



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

Thursday, May 23, 2024 at 9:30 AM

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## AGENDA

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### 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 board president 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 Board 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](mailto:boardcomment@marinwater.org). To ensure that your comment is provided to the Board of Directors 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 Board 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. **Adoption of Agenda**
3. **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.

4. **Regular Items** (9:50 a.m. – Time Approximate)

- a. Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors on April 25, 2024

**RECOMMENDATION:** Approve the minutes

- b. Monthly Financial Update

**RECOMMENDATION:** Review the Monthly Financial Update

- c. Quarterly Investment Report

**RECOMMENDATION:** Receive staff update on the District's investment portfolio

- d. Monthly Financial Update

**RECOMMENDATION:** Receive an update on the insurance market and review preliminary insurance quotations

- e. Water Efficiency Cost Analysis Relative to Water Supply Planning

**RECOMMENDATION:** Receive an update on financial analysis of water efficiency cost relative to water supply planning

- f. Initial Review of Board of Directors Handbook

**RECOMMENDATION:** Receive an initial overview of the Board of Directors Handbook (Handbook) and proposed process for review and update of the Handbook and related materials

5. **Upcoming Meeting**

The next Finance & Administration Committee Meeting/Special Meeting of the Board of Directors will take place on Thursday, June 27, 2024.

6. **Adjournment** (11:00 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.

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Posted: 05-17-2024





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

Thursday, April 25, 2024 at 9:30 AM

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## MINUTES

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### 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 – Contractors State License Board, First Floor Lobby, 9821 Business Park Drive, Sacramento, CA 95827

### 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

Monty Schmitt (*arrived at 9:31 a.m.*)

Jed Smith

#### DIRECTOR ABSENT

Matt Samson

#### 2. Adoption of Agenda

A motion was made by Director Khush and seconded by Director Russell to adopt the agenda.

There were no public comments.

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

Absent: Director Samson

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

There was one (1) public comment.

**4. Regular Items**

- a. Minutes of the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors on March 28, 2024

**RECOMMENDATION:** Approve the minutes

A motion was made by Director Khush and seconded by Vice Chair Schmitt to approve the minutes.

There were no public comments.

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

Absent: Director Samson

- b. Human Resources Update

**RECOMMENDATION:** Receive update from Human Resources

Human Resources Manager Vikkie Garay provided an update of the Human Resources Department's recruitments and 360-manager review program. Discussion between the directors and staff occurred throughout the presentation.

There were no public comments.

This was an information item. The Board did not take any formal action.

- c. Monthly Financial Update

**RECOMMENDATION:** Review the Monthly Financial Update

Finance Director Bret Uppendahl provided a review of the monthly financial reports. There was discussion between the Board and staff during and after the presentation.

There were no public comments.

This was an information item. The Board did not take any formal action.

- d. Water Supply Financial Planning Review

**RECOMMENDATION:** Receive an update on financial planning related to water supply roadmap projects

Director Uppendahl also provided an overview of the budget and financial planning of the water supply roadmap projects. There was discussion throughout the presentation.

There was one (1) public comment.

This was an information item. The Board did not take any formal action.

e. Review of Revised Board Reimbursement of Travel Expenses Policy

**RECOMMENDATION:** Review proposed changes to the Board Reimbursement of Travel Expenses Policy and refer it to a regular bi-monthly Board meeting to allow the Board to consider approval of the revised policy

General Counsel Molly MacLean introduced this item and Staff Attorney Jerrad Mills presented the proposed changes to the Board Reimbursement of Travel Expenses Policy. Discussion ensued and the Board requested minor changes to note that the categories for reimbursement would include official actions.

There were no public comments.

A motion was made by Director Khush and seconded by Vice Chair Schmitt to refer this item to the Board to consider for approval at a future meeting with the above change.

f. Review of Revised Board Compensation Policy

**RECOMMENDATION:** Review proposed changes to the Board Compensation Policy and refer it to a regular bi-monthly Board meeting to allow the Board to consider approval of the revised policy

General Counsel MacLean presented changes to the Board Compensation Policy. Discussion followed and it was requested that the threshold for submittal of receipts be changed from \$10 to \$25.

There were no public comments.

A motion was made by Director Khush and seconded by Vice Chair Schmitt to refer this item to the Board to consider for approval at a future meeting with the above change.

**5. Upcoming Meeting**

The Board Secretary announced that the next Finance & Administration Committee Meeting/Special Meeting of the Board of Directors was scheduled for May 23rd.

**6. Adjournment**

There being no further business, the Finance & Administration Committee Meeting/Special Meeting of the Board of Directors adjourned at 11:16 a.m.

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Board Secretary



# STAFF REPORT

**Meeting Type:** Finance & Administration Committee/Board of Directors  
**Title:** Monthly Financial Update  
**From:** Bret Uppendahl, Finance Director  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** May 23, 2024

*BU*  
*BH*

**TYPE OF ACTION:**                      Action                      X                      Information                      Review and Refer

**RECOMMENDATION:** Review the Monthly Financial Update

**SUMMARY:** The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of April 30, 2024, District operating and capital revenue is \$108.4 million, which is 79% of budgeted revenue. Total expenditures including encumbrances are \$93.5 million, or 69% of budget. Water sales, excluding fixed charges, are down by approximately 9.4% compared to the original budget.

**DISCUSSION:** Attached is the budget to actual comparison for fiscal year 2023/24 as of April 30, 2024. 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 83% of the fiscal year budget at the end of April. Water sales would be expected to be 81% of the fiscal year budget at this time of year.

For the Operating Fund, total revenues as of April 30, 2024 are \$92.0 million, or 78% of budget. Total operating expenditures, not including depreciation and amortization or encumbrances, are \$74.5 million, or 71% of budget.

For the Capital Fund, total revenues are \$16.5 million, which is 83% of budget. These revenues are comprised primarily of Capital Maintenance Fee (CMF) revenues of \$13.8 million, which are at 81% of the budget. Total Capital Improvement Project (CIP) expenditures are \$13.6 million, or 43% of budget, as CIP projects typically do not follow linear trends in expenditures. As noted in Attachment 4, an additional \$5.4 million is encumbered, bringing total expenditures with encumbrances to \$19.0 million, or 60% of budget.

The fiscal year to date billed water sales through April 30, 2024 were \$62.1 million, which is 74% of the annual water sales forecast, and 91% of the expected revenue through the first ten months of the year.



Billed water consumption through April 30, 2024 was 16,735 AF, which is 3.8% higher than this time last year.

Year-to-date total water sales and other charges (service charges, watershed fees and capital maintenance fees) through April 30, 2024 were \$99.8 million, which is 76% of total annual revenue forecast of \$131.4 million (\$114.3 million operating and \$17.1 million capital). Compared to the same period for the previous fiscal year water sales and fixed charges increased by \$21.0 million, or 27%.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** None.

**ATTACHMENT(S):**

1. Total Water Sales and Fixed Charges & Fees FY 2022/23 – 2023/24
2. Billed Water Consumption in AF FY 2013/14 to FY 2023/24
3. Budget to Actual Comparison for FY 2023/24
4. CIP Budget to Actual Comparison for FY 2023/24

**Attachment 1**

Section 4. Item #b.

