



NOTICE OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

Thursday, November 20, 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

Outside location for Director Diana Maier - Signature Resolution, 12730 High Bluff Drive, Suite 350, San Diego, CA 92130

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

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 October 23, 2025

RECOMMENDATION: Accept the minutes

b. Monthly Financial Update

RECOMMENDATION: Review and comment on the Monthly Financial Update

c. Quarterly Investment Report

RECOMMENDATION: Review and comment on the District's investment portfolio

d. SAP Software Maintenance Renewal and Support Agreement

RECOMMENDATION: Review and comment on the District's renewal of the SAP software maintenance and support agreement

4. Upcoming Meeting

The next Finance & Administration Committee Meeting is tentatively scheduled for Thursday, January 22, 2026 at 9:30 a.m.

5. Adjournment (10:15 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: 11-14-2025



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Minutes of the Finance & Administration Committee Meeting on October 23, 2025
From: Terrie Gillen, Board Secretary
Through: Ben Horenstein, General Manager
Meeting Date: November 20, 2025

TYPE OF ITEM: X Approve Review and Comment

RECOMMENDATION: Accept the minutes

SUMMARY: There was a Finance & Administration Committee Meeting on October 23, 2025. The minutes of that meeting are attached.

DISCUSSION: None.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. Draft October 23, 2025 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



NOTICE OF THE FINANCE & ADMINISTRATION COMMITTEE MEETING

Thursday, October 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 Diana Maier - The Dupont Circle, Room #643, 1500 New Hampshire Ave., NW, Washington, D.C. 20036

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

Diana Maier

Jed Smith

2. Public Comment on Non-Agenda Matters

There were no public comments.

3. Regular Items

- a. Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors on September 25, 2025

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.

Discussion ensued.

There were no public comments.

This was an information item. No action was taken.

- c. Reserve Policy Update

RECOMMENDATION: Review and comment on the District's Reserve Policy and recommended revisions

Finance Director Uppendahl also presented this item.

Discussion followed between the committee and staff.

There were no public comments.

4. Upcoming Meeting

Chair Smith announced that the next Finance & Administration Committee will take place on Thursday, November 20, 2025, at 9:30 a.m.

5. Adjournment

There being no further business, the Finance & Administration Committee meeting adjourned at 9:59 a.m.

Board Secretary



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Monthly Financial Update
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: November 20, 2025

BU

BH

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Review and comment on the Monthly Financial Update

SUMMARY: The Monthly Financial Update provides an overview for fiscal year 2025/26 water sales revenue and fiscal year-to-date financials.

Fiscal year 2025/26 District operating and capital revenue is \$69.8 million, which is 39% of budgeted revenue for the year. Total expenditures, including encumbrances, are \$67.7 million, or 32% of the annual budget. Water sales, excluding fixed charges, are 9% below the budget for the first four months of the year.

DISCUSSION: Attached is the budget to actual comparison for fiscal year 2025/26 as of October 31, 2025, which is prepared by fund and includes revenues and expenditures. For reference, if revenues and expenses are tracked linearly, they would be expected to be at 33% of the fiscal year budget at the end of October.

For the Operating Fund, total revenues as of October 31, 2025, are \$61.9 million, or 40% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$35.6 million, or 28% of budget. For the Capital Fund, total revenues are \$7.9 million, which is 29% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues, which are at 33% of the budget. Total Capital Improvement Program (CIP) expenditures are \$7.5 million, or 9% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$24.6 million is encumbered, bringing total expenditures, with encumbrances, to \$32.1 million, or 38% of budget.

The fiscal year to date billed water sales through October 31, 2025, were \$48.1 million, which is 42% of the annual water sales forecast, and 91% of the expected revenue through the first four months of the fiscal year. Billed water consumption through October 31, 2025, was 8,817AF, which is 6% lower than this time last year.

Year-to-date total water sales and fees (service charges, watershed fees and capital maintenance fees) through October 31, 2025, were \$65.1 million, which is 39% of the total annual rate revenue forecast of \$165.8 million (\$147.9 million operating and \$17.9 million capital). Compared to the same period for the previous fiscal year water sales and fees increased by \$3.3 million, or 5%.

