



NOTICE OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

Thursday, February 27, 2025 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 Committee Members on matters not listed on this agenda, but which are within the subject matter jurisdiction of the Committee.

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

- a.** Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors on January 23, 2025

RECOMMENDATION: Approve the minutes

- b.** Selection of Systems Integrator for SAP Implementation Services – Payroll and Human Resources Modules

RECOMMENDATION: Review and comment on an agreement with Phoenix Business Consulting to serve as the Systems Integrator for the implementation of the first phase of the District’s Enterprise Resource Planning (ERP) Modernization project

- c.** Monthly Financial Update

RECOMMENDATION: Review and comment on the Monthly Financial Update

- d.** Quarterly Investment Report

RECOMMENDATION: Review and comment on the Quarterly Investment Report

- e.** FY 2025/26 and FY 2026/27 Budget Update

RECOMMENDATION: Review and comment on the FY 2025/26 and FY 2026/27 Budget Update

4. Upcoming Meeting

The Finance & Administration Committee Meeting/Special Meeting of the Board of Directors will take place on Thursday, March 27, 2025 at 9:30 a.m.

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: 02-21-2025



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors on January 23, 2025
From: Terrie Gillen, Board Secretary
Through: Ben Horenstein, General Manager
Meeting Date: February 27, 2025

TYPE OF ACTION: X Approve Review and Comment

RECOMMENDATION: Approve the minutes

SUMMARY: The Finance & Administration Committee/Board of Directors held a meeting on January 23, 2025. The minutes of that meeting are attached.

DISCUSSION: None.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Draft January 23, 2025 Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors

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



NOTICE OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING/SPECIAL MEETING OF THE BOARD OF DIRECTORS

Thursday, January 23, 2025 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 Larry Russell - Diamond Environmental Services LP, Foyer, 807 E Mission, San Marcos, CA 92069

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

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

DIRECTORS PRESENT

Ranjiv Khush

Larry Russell

Jed Smith

Diana Maier

DIRECTOR ABSENT

Matt Samson

2. Adoption of Agenda

Director Khush made the motion to adopt the agenda. Vice Chair Maier seconded the motion.

There were no public comments.

Voting Yea: Directors Khush, Russell, Maier, and Smith

3. Public Comment on Non-Agenda Matters

There were no public comments.

4. Regular Items

- a. Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors on November 21, 2024

RECOMMENDATION: Approve the minutes

Director Khush made the motion to approve the minutes. Vice Chair Maier seconded the motion.

There were no public comments.

Voting Yea: Directors Khush, Russell, Maier, and Smith

- b. Annual Comprehensive Financial Report and Auditor’s Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2023

RECOMMENDATION: Review the Annual Comprehensive Financial Report and Auditor’s Memorandum on Internal Control and Required Communications for the Fiscal Year Ended June 30, 2024

Finance Director Bret Uppendahl introduced Consultant David Alvey with Maze and Associates, who presented this item.

Discussion followed.

There were no public comments.

This was an information item. No formal action was taken.

- c. Monthly Financial Update

RECOMMENDATION: Review the Monthly Financial Update

Finance Director presented this item.

There was discussion throughout.

There were no public comments.

This was an information item. No formal action was taken.

d. Human Resources Quarterly Update

RECOMMENDATION: Receive Human Resources (HR) staff update

Human Resources Manager Vikkie Garay presented this item.

Discussion ensued.

There were no public comments.

This was an information item. No formal action was taken.

5. Upcoming Meeting

The Board Secretary announced that only the Finance & Administration Committee would meet on Thursday, February 27, 2025.

6. Adjournment

There being no further action, the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors adjourned on January 23, 2025 at 10:21 a.m.

Board Secretary



STAFF REPORT

Meeting Type: Finance & Administration Committee

Title: Selection of Systems Integrator for SAP Implementation Services – Payroll and Human Resources Modules

From: Bret Uppendahl, Finance Director

Through: Ben Horenstein, General Manager

Meeting Date: February 27, 2025

BU
BH

TYPE OF ACTION: Approve X Review and Comment

RECOMMENDATION: Review and comment on an agreement with Phoenix Business Consulting to serve as the Systems Integrator for the implementation of the first phase of the District’s Enterprise Resource Planning (ERP) Modernization project

SUMMARY: At the Finance & Administration Committee/Special Board meeting on October 24th, 2024, staff presented a proposal to move forward with procurement of a software subscription for SAP's SuccessFactors cloud solution. The proposal was approved by the Board on November 7th.

