

## NOTICE OF MEETING

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

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(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:** 02-23-2023

**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
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 (9:40 a.m. - Time Approximate)</b>	
1. Minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of January 26, 2022 (Approximate Time 1 Minute)	<i>Approve</i>
2. Updates on Staffing (Approximate Time 20 Minutes)	<i>Information</i>
3. Monthly Financial Update – January 2023 (Approximate Time 20 Minutes)	<i>Information</i>
4. Quarterly Investment Report – December 2022 (Approximate Time 10 Minutes)	<i>Information</i>
5. Rate Setting Process Update (Approximate Time 45 Minutes)	<i>Information</i>
<b>Adjournment (11:16 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:

Dates	Meetings
Tuesday, March 7, 2023 5:00 p.m. (In-Person)	<ul style="list-style-type: none"> <li>Regular Bi-Monthly Meeting of the Board of Directors               <ul style="list-style-type: none"> <li>5:00 p.m. Open Session (Public)</li> <li>5:01 p.m. or Thereafter - Closed Session (Only Board and Staff)</li> <li>6:30 p.m. – Reconvene to Open Session (Public)</li> </ul> </li> </ul>

  
 Board Secretary



**Item Number:** 01  
**Meeting Date:** 02-23-2023  
**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 January 26, 2023

### RECOMMENDATION

Approve the minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of January 26, 2023

### SUMMARY

The Finance & Administration Committee/Board of Directors (Finance & Administration) held its regularly scheduled monthly meeting on January 26, 2023. The minutes of that meeting are attached.

### DISCUSSION

None

### FISCAL IMPACT

None

### ATTACHMENT(S)

1. Minutes of the January 26, 2023, 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, January 26, 2023**

**Via teleconference**

(In accordance with Assembly Bill 361)

**CALL TO ORDER AND ROLL CALL:**

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

***Directors Present:*** Ranjiv Khush, Monty Schmitt, Jed Smith, and Larry Russell (*Director Russell arrived at Roll Call.*)

***Directors Absent:*** Matt Samson

**ADOPT AGENDA:**

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

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

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 December 22, 2022**

On motion made by Vice Chair Schmitt and seconded by Director Khush, the board approved the minutes. The following roll call vote was made.

Ayes: Directors Khush, Russell, Schmitt, and Smith

Noes: None  
Absent: Director Samson

There were no public comments.

**Item 2 Resolution Continuing Virtual Board and Committee Meetings Pursuant to Assembly Bill 361 (Resolution No. 8735)**

General Counsel Molly MacLean brought forth this item.

There was no board discussion nor public comment that followed.

On motion made by Director Khush and seconded by Vice Chair Schmitt, the board approved the resolution. The following roll call vote was made.

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

**Item 3 Monthly Financial Update – December 2022**

Finance Director Bret Uppendahl provided the monthly financial update. The board and staff conversed throughout staff's presentation.

There were no public comments.

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

**Item 4 Capital Investment in Upcoming Budget Cycle**

Engineering Director Crystal Yezman introduced this item and Planning Manager Elysha Irish provided the presentation for discussion, which addressed the backlog of aging infrastructure repair/replacement. Much discussion occurred between the board and staff during and after the presentation.

There were two (2) public comments.

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

**Item 5 Rate Setting Process Update**

Finance Director Uppendahl also introduced this item, specifically regarding reserve targets. Discussion between the board and staff occurred throughout the presentation.

There were two (2) public comments.

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

**ADJOURNMENT**

There being no further business, the Finance & Administration Committee/Board of Directors (Finance & Administration) meeting adjourned at 11:48 a.m.

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Board Secretary





**Item Number:** 02  
**Meeting Date:** 02-23-2023  
**Meeting:** Finance and  
Administration Committee/  
Board of Directors (Finance &  
Administration)

## Informational Item

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

**FROM:** Vikkie Garay, Human Resources Manager 

**THROUGH:** Ben Horenstein, General Manager 

**DEPARTMENT NAME:** Human Resources

**ITEM:** Updates on Staffing

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### SUMMARY

District staff will provide information on staff turnover and related recruitment activities.

### DISCUSSION

It is the goal of the District to attract and retain a highly skilled, well-qualified and engaged workforce to advance initiatives and provide core services in support of providing high quality water to District customers.

Staff will share information and an analysis of staff turnover for calendar year 2022 and an update on current recruitment activities.

The District's 2022 monthly turnover rates trend below the Bureau of Statistic's published industry standard for utilities and peaked. Similar to other local government employers, the District is experiencing turnover and retirements. In response, staff has employed modern recruitment techniques to attract talent in a highly competitive job market.