This month’s report also includes an overview of water use trends for FY 2024/25. Similar to the previous year, total water consumption was slightly lower than the amount projected in the 2023 Cost of Service Analysis (COSA). The lower water use was also reflected in lower than projected water sales revenues. For single-family residential customers, the median billed bi-monthly water use increased from 11.0 CCF in FY 23 to approximately 12.0 CCF in FY 25.

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. Budget to Actual Comparison for FY 2025/26
- 4. CIP Budget to Actual Comparison for FY 2025/26

Attachment 1

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

Section 3. Item #b.

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	\$ 8,916,522	\$ 1,638,745	\$ 1,723,000	\$ 1,716,621	\$ 441,637	\$ 448,000	\$ 435,208	\$ 1,107,901	\$ 1,210,000	\$ 1,167,597	\$ 10,932,044	\$ 12,426,000	\$ 12,235,949
August	13,177,298	15,392,000	13,836,369	2,387,120	2,502,000	2,488,610	798,805	716,000	729,014	1,634,811	1,766,000	1,688,251	17,998,034	20,376,000	18,742,245
September	10,537,001	12,308,000	10,916,836	1,707,764	1,806,000	1,789,770	487,440	544,000	496,289	1,159,561	1,210,000	1,227,508	13,891,766	15,868,000	14,430,403
October	13,984,090	16,334,000	14,466,993	2,486,025	2,626,000	2,667,252	737,461	806,000	709,644	1,699,834	1,770,000	1,810,946	18,907,409	21,536,000	19,654,835
November	7,924,059	9,256,000		1,715,498	1,797,000		399,030	430,000		1,166,678	1,206,000		11,205,265	12,689,000	
December	9,077,109	10,602,000		2,518,543	2,637,000		502,893	537,000		1,715,283	1,772,000		13,813,827	15,548,000	
January	4,012,842	4,687,000		1,703,314	1,799,000		238,041	281,000		1,166,490	1,214,000		7,120,687	7,981,000	
February	6,480,068	7,569,000		2,490,645	2,629,000		379,545	421,000		1,706,906	1,772,000		11,057,165	12,391,000	
March	3,366,736	3,932,000		1,612,894	1,735,000		202,234	229,000		1,104,439	1,170,000		6,286,303	7,066,000	
April	6,013,038	7,023,000		2,399,960	2,580,000		359,204	408,000		1,652,559	1,749,000		10,424,760	11,760,000	
May	5,428,949	6,341,000		1,907,379	1,912,000		312,599	324,000		1,287,089	1,272,000		8,936,016	9,849,000	
June	11,312,446	13,214,122		2,484,907	2,614,957		630,151	685,124		1,698,519	1,766,643		16,126,022	18,280,846	
TOTAL	\$ 99,057,397	\$115,703,122	\$ 48,136,721	\$ 25,052,793	\$ 26,360,957	\$ 8,662,253	\$ 5,489,039	\$ 5,829,124	\$ 2,370,154	\$ 17,100,069	\$ 17,877,643	\$ 5,894,303	\$146,699,299	\$165,770,846	\$ 65,063,432

Monthly Budget to Actual: 90.7%
 % of Annual Budget: 41.6%
 Actual to Actual: 105.9%

Monthly Budget to Actual: 100.1%
 % of Annual Budget: 32.9%
 Actual to Actual: 105.4%

Monthly Budget to Actual: 94.3%
 % of Annual Budget: 40.7%
 Actual to Actual: 96.1%

Monthly Budget to Actual: 99.0%
 % of Annual Budget: 33.0%
 Actual to Actual: 105.2%

Monthly Budget to Actual: 92.7%
 % of Annual Budget: 39.2%
 Actual to Actual: 105.4%

Attachment 2

Section 3. Item #b.