**Total Water Sales and Fixed Charges & Fees  
Fiscal Years 2022/23 - 2023/24**

**OPERATING FUND**

**CAPITAL FUND**

Month	Water Sales			Service Charge			Watershed Fee			Capital Maintenance Fee			Total Water Sales and Charges		
	22/23 Actual	23/24 Budget	23/24 Actual	22/23 Actual	23/24 Budget	23/24 Actual	22/23 Actual	23/24 Budget	23/24 Actual	22/23 Actual	23/24 Budget	23/24 Actual	22/23 Actual	23/24 Budget	23/24 Actual
July	\$ 4,004,486	\$ 4,284,800	\$ 4,473,261	\$ 1,491,919	\$ 1,551,596	\$ 1,552,115	\$ 347,285	\$ 361,176	\$ 361,127	\$ 1,122,523	\$ 1,119,741	\$ 1,167,529	\$ 6,966,213	\$ 7,317,314	\$ 7,554,033
August	6,238,037	6,674,699	7,029,300	2,022,350	2,103,244	2,246,052	442,367	460,062	492,230	1,529,541	1,525,750	1,688,699	10,232,294	10,763,755	11,456,282
September	5,301,598	8,466,291	8,572,991	1,722,033	1,838,241	1,636,225	396,510	489,066	481,127	1,286,413	1,283,225	1,119,131	8,706,554	12,076,823	11,809,473
October	6,612,557	10,876,977	11,408,450	2,267,637	2,420,665	2,376,242	494,747	672,356	700,462	1,702,958	1,698,738	1,632,508	11,077,900	15,668,736	16,117,662
November	3,463,774	6,871,530	6,127,917	1,552,383	1,666,926	1,611,361	361,370	385,332	368,368	1,169,161	1,166,264	1,104,486	6,546,689	10,090,052	9,212,133
December	4,698,697	8,974,535	6,988,546	2,271,365	2,438,958	2,363,812	495,229	501,923	456,360	1,704,942	1,700,716	1,620,621	9,170,232	13,616,132	11,429,339
January	2,327,071	4,132,232	3,724,261	1,560,906	1,676,078	1,627,243	362,582	266,773	260,777	1,174,141	1,171,231	1,118,400	5,424,700	7,246,313	6,730,681
February	3,453,451	6,959,491	5,431,133	2,257,119	2,423,661	2,376,079	495,426	470,465	370,566	1,705,775	1,701,547	1,629,369	7,911,769	11,555,165	9,807,146
March	1,909,749	3,941,836	2,847,557	1,570,868	1,686,775	1,596,975	362,955	275,986	204,970	1,174,724	1,171,812	1,096,811	5,018,295	7,076,409	5,746,313
April	3,332,133	7,371,899	5,522,106	2,255,344	2,421,755	2,376,987	492,476	480,335	368,233	1,688,725	1,684,540	1,641,441	7,768,678	11,958,529	9,908,767
May	2,446,448	5,532,714		1,575,876	1,692,153		365,751	349,805		1,190,568	1,187,617		5,578,644	8,762,289	
June	5,118,623	10,422,595		2,282,061	2,450,444		497,235	673,096		1,711,757	1,707,515		9,609,677	15,253,651	
<b>TOTAL</b>	<b>\$ 48,906,624</b>	<b>\$ 84,509,599</b>	<b>\$ 62,125,521</b>	<b>\$ 22,829,861</b>	<b>\$ 24,370,494</b>	<b>\$ 19,763,091</b>	<b>\$ 5,113,933</b>	<b>\$ 5,386,376</b>	<b>\$ 4,064,221</b>	<b>\$ 17,161,227</b>	<b>\$ 17,118,698</b>	<b>\$ 13,818,995</b>	<b>\$ 94,011,645</b>	<b>\$131,385,167</b>	<b>\$ 99,771,828</b>

Monthly Budget to Actual:	90.6%	Monthly Budget to Actual:	97.7%	Monthly Budget to Actual:	93.1%	Monthly Budget to Actual:	97.2%	Monthly Budget to Actual:	92.9%
% of Annual Budget:	73.5%	% of Annual Budget:	81.1%	% of Annual Budget:	75.5%	% of Annual Budget:	80.7%	% of Annual Budget:	75.9%
Actual to Actual:	150.3%	Actual to Actual:	104.2%	Actual to Actual:	95.6%	Actual to Actual:	96.9%	Actual to Actual:	126.6%

**Attachment 2**

Section 4. Item #b.

**Billed Water Consumption In AF  
Fiscal Year 2013/14 - 2023/24**

Month	13/14 Actual	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 Budget	23/24 Actual	Monthly Budget Variance	Actual to Actual % Change
July	2,205	1,969	1,628	1,876	1,931	1,975	1,834	2,022	1,642	1,562	1,748	1,674	-4.22%	7.21%
August	3,407	3,186	2,620	3,012	3,206	3,245	3,112	3,215	2,500	2,476	2,715	2,697	-0.66%	8.91%
September	2,244	1,973	1,775	1,939	2,027	2,145	2,112	2,205	1,604	1,881	1,901	1,866	-1.88%	-0.82%
October	3,215	2,778	2,583	2,767	3,140	2,951	3,058	3,124	2,293	2,498	2,614	2,673	2.25%	7.01%
November	1,931	1,454	1,490	1,340	1,705	1,664	1,837	1,882	1,153	1,329	1,354	1,409	4.03%	5.98%
December	2,433	1,984	1,935	1,646	1,914	2,169	2,295	2,418	1,439	1,795	1,764	1,749	-0.88%	-2.57%
January	1,342	1,065	991	910	942	993	1,186	1,157	735	984	938	1,013	8.04%	2.97%
February	1,996	1,651	1,450	1,392	1,754	1,525	1,556	1,625	1,646	1,385	1,653	1,431	-13.45%	3.33%
March	1,042	1,048	832	846	992	879	1,105	970	948	830	970	805	-17.04%	-3.07%
April	1,627	1,910	1,467	1,375	1,612	1,427	1,883	1,775	1,717	1,377	1,688	1,419	-15.94%	3.04%
May	1,308	1,379	1,067	1,092	1,240	1,224	1,378	1,459	1,209	1,044	1,229			
June	2,642	2,344	2,478	2,416	2,516	2,349	2,711	2,559	2,217	2,119	2,366			
<b>TOTAL</b>	<b>25,390</b>	<b>22,742</b>	<b>20,316</b>	<b>20,611</b>	<b>22,978</b>	<b>22,546</b>	<b>24,065</b>	<b>24,410</b>	<b>19,104</b>	<b>19,279</b>	<b>20,941</b>	<b>16,735</b>		
<i>Change from prior year:</i>		-10.43%	-10.67%	1.45%	11.49%	-1.88%	6.74%	1.43%	-21.74%	0.92%				

**Budget-to-Actual Basis -3.52%**  
**Actual-to-Actual Basis 3.83%**  
**% of Total Budget 79.91%**

**Marin Municipal Water District**  
**Budget to Actual Comparison for FY 2023/24**  
**Preliminary Unaudited**

Section 4. Item #b.

Operating Fund	FY 2024	Actual as of	% of	Actual as of
Revenues and Expenditures	Budget	April 30, 2024	Budget	April 30, 2023
<b>Revenues:</b>				
Water Sales and Service Charge:				
Water Sales	\$ 84,509,599	\$ 62,125,521	73.5%	\$ 41,345,697
Service Charge	24,370,494	19,763,091	81.1%	18,974,127
Watershed Management Fee	5,386,376	4,064,221	75.5%	4,251,472
Total Water Sales and Service Charge	<u>114,266,469</u>	<u>85,952,833</u>	<b>75.2%</b>	<u>64,571,296</u>
Other Revenues:				
Rents and Royalties	1,974,852	1,643,688	83.2%	1,558,585
Grants	-	2,373,836	-	1,597,014
Permits and Fees	365,120	277,331	76.0%	308,927
Late Payments & Charges	120,133	218,883	182.2%	208,280
Interest	675,000	1,659,791	245.9%	823,753
Miscellaneous	286,804	(165,649)	-57.8%	263,853
Total Other Revenues	<u>3,421,909</u>	<u>6,007,881</u>	<u>175.6%</u>	<u>4,760,413</u>
<b>Total Operating Revenues</b>	<b><u>117,688,378</u></b>	<b><u>91,960,714</u></b>	<b><u>78.1%</u></b>	<b><u>69,331,709</u></b>
<b>Expenditures:</b>				
Personnel services	56,654,068	42,430,089	74.9%	40,653,625
Materials and supplies	4,335,193	2,626,522	60.6%	2,407,515
Operations	12,395,893	6,225,689	50.2%	7,603,551
Water conservation rebate program	1,280,800	104,139	8.1%	308,971
Electrical power	5,500,000	4,409,413	80.2%	3,615,312
Water purchased	11,477,700	9,239,865	80.5%	5,483,404
Insurance, including claims	2,568,000	1,903,117	74.1%	2,178,018
General and administrative	5,343,028	3,069,939	57.5%	3,802,531
Debt service - interest and principal	9,517,293	7,931,078	83.3%	8,088,756
Overhead cost allocated to capital	(4,700,000)	(3,419,310)	72.8%	(3,310,916)
<b>Total Operating Expenditures</b>	<b><u>104,371,976</u></b>	<b><u>74,520,542</u></b>	<b><u>71.4%</u></b>	<b><u>70,830,767</u></b>
<b>Transfer out to Capital Fund</b>	<b>8,548,914</b>	<b>6,284,561</b>	<b>73.5%</b>	<b>-</b>
<b>Transfer out to Reserves</b>	<b>5,000,000</b>	<b>4,166,667</b>	<b>83.3%</b>	<b>-</b>
<b>Net Operating Fund Increase/(Decrease)</b>	<b><u>\$ (232,512)</u></b>	<b><u>\$ 6,988,945</u></b>		<b><u>\$ (1,499,058)</u></b>

