the 243 budgeted FTE in the District, 28 are currently vacant, representing a 12% vacancy rate.

### **FISCAL IMPACT**

None

### **ATTACHMENT(S)**

1. Total Water Sales and Fixed Charges & Fees 2021/22 – 2022/23
2. Billed Water Consumption in AF FY 2010/11 – FY 2022/23
3. Budget to Actual Comparison for FY 23
4. CIP Budget to Actual Comparison for FY 23

**Total Water Sales and Fixed Charges & Fees**  
**Fiscal Years 2021/22 - 2022/23**  
As of November: 41.7% of FY

**Item Number: 02**  
**Attachment: 01**

Month	Fixed Charges													
	Water Sales			Service Charges			Watershed Fee			Total Water Sales and Fixed Charges				
	21/22	22/23	22/23	21/22	22/23	22/23	21/22	22/23	22/23	21/22	22/23	22/23		
	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual		
July	3,893,617	\$4,948,239	4,004,541	1,432,518	1,531,262	1,492,005	332,621	353,462	347,307	5,658,756	\$6,832,962	5,843,853		
August	5,886,691	\$7,946,782	6,239,055	2,074,186	2,217,160	2,022,749	455,201	483,723	442,453	8,416,079	\$10,647,665	8,704,257		
September	4,294,155	\$5,798,487	5,303,336	1,481,820	1,583,962	1,722,482	342,629	364,097	396,616	6,118,604	\$7,746,546	7,422,434		
October	5,453,392	\$7,767,333	6,648,867	2,192,958	2,344,119	2,271,248	477,901	507,845	495,520	8,124,251	\$10,619,297	9,415,634		
November	2,677,846	\$4,666,597	3,469,705	1,486,790	1,589,274	1,554,214	346,372	368,075	361,804	4,511,008	\$6,623,946	5,385,723		
December	3,552,122	\$5,657,127		2,031,521	2,171,553		441,494	469,157		6,025,136	\$8,297,837	-		
January	1,664,573	\$2,573,704		1,135,794	1,214,085		255,662	271,681		3,056,029	\$4,059,470	-		
February	3,880,028	\$4,131,394		2,641,800	2,823,900		593,654	630,851		7,115,482	\$7,586,145	-		
March	2,285,758	\$2,508,805		1,539,758	1,645,893		355,428	377,699		4,180,944	\$4,532,397	-		
April	4,289,931	\$4,791,568		2,160,928	2,309,881		473,692	503,373		6,924,551	\$7,604,822	-		
May	2,973,096	\$3,476,035		1,509,254	1,613,287		348,806	370,662		4,831,157	\$5,459,984	-		
June	5,266,386	\$6,615,188	-	2,186,861	2,337,601	-	476,966	506,852	-	7,930,213	\$9,459,641	-		
TOTAL	\$ 46,117,595	\$ 60,881,258	\$ 25,665,504	\$ 21,874,190	\$ 23,381,979	\$ 9,062,698	\$ 4,900,426	\$ 5,207,474	\$ 2,043,700	\$ 72,892,211	\$ 89,470,711	\$ 36,771,901		
Monthly Budget to Actual:			82%	Monthly Budget to Actual:			98%	Monthly Budget to Actual:			98%	Monthly Budget to Actual		87%
% of Annual Budget:			42%	% of Annual Budget:			39%	% of Annual Budget:			39%	% of total budget received		41%
Actual to Actual (thru Nov):			116%	Actual to Actual (thru Nov):			105%	Actual to Actual (thru Nov):			105%	Actual-to-Actual (Thru Nov)		12%



**Billed Water Consumption In AF  
Fiscal Year 2010/11 - 2022/23**

<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 Actual</u>	<u>22/23 Budget</u>	<u>22/23 Actual</u>	<u>Monthly Budget Variance</u>	<u>Actual to % 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	1,642	1,868	1,562	-16.42%	-4.92%
August	3,457	3,154	3,564	3,407	3,186	2,620	3,012	3,206	3,245	3,112	3,215	2,500	3,018	2,476	-17.95%	-0.95%
Septem	2,309	2,175	2,333	2,244	1,973	1,775	1,939	2,027	2,145	2,112	2,205	1,604	2,016	1,881	-6.71%	17.27%
Octobe	3,286	3,045	3,163	3,215	2,778	2,583	2,767	3,140	2,951	3,058	3,124	2,293	2,856	2,498	-12.56%	8.91%
Novem	1,628	1,585	1,586	1,931	1,454	1,490	1,340	1,705	1,664	1,837	1,882	1,153	1,634	1,329	-18.64%	15.32%
Decem	1,784	1,986	1,911	2,433	1,984	1,935	1,646	1,914	2,169	2,295	2,418	1,439	2,080	-		
Januar	1,071	1,200	1,005	1,342	1,065	991	910	942	993	1,186	1,157	735	1,018	-		
Februa	1,625	1,858	1,680	1,996	1,651	1,450	1,392	1,754	1,525	1,556	1,625	1,646	1,588	-		
March	958	1,079	1,054	1,042	1,048	832	846	992	879	1,105	970	948	975	-		
April	1,640	1,676	2,016	1,627	1,910	1,467	1,375	1,612	1,427	1,883	1,775	1,717	1,700	-		
May	1,321	1,266	1,655	1,308	1,379	1,067	1,092	1,240	1,224	1,378	1,459	1,209	1,318	-		
June	2,568	2,789	3,161	2,642	2,344	2,478	2,416	2,516	2,349	2,711	2,559	2,217	2,459	-		
<b>TOTAL</b>	<b>23,614</b>	<b>23,666</b>	<b>25,290</b>	<b>25,390</b>	<b>22,742</b>	<b>20,316</b>	<b>20,611</b>	<b>22,978</b>	<b>22,546</b>	<b>24,065</b>	<b>24,410</b>	<b>19,104</b>	<b>22,531</b>	<b>9,746</b>		
															<b>Budget-to-Actual Basis</b>	<b>-14.46%</b>
															<b>Actual-to-Actual Basis</b>	<b>6.02%</b>
															<b>% of total budget</b>	<b>43.26%</b>