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			
December	1,935	1,646	1,914	2,169	2,295	2,418	1,439	1,795	1,749	1,908	1,927			
January	991	910	942	993	1,186	1,157	735	984	1,013	910	923			
February	1,450	1,392	1,754	1,525	1,556	1,625	1,646	1,385	1,431	1,442	1,461			
March	832	846	992	879	1,105	970	948	830	805	830	784			
April	1,467	1,375	1,612	1,427	1,883	1,775	1,717	1,377	1,419	1,369	1,386			
May	1,067	1,092	1,240	1,224	1,378	1,459	1,209	1,044	1,042	1,201	1,213			
June	2,478	2,416	2,516	2,349	2,711	2,559	2,217	2,119	2,254	2,374	2,398			
TOTAL	20,316	20,611	22,978	22,546	24,065	24,410	19,104	19,279	20,030	20,922	21,075	8,817		
<i>Change from prior year:</i>	<i>-10.67%</i>	<i>1.45%</i>	<i>11.49%</i>	<i>-1.88%</i>	<i>6.74%</i>	<i>1.43%</i>	<i>-21.74%</i>	<i>0.92%</i>	<i>3.90%</i>	<i>4.45%</i>				

Budget-to-Actual Basis **-6.7%**
Actual-to-Actual Basis **-5.9%**
% of Total Budget **41.8%**

Marin Municipal Water District
FY 2025/26 Budget to Actual Comparison
Preliminary Unaudited

Operating Fund

	FY 2026	Actual as of	% of	Actual as of
Revenues and Expenditures	Budget	Oct 31, 2025	Budget	Oct 31, 2024
Revenues:				
Water Sales and Service Charge:				
Water Sales	\$ 115,703,122	\$ 48,136,721	41.6%	\$ 45,448,603
Service Charge	26,360,957	8,662,253	32.9%	8,222,045
Watershed Management Fee	5,829,124	2,370,154	40.7%	2,465,520
Total Water Sales and Service Charge	147,893,203	59,169,129	40.0%	56,136,168
Other Revenues:				
Rents and Royalties	2,369,000	633,413	26.7%	594,165
Grants	-	872,108	-	-
Permits and Fees	225,000	96,464	42.9%	113,438
Late Payments & Charges	110,000	33,710	30.6%	111,406
Interest	2,680,000	885,272	33.0%	685,300
Miscellaneous	225,000	193,074	85.8%	69,896
Total Other Revenues	5,609,000	2,714,041	48.4%	1,574,206
Total Operating Revenues	153,502,203	61,883,169	40.3%	57,710,374
Expenditures:				
Personnel services	62,840,577	18,404,043	29.3%	17,306,625
Materials and supplies	4,420,201	1,210,562	27.4%	1,180,976
Operations	14,142,288	2,627,680	18.6%	1,980,287
Water conservation rebate program	608,375	110,081	18.1%	70,707
Electrical power	6,400,000	2,520,014	39.4%	2,679,889
Water purchased	26,740,080	6,642,322	24.8%	5,565,946
Insurance, including claims	3,179,300	1,331,818	41.9%	741,126
General and administrative	6,237,736	1,335,755	21.4%	1,189,052
Debt service - interest and principal	9,383,807	3,127,936	33.3%	3,130,656
Overhead cost allocated to capital	(5,400,000)	(1,725,671)	32.0%	(1,726,441)
Total Operating Expenditures	128,552,363	35,584,540	27.7%	32,118,824
Transfer out to Capital Fund	34,272,357	14,258,551	41.6%	9,748,950
Transfer out to Reserves	5,000,000	1,666,667	33.3%	1,666,667
Net Operating Fund Increase/(Decrease)	\$ (14,322,517)	\$ 10,373,411		\$ 14,175,933

Marin Municipal Water District
FY 2025/26 Budget to Actual Comparison
Preliminary Unaudited

Section 3. Item #b.

Capital Fund

Revenues and Expenditures	FY 2026 Budget	Actual as of Oct 31, 2025	% of Budget	Actual as of Oct 31, 2024
Revenues:				
Capital Maintenance Fee	\$ 17,877,643	\$ 5,894,303	33.0%	\$ 5,604,092
Capital Connection Fee	100,000	216,182	216.2%	110,476
Capital Grants & Contribution	8,985,854	1,311,307	14.6%	1,785,415
Customer Reimbursement Project	500,000	193,590	38.7%	197,069
Interest Income	-	256,085	-	167,205
Total Capital Revenues	27,463,497	7,871,468	28.7%	7,864,258
Transfer-in from Operating Fund	34,272,357	14,258,551		9,748,950
Capital Expenditures:				
Capital Improvement Projects	84,142,807	7,372,999	8.8%	12,693,998
Capital Equipment Purchases	1,461,655	135,875	9.3%	396,488
Total Capital Expenditures	85,604,462	7,508,874	8.8%	13,090,486
Net Capital Fund Increase/(Decrease)	\$ (23,868,608)	\$ 14,621,145		\$ 4,522,722

Marin Municipal Water District
FY 2025/26 Budget to Actual Comparison
Preliminary Unaudited

Section 3. Item #b.