### FISCAL IMPACT

All expenses related to recruitment and selection are allocated in the FY2023 budget.

### ATTACHMENT(S)

None

## 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 – January 2023

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### SUMMARY

The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of January 2023, District revenue is \$63.9 million, which is 55.3% of budgeted revenue, and total expenditures including encumbrances are \$67.7 million, or 57.1% of budget. It is notable that water sales, excluding fixed charges, are down by approximately 17% compared to the original budget.

### DISCUSSION

#### Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2022-23 as of January 31, 2023. 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 58.3% of the fiscal year budget at the end of January. Water sales, which are relatively higher in the summer months, would be expected to be 64.6% of the fiscal year budget at this time of year.

For the Operating Fund, total revenues as of January 31, 2023 are \$51.1 million, or 55.4% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$50.9 million, or 54.7% of budget.

For the Capital and Fire Flow Funds, total revenues are \$12.9 million, which is 55.0% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$9.7 million, which are at 53.7% of the budget. Spending on capital and fire flow projects is \$9.2 million, or 36.2% of budget, as CIP projects typically do not follow linear trends in expenditures.



As noted in Attachment 4, an additional \$7.5 million is encumbered, bringing total expenditures with encumbrances to \$16.8 million, or 65.7% of budget.

### **Water Sales and Consumption**

The fiscal year to date billed water sales through January 31, 2023 were \$32.7 million, which is 53.7% of the annual water sales forecast, but only 83% of the expected revenue through the first seven months of the year. Billed water consumption through January 31, 2023 was 12,524 AF, which is 10.19% higher than this time last year, but still 13.6% below the budgeted consumption for this time of year.

Year-to-date total water sales and fixed charges (service charges and watershed fees) through January 31, 2023 were \$48.5 million, which is 54.2% 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 \$6.5 million, or 16%.

### **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 unrestricted reserves for emergency water supply. However, paving costs, which are associated with pipeline maintenance and repair, continue to trend in excess of the budget. Assuming that water consumption remains consistent with recent trends, the District is projected to experience operating losses of \$9 to \$12 million.

### **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 January: 58.3% of FY

				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		
Month	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual		
July	3,893,617	4,948,239	4,004,486	1,432,518	1,531,262	1,491,919	332,621	353,462	347,285	5,658,756	6,832,962	5,843,690		
August	5,886,691	7,946,782	6,238,059	2,074,186	2,217,160	2,022,429	455,201	483,723	442,385	8,416,079	10,647,665	8,702,873		
September	4,294,155	5,798,487	5,303,105	1,481,820	1,583,962	1,722,259	342,629	364,097	396,558	6,118,604	7,746,546	7,421,921		
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	3,465,108	1,486,790	1,589,274	1,552,691	346,372	368,075	361,436	4,511,008	6,623,946	5,379,236		
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	2,333,185	1,135,794	1,214,085	1,562,940	255,662	271,681	363,077	3,056,029	4,059,470	4,259,202		
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	\$ 32,670,821	\$ 21,874,190	\$ 23,381,979	\$ 12,894,165	\$ 4,900,426	\$ 5,207,474	\$ 2,901,415	\$ 72,892,211	\$ 89,470,711	\$ 48,466,401		
Monthly Budget to Actual:			83%	Monthly Budget to Actual:			102%	Monthly Budget to Actual:			103%	Monthly Budget to Actual		88%
% of Annual Budget:			54%	% of Annual Budget:			55%	% of Annual Budget:			56%	% of total budget received		54%
Actual to Actual (thru Jan):			119%	Actual to Actual (thru Jan):			109%	Actual to Actual (thru Jan):			109%	Actual to Actual (thru Jan):		116%

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

Month	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 Actual	19/20 Actual	2021 Actual	21/22 Actual	22/23 Budget	22/23 Actual	Monthly Budget Variance	Actual to Actual %
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%
September	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%
October	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%
November	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%
December	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	1,795	-13.72%	24.74%
January	1,071	1,200	1,005	1,342	1,065	991	910	942	993	1,186	1,157	735	1,018	984	-3.35%	33.87%
February	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>12,524</b>		
															Budget-to-Actual Basis	
															Actual-to-Actual Basis	
															% of total budget	
															-13.57%	
															10.19%	
															55.59%	

**Marin Municipal Water District**  
**Budget to Actual Comparison for 2022/23 - All Funds**  
**Actual as of January 31, 2023**  
**Preliminary Unaudited**

