



# 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:** 01-26-2023

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

**LOCATION:** This meeting will be held virtually pursuant to Government Code section 54953e (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
<b>Call to Order and Roll Call</b>	
<b>Adopt Agenda</b>	<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>	

**MARIN WATER BOARD OF DIRECTORS:** RANJIV KHUSH, LARRY RUSSELL, MATT SAMSON, MONTY SCHMITT, AND JED SMITH

<b>AGENDA ITEMS</b>	<b>RECOMMENDATIONS</b>
<b>Calendar (9:40 a.m. - Time Approximate)</b>	
1. Minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of December 22, 2022 (Approximate Time 1 Minute)	<i>Approve</i>
2. Resolution Continuing Virtual Board and Committee Meetings Pursuant to Assembly Bill 361 (Approximate Time 5 Minutes)	<i>Approve</i>
3. Monthly Financial Update – December 2022 (Approximate Time 20 Minutes)	<i>Information</i>
4. Capital Investment in Upcoming Budget Cycle (Approximate Time 30 Minutes)	<i>Information</i>
5. Rate Setting Process Update (Approximate Time 45 Minutes)	<i>Information</i>
<b>Adjournment (11:21 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 MEETING:**

- ❖ Thursday, February 02, 2023  
Board Retreat  
9 a.m. – 4:30 p.m.

  
 Board Secretary



**Item Number:** 01  
**Meeting Date:** 01-26-2023  
**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 December 22, 2022

**RECOMMENDATION**

Approve the minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of December 22, 2022

**SUMMARY**

The Finance & Administration Committee/Board of Directors (Finance & Administration) held its regularly scheduled monthly meeting on December 22, 2022. The minutes of that meeting are attached.

**DISCUSSION**

None

**FISCAL IMPACT**

None

**ATTACHMENT(S)**

1. Minutes of the December 22, 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, December 22, 2022**

**Via teleconference**

(In accordance with Assembly Bill 361)

**CALL TO ORDER AND ROLL CALL:**

Vice President Monty Schmitt called the meeting to order at 9:32 a.m.

**Directors Present:** Ranjiv Khush, Matt Samson, Monty Schmitt, Jed Smith, and Larry Russell

**Directors Absent:** None

**ADOPT AGENDA:**

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

Ayes: Directors Khush, Samson, Schmitt, Smith, and Russell

Noes: None

There were no public comments.

**PUBLIC COMMENT:**

There were no public comments.

General Manager Ben Horenstein and the board discussed when staffing and employment matrices would come before the directors for information and discussion.

President Russell began chairing the remainder of the meeting.

**CALENDAR ITEMS:**

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

Ayes: Directors Khush, Samson, Schmitt, Smith, and Russell  
Noes: None

There were no public comments.

**Item 2 Monthly Financial Update – November 2022**

Finance Director 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 between the board and staff occurred throughout staff’s presentation.

There were three (3) public comments.

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

**Item 3 Rate Setting Process Update**

Finance Director Uppendahl also introduced this item and consultants Erik Helgerson and Doug Dove, with Bartell Wells Associates, who provided a presentation that included the cost of service analysis, proposition 218, rate study objectives, which includes consideration of the current tier structure and next steps in the rate setting process. The board and staff conversed throughout the presentation.

There were two (2) public comments.

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

**ADJOURNMENT**

There being no further business, the Finance & Administration Committee/Board of Directors (Finance & Administration) meeting adjourned at 11:25 a.m.

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Board Secretary



**Item Number:** 02  
**Meeting Date:** 01-26-2023  
**Meeting:** Finance and Administration Committee/  
Board of Directors (Finance & Administration)

## Approval Item

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### TITLE

Allow Continuation of Virtual Board and Committee Meetings Pursuant to Assembly Bill (AB) 361

### RECOMMENDATION

Approve a Resolution for the Marin Municipal Water District to allow continued virtual Board and Committee meetings as appropriate due to public health and safety concerns in accordance with AB 361

### SUMMARY

On September 17, 2021, the Governor signed Assembly Bill (AB) 361, which codifies certain changes to the Brown Act allowing teleconference (or virtual) meetings to continue during a health emergency. The Board has taken action to allow virtual meetings to continue in accordance with AB 361 based on health and safety concerns due to COVID-19.