**Marin Municipal Water District**  
**Budget to Actual Comparison for FY 2023/24**  
**Preliminary Unaudited**

**Capital Funds**

Revenues and Expenditures	FY 2024 Budget	Actual as of April 30, 2024	% of Budget	Actual as of April 30, 2023
<b>Revenues:</b>				
Capital Maintenance Fee	\$ 17,118,698	\$ 13,818,995	80.7%	\$ 14,260,788
Capital Connection Fee	100,000	133,511	133.5%	138,183
Capital Grants & Contribution	2,134,500	1,880,542	88.1%	220,545
Customer Reimbursement Project	500,000	597,339	119.5%	514,886
Interest Income	63,750	23,037	36.1%	43,088
<b>Total Capital Revenues</b>	<b>19,916,948</b>	<b>16,453,425</b>	<b>82.6%</b>	<b>15,177,490</b>
<b>Transfer-in from Operating Fund</b>	8,548,914	6,284,561		
<b>Capital Expenditures:</b>				
Capital Improvement Projects	30,438,845	13,250,403	43.5%	11,182,660
Capital Equipment Purchases	1,366,767	437,256	32.0%	349,642
<b>Total Capital Expenditures</b>	<b>31,805,612</b>	<b>13,687,658</b>	<b>43.0%</b>	<b>11,532,302</b>
<b>Net Capital Fund Increase/(Decrease)</b>	<b>\$ (3,339,750)</b>	<b>\$ 9,050,328</b>		<b>\$ 3,645,188</b>

**Marin Municipal Water District**  
**Budget to Actual Comparison for FY 2023/24**  
**Preliminary Unaudited**

Section 4. Item #b.
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**Fire Flow Funds**

Revenues and Expenditures	FY 2024 Budget	Actual as of April 30, 2024	% of Budget	Actual as of April 30, 2023
<b>Revenues:</b>				
Fire Flow	4,500,000	4,316,453	95.9%	4,319,866
Interest Income	-	168,691		67,570
<b>Total Revenues</b>	<b>4,500,000</b>	<b>4,485,145</b>	<b>99.7%</b>	<b>4,387,436</b>
<b>Expenditures:</b>				
Capital Projects - Fire Flow	4,500,000	1,052,450	23.4%	1,445,134
<b>Net Fire Flow Fund Increase/(Decrease)</b>	\$ -	\$ 3,432,695		\$ 2,942,302

**Attachment 4**

Section 4. Item #b.

<b>CIP Projects</b>	<b>FY2023/24 Adjusted Budget</b>	<b>Capital Projects YTD Actual Expenditures</b>	<b>Encumbered for Contracts</b>	<b>Total Capital &amp; Fire Flow</b>
	<b>As of 3/31/24</b>	<b>As of 3/31/24</b>	<b>As of 3/31/24</b>	<b>As of 3/31/24</b>
District Pipeline Replacement	\$ 8,158,424	\$ 1,388,146	\$ 492,265	\$ 1,291,395
Tank Maintenance & Replacement	5,011,466	4,124,463	556,520	4,663,069
Treatment Plant Facilities	1,722,155	466,886	18,916	431,621
Dam/Pump/Control System/Meters	4,998,239	2,457,449	1,286,037	3,573,559
Asset Mangement	3,237,576	1,350,718	1,808,749	2,983,028
Watershed - Natural Resource Project	2,245,000	1,364,110	353,393	1,609,570
Watershed - Other	1,273,653	456,017	295,951	710,355
Information Technology	780,000	-	2,663	2,663
Fire Flow Replacement	4,500,000	1,052,450	609,089	1,485,422
Reimbursable Grant Projects	1,800,028	797,068	176,775	832,281
Reimbursable Customer Projects	1,212,305	845,547	1,223	846,770
Capital Equipment Purchases	1,366,767	437,256	357,748	795,004
<b>Total Capital Projects</b>	<b>\$ 36,305,612</b>	<b>\$ 14,740,108</b>	<b>\$ 5,959,326</b>	<b>\$ 19,224,738</b>



# STAFF REPORT

**Meeting Type:** Finance & Administration Committee/Board of Directors  
**Title:** Quarterly Investment Report  
**From:** Bret Uppendahl, Finance Director *BU*  
**Through:** Ben Horenstein, General Manager *BH*  
**Meeting Date:** May 23, 2024

**TYPE OF ACTION:**                      Action                      X                      Information                      Review and Refer

**RECOMMENDATION:** Receive staff update on the District’s investment portfolio

**SUMMARY:** Pursuant to District Investment Policy No. 33, the quarterly investment report is submitted to the Board for the quarter ending March 31, 2024. Fiscal year to date investment earnings on the District’s portfolio have totaled \$1,827,638. Investment earnings in the first quarter of 2024 totaled \$739,336.

**DISCUSSION:** The District’s investment portfolio (pooled cash) carried a market value of \$86.5 million as of the end of March. The investments held included \$71.4 million on deposit in the Local Agency Investment Fund (LAIF), \$3.7 million on deposit in the Fidelity Government Money Market Fund, and \$11.3 million in the District’s general checking account. Fiscal year to date interest earned as of March on the District’s portfolio totaled \$1,827,638. The average monthly effective yield for LAIF investments in March 2024 was 4.23 percent, which represents a significant increase compared to 2.83 percent average effective yield for the month of March 2023. 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 provision (2) of California Government Code section 53646, the District portfolio complies with the District’s investment policy. Pursuant to provision (3) of California Government code section 53646, the District establishes that it is able to meet its pooled expenditure requirements for the next six months.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** Investment earnings account for approximately 2 percent of the district’s revenue. Assuming interest rates remain relatively unchanged, the District’s investment earnings will be approximately \$2.5 million.