**Marin Municipal Water District**  
**Budget to Actual Comparison for 2022/23 - All Funds**  
**Actual as of November 30, 2022**  
**Preliminary Unaudited**

**Operating Fund**

<b>Revenues and Expenditures</b>	<b>FY 2023 Adjusted Budget</b>	<b>Actual as of November 30, 2022</b>	<b>% of Budget</b>
<b>Revenues:</b>			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 60,881,258	\$ 25,665,504	42.2%
Service Charge	23,381,979	9,062,698	38.8%
Watershed Management Fee	5,207,474	2,043,700	39.2%
<b>Total Water Sales and Service Charge</b>	<b>89,470,711</b>	<b>36,771,901</b>	<b>41.1%</b>
<i>Other Revenues:</i>			
Rents	666,903	325,254	48.8%
Grants	-	696,316	-
Watershed Rents	939,166	370,785	39.5%
Watershed Payments	365,116	149,214	40.9%
Late Payment and Special Read Charges	120,133	108,667	90.5%
Interest (accrued balance as of Sept.30)	286,804	73,900	25.8%
Miscellaneous	350,647	137,179	39.1%
<b>Total Other Revenues</b>	<b>2,728,769</b>	<b>1,861,313</b>	<b>68.2%</b>
<b>Total Operating Revenues</b>	<b>92,199,480</b>	<b>38,633,214</b>	<b>41.9%</b>
<b>Expenditures:</b>			
Personnel services	56,190,118	19,719,923	35.1%
Materials and supplies	3,342,564	1,402,694	42.0%
Operations	8,358,023	3,682,350	44.1%
Water conservation rebate program	593,575	190,636	32.1%
Electrical power	5,744,356	2,747,775	47.8%
Water purchased	8,424,000	3,626,436	43.0%
Insurance, including claims	1,463,000	907,124	62.0%
General and administrative	4,019,297	1,742,536	43.4%
Debt service - interest and principal	9,706,507	4,044,378	41.7%
Overhead cost allocated to capital	(4,700,000)	(1,880,293)	40.0%
<b>Total Operating Expenditures</b>	<b>93,141,440</b>	<b>36,183,559</b>	<b>38.8%</b>
<b>Net Operating Fund Increase(Decrease)</b>	<b>\$ (941,960)</b>	<b>\$ 2,449,655</b>	
<b>Operating Fund Balance</b>			
<b>Opening Fund Balance (Unrestricted)</b>	<b>\$ 27,365,295</b>	<b>\$ 27,365,295</b>	
Net Operating Fund Increase(Decrease)	(941,960)	2,449,655	
Transfer (to)/from Rate Stabilization Fund			
Accrual adjustments			
<b>Ending Fund Balance</b>	<b>\$ 26,423,336</b>	<b>\$ 29,814,950</b>	

**Marin Municipal Water District**  
**Budget to Actual Comparison for 2022/23 - All Funds**  
**Actual as of November 30, 2022**  
**Preliminary Unaudited**