This subscription constitutes the SAP modules required for the first phase of the ERP modernization project and includes HR, Benefits Management, Employee Self-Service, Time Entry, and Payroll functions. Future phases will address upgrades to the remaining modules within the SAP cloud framework, including Customer Billing, Procurement, Asset Management, Budget and Financial Management.

In addition to the software subscription, the District will work with the selected system integration firm for the implementation of the SAP SuccessFactors solution. In November 2024, the District issued a Request for Proposal (RFP) for software implementation and consulting services. The District received responses from six qualified firms. All proposals were thoroughly evaluated by an internal panel with representatives from HR, Payroll and IT. The evaluation criteria included company experience, success with similarly situated public agencies, project management methodology, training plan and cost effectiveness.

The internal panel identified the top three proposals and conducted in-depth interviews with each firm. During these interviews, vendors were asked to provide demonstrations to assess their technical knowledge of the SAP/SuccessFactors cloud platform and to explain their project management methodology.

Based on this review, staff recommends awarding a contract to the Phoenix Business Consulting Group. The Phoenix Business Consulting Group is a recognized industry leader of SAP for Public Sector and has a demonstrated track record implementing SAP software modules. Phoenix was founded in 1998 and has provided SAP support services to over 250 public sector agencies. Their implementation team has extensive experience in SuccessFactors implementations, and has the tools to effectively implement both the HR and Payroll modules. In addition, Phoenix will employ a project management methodology with a heavy focus on automation, data migration, reporting, and change management.

DISCUSSION: The District’s ERP modernization effort began in February 2024 with a business capability modeling assessment by Gartner. To better inform the RFP requirements, staff engaged an independent consultant in August 2024 to document the District’s “As-Is” and “To-Be” processes and business requirements in both HR and Payroll functional areas. The consultant conducted multiple process mapping workshops that included staff from various parts of the District, such as Operations, Payroll, IT, Finance/Accounting, Human Resources, and Watershed Management.

The District’s project team for this phase of the project will include representatives from HR, Finance and IT. It is anticipated that the project will take 8-12 months to complete. This will include post-implementation support, referred to as ‘Hypercare’. Phoenix will also be coordinating closely with SAP to validate the configuration. In addition, the District will utilize a SAP service called “Preferred Success” to obtain access to SAP best practices and to ensure elevated support from SAP during implementation. The project will include multiple modules within SAP that support core HR, benefits management, time entry, tax calculations, and payroll processing. Key benefits of this project will include a modern user experience, automated workflow processes, employee self-service and improved reporting.

A summary of the estimated costs for the Phoenix Business Consulting implementation proposal is provided below:

Implementation & Consulting Fees:	\$1,032,590
Project Contingency Estimate:	\$255,440
Travel & Expenses Estimate:	\$98,000

FISCAL IMPACT: The District is actively working with the Phoenix Business Consulting Group to finalize the project plan and associated deliverables. The total cost for systems integration and consulting services to complete the implementation of the SAP SuccessFactors solution is expected to be \$1,386,030, including project contingencies and travel estimates. Funding for this phase of the SAP Modernization project is currently allocated in the District’s CIP budget.

ATTACHMENT(S): None.



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: February 27, 2025

TYPE OF ACTION: Approve X Review and Comment

RECOMMENDATION: Review and comment on the Monthly Financial Update

SUMMARY: The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of January 31, 2025, District operating and capital revenue is \$98.7 million, which is 62% of budgeted revenue for the year. Total expenditures including encumbrances are \$94.8 million, or 54% of annual budget. Water sales, excluding fixed charges, are \$66.5 million, which is 65% of the annual budget.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2024/25 as of January 31, 2025. The budget to actual comparison is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses tracked linearly, they would be expected to be at 58% of the fiscal year budget at the end of January. Water sales, which have seasonal variability, would be expected to be at 66% of the fiscal year budget.