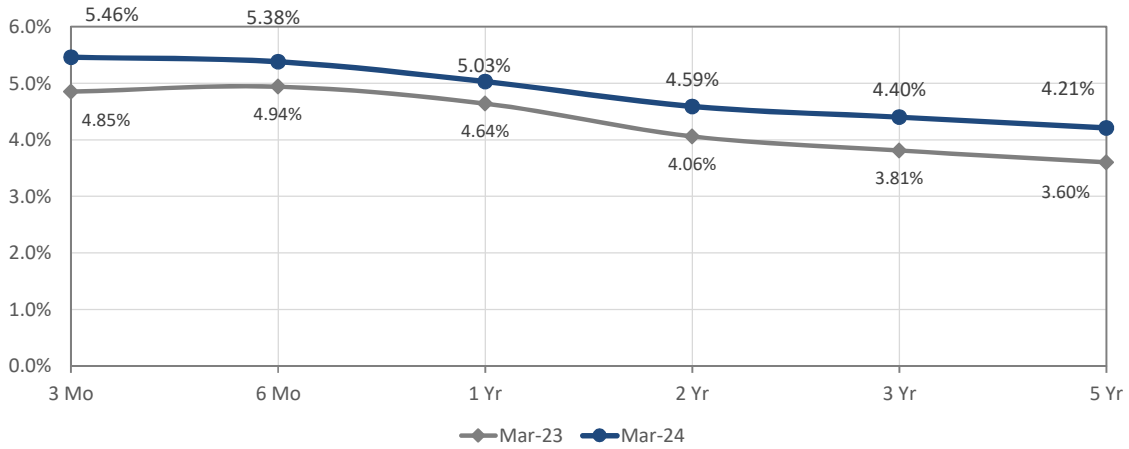
**ATTACHMENT(S):**

1. Schedule of Investments and Yield Curve as of March 31, 2024

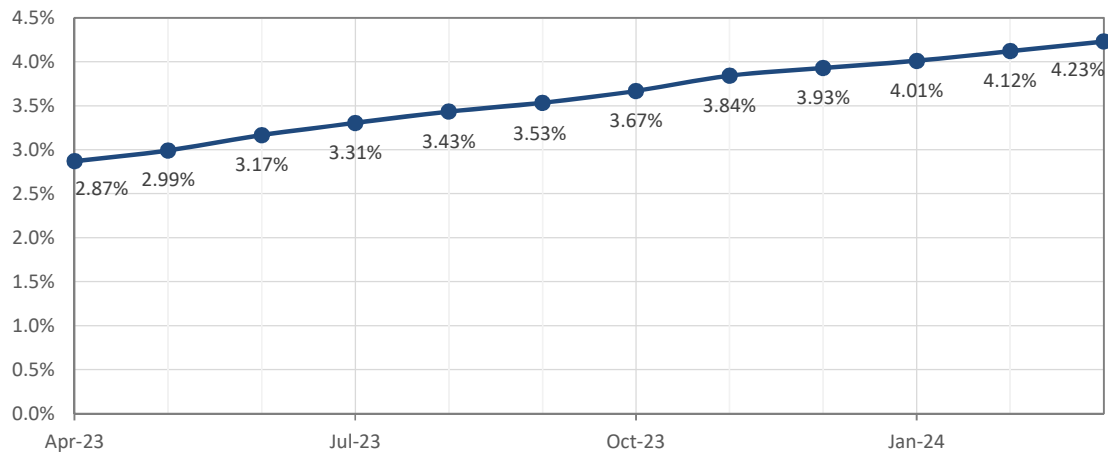
Marin Municipal Water District  
 FY 2024 Schedule of Investments  
 As of March 31, 2024

	Beginning Balance	Purchases / Deposits	Investment Income/(Loss)	Withdrawals	Ending Balance
<b>DISTRICT INVESTMENTS:</b>					
Local Agency Investment Fund	62,638,308	18,000,000	1,782,905	(11,000,000)	71,421,214
Fidelity Gov't Money Market Fund	701,042	3,000,000	27,841		3,728,882
Corporate Obligations	2,000		(1,000)		1,000
US Bank Checking Account	4,123,235	115,598,548	17,892	(108,410,841)	11,328,835
<b>TOTAL INVESTMENTS</b>	<b>67,464,586</b>	<b>136,598,548</b>	<b>1,827,638</b>	<b>(119,410,841)</b>	<b>86,479,931</b>

US Treasury Par Yield Curve  
 Mar 23 vs Mar 24



LAIF Average Monthly Effective Yield  
 Apr 23 to Mar 24





# STAFF REPORT

**Meeting Type:** Finance & Administration Committee/Board of Directors  
**Title:** Monthly Financial Update  
**From:** Bret Uppendahl, Finance Director *BU*  
**Through:** Ben Horenstein, General Manager *BH*  
**Meeting Date:** May 23, 2024

**TYPE OF ACTION:**                      Action              X              Information                      Review and Refer

**RECOMMENDATION:** Receive an update on the insurance market and review preliminary insurance quotations

**SUMMARY:** The Insurance Update will provide an overview of the current Insurance marketplace, trends and industry issues.

**DISCUSSION:** The District’s existing insurance policies are due for renewal on July 1, 2024 for Property, Liability, Automobile, Excess Workers Compensation, Pollution, Cyber, Drone and Crime for Fiscal Year (FY) 2024/25. In FY 2023/24 annual overall cost for all insurance premiums was \$1,638,257, an increase of approximately \$270,694 or 20% from the prior year.

In preparation of the FY 2024/25 insurance renewal, the District’s insurance broker, Alliant Insurance Services Inc. (Alliant), will discuss the current insurance marketplace, trends and industry issues to provide background for the District’s insurance coverage renewal that will take place in June 2024.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** The FY 2024/25 cost for the annual insurance premium is currently estimated to be \$1,914,318, an increase of 17% from the prior year. The premium estimate is consistent with the adopted budget for FY 2024/25. Liability insurance, which comprises over 50 percent of the District’s total premium, is expected to increase by twenty percent. Property insurance accounts for approximately 35 percent of the District’s total premium and is expected to increase by 17 percent. Final insurance premium rates will be presented to the Board for formal approval in June 2024.

**ATTACHMENT(S):** None.



# STAFF REPORT

**Meeting Type:** Finance & Administration Committee/Board of Directors  
**Title:** Water Efficiency Cost Analysis Relative to Water Supply Planning  
**From:** Bret Uppendahl, Finance Director *BU*  
**Through:** Ben Horenstein, General Manager *BH*  
**Meeting Date:** May 23, 2024

**TYPE OF ACTION:**                      Action                      X                      Information                      Review and Refer

**RECOMMENDATION:** Receive an update on financial analysis of water efficiency cost relative to water supply planning

**SUMMARY:** On May 1, 2024, staff conducted a Water Efficiency Master Plan Workshop (Workshop) to review strategies for enhancing water conservation efforts and promoting sustainable practices. As part of the workshop, staff discussed water savings goals attributable to demand reduction. Total water savings are projected to be 4,160 acre feet by 2045 when accounting for both active and passive savings.

In response to a Board request at the Workshop, staff will provide a financial review of how water efficiency activities can be analyzed in an ‘apples to apples’ manner consistent with the other elements in the District’s Water Supply Roadmap.

**DISCUSSION:** The District develops water savings programs for residential, commercial, and institutional customers through a combination of incentives and outreach programs. Compliance with State water efficiency regulations and enforcement of local water conservation policies are also supported by staff. The Water Efficiency department has an ongoing operating budget of approximately \$2.7 million, including \$651,000 in conservation incentives and eight full time staff.

In developing the Water Efficiency Master Plan, District staff worked with an outside consultant to use the Alliance for Water Efficiency Conservation Tracking Tool (AWE Model), which is a model to estimate the annual savings of an expanded incentive and outreach program over the next 20 years. This included an analysis of water savings per District activity, forecasted customer participation, increased incentive levels, regulatory updates and the implementation of Automated Metering Infrastructure (AMI) in 2028. The cost of each measure included direct staff time and the cost of purchased Sonoma County Water Agency (SCWA) was used as the basis for estimating marginal costs. The resulting calculation of the cumulative savings over 20 years was a program cost of \$1,830 per acre

foot. The projected water savings steadily increases each year, with active savings attributable directly to District initiatives increasing from 460 acre feet per year (AFY) in 2025 to 1,680 AFY in 2045. Passive savings, which are attributable to natural replacement as well as federal and state regulations, are projected to increase from 610 AFY in 2025 to 2,480 AFY in 2045.

As a point of comparison, staff will present an alternative financial analysis that is generally consistent with the methodologies and approaches used for the other elements in the Water Supply Roadmap.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** None.

