NOTICE OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

Thursday, August 27, 2026 at 9:30 AM

AGENDA

LOCATIONS:

Open Session to start at or after 9:30 a.m.
Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925

Public Participation:
The public may attend this meeting in-person or remotely using the following methods:
On a computer or smart device, go to: https://marinwater.zoom.us/j/81110533069
By phone, dial: **1-669-444-9171** and use Webinar ID: **811 1053 3069**

HOW TO PROVIDE PUBLIC COMMENT:

During the Meeting: Typically, you will have 3 minutes to make your public comment, however, the committee chair may shorten the amount of time for public comment due to a large number of attendees. Furthermore, pursuant to Government Code, section 54954.2 (the Brown Act), the Committee may not take action or discuss any item that does not appear on the agenda.

-- In-Person Attendee: Fill out a speaker card and provide to the board secretary. List the number/letter (ex: 6a) of the agenda item(s), for which you would like to provide a comment. Once you're called, proceed to the lectern to make your comment.

-- Remote Attendee: Use the "raise hand" button on the bottom of the Zoom screen. If you are joining by phone and would like to comment, press *9. The board secretary will use the last four digits of your phone number to call on you (dial *6 to mute/unmute).

In Advance of the Meeting: Submit your comments by email in advance of the meeting to boardcomment@marinwater.org. To ensure that your comment is provided to the Committee members prior to the meeting, please email your comment 24 hours in advance of the meeting start time. Comments received after this cut off time will be sent to the Committee after the meeting. Please do not include personal information in your comment such as phone numbers and home addresses.

AGENDA ITEMS:

1. **Call to Order and Roll Call**

2. **Public Comment on Non-Agenda Matters**

   This is the time when any person may address the Board of Directors on matters not listed on this agenda, but which are within the subject matter jurisdiction of the Board.

3. **Regular Items** (9:35 a.m. – Time Approximate)

   a. Minutes of the Finance & Administration Committee Meeting on June 25, 2026

   RECOMMENDATION: Accept the minutes

   b. Monthly Financial Update

   RECOMMENDATION: Review the Monthly Financial Update

   c. Quarterly Investment Update

   RECOMMENDATION: Receive update on the District's investment portfolio

   d. Water Rate Setting Update

   RECOMMENDATION: Receive an update on the District's rate setting process

4. **Upcoming Meeting**

   The next Finance & Administration Committee Meeting is scheduled for September 24, 2026.

5. **Adjournment** (10:30 a.m. – Time Approximate)

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 an individual 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 the Board Secretary/ADA Coordinator at 415.945.1448, at least two business days in advance of the meeting. Advance notification will enable Marin Water to make reasonable arrangements to ensure accessibility.

Information agendas are available for review at the Civic Center Library, Corte Madera Library, Fairfax Library, Mill Valley Library, Marin Water Administration Building, and marinwater.org.

Posted: 08-21-2026

STAFF REPORT

Meeting Type:	Finance & Administration Committee
Title:	Minutes of the Finance & Administration Committee Meeting on June 25, 2026
From:	Terrie Gillen, Board Secretary
Through:	Ben Horenstein, General Manager
Meeting Date:	August 27, 2026

TYPE OF ITEM: X Approve Review and Comment

RECOMMENDATION: Accept the minutes

SUMMARY: The Finance & Administration Committee held a meeting on June 25, 2026. The minutes of that meeting are attached.

DISCUSSION: None.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Draft June 25, 2026 Minutes of the Finance & Administration Committee Meeting

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

Attachment 1

NOTICE OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

Thursday, June 25, 2026 at 9:30 AM

MINUTES

LOCATIONS:
Open Session to start at or after 9:30 a.m.
Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925
Outside location for Director Jed Smith – 105 Herring Pond Road, Plymouth, MA 02360

Public Participation:
The public attended this meeting in-person or remotely using the following methods: on a computer or smart device, **https://marinwater.zoom.us/j/81110533069**, or by phone, 1-669-444-9171**,** using Webinar ID: 811 1053 3069.

AGENDA ITEMS:

1. Call to Order and Roll Call

Finance & Administration Chair Diane Maier called the meeting to order at 9:30 AM.

DIRECTORS PRESENT
Jed Smith
Diana Maier

2. Public Comment on Non-Agenda Matters

There were no public comments on non-agenda matters.

3. Regular Items

a. Minutes of the Finance & Administration Committee Meeting on May 28, 2026

RECOMMENDATION: Accept the minutes

The Committee accepted the minutes.

There were no public comments.

b. Monthly Financial Update

RECOMMENDATION: Review and comment on the Monthly Financial Update

Finance Director Bret Uppendahl presented this item.

There was brief discussion between staff and the committee throughout the presentation.