Fire Flow Fund

Revenues and Expenditures		FY 2026 Budget	Actual as of Oct 31, 2025	% of Budget	Actual as of Oct 31, 2024
Revenues:					
Fire Flow		4,500,000	35,978	0.8%	45,062
Interest Income		-	55,438		84,713
Total Revenues		4,500,000	91,416	2.0%	129,775
Expenditures:					
Capital Projects - Fire Flow		9,630,187	3,099,597	32.2%	880,736
Net Fire Flow Fund Increase/(Decrease)		\$ (5,130,187)	\$ (3,008,181)		\$ (750,960)

Attachment 4

Section 3. Item #b.

CIP Projects	FY 2026		Capital Projects		Encumbered for		Total	Section 3. Item #
		Budget		Actual as of Oct 31, 2025	Contracts	Actual as of Oct 31, 2025		
							Fire Flow	
							Actual as of Oct 31, 2025	
District Pipeline Replacement	\$	15,624,643	\$	2,258,688	\$	8,249,142	\$	10,507,830
Tank Maintenance & Replacement		12,148,696		1,223,923		3,672,212		4,896,135
Treatment Plant Facilities		4,799,337		648,312		1,801,048		2,449,360
Dam/Pump/Control System/Meters		21,442,037		654,363		4,938,115		5,592,479
Asset Mangement		1,226,638		784		545,854		546,638
Watershed - Natural Resource Project		2,141,531		131,992		241,697		373,689
Watershed - Other		2,192,281		155,369		237,490		392,858
Information Technology		6,619,474		-		37,478		37,478
Fire Flow Replacement		9,630,187		3,099,597		1,320,910		4,420,507
Reimbursable Grant Projects		17,093,643		1,985,483		4,762,605		6,748,088
Reimbursable Customer Projects		854,527		314,085		29,812		343,898
Capital Equipment Purchases		1,461,655		135,875		104,612		240,487
Total Capital Projects	\$	95,234,649	\$	10,608,471	\$	25,940,975	\$	36,549,446



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: Quarterly Investment Report
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: November 20, 2025

BU
BH

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Review and comment on the District's investment portfolio

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

DISCUSSION: The District's Board Policy No. 33 Investment Policy was updated in May 2025 to include investments in joint powers authorities (JPAs). In August 2025, the District initiated investments with the California Asset Management Program (CAMP), which is a California JPA established in 1989 and administered by PFM Asset Management, a division of U.S. Bancorp Asset Management Inc.

The District's investment portfolio (pooled cash) carried a market value of \$115.3 million as of the end of September. The investments held included \$73.4 million on deposit in the Local Agency Investment Fund (LAIF), \$14 million on deposit in CAMP, \$8.3 million on deposit in the Fidelity Government Money Market Fund, \$11.1 million on deposit in the Vanguard Reserves Federal Money Market Fund, and \$8.4 million in the District's general checking account. Fiscal year to date interest earned as of September on the District's portfolio totaled \$1.1 million. The average annual effective yield for LAIF investments for the first quarter of the fiscal year 2026 was 4.34 percent, compared to 4.71 percent average effective yield for the first 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 September 30, 2025