**ATTACHMENT(S):** None.



# STAFF REPORT

**Meeting Type:** Finance & Administration Committee/Board of Directors  
**Title:** Initial Review of Board of Directors Handbook  
**From:** Molly MacLean, General Counsel *MM*  
**Through:** Ben Horenstein, General Manager *BH*  
**Meeting Date:** May 23, 2024

**TYPE OF ACTION:**                      Action              X              Information                      Review and Refer

**RECOMMENDATION:** Receive an initial overview of the Board of Directors Handbook (Handbook) and proposed process for review and update of the Handbook and related materials

**SUMMARY:** The Board Handbook was adopted on February 2, 2021 and subsequently revised on September 21, 2021. The Handbook is a “living” document that is intended to be regularly updated to provide incumbent and newly elected members of the Board of Directors current general information and specific authorities regarding the function of the Board of Directors and oversight of the District. Staff will provide an initial broad overview of the current Board Handbook, discuss a proposed plan for updating the Handbook, and preview some of the proposed edits that have been initially identified.

**DISCUSSION:** The Board Handbook was adopted on February 2, 2021. It is a guidance document for incumbent and newly elected members of the District Board of Directors as it contains general information and specific authorities regarding the function of the Board and oversight of the District, including processes for the election of Board officers and committee appointments, among other topics. The Handbook is intended to facilitate the handling of Board affairs, assist the Board in complying with open meetings laws (i.e., the Brown Act), and is complementary to applicable laws and other requirements. Following adoption of the Handbook, it was subsequently revised on September 21, 2021 to update information included in the Handbook. Staff recommends regular review of the Handbook to promote familiarity and to ensure it reflects current legal authorities, District policies, Board directives and best practices.

Staff will provide a broad overview of the current Board Handbook and discuss next steps for review and update of the Handbook. The overview will include brief review of some of the proposed updates that have initially been identified.

**ENVIRONMENTAL REVIEW:** Not Applicable.

**FISCAL IMPACT:** None.

**ATTACHMENT(S):**

- 1. Current Board of Directors Handbook



## Board of Directors Handbook

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# MARIN MUNICIPAL WATER DISTRICT

## BOARD OF DIRECTORS HANDBOOK

Adopted: February 2, 2021  
Revised: September 21, 2021

### SECTION 1: Introduction/Purpose

#### Introduction

This handbook is compiled as a guidance document to provide incumbent and newly elected members of the Marin Municipal Water District (“District”) Board of Directors (“Board”) with general information and specific authorities regarding oversight of the District. This handbook is intended to facilitate the handling of Board affairs, assist the Board in complying with open meeting laws, and is complementary to applicable laws and other requirements.

The District is an independent special district, formed pursuant to the Municipal Water District Law of 1911 and approved by voters to provide specific services to residences within the District’s service area. The District is a single function, enterprise special district because it charges its customers for the service provided. The District is governed by a five-member Board elected by voters within a specified limited boundary or division. Each Board member must be a resident of the division from which he or she is elected. Regular elections for Board members are held every 2 even years for staggered 4-year terms (i.e., divisions I, III & IV are elected in one 2-year election cycle and divisions II & V in the other 2-year election cycle).

The Board holds publicly noticed meetings in accordance with the Brown Act where citizens may address the Board regarding matters within the subject matter jurisdiction of the District.

#### Governing Laws and Regulations

The District was formed pursuant to California Water Code Section 71000 *et seq.*, commonly known as the Municipal Water District Law of 1911. The California Government Code contains a number of provisions applicable to the District and Board member activities including, but not limited to: the Ralph M. Brown Act (Open Meetings Law), Public Records Act (Public Access to Information), Government Code Section 1090 and the Political Reform Act (Conflict of Interest), Assembly Bill 1234 (Ethics), and Assembly Bill 1661 (Sexual Harassment Prevention).

## Board Policies and Administrative Procedures

The mission of the District, as established by the Board of Directors, is to manage its natural resources in a sustainable manner and to provide its customers with reliable, high-quality water at a reasonable price. The Board communicates its direction, or its philosophy, toward fulfilling this mission by developing and periodically reviewing its values and goals, and creating and updating various policies and procedures to ensure that the District's customers and the public are treated in a fair and consistent manner. In most instances, policy is established by an affirmative vote of a majority of the members of the Board. However, some circumstances may necessitate the approval of a supermajority of the Board. The District's General Counsel will advise the Board of the approval requirements necessary to bind the Board to a given course of action.

Current District values and goals are listed below:

### VALUES

- Promote environmental stewardship and sustainability
- Conduct business with integrity and in an ethical manner
- Ensure fair, open, and responsive interactions with District customers and other members of the public
- Promote diversity in and equitable treatment of our employees
- Provide a healthy work environment
- Work cooperatively with other public agencies and groups
- Treat all individuals with fairness, dignity, and respect
- Continuously improve through the promotion of initiative, leadership, professional development and training
- Exercise responsible financial management

### DISTRICT GOALS

- Assure that water produced is of high quality and protects public health from source to the customer's tap
- Provide a long-term reliable water supply for District customers
- Maintain the District's infrastructure in a cost-effective manner to assure reliable operation
- Provide a water rate structure that is fair and reasonable, and that adequately funds the long-term maintenance and capital needs of the District's supply and delivery systems
- Promote conservation and water recycling programs and other practices which encourage the efficient use of water
- Provide responsible stewardship of land under District management, balancing existing mandates to safeguard ecological integrity, protect against wildfire, and maintain water quality

- Provide for visitor access and activities on watershed lands consistent with the constraints of watershed stewardship
- Maintain excellent communications with customers and assure responsive customer service
- Ensure a stable and talented workforce to do the District’s work today and into the future

District governing documents include but are not limited to: the Marin Municipal Water District Code, Board Policies, Administrative Policies, Administrative Procedures, and applicable state and federal laws, which collectively constitute the policies and procedures which District staff follow when carrying out their day-to-day duties.

District administrative and operating procedures are approved by the General Manager pursuant to the authority delegated by the Board and are implemented to ensure that the District operates in a uniform and businesslike manner, and in accordance with the established policies of the Board.

**SECTION 2: Board Officers and Board Appointed Staff**

**Board Officers and General Board Duties**

*Appointment of Officers and Duties*

At its first meeting in January of each year the Board elects one of its members President and one of its members Vice President. The Board President and Vice President have no additional powers beyond those of any other Board member except that all committees of the Board are appointed by the President, with the advice and consent of other Board members.

The following are the responsibilities of the Board President:

- Serve as presiding officer of all Board meetings and maintain proper and appropriate parliamentary procedure (Robert’s Rules of Order) and agenda management (e.g. ensure that actions are taken with proper motions and seconds);
- Run effective and efficient Board meetings and keep the Board discussions focused on agenda items to steadfastly move the Board toward making decisions true to its proper role and responsibility;
- Maintain proper conduct at Board meetings and diplomatically facilitate appropriate public participation in the activities of the Board in accordance with the Brown Act, while managing time and avoiding diversions from the agenda or disruptions in conducting District business;
- Allow other Board members to complete their comments on an item before offering his or her own;
- Vote, discuss, and make motions the same as other Board members; however, the President only makes motions and seconds when other Board members are reluctant to do so;

- Sign various Board-approved documents, including every original ordinance and resolution passed and adopted by the Board; and
- Act as the official representative of the District for ceremonial purposes, unless unavailable or delegated to another Board member or the General Manager.

The Vice President exercises the powers and responsibilities of the President in his or her absence.

#### *General Board Duties*

The Board is collectively the unit of authority within the District. Apart from a Board member's normal function as a part of this unit, an individual Board member has no authority to bind the District to a specific course of action.

The Board, as governing body of the District, is charged with full jurisdiction over all water works necessary for the acquisition, storage, treatment, sale and distribution of water served to District customers. The General Manager is charged with carrying out this responsibility on a day-to-day basis. Among other duties the Board has the authority to:

- Acquire or sell real District property, to construct and operate facilities, to purchase equipment and enter into contracts;
- Adopt and oversee annual District budgets and finances, set water rates and charges, and approve the purchase of resources needed by management to carry out District policies; and
- Appoint and conduct annual performance evaluations of the General Manager and General Counsel, and approve compensation for all District employees.