There were no public comments.

This was an information item, so no action was taken.

4. Upcoming Meeting

Chair Maier announced the next Finance & Administration Committee Meeting is scheduled for Thursday, August 27, 2026.

5. Adjournment

There being no further business, the Finance & Administration Committee Meeting adjourned on June 25, 2026, at 9:40 AM.

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Board Secretary

MARIN WATER

STAFF REPORT

Meeting Type: Finance & Administration Committee

Title: Monthly Financial Update

From: Bret Uppendahl, Finance Director BU

Through: Ben Horenstein, General Manager BH

Meeting Date: August 27, 2026

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Review the Monthly Financial Update

SUMMARY: The Monthly Financial Update provides an overview for fiscal year 2026/27 water sales revenue and fiscal year-to-date financials. This month's report also provides preliminary results for FY 2025/26.

Fiscal year 2026/27 District operating and capital revenue is $15.1 million, which is 8% of budgeted revenue for the year. Total expenditures are $9.5 million, or 5% of annual budget. Water sales, excluding fixed charges, are 3% above the budget for the first month of the fiscal year.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2026/27 as of July 31, 2026, which is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses occurred at a consistent rate, they would be expected to be at 8% of the annual budget by the end of July. Due to the seasonal impacts on water use, water sales revenues are expected to be at 9% of the annual revenue budget by the end of July.

For the Operating Fund, total revenues as of July 31, 2026, are $13.6 million, or 8% of the annual budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are $8.8 million, or 7% of budget. For the Capital Fund, total revenues are $1.5 million, which is 7% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are at 7% of the budget. Total Capital Improvement Program (CIP) expenditures are $0.7 million, or 1% of budget, as CIP projects typically do not follow linear trends in expenditures.

The fiscal year to date billed water sales through July 31, 2026, were $10.9 million, which is 9% of the annual water sales revenue forecast. Billed water consumption through July 31, 2026, was 1,862 AF, which is 13% above the same time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through July 31, 2026, were $14.5 million, which is 8% of the total annual rate revenue forecast of

$175.3 million ($156.5 million operating and $18.8 million capital). Compared to the same period for the previous fiscal year, revenue from water sales and fees increased by $2.3 million, or 19%.

For fiscal year 2025/26, billed water sales before year-end accounting adjustments were $106.6 million, which is 92% of the annual water sales forecast. Billed water consumption was 20,048 AF, which is 4.9% below the forecast and 4.2% lower than FY 2024/25. Total water sales and fees (service charges, watershed fees and capital maintenance fees) were $156.4 million, which is 94% of the total annual rate revenue forecast of $165.8 million.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Total Water Sales and Fixed Charges & Fees FY 2024/25 – 2025/26
2. Billed Water Consumption in AF FY 2015/16 to FY 2025/26
3. Total Water Sales and Fixed Charges & Fees FY 2025/26 – 2026/27
4. Billed Water Consumption in AF FY 2016/17 to FY 2026/27
5. Budget to Actual Comparison for FY 2026/27
6. CIP Budget to Actual Comparison for FY 2026/27