### DISCUSSION

AB 361 authorizes local agencies to continue holding their public meetings virtually during a proclaimed state of emergency under section 8625 of the Government Code (i.e., the California Emergency Services Act), under any of the following circumstances:

- State or local officials have imposed or recommended measures to promote social distancing.
- The meeting is being held for the purposes of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- The legislative body has determined that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

AB 361 requires the Board to reconsider the emergency circumstances every 30 days.

On June 17, 2022, Governor Newsom issued Executive Order N-11-22, which eliminated certain of the COVID-19 emergency provisions put in place in previous orders, but left in place other measures and the overall emergency proclamation. The Governor's Office has indicated that the emergency proclamation will end as of February 28, 2023. Nonetheless, the COVID19 levels for Marin County continue at medium as of the January 13<sup>th</sup> update, indicating that there continues to be a spread of cases within the community, possibly due to new variants. Adding to this, caution is warranted for a full return to in person meetings as the District's boardroom may not be able to accommodate recommended social distancing. Therefore, staff is

recommending that the Board adopt a resolution continuing to allow virtual meetings for Board and Committee meetings. The proposed resolution will require a majority vote of the Board for adoption.

The adoption of a resolution to allow the continuation of virtual meetings in accordance with AB 361 will not preclude the District from holding in person or hybrid meetings when and where appropriate, such as the Board retreat meeting on February 2, 2023 (not be held in the District’s board room). With the end the Governor’s COVID-19 emergency as of February 28, 2023, however, the use of virtual meetings pursuant to AB 361 will end. The Brown Act will continue to allow virtual participation by Board members under those rules in place prior to the COVID-19 emergency, to include posting of the Board members location. Changes to the Brown Act adopted this year and effective as of January 1, 2023, will allow Board members to attend meetings virtually under limited circumstances without posting their location.

**FISCAL IMPACT**

There is no fiscal impact associated with this item.

**ATTACHMENT(S)**

- 1. Proposed Resolution

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
General Counsel’s Office	 Molly MacLean General Counsel	 Ben Horenstein General Manager

**MARIN MUNICIPAL WATER DISTRICT**

**RESOLUTION NO.**

**A RESOLUTION OF THE MARIN MUNICIPAL WATER DISTRICT BOARD OF DIRECTORS TO  
ALLOW VIRTUAL BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361**

**WHEREAS**, Assembly Bill (AB) 361 was adopted by the California State legislature as an urgency item and was signed into law on September 16, 2021, which allows the Board of Directors to consider whether to continue virtual meetings during a proclamation of emergency under section 8625 of the Government Code (i.e., the California Emergency Services Act); and

**WHEREAS**, The Governor's March 4, 2020 Proclamation of Emergency pursuant to the California Emergency Services Act, California Government Code Section 8625, addressing the COVID-19 pandemic is still in effect and continues to remain in effect; and

**WHEREAS**, the California Department of Public Health continues to recommend caution in crowded indoor settings where social distancing is not possible and the Marin County Director of Health & Human Services continues to recommend social distancing where possible in order to minimize the potential spread of COVID-19 during indoor, public meetings due to the continued transmission of new variants; and

**WHEREAS**, the Board seeks to maintain the ability to continue virtual meetings as necessary to assure public safety.

**NOW THEREFORE, BE IT RESOLVED THAT:**

1. The Board has reconsidered the circumstances of the COVID-19 state of emergency since the Board Meeting of January 3, 2023.

2. There remains an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19.

3. The state of emergency continues to directly impact the ability of the Board to meet safely in person in particular in its boardroom, which lacks the capacity to accommodate social distancing with more than a small number in attendance.

4. Local officials continue to recommend, pursuant to Government Code Section 54953(e)(1), measures to promote social distancing, and, a result of that emergency,



meeting in person would present imminent risks to the health or safety of attendees at in-person meetings of this legislative body, unless special circumstances that will allow social distancing and mitigate possible transmission can be made.