#### *Communication to/from the Board*

The tone and content of all communications should reflect the highest degree of professionalism and respect. Board members are responsible for the content of all text, audio, or images that they place or send, including those sent over the District computer network. Messages with fraudulent, harassing, abusive, obscene, vulgar, profane, offensive, or sexually suggestive content are prohibited. Messages with derogatory or inflammatory remarks related to a person's membership in any protected class are also prohibited.

When a Board member receives a complaint or inquiry from the public regarding the District's services and/or staff, the Board member should acknowledge the complaint or inquiry without making any promise or commitment as to what will happen on behalf of the District and forward the message to the General Manager. Board members are encouraged to engage the public on matters of District interest and concern but cannot guarantee an outcome or result before the Board has acted.

#### *Emails/ Text Messages*

The District provides each Board member his or her own District email address. Routine communication should be by District email. Board members should refrain from using any

communication method that may result in a serial meeting. For example, Board members should refrain from using the “reply all” function to respond to emails sent to the Board and should not use email or other means of communication to develop a consensus on any issue within the Board’s subject matter jurisdiction outside of a public meeting. (See later reference to the Brown Act, Section 3)

Email messages related to District business, sent from either District email accounts or personal accounts, are considered “public records” and accordingly, unless exempt from disclosure pursuant to the provisions of the California Public Records Act, may be disclosed in response to a public records request. These emails may also be subpoenaed as evidence in litigation. The District reserves the right to access and disclose all messages sent over its computer network and email system for any lawful purpose. The use of personal email accounts and personal electronic devices for District business is still subject to the disclosure requirement of the Public Records Act or a subpoena. Board members should carefully consider whether the use of personal email for District business is appropriate.

Board members are responsible for checking their incoming email frequently, reading its contents and responding in a timely manner. Messages transmitted over the District email system should only involve District-related activities for the accomplishment of business-related tasks or any communication directly related to District business, administration or practices. The District email system should not be used for personal correspondence. All email messages received at or sent through the District server system, including emails sent and received by Board members’ District email addresses, are property of the District and are not private.

Board members should remain aware that the rules applicable to emails also apply to text message communications. Therefore, Board members should use good judgment when sending and receiving electronic communications of any kind, including text messages. Board members should refrain from sending any electronic communications regarding matters within the subject matter jurisdiction of the Board during Board or committee meetings. Instead, Board member comments and discussions should occur aloud during the meeting in order to ensure members of the public may properly observe their elected official’s opinions on District matters.

*Social Media*

Board members may use social media to engage in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding matters that are within the subject matter jurisdiction of the Board provided that a majority of the members of the Board do not use the internet-based social media platform to discuss among themselves business within the subject matter jurisdiction of the Board. Board members should remain aware that the phrase “discuss among themselves” is broadly defined to include any communications made, posted, or shared on an internet-based social media platform between members of the Board, including comments or use of digital icons that express reactions to communications made by other members of the Board, such as “like”. For this reason, Board members should not comment or use any digital icons (i.e., like, dislike, etc.) expressing reactions to fellow Board members’ social

media posts related to District business. Board members should also refrain from taking positions on social media regarding any matter that is pending or may become before the Board.

*Contact with Media*

Because the public receives much of its information regarding District programs, policies and operations through the media, it is important that the District provide the media with the most complete and accurate sources of information available. Thus, the General Manager or his designee shall serve as the District's primary spokesperson and the media's primary source of contact with the District. Media inquiries about official District business, including requests for explanations of District policy, should be directed to the General Manager or his designee.

Board member communications with the media, including op-eds, in which the District is a subject matter of discussion shall be clearly identified as an expression of personal opinion of the individual Board member who is expressing his or her opinion to the media.

*Use of Title/ Advocacy on Non-Board Approved Matters*

Elected or appointed officials may not take positions on behalf of the District without the express prior permission and direction of the Board. When Board members are asked for the District's opinion on an issue, the response should reflect the position of the Board. Any position of the Board is developed through a collective action taken by the entire Board.

If an individual Board member elects to engage in producing any correspondence, public comment or oral presentation or to engage in advocacy on matters other than in representation of a Board position, the Board member may not use his or her Board title, or otherwise suggest or imply that their positions reflect the position of the Board or the District, without the express prior permission and direction of the Board. If a Board member produces or engages in advocacy that does not reflect a collective action taken by the entire Board and finds that it is necessary to make reference to their Board title, the Board member must include a disclaimer that immediately precedes and follows the opinion expressed by the individual Board member. The disclaimer must indicate that the position being expressed is that of the individual Board member and does not reflect the position of the District or the Board.

**Board Appointed Staff**

*General Manager*

The General Manager is appointed by and reports to the Board to carry out the day-to-day activities of the District pursuant to adopted ordinances, resolutions and policies. The General Manager has full charge and control of the maintenance, operation and construction of the waterworks system of the District and authority to employ and discharge employees, except those appointed by the Board, and determine employee duties necessary to carry out these responsibilities. The General Manager shall provide a written monthly report to the Board summarizing the work performed during the month and other items of importance or interest to the Board, and approve, or appropriately delegate, all requisitions for materials, supplies,

equipment and services necessary for carrying out the work, with Board approval where required.

*General Counsel*

The General Counsel is appointed by and reports to the Board, and is the legal advisor to the District regarding all legal matters pertaining to the District. The General Counsel performs such duties in relation to the District’s legal matters as the General Manager, or Board may request. The General Counsel is authorized to retain outside counsel from time to time to represent the District in various matters.

*Board Secretary*

The Board Secretary is appointed by the Board and reports to the General Manager and attends all Board meetings and committee meetings; keeps a complete record of the proceedings including attendance; prepares and maintains official correspondence as directed; maintains custody of the District seal; countersigns all District warrants; maintains oaths of office of all appointed or elected officials and performs such other duties as may be required by the Board.

*Finance Director/Treasurer*

The Finance Director/Treasurer is appointed by the Board and reports to the General Manager and is the chief financial officer of the District. He or she supervises and administers the financial accounts, records and accounting controls in accordance with generally accepted accounting procedures regarding the financial status and requirements of the District.

*Consulting Auditor*

The Consulting Auditor shall be an independent public accountant annually retained by and reporting solely to the Board to make an examination of the District’s financial position in accordance with generally accepted accounting and auditing standards. The Consulting Auditor may perform other services as requested by the Board from time to time. The Consulting Auditor is not an employee of the District and is engaged on a fee basis for the services rendered.

*Evaluation of Board Appointed Staff*

Annually, the Board should meet and discuss the performance of the General Manager and prepare a documented performance appraisal to be shared individually with the General Manager in closed session.

Annually, the Board should meet and discuss the performance of the General Counsel and prepare a documented performance appraisal to be shared individually with the General Counsel in closed session.



# District Organization and Communications between Board Members and Staff

## *Organization*

The District is organized into three divisions with each division leader reporting directly to the General Manager. The four divisions are as follows:

- Administrative Services Division, including functional responsibilities of Finance, Customer Service & Meters, and Information Technology;
- Engineering Division, including functional responsibilities of Engineering, and Water Conservation;
- and
- Operations Division, including Water Treatment and Distribution, Distribution System Maintenance, Water Quality and Laboratory Services, Safety/Emergency Response and the functional responsibilities of Facilities Maintenance & Support.

Additionally, the District’s Human Resources and Communications, & Public Affairs and Watershed Departments report directly to the General Manager. The General Counsel’s Office reports directly to the Board and provides ongoing support to the General Manager and District staff regarding legal and related matters.

## *Communication between Board Members and Staff*

All communication between Board members and staff regarding District business should be coordinated through the General Manager, including requests from individual Board members. The General Manager will then generate a staff assignment to develop information or reports responsive to the Board member(s) request.

Responses from staff shall be communicated through the General Manager’s Office or designee to the requesting Board member(s) and, if the General Manager believes that the information may be of general interest, the response may be sent to all Board members. This does not apply to requests for routine information (e.g. lake storage status, stream flows, fire conditions on the watershed, etc.). Routine information will be provided to Board members in the same way that it is provided to the general public.