Total Water Sales and Fixed Charges & Fees
Fiscal Years 2024/25 - 2025/26

OPERATING FUND **CAPITAL FUND**

Month	Water Sales			Service Charge			Watershed Fee			Capital Maintenance Fee			Total Water Sales and Charges		
	24/25 Actual	25/26 Budget	25/26 Actual	24/25 Actual	25/26 Budget	25/26 Actual	24/25 Actual	25/26 Budget	25/26 Actual	24/25 Actual	25/26 Budget	25/26 Actual	24/25 Actual	25/26 Budget	25/26 Actual
July	$ 7,743,761	$ 9,045,000	$ 8,916,458	$ 1,638,745	$ 1,723,000	$ 1,716,599	$ 441,637	$ 448,000	$ 435,203	$ 1,107,901	$ 1,210,000	$ 1,167,583	$ 10,932,044	$ 12,426,000	$ 12,235,844
August	13,177,298	15,392,000	13,836,333	2,387,120	2,502,000	2,488,545	798,805	716,000	729,012	1,634,811	1,766,000	1,688,205	17,998,034	20,376,000	18,742,094
September	10,537,001	12,308,000	10,916,602	1,707,764	1,806,000	1,789,664	487,440	544,000	496,276	1,159,561	1,210,000	1,227,439	13,891,766	15,868,000	14,429,980
October	13,984,090	16,334,000	14,467,867	2,486,025	2,626,000	2,667,208	737,461	806,000	709,705	1,699,834	1,770,000	1,810,929	18,907,409	21,536,000	19,655,709
November	7,924,059	9,256,000	7,527,588	1,715,498	1,797,000	1,804,961	399,030	430,000	368,050	1,166,678	1,206,000	1,238,904	11,205,265	12,689,000	10,939,503
December	9,077,109	10,602,000	8,547,253	2,518,543	2,637,000	2,643,073	502,893	537,000	456,466	1,715,283	1,772,000	1,797,138	13,813,827	15,548,000	13,443,930
January	4,012,842	4,687,000	4,146,395	1,703,314	1,799,000	1,792,107	238,041	281,000	225,646	1,166,490	1,214,000	1,224,834	7,120,687	7,981,000	7,388,982
February	6,480,068	7,569,000	7,283,799	2,490,645	2,629,000	2,627,005	379,545	421,000	386,797	1,706,906	1,772,000	1,781,463	11,057,165	12,391,000	12,079,064
March	3,366,736	3,932,000	4,726,356	1,612,894	1,735,000	1,821,197	202,234	229,000	259,775	1,104,439	1,170,000	1,255,722	6,286,303	7,066,000	8,063,050
April	6,013,038	7,023,000	8,606,046	2,399,960	2,580,000	2,632,891	359,204	408,000	458,798	1,652,559	1,749,000	1,800,423	10,424,760	11,760,000	13,498,158
May	5,428,949	6,341,000	6,604,827	1,907,379	1,912,000	1,805,595	312,599	324,000	326,100	1,287,089	1,272,000	1,222,752	8,936,016	9,849,000	9,959,273
June	11,312,446	13,214,122	11,046,185	2,484,907	2,614,957	2,590,291	630,151	685,124	570,101	1,698,519	1,766,643	1,745,995	16,126,022	18,280,846	15,952,572
TOTAL	**$ 99,057,397**	**$115,703,122**	**$106,625,707**	**$ 25,052,793**	**$ 26,360,957**	**$ 26,379,136**	**$ 5,489,039**	**$ 5,829,124**	**$ 5,421,929**	**$ 17,100,069**	**$ 17,877,643**	**$ 17,961,387**	**$146,699,299**	**$165,770,846**	**$156,388,159**

	Water Sales	Service Charge	Watershed Fee	Capital Maintenance Fee	Total Water Sales and Charges
Monthly Budget to Actual:	92.2%	100.1%	93.0%	100.5%	94.3%
% of Annual Budget:	92.2%	100.1%	93.0%	100.5%	94.3%
Actual to Actual:	107.6%	105.3%	98.8%	105.0%	106.6%

Billed Water Consumption In AF
Fiscal Year 2015/16 - 2025/26

Month	15/16 Actual	16/17 Actual	17/18 Actual	18/19 Actual	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Actual	23/24 Actual	24/25 Actual	25/26 Budget	25/26 Actual	Monthly Budget Variance	Actual to Actual % Change
July	1,628	1,876	1,931	1,975	1,834	2,022	1,642	1,562	1,674	1,690	1,706	1,649	-3.3%	-2.4%
August	2,620	3,012	3,206	3,245	3,112	3,215	2,500	2,476	2,697	3,052	3,081	2,740	-11.1%	-10.2%
September	1,775	1,939	2,027	2,145	2,112	2,205	1,604	1,881	1,866	1,851	1,863	1,828	-1.9%	-1.2%
October	2,583	2,767	3,140	2,951	3,058	3,124	2,293	2,498	2,673	2,779	2,804	2,600	-7.3%	-6.4%
November	1,490	1,340	1,705	1,664	1,837	1,882	1,153	1,329	1,409	1,516	1,528	1,355	-11.3%	-10.6%
December	1,935	1,646	1,914	2,169	2,295	2,418	1,439	1,795	1,749	1,908	1,927	1,692	-12.2%	-11.3%
January	991	910	942	993	1,186	1,157	735	984	1,013	910	923	833	-9.8%	-8.6%
February	1,450	1,392	1,754	1,525	1,556	1,625	1,646	1,385	1,431	1,442	1,461	1,412	-3.4%	-2.1%
March	832	846	992	879	1,105	970	948	830	805	830	784	962	22.7%	16.0%
April	1,467	1,375	1,612	1,427	1,883	1,775	1,717	1,377	1,419	1,369	1,386	1,687	21.7%	23.2%
May	1,067	1,092	1,240	1,224	1,378	1,459	1,209	1,044	1,042	1,201	1,213	1,201	-1.0%	0.0%
June	2,478	2,416	2,516	2,349	2,711	2,559	2,217	2,119	2,254	2,374	2,398	2,089	-12.9%	-12.0%
TOTAL	**20,316**	**20,611**	**22,978**	**22,546**	**24,065**	**24,410**	**19,104**	**19,279**	**20,030**	**20,922**	**21,075**	**20,048**		
Change from prior year:	*-10.67%*	*1.45%*	*11.49%*	*-1.88%*	*6.74%*	*1.43%*	*-21.74%*	*0.92%*	*3.90%*	*4.45%*				