**Operating Fund**

<b>Revenues and Expenditures</b>	<b>FY 2023 Adjusted Budget</b>	<b>Actual as of January 31, 2023</b>	<b>% of Budget</b>
<b>Revenues:</b>			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 60,881,258	\$ 32,670,821	53.7%
Service Charge	23,381,979	12,894,165	55.1%
Watershed Management Fee	5,207,474	2,901,415	55.7%
<b>Total Water Sales and Service Charge</b>	<b>89,470,711</b>	<b>48,466,402</b>	<b>54.2%</b>
<i>Other Revenues:</i>			
Rents	666,903	456,193	68.4%
Grants	-	696,316	-
Watershed Rents	939,166	542,039	57.7%
Watershed Payments	365,116	193,347	53.0%
Late Payment and Special Read Charges	120,133	155,060	129.1%
Interest	286,804	394,532	137.6%
Miscellaneous	350,647	157,559	44.9%
<b>Total Other Revenues</b>	<b>2,728,769</b>	<b>2,595,046</b>	<b>95.1%</b>
<b>Total Operating Revenues</b>	<b>92,199,480</b>	<b>51,061,448</b>	<b>55.4%</b>
<b>Expenditures:</b>			
Personnel services	55,797,518	28,217,261	50.6%
Materials and supplies	3,342,564	1,752,754	52.4%
Operations	8,773,455	5,375,055	61.3%
Water conservation rebate program	593,575	244,010	41.1%
Electrical power	5,480,047	2,944,042	53.7%
Water purchased	8,424,000	4,981,906	59.1%
Insurance, including claims	1,463,000	1,401,153	95.8%
General and administrative	4,216,939	2,748,288	65.2%
Debt service - interest and principal	9,706,507	5,662,129	58.3%
Overhead cost allocated to capital	(4,700,000)	(2,388,635)	50.8%
<b>Total Operating Expenditures</b>	<b>93,097,605</b>	<b>50,937,964</b>	<b>54.7%</b>
<b>Net Operating Fund Increase/(Decrease)</b>	<b>\$ (898,125)</b>	<b>\$ 123,484</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)	(898,125)	123,484	
Accrual adjustments		(2,967,097)	
<b>Ending Fund Balance</b>	<b>\$ 26,467,170</b>	<b>\$ 24,521,682</b>	

**Marin Municipal Water District**  
**Budget to Actual Comparison for 2022/23 - All Funds**  
**Actual as of January 31, 2023**  
**Preliminary Unaudited**

**Capital and Fire Flow Funds**

<b>Revenues and Expenditures</b>	<b>FY 2023 Adjusted Budget</b>	<b>Actual as of January 31, 2023</b>	<b>% of Budget</b>
<b>Revenues:</b>			
Customer Reimbursement Project	\$ 710,182	\$ 356,027	50.1%
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	9,694,347	53.7%
Capital Connection Fee	100,000	71,719	71.7%
Capital Grants & Contribution	-	166,052	
<b>Total Revenues and Contributed Capital</b>	<b>23,385,807</b>	<b>12,867,704</b>	<b>55.0%</b>
<b>Capital Expenditures:</b>			
Capital Projects - District	20,300,835	8,439,538	41.6%
Capital Projects - Fire Flow	4,635,686	491,663	10.6%
Capital equipment purchases	574,738	310,721	54.1%
<b>Total Capital and Fire Flow Expenditures</b>	<b>25,511,259</b>	<b>9,241,922</b>	<b>36.2%</b>
<b>Net Capital and Fire Flow Fund Increase/(Decrease)</b>	<b>\$ (2,125,452)</b>	<b>\$ 3,625,782</b>	<b>-170.6%</b>
<b>Capital Fund Balance</b>			
<b>Capital Fund</b>			
<b>Opening Fund Balance</b>	<b>\$ 10,779,360</b>	<b>\$ 10,779,360</b>	
Net Capital Fund Increase(Decrease)	(1,415,028)	1,758,566	
Capital equipment purchases	(574,738)	(310,721)	
Interest Adjustment		43,788	
Accrual adjustments		(1,412,716)	
<b>Ending Fund Balance</b>	<b>\$ 8,789,594</b>	<b>\$ 10,858,278</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)	2,011,885	
Interest Adjustment	-	32,223	
<b>Ending Fund Balance</b>	<b>\$ 3,325,558</b>	<b>\$ 5,505,352</b>	