## SECTION 3: Board Meetings

### Scheduling Meetings

#### *Regular Meetings*

The principal type of meeting at which District business is conducted is at a regular bi-monthly meeting of the Board. Regular bi-monthly meetings of the Board of Directors will be held the first and third Tuesdays of each month, to begin at or after 5p.m., but normally at 7:30p.m., in the boardroom located at the District office (220 Nellen Avenue, Corte Madera, California) unless

otherwise stated in a Board adopted calendar for the upcoming year, prior to January 31st of each year.

Meeting notices and agendas for regular meetings are posted online at [marinwater.org](http://marinwater.org), and physically posted at the District office in Corte Madera, and at the Corte Madera, Fairfax, Mill Valley and San Rafael Civic Center public libraries on the Friday (at least 72 hours) before each meeting. Reports and other materials related to the agenda items are posted on the District's website and hard copies are available for review at the District office.

*Special Meetings*

Occasionally, special meetings of the Board are held to consider a particular topic, conduct a workshop or study session or, if necessary, hold a meeting at a time or date other than a regularly scheduled Board meeting. Agendas for special Board meetings must be posted in a public place and online at least one-day (24 hours) prior to the meeting. However, the District makes every effort to provide more than one-day (24 hours) notice prior to the meeting, when possible.

Regular and special meetings of the Board should generally be held within the boundaries of the District's jurisdiction with certain exceptions. The Board may adjourn a regular or special meeting to another place, date or time if the business considered at that particular Board meeting has not yet been completed and/or if Board deliberations would benefit from re-convening the meeting to another place, date or time.

*Emergency Meetings*

When an emergency occurs, such as a crippling disaster, work stoppage or other activity that severely impairs public health, safety or both, as determined by a majority of the Board, an emergency meeting may be called. Notice of an emergency meeting must be given to local media at least one hour prior to the meeting. However, in the case of a dire emergency such as mass destruction, terrorist act, or threatened terrorist activity posing peril so immediate and significant that providing one-hour notice may endanger public health, safety or both, as determined by a majority of the Board, notice need only be provided at or near the time that notice is provided to members of the Board.

*Public Hearings*

Public hearings are held on matters of special importance when required by law.

*Closed Sessions*

Meetings of the Board are either fully open or fully closed, and there is nothing in between. The Brown Act strongly favors open meetings and private discussions among a majority of the Board members are prohibited, unless expressly authorized by the Brown Act. Closed sessions are an exception to open meeting requirements, and the authority for such sessions is narrowly construed. The fact that material may be sensitive, embarrassing or controversial does not justify consideration in a closed session unless authorized by a specific statutory exception(s) to the

Brown Act. The most commonly cited statutory exceptions relate to litigation (including threat of), real property negotiations, public employment issues, and labor negotiations.

Closed sessions are generally held immediately prior to or following regular bi-monthly meetings of the Board but may also be scheduled at other designated times. While public comment is permitted prior to the Board convening to closed session, only individuals having an official role in the closed session subject matter may attend and the confidential information discussed during the closed session is explicitly prohibited from unauthorized disclosure. It is incumbent upon those attending closed sessions to protect the confidentiality of those discussions.

Following a closed session the Board shall reconvene in open session and publicly report out final decisions and the votes for or against any final decisions. The Board President or General Counsel generally makes these public reports.

*Committee Meetings*

Board committees act in an advisory capacity to the Board. Two Board members (Chair and Member) are annually appointed to each committee by the Board President with the advice and consent of other Board members.

Committee meetings are typically held in the boardroom at the District office, 220 Nellen Avenue, Corte Madera, California, unless otherwise noticed. Committee meeting notices and agendas are prepared and posted in accordance with the Brown Act similar to regular Board meetings and minutes are prepared for each meeting. The minutes are included in the next committee meeting agenda packet and approved by the committee during a subsequent meeting of the committee.

The District dually notices all committee meetings as both committee meetings and special meetings of the Board. This ensures that a quorum of the Board may attend and participate in the committee meeting, while maintaining compliance with the Brown Act. If less than a quorum of the Board (less than three Board members) participates in the meeting, it is a committee meeting. When a quorum of the Board (three or more Board members) participates in the meeting, it is a Board meeting. The Board, as a practice, generally does not take final action on items during committee meetings, unless District staff determines the urgency of the item requires immediate action that cannot be delayed until a subsequent regular bi-monthly Board meeting. This practice generally allows members of the public multiple opportunities to submit comments and participate in the Board's decision-making process prior to the Board taking final action on an item.

Currently there are four Board committees:

- Communications & Water Efficiency Committee, which meets quarterly on the 3rd Wednesday of the month in February, May, August and November;
- Finance & Administration Committee, which meets on the 4th Thursday of each month;
- Operations Committee, which meets on the 3rd Friday of each month; and

- Watershed Committee, which meets quarterly on the 3rd Thursday of the month in March, June, September and December.

From time-to-time the Board may establish ad hoc committees to address issues with a limited scope and duration. The Board President may appoint Board members to ad hoc committees. These committees are not subject to the Brown Act, since a quorum of the Board (3 or more Members) does not attend or participate.

Additionally, Board members may be assigned to represent the District before other broad based regional groups including: Tamalpais Lands Collaborative Executive Committee, Lagunitas Creek Sediment and Riparian Management Plan Technical Advisory Committee, North Bay Watershed Association, Tomales Bay Watershed Council, Sonoma County Water Agency Water Advisory Committee, North Bay Water Reuse Authority, Las Gallinas Recycled Water Committee, and Association of California Water Agencies.

## Preparation of Agenda and Order of Business

### *Agendas*

Meeting agendas specify the date, time and location of the meeting, in accordance with Brown Act requirements, and must contain a brief general description of each item of business to be transacted or discussed at the meeting. It should be clear from the agenda wording what will be discussed and what action is being proposed so members of the public can determine if they would like to observe or participate in the meeting. The Brown Act generally prohibits any Board action or substantive Board discussion of items that are not on the agenda.

Most items on the agenda originate from the General Manager and District staff. Staff maintains a detailed list of upcoming agenda items that is updated after each Board and committee meeting. Typical types of agenda items include the following:

- Policy direction from the Board;
- Public hearings;
- Items with overarching policy implications (e.g. strategic planning, budgeting, labor negotiations);
- Actions required by law;
- Actions on the overall implementation of a Board approved project or program (e.g. award of construction contracts, consideration of an environmental review document, etc.);
- Discretionary decisions for which authority has not been delegated to the General Manager; and
- Informational items to update the Board and public on District matters.

A draft agenda for regular Board meetings is developed by the General Manager and reviewed by the Board President prior to the agenda being publicly posted. The Board formally adopts the agenda for each meeting as an initial order of business after each meeting is called to order.

*Future Agenda Items*

Board members may request that items be placed on agendas during discussion of the “Future Agenda Items” portion of the agenda. A motion by a Board member and a second by another Board member will initiate bringing the item to a future meeting for discussion and consideration.

*Urgency Items*

In rare cases, a legitimate urgent need may arise that must be acted upon even though the item was not included on a posted agenda. The General Counsel shall be consulted on all urgency items. In order for the Board to take action on an urgency item, two determinations must be approved by a two-thirds vote of the Board members present (or by unanimous vote if less than two-thirds (2/3) but more than a quorum of members are present):

- There is an immediate need to take action; and
- The need for action arose after the agenda-posting deadline.

If the above requirements are met, the Board may vote to add the urgency item to the agenda.

*Attendance, Conduct, Quorum & Voting, Rules of Order, Brown Act*

Board members should strive to attend all Board and committee meetings in person. If a Board member will be absent, he or she should notify the General Manager and Board President as soon as possible.

*Teleconferencing*

A Board member may participate in meetings via teleconference when not able to attend in person. For each meeting that a Board member will participate by teleconference, the Board member should notify the Board Secretary of his or her teleconference location prior to the agenda being posted, so that the agenda for the meeting will properly identify the teleconference location. All teleconference locations must be accessible to the public, have a copy of the agenda posted, and allow members of the public to address the Board at the teleconference location. When a Board member or members, participate via teleconference meeting all votes must be taken by roll call.