For the Operating Fund, total revenues as of January 31, 2025 are \$86.5 million, or 63% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$56.8 million, or 51% of budget. For the Capital Fund, total revenues are \$12.2 million, which is 53% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$9.7 million, which are at 54% of the budget. Total Capital Improvement Program (CIP) expenditures are \$22.9 million, or 35% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$15.1 million is encumbered, bringing total expenditures with encumbrances to \$38 million, or 58% of budget.

The fiscal year to date billed water sales through January 31, 2025 were \$66.5 million, which is 65% of the annual water sales forecast, and 98% of the expected revenue. Billed water consumption through January 31, 2025 was 13,706 AF, which is 4.8% higher than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through January 31, 2025 were \$93.9 million, which is 62% of the total annual rate revenue forecast of

\$151.5 million (\$133.5 million operating and \$18.0 million capital). Compared to the same period for the previous fiscal year water sales and fees increased by \$19.6 million, or 26%.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Total Water Sales and Fixed Charges & Fees FY 2023/24 – 2024/25
2. Billed Water Consumption in AF FY 2014/15 to FY 2024/25
3. Budget to Actual Comparison for FY 2024/25
4. CIP Budget to Actual Comparison for FY 2024/25

Attachment 1

**Total Water Sales and Fixed Charges & Fees
Fiscal Years 2023/24 - 2024/25**

Section 3. Item #c.

OPERATING FUND

CAPITAL FUND

Month	Water Sales			Service Charge			Watershed Fee			Capital Maintenance Fee			Total Water Sales and Charges		
	23/24 Actual	24/25 Budget	24/25 Actual	23/24 Actual	24/25 Budget	24/25 Actual	23/24 Actual	24/25 Budget	24/25 Actual	23/24 Actual	24/25 Budget	24/25 Actual	23/24 Actual	24/25 Budget	24/25 Actual
July	\$ 4,473,261	\$ 8,080,444	\$ 7,743,761	\$ 1,552,115	\$ 1,671,840	\$ 1,638,745	\$ 361,127	\$ 454,473	\$ 441,637	\$ 1,167,529	\$ 1,267,679	\$ 1,107,901	\$ 7,554,033	\$ 11,474,437	\$ 10,932,044
August	7,029,300	11,359,007	13,177,298	2,246,052	2,419,306	2,387,120	492,230	771,211	798,805	1,688,699	1,833,554	1,634,811	11,456,282	16,383,078	17,998,034
September	8,572,991	11,197,816	10,537,001	1,636,225	1,762,438	1,707,764	481,127	534,484	487,440	1,119,131	1,215,129	1,159,561	11,809,473	14,709,867	13,891,766
October	11,408,450	14,953,082	13,984,090	2,376,242	2,559,538	2,486,025	700,462	777,596	737,461	1,632,508	1,772,543	1,699,834	16,117,662	20,062,758	18,907,409
November	6,127,917	8,078,518	7,924,077	1,611,361	1,735,657	1,715,549	368,368	399,978	399,031	1,104,486	1,199,228	1,166,711	9,212,133	11,413,380	11,205,368
December	6,988,546	8,997,320	9,079,924	2,363,812	2,546,149	2,520,315	456,360	485,987	503,203	1,620,621	1,759,636	1,716,771	11,429,339	13,789,093	13,820,213
January	3,724,261	5,110,880	4,006,356	1,627,243	1,752,763	1,701,440	260,777	286,371	237,629	1,118,400	1,214,336	1,164,935	6,730,681	8,364,350	7,110,361
February	5,431,133	7,120,998		2,376,079	2,559,362		370,566	400,780		1,629,369	1,769,134		9,807,146	11,850,274	
March	2,847,557	3,965,017		1,596,975	1,720,160		204,970	226,294		1,096,811	1,190,894		5,746,313	7,102,366	
April	5,512,049	7,165,888		2,374,334	2,557,483		367,484	396,629		1,639,236	1,779,848		9,893,103	11,899,848	
May	3,675,032	5,026,540		1,637,410	1,763,715		266,231	292,588		1,108,825	1,203,939		6,687,498	8,286,781	
June	8,920,450	11,247,454		2,358,669	2,540,609		590,733	629,303		1,628,980	1,768,713		13,498,832	16,186,079	
TOTAL	\$ 74,710,946	\$ 102,302,963	\$ 66,452,507	\$ 23,756,517	\$ 25,589,019	\$ 14,156,958	\$ 4,920,436	\$ 5,655,695	\$ 3,605,206	\$ 16,554,595	\$ 17,974,633	\$ 9,650,524	\$ 119,942,494	\$ 151,522,310	\$ 93,865,196