Budget-to-Actual Basis	**-4.9%**
Actual-to-Actual Basis	**-4.2%**
% of Total Budget	**95.1%**

Total Water Sales and Fixed Charges & Fees
Fiscal Years 2025/26 - 2026/27

OPERATING FUND | **CAPITAL FUND**

	Water Sales			Service Charge			Watershed Fee			Capital Maintenance Fee			Total Water Sales and Charges		
Month	**25/26 Actual**	**26/27 Budget**	**26/27 Actual**	**25/26 Actual**	**26/27 Budget**	**26/27 Actual**	**25/26 Actual**	**26/27 Budget**	**26/27 Actual**	**25/26 Actual**	**26/27 Budget**	**26/27 Actual**	**25/26 Actual**	**26/27 Budget**	**26/27 Actual**
July	$ 8,916,458	$ 10,535,000	$ 10,861,928	$ 1,716,599	$ 1,806,000	$ 1,851,911	$ 435,203	$ 510,000	$ 511,020	$ 1,167,583	$ 1,249,000	$ 1,278,658	$ 12,235,844	$ 14,100,000	$ 14,503,517
August	13,836,333	16,904,000		2,488,545	2,624,000		729,012	884,000		1,688,205	1,824,000		18,742,094	22,236,000	
September	10,916,602	12,595,000		1,789,664	1,882,000		496,276	561,000		1,227,439	1,310,000		14,429,980	16,348,000	
October	14,467,867	16,519,000		2,667,208	2,773,000		709,705	821,000		1,810,929	1,927,000		19,655,709	22,040,000	
November	7,527,588	9,143,000		1,804,961	1,895,000		368,050	438,000		1,238,904	1,320,000		10,939,503	12,796,000	
December	8,547,253	10,471,000		2,643,073	2,778,000		456,466	549,000		1,797,138	1,928,000		13,443,930	15,726,000	
January	4,146,395	4,913,000		1,792,107	1,881,000		225,646	266,000		1,224,834	1,313,000		7,388,982	8,373,000	
February	7,283,799	8,021,000		2,627,005	2,754,000		386,797	436,000		1,781,463	1,915,000		12,079,064	13,126,000	
March	4,726,356	4,847,000		1,821,197	1,846,000		259,775	265,000		1,255,722	1,295,000		8,063,050	8,253,000	
April	8,606,046	8,561,000		2,632,891	2,707,000		458,798	466,000		1,800,423	1,895,000		13,498,158	13,629,000	
May	6,604,867	7,123,000		1,805,648	2,001,000		326,102	366,000		1,222,787	1,378,000		9,959,404	10,868,000	
June	11,046,185	12,945,741		2,590,291	2,732,005		570,101	680,992		1,745,995	1,417,525		15,952,572	17,776,263	
TOTAL	**$ 106,625,748**	**$122,577,741**	**$ 10,861,928**	**$ 26,379,189**	**$ 27,679,005**	**$ 1,851,911**	**$ 5,421,931**	**$ 6,242,992**	**$ 511,020**	**$ 17,100,069**	**$ 18,771,525**	**$ 1,278,658**	**$156,388,290**	**$175,271,263**	**$ 14,503,517**

	Water Sales	Service Charge	Watershed Fee	Capital Maintenance Fee	Total Water Sales and Charges
Monthly Budget to Actual:	103.1%	102.5%	100.2%	102.4%	102.9%
% of Annual Budget:	8.9%	6.7%	8.2%	6.8%	8.3%
Actual to Actual:	121.8%	107.9%	117.4%	109.5%	118.5%