**PASSED AND ADOPTED** this 26th day of January, 2023, by the following vote of the Board of Directors.

**AYES:**

**NOES:**

**ABSENT:**

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**Monty Schmitt**  
**President, Board of Directors**

**ATTEST:**

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**Terrie Gillen**  
**Board Secretary**



**Item Number:** 03  
**Meeting Date:** 01-26-2023  
**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 *BU*

**THROUGH:** Ben Horenstein, General Manager *BH*

**DIVISION NAME:** Administrative Services Division

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

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### SUMMARY

The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of December 2022, District revenue is \$58.2 million, which is 50.3% of budgeted revenue, and total expenditures including encumbrances are \$59.5 million, or 50.2% 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 December 31, 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 50% of the fiscal year budget at the end of December. Water sales, which are relatively higher in the summer months, would be expected to be 60.4% of the fiscal year budget at this time of year.

For the Operating Fund, total revenues as of December 31, 2022 are \$46.5 million, or 50.4% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$43.3 million, or 46.5% of budget.

For the Capital and Fire Flow Funds, total revenues are \$11.7 million, which is 49.9% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$8.6 million, which are at 47.8% of the budget. Spending on capital and fire flow projects is \$8.2 million, or 32.4% of budget as of December 31, 2022, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$8.0 million is encumbered, bringing total expenditures with encumbrances to \$16.2 million, or 64.2% of budget.

### **Water Sales and Consumption**

The fiscal year to date billed water sales through December 31, 2022 were \$30.3 million, which is 50% of the annual water sales forecast, but only 82% of the expected revenue through the first six months of the year. Billed water consumption through December 31, 2022 was 11,541 AF, which is 8.6% higher than this time last year, but still 14 percent below the budgeted consumption for this time of year.

Year-to-date total water sales and fixed charges (service and watershed fees) through December 31, 2022 were \$44.2 million, which is 49% of 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 \$5.4 million, or 14%.

### **Forecasts**

Staff continues to assess the short term and long term impacts of reduced water sales and projections for FY 23 will be revised throughout the year as additional data is available. The recent rains have reduced the planned use of reserves for emergency water supply, while paving costs have increased. Assuming that water consumption for the remainder of the fiscal year remains consistent with recent trends, the District will face operating losses of \$8.9 to \$12 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, 40 are currently vacant, representing a 16% vacancy rate.

### **Financial Reporting**

The District recently completed the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ending June 30, 2022. The District's financial statements were audited by an external auditor and the report is posted to the District's website.

Marin Water ended the 2022 fiscal year in a solid financial position, with adequate reserves and an improved net position compared to 2021. Operating revenues declined significantly as a result of drought conditions and increased conservation impacts; however, the District reduced operating expenditures and relied on reserves to mitigate the financial impacts. Favorable market conditions reduced long-term retiree liabilities and contributed to the overall improvement in net position.

**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 December: 50% of FY

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
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
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	6,239,059	2,074,186	2,217,160	2,022,429	455,201	483,723	442,385	8,416,079	10,647,665	8,703,873
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	6,614,730	2,192,958	2,344,119	2,268,097	477,901	507,845	494,848	8,124,251	10,619,297	9,377,675
November	2,677,846	4,666,597	3,469,638	1,486,790	1,589,274	1,554,169	346,372	368,075	361,793	4,511,008	6,623,946	5,385,600
December	3,552,122	5,657,127	4,712,148	2,031,521	2,171,553	2,273,830	441,494	469,157	495,826	6,025,136	8,297,837	7,481,805
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	-
<b>TOTAL</b>	<b>\$ 46,117,595</b>	<b>\$ 60,881,258</b>	<b>\$ 30,343,453</b>	<b>\$ 21,874,190</b>	<b>\$ 23,381,979</b>	<b>\$ 11,333,012</b>	<b>\$ 4,900,426</b>	<b>\$ 5,207,474</b>	<b>\$ 2,538,775</b>	<b>\$ 72,892,211</b>	<b>\$ 89,470,711</b>	<b>\$ 44,215,239</b>

Monthly Budget to Actual:	82%	Monthly Budget to Actual:	99%	Monthly Budget to Actual:	100%	Monthly Budget to Actual:	87%
% of Annual Budget:	50%	% of Annual Budget:	48%	% of Annual Budget:	49%	% of total budget received	49%
Actual to Actual (thru Dec):	118%	Actual to Actual (thru Dec):	106%	Actual to Actual (thru Dec):	106%	Actual-to-Actual (Thru Dec)	14%