Monthly Budget to Actual:	98.0%	Monthly Budget to Actual:	98.0%	Monthly Budget to Actual:	97.2%	Monthly Budget to Actual:	94.0%	Monthly Budget to Actual:	97.6%
% of Annual Budget:	65.0%	% of Annual Budget:	55.3%	% of Annual Budget:	63.7%	% of Annual Budget:	53.7%	% of Annual Budget:	61.9%
Actual to Actual:	137.5%	Actual to Actual:	105.5%	Actual to Actual:	115.5%	Actual to Actual:	102.1%	Actual to Actual:	126.3%

Attachment 2

Section 3. Item #c.

**Billed Water Consumption In AF
Fiscal Year 2014/15 - 2024/25**

Month	14/15 Actual	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 Budget	24/25 Actual	Monthly Budget Variance	Actual to Actual % Change
July	1,969	1,628	1,876	1,931	1,975	1,834	2,022	1,642	1,562	1,674	1,690	1,690	0.00%	0.97%
August	3,186	2,620	3,012	3,206	3,245	3,112	3,215	2,500	2,476	2,697	2,869	3,052	6.40%	13.17%
September	1,973	1,775	1,939	2,027	2,145	2,112	2,205	1,604	1,881	1,866	1,956	1,851	-5.38%	-0.79%
October	2,778	2,583	2,767	3,140	2,951	3,058	3,124	2,293	2,498	2,673	2,846	2,779	-2.34%	3.97%
November	1,454	1,490	1,340	1,705	1,664	1,837	1,882	1,153	1,329	1,409	1,464	1,516	3.55%	7.58%
December	1,984	1,935	1,646	1,914	2,169	2,295	2,418	1,439	1,795	1,749	1,778	1,908	7.27%	9.10%
January	1,065	991	910	942	993	1,186	1,157	735	984	1,013	1,048	910	-13.12%	-10.12%
February	1,651	1,450	1,392	1,754	1,525	1,556	1,625	1,646	1,385	1,431	1,467			
March	1,048	832	846	992	879	1,105	970	948	830	805	828			
April	1,910	1,467	1,375	1,612	1,427	1,883	1,775	1,717	1,377	1,419	1,451			
May	1,379	1,067	1,092	1,240	1,224	1,378	1,459	1,209	1,044	1,042	1,071			
June	2,344	2,478	2,416	2,516	2,349	2,711	2,559	2,217	2,119	2,254	2,303			
TOTAL	22,742	20,316	20,611	22,978	22,546	24,065	24,410	19,104	19,279	20,030	20,770	13,706		
<i>Change from prior year:</i>		-10.67%	1.45%	11.49%	-1.88%	6.74%	1.43%	-21.74%	0.92%	3.90%				

Budget-to-Actual Basis 0.4%
Actual-to-Actual Basis 4.8%
% of Total Budget 66.0%

Attachment 3

Section 3. Item #c.

Marin Municipal Water District
FY 2024/25 Budget to Actual Comparison
Preliminary Unaudited