Billed Water Consumption In AF
Fiscal Year 2016/17 - 2026/27

Month	16/17 Actual	17/18 Actual	18/19 Actual	19/20 Actual	20/21 Actual	21/22 Actual	22/23 Actual	23/24 Actual	24/25 Actual	25/26 Actual	26/27 Budget	26/27 Actual	Monthly Budget Variance	Actual to Actual % Change
July	1,876	1,931	1,975	1,834	2,022	1,642	1,562	1,674	1,690	1,649	1,729	1,862	7.7%	12.9%
August	3,012	3,206	3,245	3,112	3,215	2,500	2,476	2,697	3,052	2,740	2,870			
September	1,939	2,027	2,145	2,112	2,205	1,604	1,881	1,866	1,851	1,828	1,915			
October	2,767	3,140	2,951	3,058	3,124	2,293	2,498	2,673	2,779	2,600	2,725			
November	1,340	1,705	1,664	1,837	1,882	1,153	1,329	1,409	1,516	1,355	1,419			
December	1,646	1,914	2,169	2,295	2,418	1,439	1,795	1,749	1,908	1,692	1,768			
January	910	942	993	1,186	1,157	735	984	1,013	910	833	872			
February	1,392	1,754	1,525	1,556	1,625	1,646	1,385	1,431	1,442	1,412	1,476			
March	846	992	879	1,105	970	948	830	805	830	962	1,008			
April	1,375	1,612	1,427	1,883	1,775	1,717	1,377	1,419	1,369	1,687	1,765			
May	1,092	1,240	1,224	1,378	1,459	1,209	1,044	1,042	1,201	1,201	1,253			
June	2,416	2,516	2,349	2,711	2,559	2,217	2,119	2,254	2,374	2,089	2,183			
TOTAL	**20,611**	**22,978**	**22,546**	**24,065**	**24,410**	**19,104**	**19,279**	**20,030**	**20,922**	**20,048**	**20,983**	**1,862**		
Change from prior year:	*1.45%*	*11.49%*	*-1.88%*	*6.74%*	*1.43%*	*-21.74%*	*0.92%*	*3.90%*	*4.45%*	*-4.18%*				

Budget-to-Actual Basis	**7.7%**
Actual-to-Actual Basis	**12.9%**
% of Total Budget	**8.9%**

Marin Municipal Water District
FY 2026/27 Budget to Actual Comparison
Preliminary Unaudited

Operating Fund

Revenues and Expenditures	FY 2027 Budget	Actual as of Jul 31, 2026	% of Budget	Actual as of Jul 31, 2025
Revenues:				
Water Sales and Service Charge:				
Water Sales	$ 122,577,741	$ 10,861,928	8.9%	$ 8,910,300
Service Charge	27,679,005	1,851,911	6.7%	1,716,651
Watershed Management Fee	6,242,992	511,020	8.2%	435,180
Total Water Sales and Service Charge	156,499,738	13,224,859	**8.5%**	11,062,130
Other Revenues:				
Rents and Royalties	2,440,070	98,615	4.0%	89,767
Grants	-	-	-	-
Permits and Fees	225,000	22,450	10.0%	31,744
Late Payments & Charges	110,000	37,865	34.4%	9,475
Interest	2,228,000	173,083	7.8%	74,888
Miscellaneous	225,000	5,393	2.4%	5,405
Total Other Revenues	5,228,070	337,406	6.5%	211,280
Total Operating Revenues	**161,727,808**	**13,562,265**	**8.4%**	**11,273,410**
Expenditures:				
Personnel services	65,658,334	4,622,753	7.0%	4,625,837
Materials and supplies	4,602,802	113,655	2.5%	58,331
Operations	12,358,412	431,165	3.5%	87,856
Water conservation rebate program	609,000	27,932	4.6%	22,032
Electrical power	6,720,000	860,526	12.8%	949,182
Water purchased	15,252,000	1,623,849	10.6%	1,146,899
Insurance, including claims	3,506,200	169,782	4.8%	172,004
General and administrative	7,112,884	458,562	6.4%	279,427
Debt service - interest and principal	9,394,707	782,892	8.3%	781,984
Overhead cost allocated to capital	(5,500,000)	(290,107)	5.3%	(354,280)
Total Operating Expenditures	**119,714,338**	**8,801,009**	**7.4%**	**7,769,270**
Transfer out to Capital Fund	38,513,470	3,412,777	8.9%	2,639,315
Transfer out to Reserves	3,500,000	291,667	8.3%	416,667
Net Operating Fund Increase/(Decrease)	**$ -**	**$ 1,056,812**		**$ 448,158**

Marin Municipal Water District
FY 2026/27 Budget to Actual Comparison
Preliminary Unaudited

Capital Fund

Revenues and Expenditures	FY 2027 Budget	Actual as of Jul 31, 2026	% of Budget	Actual as of Jul 31, 2025
Revenues:				
Capital Maintenance Fee	$ 18,771,525	$ 1,278,658	6.8%	$ 1,167,021
Capital Connection Fee	100,000	150,660	150.7%	20,372
Capital Grants & Contribution	2,447,667	-	0.0%	-
Customer Reimbursement Project	500,000	82,412	16.5%	62,631
Interest Income	-	-	-	-
Total Capital Revenues	**21,819,192**	**1,511,730**	**6.9%**	**1,250,024**
Transfer-in from Operating Fund	38,513,470	3,412,777		2,639,315
Capital Expenditures:				
Capital Improvement Projects	57,838,667	599,270	1.0%	476,942
Capital Equipment Purchases	1,707,403	75,860	4.4%	23,186
Total Capital Expenditures	**59,546,070**	**675,131**	**1.1%**	**500,129**
Net Capital Fund Increase/(Decrease)	**$ 786,592**	**$ 4,249,377**		**$ 3,389,211**