CIP Projects	FY2022/23 Adjusted Budget	Capital Projects YTD Actual Expenditures  As of 1/31/23	Encumbered for Contracts  As of 1/31/23	Total Capital & Fire Flow  As of 1/31/23
District Pipeline Replacement / Improvement	\$ 8,195,725	\$ 4,110,826	\$ 1,338,553	\$ 5,449,379
Replacements - Tank Maintenance & Replacement	\$ 1,570,349	\$ 843,355	\$ 680,784	\$ 1,524,139
Replacements - Treatment Plant Facilities	\$ 1,720,768	\$ 656,337	\$ 634,689	\$ 1,291,026
Replacements - Dam/Pump/Control System/Meters	\$ 923,040	\$ 315,678	\$ 214,148	\$ 529,826
Fire Chief's Fund	\$ 150,000	\$ 26,930	2,787	\$ 29,717
Program Management- Asset Mangement	\$ 1,301,812	\$ 53,042	198,770	\$ 251,812
System Improvements	\$ 195,644	\$ 163,651	\$ 12,338	\$ 175,989
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	977,340	415,030	60,750	\$ 475,780
Watershed - Natural Resource Project	1,502,386	674,821	743,014	\$ 1,417,834
Reimbursable Grant Projects	2,158,821	187,605	694,567	\$ 882,172
Reimbursable Customer Projects	\$ 1,403,479	\$ 855,513	\$ 5,680	\$ 861,193
Information Technology - Capital Equipments/Projec	\$ 151,471	\$ 136,749	\$ 14,721	\$ 151,471
Fire Flow Replacement	\$ 4,635,686	\$ 491,663	\$ 2,769,713	\$ 3,261,376
Capital Equipment Purchases	\$ 574,738	\$ 310,721	\$ 116,949	\$ 420,701
Total Capital Projects	\$ 25,511,259	\$ 9,241,922	\$ 7,537,463	\$ 16,772,416



**Item Number:** 04  
**Meeting Date:** 02-23-2023  
**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

**THROUGH:** Ben Horenstein, General Manager

**DIVISION NAME:** Administrative Services Division

**ITEM:** Quarterly Investment Report – December 2022

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### SUMMARY

Pursuant to District Investment Policy No. 33, the quarterly investment report is submitted to the Board for the quarter ending December 31, 2022.

The District's investment portfolio (pooled cash) carried a market value of \$65.7 million as of the end of December. The investments held included \$57.8 million on deposit in the Local Agency Investment Fund (LAIF), \$0.7 million on deposit in the Fidelity Government Money Market Fund, and \$7.3 million in the District's general checking account. Fiscal year to date interest earned as of December on the District's portfolio totaled \$465,993. The average monthly effective yield for LAIF investments in December 2022 was 2.17 percent, which represents a significant increase compared to 0.37 percent average effective yield for the Fiscal Year 2022. The increased yield is largely driven by increased interest rates for US Treasuries as they comprise over 65 percent of the LAIF portfolio.