Operating Fund	FY 2025	Actual as of	% of	Actual as of
Revenues and Expenditures	Budget	Jan 31, 2025	Budget	Jan 31, 2024
Revenues:				
Water Sales and Service Charge:				
Water Sales	\$ 102,302,963	\$ 66,452,507	65.0%	\$ 48,308,269
Service Charge	25,589,019	14,156,958	55.3%	13,415,686
Watershed Management Fee	5,655,695	3,605,206	63.7%	3,119,982
Total Water Sales and Service Charge	133,547,677	84,214,671	63.1%	64,843,937
Other Revenues:				
Rents and Royalties	2,014,349	1,219,728	60.6%	1,060,758
Grants	-	5,919	-	181,118
Permits and Fees	365,120	213,036	58.3%	191,008
Late Payments & Charges	120,133	184,617	153.7%	181,306
Interest	506,250	1,468,286	290.0%	951,118
Miscellaneous	286,804	(762,280)	-265.8%	110,607
Total Other Revenues	3,292,656	2,329,306	70.7%	2,675,915
Total Operating Revenues	136,840,333	86,543,977	63.2%	67,519,852
Expenditures:				
Personnel services	59,527,354	32,444,063	54.5%	30,163,116
Materials and supplies	4,658,725	1,846,933	39.6%	1,754,752
Operations	13,326,872	4,007,500	30.1%	4,431,585
Water conservation rebate program	634,773	174,294	27.5%	74,553
Electrical power	5,775,000	3,815,839	66.1%	3,775,730
Water purchased	13,212,000	7,573,096	57.3%	8,705,885
Insurance, including claims	2,921,133	1,519,342	52.0%	1,242,695
General and administrative	6,100,174	2,845,281	46.6%	2,141,223
Debt service - interest and principal	9,391,967	5,478,647	58.3%	5,551,754
Overhead cost allocated to capital	(4,700,000)	(2,855,702)	60.8%	(2,509,553)
Total Operating Expenditures	110,847,999	56,849,295	51.3%	55,331,740
Transfer out to Capital Fund	21,944,492	14,254,392	65.0%	4,886,820
Transfer out to Reserves	5,000,000	2,916,667	58.3%	2,916,666.67
Net Operating Fund Increase/(Decrease)	\$ (952,158)	\$ 12,523,624		\$ 4,384,625

Marin Municipal Water District
FY 2024/25 Budget to Actual Comparison
Preliminary Unaudited

Section 3. Item #c.

Capital Fund

Revenues and Expenditures	FY 2025 Budget	Actual as of Jan 31, 2025	% of Budget	Actual as of Jan 31, 2024
Revenues:				
Capital Maintenance Fee	\$ 17,974,633	\$ 9,650,524	53.7%	\$ 9,453,543
Capital Connection Fee	100,000	123,265	123.3%	105,838
Capital Grants & Contribution	4,400,000	1,772,997	40.3%	1,510,182
Customer Reimbursement Project	500,000	337,689	67.5%	478,190
Interest Income	31,875	254,811	799.4%	50,068
Total Capital Revenues	23,006,508	12,139,286	52.8%	11,597,821
Transfer-in from Operating Fund	21,944,492	14,254,392		4,886,820
Capital Expenditures:				
Capital Improvement Projects	63,964,986	22,414,534	35.0%	9,185,270
Capital Equipment Purchases	1,720,586	445,781	25.9%	309,874
Total Capital Expenditures	65,685,571	22,860,316	34.8%	9,495,145
Net Capital Fund Increase/(Decrease)	\$ (20,734,571)	\$ 3,533,362		\$ 6,989,497

Marin Municipal Water District
FY 2024/25 Budget to Actual Comparison
Preliminary Unaudited

Section 3. Item #c.

Fire Flow Fund

Revenues and Expenditures	FY 2025 Budget	Actual as of Jan 31, 2025	% of Budget	Actual as of Jan 31, 2024
Revenues:				
Fire Flow	4,500,000	2,522,021	56.0%	2,499,727
Interest Income	-	169,534		96,428
Total Revenues	4,500,000	2,691,555	59.8%	2,596,155
Expenditures:				
Capital Projects - Fire Flow	6,717,982	2,190,582	32.6%	747,830
Net Fire Flow Fund Increase/(Decrease)	\$ (2,217,982)	\$ 500,973		\$ 1,848,325

Attachment 4

Section 3. Item #c.

CIP Projects	FY 2025	Capital Projects	Encumbered for	Td
	Budget	Actual as of Jan 31, 2025	Contracts Actual as of Jan 31, 2025	Fire Flow Actual as of Jan 31, 2025
District Pipeline Replacement	\$ 12,802,342	\$ 9,880,306	\$ 1,836,357	\$ 11,716,664
Tank Maintenance & Replacement	7,295,522	3,663,834	935,214	4,599,048
Treatment Plant Facilities	3,071,290	565,577	200,347	765,924
Dam/Pump/Control System/Meters	15,788,704	2,490,228	6,618,615	9,108,842
Asset Mangement	1,921,518	952,673	670,826	1,623,499
Watershed - Natural Resource Project	2,106,367	318,749	1,474,204	1,792,953
Watershed - Other	2,266,137	437,398	321,350	758,748
Information Technology	4,688,000	49,518	62,455	111,973
Fire Flow Replacement	6,717,982	2,190,582	2,538,821	4,729,403
Reimbursable Grant Projects	13,101,783	3,545,563	2,816,800	6,362,363
Reimbursable Customer Projects	923,324	510,688	2,749	513,437
Capital Equipment Purchases	1,720,586	445,781	132,972	578,754
Total Capital Projects	\$ 72,403,554	\$ 25,050,897	\$ 17,610,709	\$ 42,661,607