Marin Municipal Water District
FY 2026/27 Budget to Actual Comparison
Preliminary Unaudited

Fire Flow Fund

Revenues and Expenditures	FY 2027 Budget	Actual as of Jul 31, 2026	% of Budget	Actual as of Jul 31, 2025
Revenues:				
Fire Flow	4,500,000	67,917	1.5%	35,978
Interest Income	-	-		-
Total Revenues	**4,500,000**	**67,917**	**1.5%**	**35,978**
Expenditures:				
Capital Projects - Fire Flow	**4,500,000**	**71,554**	**1.6%**	**300,008**
Net Fire Flow Fund Increase/(Decrease)	**$ -**	**$ (3,636)**		**$ (264,030)**

CIP Projects		FY 2027 Budget		Capital Projects Actual as of Jul 31, 2026		Encumbered for Contracts Actual as of Jul 31, 2026		T[illegible] Fire Flow Actual as of Jul 31, 2026
District Pipeline Replacement	$	16,379,000	$	80,190	$	-	$	80,190
Tank Maintenance & Replacement		5,650,000		66,023		-		66,023
Treatment Plant Facilities		6,770,000		274,921		-		274,921
Dam/Pump/Control System/Meters		18,232,000		64,809		-		64,809
Asset Mangement		570,000		8,325		-		8,325
Watershed - Natural Resource Project		2,349,000		-		-		-
Watershed - Other		3,456,000		3,358		-		3,358
Information Technology		2,800,000		-		-		-
Fire Flow Replacement		4,500,000		71,554		-		71,554
Reimbursable Grant Projects		1,626,667		2,615		-		2,615
Reimbursable Customer Projects		6,000		99,030		-		99,030
Capital Equipment Purchases		1,707,403		75,860		12,364		88,225
Total Capital Projects	**$**	**64,046,070**	**$**	**746,684**	**$**	**12,364**	**$**	**759,049**

MARIN WATER

STAFF REPORT

Meeting Type: Finance & Administration Committee

Title: Quarterly Investment Update

From: Bret Uppendahl, Finance Director BU

Through: Ben Horenstein, General Manager BH

Meeting Date: August 27, 2026

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Receive update on the District's investment portfolio

SUMMARY: Pursuant to District Investment Policy No. 33, the quarterly investment report is submitted for fiscal year 2025-26 as of June 30, 2026.

DISCUSSION: The District's investment portfolio (pooled cash) carried a market value of $126.3 million as of the end of June. The investments held included $71.6 million on deposit in the Local Agency Investment Fund (LAIF), $42.8 million on deposit in CAMP, and $11.8 million on deposit in the Fidelity Government Money Market Fund. Fiscal year to date interest earned as of June on the District's portfolio totaled $4.5 million. The average annual effective yield for LAIF investments for the fourth quarter of the fiscal year 2026 was 3.92 percent, compared to 4.40 percent average effective yield for the fourth quarter of fiscal year 2025.

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

ENVIRONMENTAL REVIEW: Not applicable.

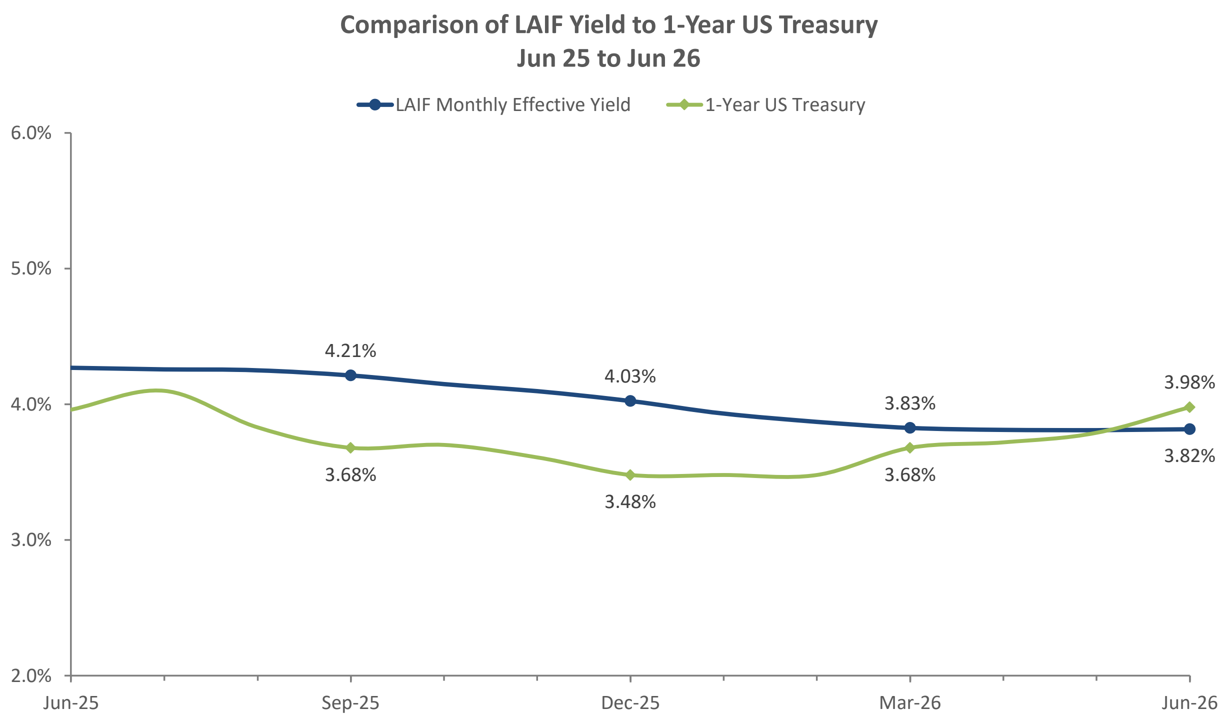
FISCAL IMPACT: None.