**Marin Municipal Water District**  
**Budget to Actual Comparison for 2022/23 - All Funds**  
**Actual as of December 31, 2022**  
**Preliminary Unaudited**

**Operating Fund**

<b>Revenues and Expenditures</b>	<b>FY 2023 Adjusted Budget</b>	<b>Actual as of December 31, 2022</b>	<b>% of Budget</b>
<b>Revenues:</b>			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 60,881,258	\$ 30,342,453	49.8%
Service Charge	23,381,979	11,333,012	48.5%
Watershed Management Fee	5,207,474	2,538,775	48.8%
<b>Total Water Sales and Service Charge</b>	<b>89,470,711</b>	<b>44,214,239</b>	<b>49.4%</b>
<i>Other Revenues:</i>			
Rents	666,903	390,724	58.6%
Grants	-	696,316	-
Watershed Rents	939,166	436,886	46.5%
Watershed Payments	365,116	171,541	47.0%
Late Payment and Special Read Charges	120,133	133,795	111.4%
Interest	286,804	291,868	101.8%
Miscellaneous	350,647	159,187	45.4%
<b>Total Other Revenues</b>	<b>2,728,769</b>	<b>2,280,316</b>	<b>83.6%</b>
<b>Total Operating Revenues</b>	<b>92,199,480</b>	<b>46,494,556</b>	<b>50.4%</b>
<b>Expenditures:</b>			
Personnel services	55,942,023	23,672,579	42.3%
Materials and supplies	3,342,564	1,577,429	47.2%
Operations	8,358,023	4,562,922	54.6%
Water conservation rebate program	593,575	212,468	35.8%
Electrical power	5,744,356	3,247,887	56.5%
Water purchased	8,424,000	4,035,142	47.9%
Insurance, including claims	1,463,000	1,146,860	78.4%
General and administrative	4,254,682	2,114,384	49.7%
Debt service - interest and principal	9,706,507	4,853,254	50.0%
Overhead cost allocated to capital	(4,700,000)	(2,155,249)	45.9%
<b>Total Operating Expenditures</b>	<b>93,128,730</b>	<b>43,267,676</b>	<b>46.5%</b>
<b>Net Operating Fund Increase/(Decrease)</b>	<b>\$ (929,250)</b>	<b>\$ 3,226,880</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)	(929,250)	3,226,880	
Accrual adjustments		(7,020,571)	
<b>Ending Fund Balance</b>	<b>\$ 26,436,046</b>	<b>\$ 23,571,605</b>	

**Marin Municipal Water District**  
**Budget to Actual Comparison for 2022/23 - All Funds**  
**Actual as of December 31, 2022**  
**Preliminary Unaudited**

**Capital and Fire Flow Funds**

Revenues and Expenditures	FY 2023 Adjusted Budget	Actual as of December 31, 2022	% of Budget
<b>Revenues:</b>			
Customer Reimbursement Project	\$ 710,182	\$ 313,398	44.1%
Interest Income	10,000	76,011	760.1%
<b>Contributed Capital:</b>			
Fire Flow	4,500,000	2,503,548	55.6%
Capital Maintenance Fee	18,065,625	8,630,814	47.8%
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>11,658,674</b>	<b>49.9%</b>
<b>Capital Expenditures:</b>			
Capital Projects - District	20,064,835	7,702,134	38.4%
Capital Projects - Fire Flow	4,635,686	243,541	5.3%
Capital equipment purchases	536,995	233,267	43.4%
<b>Total Capital and Fire Flow Expenditures</b>	<b>25,237,516</b>	<b>8,178,942</b>	<b>32.4%</b>
<b>Net Capital and Fire Flow Fund Increase/(Decrease)</b>	<b>\$ (1,851,709)</b>	<b>\$ 3,479,733</b>	<b>-187.9%</b>
<b>Capital Fund Balance</b>			
<b>Capital Fund</b>			
<b>Opening Fund Balance</b>	\$ 10,779,360	\$ 10,779,360	
Net Capital Fund Increase(Decrease)	(1,179,028)	1,376,881	
Capital equipment purchases	(536,995)	(233,267)	
Interest Adjustment		43,788	
Accrual adjustments		(1,108,484)	
<b>Ending Fund Balance</b>	<b>\$ 9,063,337</b>	<b>\$ 10,858,278</b>	
<b>Fire Flow Fund</b>			
<b>Opening Fund Balance</b>	\$ 3,461,244	\$ 3,461,244	
Net Fire Flow Fund Increase(Decrease)	(135,686)	2,260,008	
Interest Adjustment	-	32,223	
<b>Ending Fund Balance</b>	<b>\$ 3,325,558</b>	<b>\$ 5,753,474</b>	