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Quarterly Investment Report
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager *BU BH*
Meeting Date: February 27, 2025

TYPE OF ACTION: Approve X Review and Comment

RECOMMENDATION: Review and comment on the Quarterly Investment Report

SUMMARY: Pursuant to District Investment Policy No. 33, the quarterly investment report is submitted to the Board for the quarter ending December 31, 2024.

DISCUSSION: The District’s investment portfolio (pooled cash) carried a market value of \$103.8 million as of the end of December. The investments held included \$73.9 million on deposit in the Local Agency Investment Fund (LAIF), \$15.9 million on deposit in the Fidelity Government Money Market Fund, and \$14 million in the District’s general checking account. Fiscal year to date interest earned as of December on the District’s portfolio totaled \$1.8 million. The average annual effective yield for LAIF investments for the second quarter of the fiscal year 2025 was 4.62 percent, compared to 4.00 percent average effective yield for the second quarter of Fiscal Year 2024. The increased yield is largely driven by increased interest rates for US Treasuries as they comprise approximately 65 percent of the LAIF portfolio.

Pursuant to subsection (b) (2) of California Government Code section 53646, the District portfolio complies with the District’s investment policy. Pursuant to subsection (b) (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.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Schedule of Investment and Yield Curve as of December 31, 2024

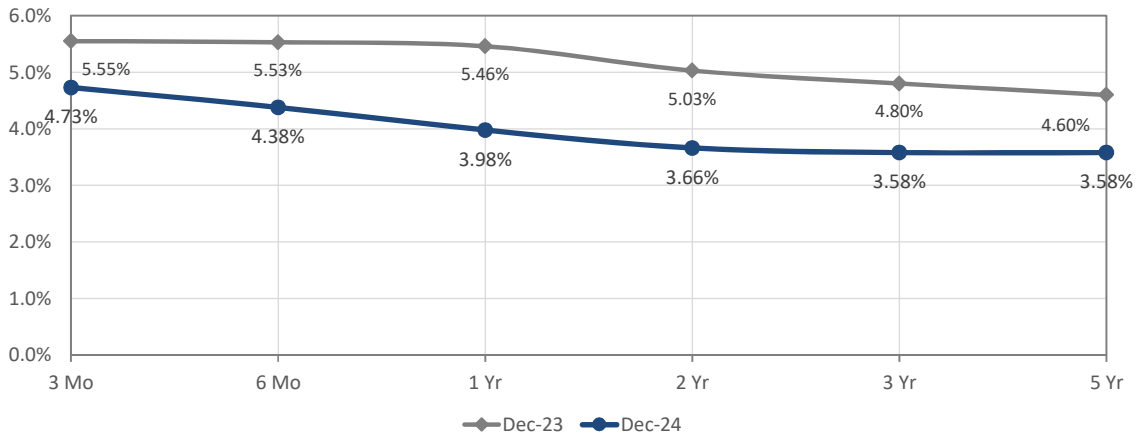
Attachment 1

Section 3. Item #d.