ATTACHMENT(S):

1. Schedule of Investments as of June 30, 2026

Marin Municipal Water District
FY 2026 Schedule of Investments
As of June 30, 2026

District Investments	Investment Type	Beginning Balance	Purchases / Deposits	Investment Income/(Loss)	Withdrawals	Ending Balance	% of Portfolio
Local Agency Investment Fund	Local Government Investment Pool	74,566,715	-	3,025,995	(6,000,000)	71,592,710	57%
CAMP Pooled Investment Fund	Joint Powers Authority Pool	-	42,000,100	804,141	-	42,804,241	34%
Fidelity Investments Money Market Government Portfolio Class I	Money Market Mutual Fund	11,223,797	11,228,004	391,642	(11,001,000)	11,842,443	9%
Vanguard Reserves Federal Money Market Fund	Money Market Mutual Fund	11,000,000	-	253,927	(11,228,004)	25,923	0%
TOTAL INVESTMENTS		**96,790,912**	**53,228,104**	**4,475,705**	**(28,229,404)**	**126,265,316**	**100%**



1. Source: California State Treasurer and U.S. Department of the Treasury websites.
2. LAIF Pooled Money Investment Account has maturities from 1 day to 5 years and a weighted average maturity of less than 1 year

MARIN WATER

STAFF REPORT

Meeting Type: Finance & Administration Committee

Title: Water Rate Setting Update

From: Bret Uppendahl, Finance Director BU

Through: Ben Horenstein, General Manager BH

Meeting Date: August 27, 2026

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Receive an update on the District's rate setting process

SUMMARY: As a municipal water district that relies on water rates to fund ongoing operations and capital improvements, the District is subject to the procedural requirements of Proposition 218 in order to modify or increase water rates and charges. These procedural requirements include providing written notice of the public hearing and proposed rate increases to each parcel and holding the noticed public hearing.

The substantive requirements of Proposition 218 provide that the proposed rates must be proportional to the benefit provided to each parcel and cannot exceed the cost of providing water service. The District last completed a cost of service rate study with Bartle Wells and Associates in 2023. That rate study supported the District's rate structure from Fiscal Year 2023-24 through Fiscal Year 2026-2027. To ensure that the District's rates are generating sufficient revenue for operating and capital expenditures and are reflective of current costs of service, staff is working with Water Resource Economics LLC to conduct a cost-of-service water rate study. The study is expected to provide recommended rate structure adjustments for the four-year period from 2027 to 2031. Staff anticipates that changes in the District's rate structure will be effective in July 2027.

The primary objectives of the Cost-of-Service Water Rate Study are to:

- Recover the costs of providing service, including operating, capital and debt funding needs
- Support the long-term operational and financial stability of the District
- Ensure the rate design is proportionate, fair and equitable to all customers
- Comply with substantive requirements of the California Constitution, Article 13D, Section 6 (approved by voters as Proposition 218)

DISCUSSION: The District's FY 2026-27 budget is $188 million, with operating expenditures of $119.7 million, capital expenditures of $64.8 million and $3.5 million in planned contributions to reserves. Staff is still in the process of finalizing the accounting for the prior fiscal year (FY 2025-26) and audited financial results will be available in late 2026; however, water sales and consumption data is available. The total billed consumption in FY 2025/26 was 20,048 acre feet (AF), which represented a reduction of four percent compared to the prior year and was five percent below the amount incorporated in the FY 2025/26 revenue budget. The recent data, as well as that for the prior two years, indicates that projected water consumption need to be reduced in the new cost-of-service study to reflect a sustained downward shift in local demand. Staff is working with Water Resources Economics to analyze water use patterns, seasonal impacts, and peaking trends in greater detail. Each of these factors will inform aspects of the cost-of-service study and may result in structural adjustments within the District's water rates.