**Capital and Fire Flow Funds**

	<b>FY 2023 Adjusted Budget</b>	<b>Actual as of November 30, 2022</b>	<b>% of Budget</b>
<b>Revenues and Expenditures</b>			
<b>Revenues:</b>			
Customer Reimbursement Project	\$ 710,182	\$ 279,146	39.3%
Interest Income	10,000	26,906	269.1%
<b>Contributed Capital:</b>			
Fire Flow	4,500,000	26,791	0.6%
Capital Maintenance Fee	18,065,625	6,816,519	37.7%
Capital Connection Fee	100,000	58,792	58.8%
Capital Grants & Contribution	-	76,111	
<b>Total Revenues and Contributed Capital</b>	<b>23,385,807</b>	<b>7,284,264</b>	<b>31.1%</b>
<b>Capital Expenditures:</b>			
Capital Projects - District	20,056,155	7,013,692	35.0%
Capital Projects - Fire Flow	4,635,686	202,276	4.4%
Capital equipment purchases	524,285	246,157	47.0%
<b>Total Capital and Fire Flow Expenditures</b>	<b>25,216,126</b>	<b>7,462,125</b>	<b>29.6%</b>
<b>Net Capital and Fire Flow Fund Increase(Decrease)</b>	<b>\$ (1,830,319)</b>	<b>\$ (177,861)</b>	<b>9.7%</b>
<b>Capital Fund Balance</b>			
<b>Capital Fund</b>			
<b>Opening Fund Balance</b>	<b>\$ 10,675,078</b>	<b>\$ 10,675,078</b>	
Net Capital Fund Increase(Decrease)	(1,170,348)	243,782	
Capital equipment purchases	(524,285)	(246,157)	
Transfer (to)/from Rate Stabilization Fund			
Accrual adjustments			
<b>Ending Fund Balance</b>	<b>\$ 8,980,445</b>	<b>\$ 10,672,703</b>	
<b>Fire Flow Fund</b>			
<b>Opening Fund Balance</b>	<b>\$ 3,461,244</b>	<b>\$ 3,461,244</b>	
Net Fire Flow Fund Increase(Decrease)	(135,686)	(175,485)	
Accrual adjustments	-		
<b>Ending Fund Balance</b>	<b>\$ 3,325,558</b>	<b>\$ 3,285,758</b>	

CIP Projects	FY2022/23 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 11/30/22	Encumbered for Contracts As of 11/30/22	Total Capital & Fire Flow As of 11/30/22
District Pipeline Replacement / Improvement	\$ 8,373,225	\$ 3,775,988	\$ 1,210,143	\$ 4,986,132
Replacements - Tank Maintenance & Replacement	\$ 1,570,349	\$ 622,833	\$ 836,836	\$ 1,459,668
Replacements - Treatment Plant Facilities	\$ 1,620,768	\$ 573,532	\$ 651,289	\$ 1,224,821
Replacements - Dam/Pump/Control System/Meters	\$ 870,067	\$ 249,409	\$ 165,302	\$ 414,712
Fire Chief's Fund	\$ 150,000	\$ 23,058	-	\$ 23,058
Program Management- Asset Mangement	\$ 1,301,812	\$ 11,522	240,290	\$ 251,812
System Improvements	\$ 169,644	\$ 161,819	\$ 12,338	\$ 174,157
Watershed - Minor Structures I/R/R	-	-	-	\$ -
Watershed - Ranger Residence & Minor Structure Im	-	-	-	\$ -
Watershed - Trail Repair and Improvement	50,000	-	50,000	\$ 50,000
Watershed - Road Repair & Improvement	927,340	391,339	49,978	\$ 441,317
Watershed - Natural Resource Project	1,502,386	490,915	923,509	\$ 1,414,424
Reimbursable Grant Projects	2,141,821	92,818	765,486	\$ 858,304
Reimbursable Customer Projects	\$ 1,175,799	\$ 522,044	\$ 3,992	\$ 526,036
Information Technology - Capital Equipments/Projec	\$ 202,944	\$ 98,413	\$ 53,057	\$ 151,471
Fire Flow Replacement	\$ 4,635,686	\$ 202,276	\$ 2,753,008	\$ 2,955,284
Capital Equipment Purchases	\$ 524,285	\$ 246,157	\$ 184,005	\$ 430,162
Total Capital Projects	\$ 25,216,126	\$ 7,462,125	\$ 7,899,234	\$ 15,361,359



**Item Number:** 03  
**Meeting Date:** 12-22-2022  
**Meeting:** Finance &  
Administration Committee/  
Board of Directors (Finance &  
Administration)

## Informational Item

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

**FROM:** Bret Uppendahl, Finance Director

**THROUGH:** Ben Horenstein, General Manager

**DIVISION NAME:** Administrative Services Division

**ITEM:** Rate Setting Process Update

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### SUMMARY

The Marin Municipal Water District (District) is subject to the procedural and substantive requirements of Proposition 218 in order to adopt new or increased water rates, fees and charges (rate). These procedural requirements include but are not limited to providing written notice of the public hearing and proposed rate increases to each parcel at least 45 days prior to the hearing and holding the noticed public hearing prior to the adoption of the new or increased rate. These substantive requirements include but are not limited to ensuring that the cost of any rate does not exceed the proportional cost of providing the service.

Throughout the rate setting process, the District will be working with Bartle Wells Associates, a public finance consulting firm with over 50 years of experience providing independent financial advice and rate setting services to public agencies throughout California.

The initial steps in this process include an evaluation of the existing rate structure and the resulting revenue streams that support the cost of providing water to customers within the District's service area. Staff will be providing a presentation to the Board to review and discuss the initial evaluation of the District's existing rate structure.

### FISCAL IMPACT

None

### ATTACHMENT(S)

None