

## GOAL 4: Fiscal Responsibility

Judiciously manage customer revenue and other financial resources for operating, maintaining and upgrading the water system today and in preparation for the future.

*As a public agency, all revenues received by Marin Water are reinvested into the water system, and customer water rates are the primary source of Marin Water's revenue, providing 95 percent of the District's funding. With a relatively small and stable ratepayer base, it is especially imperative for the District to prioritize financial stability and cost-effective operations in order to maximize the value of local ratepayer funds.*

### Five-Year Objectives

#### **Objective 1 - Financial Stability**

*The District will utilize reserves and invest in infrastructure in a consistent and predictable manner to minimize the rate impact on customers when unforeseen events occur.*

- Establish stabilization reserves to mitigate annual revenue fluctuations.
- Support development of a long-term capital improvement program that ensures an appropriate and stable level of investment.
- Regularly update fees, rents and other non-rate revenues to maintain pace with inflation.

#### **Objective 2 - Fair and Proportional Rates**

*Under the legal framework of Proposition 218, the District will continuously evaluate the effectiveness of the rate structure to ensure it produces sufficient revenue while maintaining a balance of affordability and proportionality.*

- Conduct a connection fee study to fully capture the cost of current and future infrastructure needs.
- Develop new customer outreach efforts to connect qualifying customers to the District's low-income discount program.
- As part of the 2027 rate setting process, conduct a cost-of-service study to ensure charges are proportional and reflective of current demand trends.
- Implement a robust outreach plan throughout the 2027 rate-setting process to inform customers about proposed changes.
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#### **Objective 3 - Cost-Effective Business Processes**

*The District will implement operational practices that increase efficiencies to maximize the value of ratepayer revenues.*

- Update the enterprise resource planning system (SAP) to streamline routine processes and provide improved data analytics.

- Evaluate opportunities to improve business practices, utilize new technologies and leverage external resources to improve operational efficiencies.
- Minimize the cost of financing by maintaining very high (AA or better) credit quality rating.
- Increase customer use of online bill payments and electronic payments, through new outreach efforts, to reduce banking and printing costs.
- Streamline the application process for discount programs and leak adjustments.

#### **Objective 4 - Reduced Financial Impacts on Ratepayers**

*The District will seek out alternative revenue sources to lessen the impact of future rate increases on customers.*

- Pursue Water Resources Development Act (WRDA) funding for water storage improvement projects.
- Utilize bond funding to spread infrastructure funding costs over time.
- Develop and secure grants from state and federal agencies to increase the District's capacity to advance key initiatives
- Obtain Water Infrastructure Finance and Innovation Act (WIFIA) program loans to maximize financial flexibility for projects with longer construction cycles.
- Leverage regional partnerships to increase state and federal funding opportunities.

#### **Objective 5 - Financial Transparency**

*The District will maintain transparency in all aspects of financial operations.*

- Conduct bi-annual reviews of fiscal policies.
- Publish quarterly financial summaries.
- Conduct regular internal and external financial audits.
- Proactively communicate to customers about successful grant applications as well as the District's specific investments in infrastructure projects, water supply roadmap efforts and watershed restoration milestones to highlight how revenues are being allocated.