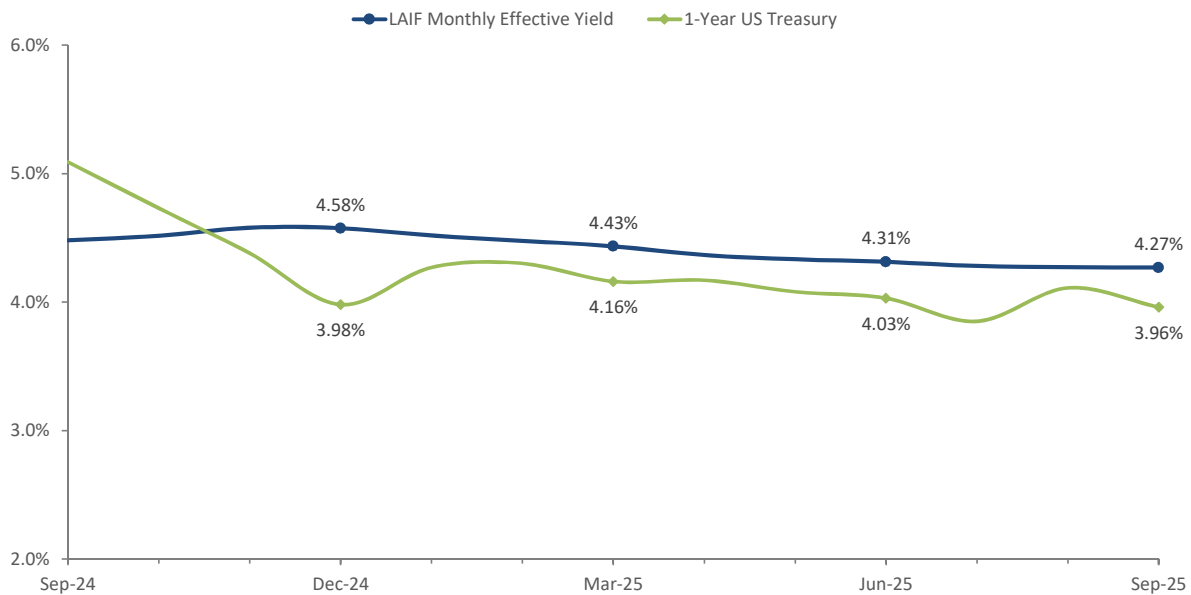
Attachment 1

Section 3. Item #c.

Marin Municipal Water District FY 2025 Schedule of Investments As of September 30, 2025

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	-	802,643	(2,000,000)	73,369,358	64%
CAMP Pooled Investment Fund	Joint Powers Authority Pool	-	14,000,100	39,320	-	14,039,420	12%
Fidelity Investments Money Market Government Portfolio Class I	Money Market Mutual Fund	11,223,797	-	113,512	(3,001,000)	8,336,309	7%
Vanguard Reserves Federal Money Market Fund	Money Market Mutual Fund	11,000,000	-	115,991	-	11,115,991	10%
Lehman Brothers Holdings	Medium Term Note	400	-	-	(400)	-	0%
US Bank Checking Account	Checking Account	14,629,424	52,949,634	3,137	(59,170,524)	8,411,672	7%
TOTAL INVESTMENTS		111,420,336	66,949,734	1,074,603	(64,171,924)	115,272,750	100%

Comparison of LAIF Yield to 1-Year US Treasury Sept 24 to Sept 25



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



STAFF REPORT

Meeting Type: Finance & Administration Committee
Title: SAP Software Maintenance Renewal and Support Agreement
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: November 20, 2025

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Review and comment on the District's renewal of the SAP software maintenance and support agreement

SUMMARY: The District's Enterprise Resource Planning (ERP) solution is officially called "SAP ERP Central Component" (SAP ECC) version 6. The SAP ECC solution supports operations in and across all of the District's business units. The software maintenance agreement expires in December 2025, and staff is recommending a one-year renewal for 2026.

DISCUSSION: Software maintenance is essential to keeping the District's ERP systems stable and secure, and access to SAP technical support is essential to keeping the District's ERP systems running smoothly. In a separate effort, staff are working to modernize all modules in SAP and move toward the cloud-based version of S/4 HANA. However, the modernization effort will continue for multiple years and the District needs to maintain support for the existing, on-premise version of the software in the interim.

Staff are in the process of obtaining final quotes from SAP for an extension of the District's existing SAP Software Maintenance agreement. Staff anticipate that the total amount will not exceed \$216,350. Once final quotes are received, staff will bring this item to a regularly scheduled Board meeting for approval.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: Funds are currently budgeted in the Information Technology department's operating budget for this service. An annual maintenance fee of \$196,679 was charged in the previous year, and SAP staff informed us that the maximum increase year over year would be 10%. Therefore, staff anticipate that the final price will not exceed \$216,350.

ATTACHMENT(S): None.