CIP Projects	FY2022/23 Adjusted Budget	Capital Projects YTD Actual Expenditures  As of 12/31/22	Encumbered for Contracts  As of 12/31/22	Total Capital & Fire Flow  As of 12/31/22
District Pipeline Replacement / Improvement	\$ 8,347,225	\$ 3,915,596	\$ 1,452,356	\$ 5,367,953
Replacements - Tank Maintenance & Replacement	\$ 1,570,349	\$ 769,930	\$ 733,150	\$ 1,503,080
Replacements - Treatment Plant Facilities	\$ 1,620,768	\$ 599,566	\$ 648,777	\$ 1,248,343
Replacements - Dam/Pump/Control System/Meters	\$ 870,067	\$ 272,429	\$ 221,205	\$ 493,634
Fire Chief's Fund	\$ 150,000	\$ 25,828	-	\$ 25,828
Program Management- Asset Mangement	\$ 1,301,812	\$ 53,042	198,770	\$ 251,812
System Improvements	\$ 195,644	\$ 163,346	\$ 12,338	\$ 175,683
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	395,552	73,410	\$ 468,962
Watershed - Natural Resource Project	1,502,386	494,325	923,509	\$ 1,417,834
Reimbursable Grant Projects	2,141,821	157,504	717,704	\$ 875,209
Reimbursable Customer Projects	\$ 1,184,479	\$ 756,603	\$ 5,680	\$ 762,283
Information Technology - Capital Equipments/Projec	\$ 202,944	\$ 98,413	\$ 53,057	\$ 151,471
Fire Flow Replacement	\$ 4,635,686	\$ 243,541	\$ 2,753,008	\$ 2,996,549
Capital Equipment Purchases	\$ 536,995	\$ 233,267	\$ 187,434	\$ 420,701
<b>Total Capital Projects</b>	<b>\$ 25,237,516</b>	<b>\$ 8,178,942</b>	<b>\$ 8,030,398</b>	<b>\$ 16,209,340</b>



**Item Number:** 04  
**Meeting Date:** 01-26-2023  
**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:** Crystal Yezman, Director of Engineering *CY*

**THROUGH:** Ben Horenstein, General Manager *BH*

**DIVISION NAME:** Engineering

**ITEM:** Capital Investment in Upcoming Budget Cycle

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### SUMMARY

Staff will present an overview of the capital assets, scenarios for possible rates of rehabilitation/replacement schedules, and associated alternative investment approaches for the upcoming budget/rate process.

### DISCUSSION

The District has a diverse portfolio of infrastructure assets with a replacement value of \$2-3 billion, not including dams. Each of these asset classes, such as storage tanks, pump stations, and pipelines, requires cyclical rehabilitation or replacement in order to extend their useful life and maintain efficient, reliable water supply.

Staff will present details of these asset classes, scenarios of various rates of rehabilitation and replacement, specific near term project needs, along with considerations for alternative investment approaches for the upcoming budget/rate process.

### FISCAL IMPACT

None

### ATTACHMENT(S)

None



**Item Number:** 05  
**Meeting Date:** 01-26-2023  
**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 *BU*

**THROUGH:** Ben Horenstein, General Manager *BH*

**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 included 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. Reserve targets were discussed at the January 3<sup>rd</sup> Board Meeting and staff will be providing a presentation to the Board to further review and discuss the range of reserve levels that may be incorporated in the overall cost of service analysis.

### FISCAL IMPACT

None

### ATTACHMENT(S)

None