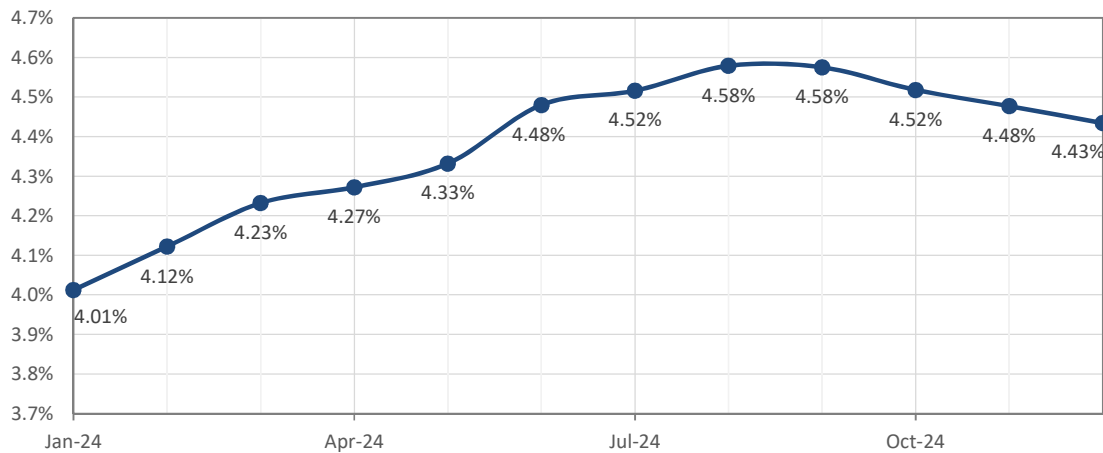
Marin Municipal Water District FY 2024 Schedule of Investments As of December 31, 2024

	Beginning Balance	Purchases / Deposits	Investment Income/(Loss)	Withdrawals	Ending Balance
DISTRICT INVESTMENTS:					
Local Agency Investment Fund	72,227,111	-	1,706,520	-	73,933,631
Fidelity Gov't Money Market Fund	3,776,331	12,000,000	127,512		15,903,843
Corporate Obligations	300		400		700
US Bank Checking Account	11,559,952	93,989,809	11,707	(91,603,789)	13,957,679
TOTAL INVESTMENTS	87,563,694	105,989,809	1,846,139	(91,603,789)	103,795,853

US Treasury Par Yield Curve Dec 23 vs Dec 24



LAIF Average Monthly Effective Yield Jan 24 to Dec 24





STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: FY 2025/26 and FY 2026/27 Budget Update
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager *BU BH*
Meeting Date: February 27, 2025

TYPE OF ACTION: Approve X Review and Comment

RECOMMENDATION: Review and comment on the FY 2025/26 and FY 2026/27 Budget Update

SUMMARY: Staff is preparing the Operating and Capital Budget for FY 2025/26 and FY 2026/27 for the Board’s consideration in June 2025. The District’s utilizes a two-year budget cycle that includes a five year Capital Improvement Program (CIP).

DISCUSSION: The District’s current adopted budget for FY 2024/25 is \$163.8 million, which is comprised of a \$109.3 million Operating Fund, a \$49.5 million Capital Fund and \$5.0 million in planned contributions to reserves. This budget was developed as part of the District’s 2023 rate setting process, and was informed by an extensive analysis of the District’s capital and operating needs. Water rates are the primary source of revenue for the District, accounting for over 90 percent of the District’s total revenue.

As part of the 2023 rate setting process, the Board approved the water rate structure for a four year period from FY 2023/24 to FY 2026/27, and therefore the revenues to support capital and operating expenditures over the next two years are largely dependent on customer water consumption levels. In FY 2023/24, the first year of the approved rate structure, the District received \$123.2 million in total rate revenues, which was \$8.2 million less than the revenue budget of \$131.4 million. Through the first six months of FY 2024, rate revenues are tracking slightly closer to the approved budget, however, it is expected that revenues will finish the year approximately \$6 million less than the budget of \$151.5 million, due to decreased water consumption.

The District’s operating expenditure budget is largely driven by the cost to produce, purchase and deliver water to over 191,000 residents with the District’s service area in Central and Southern Marin. Many of the key expenditure drivers are non-discretionary in nature, such as the cost of electricity for pump stations, chemicals for water treatment plants and water purchases from Sonoma County. Personnel costs, which comprise approximately 40 percent of the budget, are heavily impacted by health insurance rates and required pension contributions. Inflationary pressures are a significant

factor impacting the District budget, as much of the District core operational inputs have historically seen price increases that are well in excess of the national consumer price index (CPI) for common goods and services.

Over the next four months, staff will present the Board with a series of updates on the Operating Budget as well as the Capital Improvement Program (CIP). In May, the District will conduct a budget workshop, which will provide an in depth review of each Division’s budget. Staff will incorporate feedback from the budget workshop and will return to the Board in June with a Proposed Budget.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.