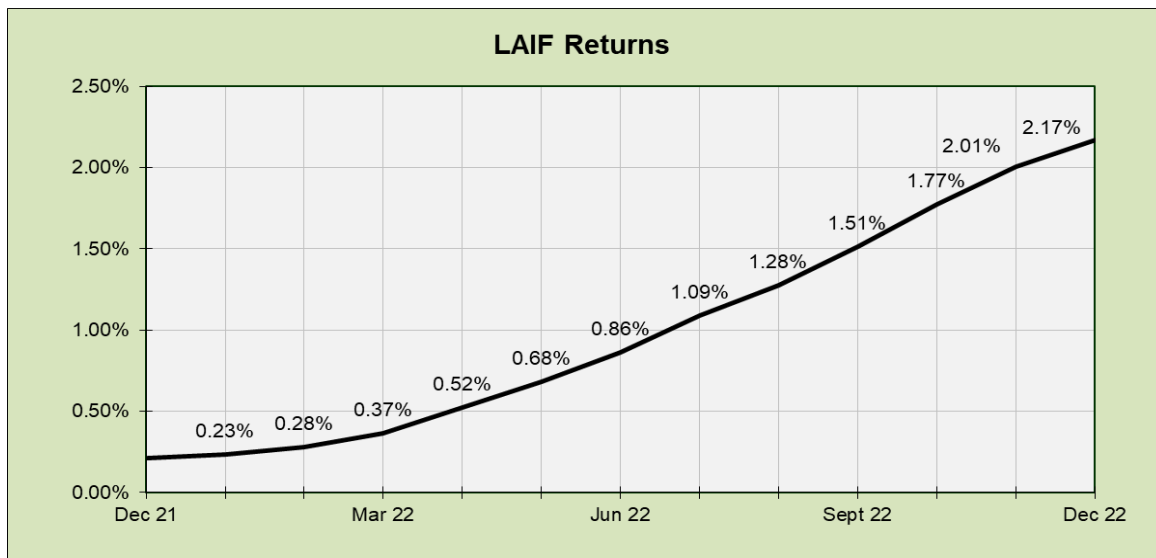
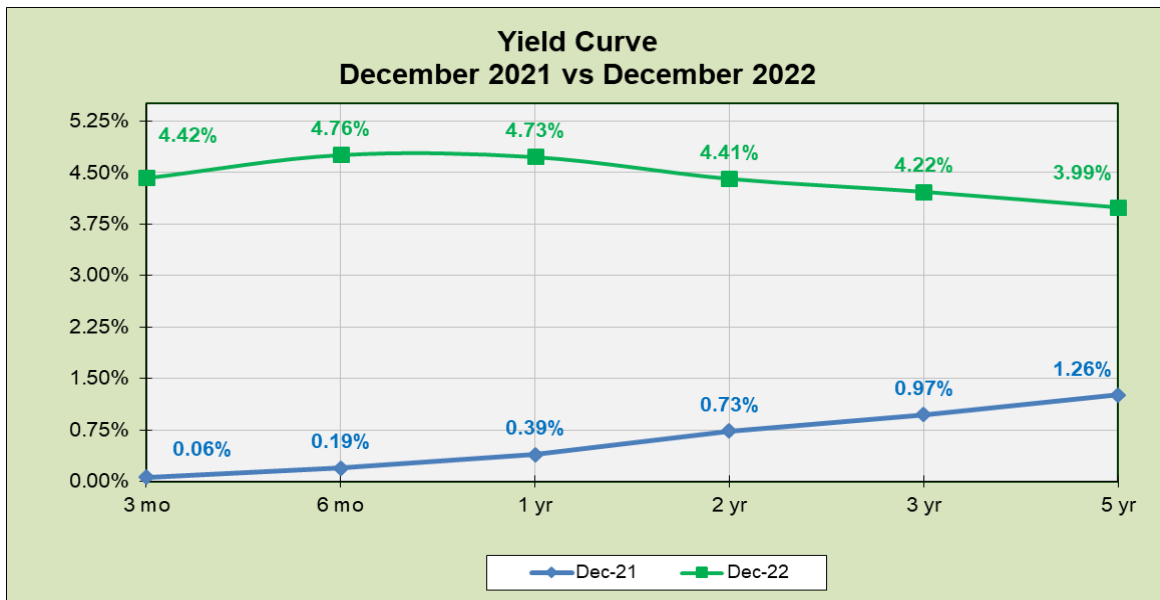
Pursuant to provision (2) of California Government Code section 53646, the District portfolio complies with the District's investment policy. Pursuant to provision (3) of California Government code section 53646, the District establishes that it is able to meet its pooled expenditure requirements for the next six months.

### ATTACHMENT(S)

1. Schedule of Investments and Yield Curve as of Dec. 31, 2022

Marin Municipal Water District  
FY 2023 Schedule of Investments  
As of December 31, 2022

	Beginning Balance	Purchases / Deposits	Investment Income/(Loss)	Withdrawals	Ending Balance
<b>DISTRICT INVESTMENTS:</b>					
Local Agency Investment Fund	63,296,607	10,000,000	455,760	(16,000,000)	57,752,368
Fidelity Gov't Money Market Fund	678,096	66	7,327		685,488
Corporate Obligations	4,000		(434)	(66)	3,500
US Bank Checking Account	3,575,908	78,692,666	3,340	(74,999,670)	7,272,244
<b>TOTAL INVESTMENTS</b>	<b>67,554,611</b>	<b>88,692,732</b>	<b>465,993</b>	<b>(90,999,735)</b>	<b>65,713,600</b>







**Item Number:** 05  
**Meeting Date:** 02-23-2023  
**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

**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 charges do not exceed the cost of providing the service and that they are proportional among District customers. Throughout the rate setting process, the District is 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 initially discussed at the January 3<sup>rd</sup> Board Meeting and additional information on reserves and capital improvements were presented at the January 26<sup>th</sup> Finance Committee meeting. On February 7<sup>th</sup>, staff provided a comprehensive overview of the rate setting process, including potential structural changes to tier breaks and fixed fees. As part of that presentation, staff provided a preliminary range of rate impacts to residential customers under two revenue requirement scenarios.

Today, staff will provide additional information to inform the revenue requirement discussion. This will include a discussion of the current baseline needs as well as a range of options for enhancements above the current baseline budget, including water supply projects, critical infrastructure needs and service level enhancements.

**FISCAL IMPACT**

None

**ATTACHMENT(S)**

None