Expenditure projections will also be incorporated in the cost-of-service study. The District's largest operating expenditure items include personnel costs and water purchases. Although each of these categories have different inflationary drivers, they are expected to increase at a higher rate than overall inflation over the next four years. For reference, inflation in the Bay Area, as measured by the Consumer Price Index (CPI-U) has ranged between two and four percent in recent months.

Personnel costs, which represent approximately 35 percent of the District's total budget, are largely driven by salaries and required retiree benefit obligations. Future wage increases, which are detailed in the District's current Memorandum of Understanding (MOU) and Salary Resolution, will be four percent in FY 2027/28 and an additional four percent in FY 2028/29. For planning purposes, staff assumes a three percent cost of living adjustment for staff salaries in FY 2029/30 and an additional three percent in FY 2030/31. Retiree benefits and healthcare are the next largest line items within the personnel cost category. As a result of favorable investment market returns in recent years, the District's required pension contributions are projected to decline over time. It is worth noting that CalPERS utilizes smoothing methods which spread gains and losses over a multi-year period. Given that there have been four years of relatively positive gains since 2022, the smoothing formulas will continue to provide a buffer against potentially unfavorable market returns in the next few years. Assuming investment returns align with the current expectation of 6.8% per year, the CalPERS five-year projection for normal costs shows a gradual decline each year, from the current 10.6% of salary to 9.8% of salary by FY 2030-31. Required Unfunded Accrued Liability (UAL) payments are also benefitting from the recent investment earnings, however changes to CalPERS assumptions and the remaining smoothing from the investment market losses of 2022 have been an offset to any District savings on UAL payments. Finally, the District's required healthcare premium costs have increased substantially in recent years, with annual increases ranging from eight to ten percent. These increases in healthcare premiums not only increase the District's costs for current employees, but they also impact the Districts annual contributions toward retiree healthcare benefits. The most recent analysis shows that the District's actuarially determined contribution (ADC) for retiree healthcare benefits will increase by 12 percent in FY 2027/28 and by an additional two percent in FY 2028/29. CalPERS recently provided rates for 2027 that increased by just five percent. Staff is assuming that future healthcare premium costs will increase by approximately six percent per year over the next 4-5 years.

Aside from personnel costs, the District's largest operating expense is purchased water from the Sonoma County Water Agency (Sonoma Water). The District purchases approximately 25 percent of the service area's potable water from the Sonoma Water. Each year, Sonoma Water updates its wholesale water rates and the District is contractually required to purchase at least 5,300 acre feet each fiscal year. In the past four years, the District has purchased approximately 5,750 acre feet per year. However, during dry years the District has purchased between 7,000 and 9,000 acre feet to supplement local supplies. Annual cost increases to imported water have averaged 7.5 percent since 2021, and staff expects this rate of inflation to continue over the next four to five years.

Overall, annual cost increases to the District's operating budget are expected to be an average of 4.5 percent over the next four years, which results in expenditure increases ranging between $5 million and $6.5 million annually. The Capital Improvement Program (CIP) also experiences annual cost increases; however, many of these costs are project-specific and difficult to predict with a high degree of certainty. Since FY 2022-23, the District has substantially increased annual investments in infrastructure improvements, including water supply projects and deferred maintenance. As such, the CIP has increased from $23.9 million in FY 2022-23 to $64.8 million in the current fiscal year. Within this total, the District also applies grants and Fire Flow revenues, which come from parcel taxes and are not funded by water rates. When excluding Fire Flow and grant-funded projects, the District's rate-funded CIP has grown from $18.7 million to $57.9 million in the past 5 years. Although deferred maintenance will remain an ongoing priority for the District's budget, staff expects to reduce the rate-funded CIP by $5 to $7 million for the upcoming planning period.

Assuming the aforementioned water demand trends and inflationary assumptions for the District's operating budget hold true, and assuming a rate-funded CIP reduction of $5 to $7 million, the District will likely need to increase rate revenue by four to six percent per year over the next four years to maintain a balanced budget. Staff is actively working with Water Resource Economics to analyze the current rate structure and refine long-term expenditure projections. Staff will be providing regular updates on the water rate study at Board and Finance and Administration Committee meetings throughout the remainder of 2026. The District is planning to conduct a public hearing regarding proposed changes to the rate structure in the Spring of 2027.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.