*Quorum/ Board Action*

The Board shall act only by motion, resolution or ordinance. A majority of the board shall constitute a quorum for the transaction of business; however, no ordinance, motion or resolution shall be passed to become effective without the affirmative vote of a majority of the members of the board. A supermajority of votes is necessary to consider an urgency item not previously posted on the Board meeting agenda or to take certain actions in response to an emergency

situation. The District utilizes the parliamentary procedure from Robert’s Rules of Order to conduct Board meetings.

*Brown Act (Opening Meetings Law)*

In compliance with the Ralph M. Brown Act (“Act”), all meetings of the Board are to be held in open session, unless a closed session is expressly permitted by the Act, and the general public is permitted to attend all open sessions. In order to ensure proper public participation and that all decisions are reached only during public meetings, Board members should refrain from participating in phone calls or emails that:

- Discuss issues within the Board’s subject matter jurisdiction and are directed to a majority of the Board members;
- Take a position or make commitments on matters yet to be decided by the Board; and/or
- Communicate his/her position on a matter pending before the Board to all other members of the Board.

Meeting Minutes

Draft meeting minutes are prepared by the Board Secretary and presented to the Board and/or committee for approval at the next meeting of the Board or applicable committee.

SECTION 4: Conference, Training, Reporting Requirements

Conferences

In accordance with Board policy, Board members may elect to attend conferences, meetings and other functions from which the District derives specific benefit through attendance, including those affiliated with District membership in various associations. After attending the conference, meeting or training, the Board member who attended on behalf of the District should provide a brief oral report during the Directors’ and General Manager’s Announcements portion of the agenda to share information about the event with fellow Board members and the public.

Mandatory Ethics and Sexual Harassment Prevention Training

The Board Ethics Policy promotes awareness of ethics, integrity and fidelity as critical elements in Board members’ conduct and in achievement of the District’s mission. The proper operation of the District requires that Board members remain objective and responsive to the needs of the public they serve, make decisions within the proper channels of governmental structure, and not use public office for personal gain. Pursuant to the Board Ethics Policy and provisions of the California Government Code set forth in Assembly Bill 1234, Board members are required to receive two hours of ethics training within the first six months of taking office and every two years thereafter.

Board members must also receive two hours of sexual harassment prevention training within the first six months of taking office and every two years thereafter. The District’s current Sexual Harassment Policy is intended to prevent sexual harassment in the work environment and provides procedures for resolving complaints of sexual harassment.

### Public Records Act Training

All records of the District, except those exempt from disclosure pursuant to the California Public Records Act and/or other applicable laws, are public records. Any person may examine public records during regular business hours of the District or may obtain a copy of requested records in accordance with the California Public Records Act. For convenience to the public, the District has a Public Records Act Request form on its website and provides electronic records at no charge to the public.

The Board Secretary maintains a records retention policy and works with the General Counsel’s Office in responding to Public Records Act requests. The Board Secretary and the General Counsel conduct periodic in-house trainings pertaining to the California Public Records Act. Board members are encouraged to participate in said training.

The Board Secretary maintains certificates of completion and a training log for all Board member training. The Board Secretary keeps Board members informed of all training requirements and applicable due dates to ensure compliance with applicable laws.

### Conflict of Interest/Form 700

State laws attempt to eliminate any action by a Board member that may implicate a conflict of interest. The purpose of such laws and regulations is to ensure that all actions taken are in the public interest. The Political Reform Act of 1974 requires public officials and designated employees to disclose financial interests that could cause a conflict of interest. Public officials may be required to disqualify themselves from making, participating in, or attempting to influence any decision that will materially affect their financial or economic interest. If a Board member is unsure whether or not he or she may have a disqualifying economic interest, he or she should consult the General Counsel as soon as possible.

Economic interests include, but are not limited to, those items public officials are required to report on the Form 700, Fair Political Practices Commission (“FPPC”) “Statement of Economic Interest” and include sources of income, business interests and real estate investments. The Form 700 also requires the annual reporting of all gifts received that are valued at \$50 or greater in a calendar year. The Political Reform Act precludes the acceptance of any gifts with a value totaling more than \$500 in a calendar year. These Form 700s are provided to Board members each calendar year, and within 30 days of assuming or leaving office, and filed with the Board Secretary who forwards them to the FPPC and makes them available for public inspection and reproduction.

*Conflict of Interest Reporting at Board Meetings*

A Board member may be disqualified from participating in agenda items that present a financial conflict of interest. If a Board member is disqualified due to a financial conflict, he or she must abstain from the item, state the reason for the disqualification, and leave the room during the agenda item (unless the item is listed on the consent calendar).

**SECTION 5: Compensation/Benefits**

**Board Compensation**

The District has adopted a policy regarding Compensation of Elected or Appointed Officials to address Board member compensation.

Each Board member shall receive as compensation \$200 per day for each day’s attendance at meetings of the Board or for each day’s service rendered as a Board member by request of the Board. No Board member may receive compensation for more than 10 days in any calendar month. The District authorizes payment to Board members at the daily compensation rate for attending Board meetings and committee meetings. In addition, pursuant to Board policy, the District authorizes payment of the daily compensation rate to Board members for attendance at other specified meetings or attendance at other District business as authorized by the General Manager.

Additionally, Board members receive medical and dental benefits consistent with other District employees.

**Travel Authorization and Reimbursement of Travel Expenses**

In accordance with Board policy, Board members may attend, travel and seek reimbursement of all normal and necessary expenses incurred while attending conferences, training, meetings and other functions from which the District derives a specific benefit through attendance. Only that travel/attendance which serves a District purpose and is deemed necessary and/or advantageous to the District shall be approved and reimbursed. Travel shall be by means most economical to the District. Board members are expected to exercise sound judgment in the incurring and submittal of travel expenses in keeping with the standards and proprieties of a visible and accountable public agency.

Reimbursement of costs shall be based on the minimum number of days and hours required to transact District business. Early departures and late arrivals shall be at the Board member’s own expense, except where savings to the District can be demonstrated. Reimbursement will not be allowed for travel between a Board member’s residence and the location of a meeting that does not exceed the Board member’s normal commute distance to the District’s office.



Items of a personal nature are not reimbursable, including but not limited to: movies, entertainment, premium television services, alcoholic beverages, dry cleaning, spas, gyms, barber, magazines, shoe shines, travel insurance, purchase of clothing or toiletries, loss of tickets, fines or traffic violations, excess baggage costs, spouse and/or guest expenses/ accommodations, repairs to personal vehicles, and office equipment. Optional tours, banquets or other activities not related to District business offered through a conference, but as an additional cost to registration, are solely at the discretion of the Board member and will be considered a personal expense.

## SECTION 6: Other Related Information

### *Human Resources*

The Board has established a District Human Resources (HR) goal to “*Ensure a stable and talented workforce to do the District’s work today and into the future.*” This goal is based on District values of promoting diversity in and equitable treatment of its employees; providing a healthy work environment; and continuously improving through the promotion of initiatives, leadership and personal development and training. Ensuring District HR policy is current and consistent with this strategy is a shared responsibility between staff and the Board. Board members should be familiar with key HR documents including but not limited to: the Equal Employment Opportunity Policy, labor agreements with both represented and non-represented employees, benefit summaries, job descriptions and salary schedules.

### *Risk Management and Emergency Operations*

The District maintains a range of insurance coverage to limit financial risks, which may occur from an uncertain event or loss. The District’s insurance portfolio includes both a self-insured component and third-party insurance coverage. The third-party insurance coverage provides coverage for the following: Property Damage, General & Auto Liability (including vehicle physical damage), Public Officials Errors and Omissions (E&O) and Employee Practices Liability, Employee Fidelity, Workers’ Compensation and Cyber Liability coverage.

The Public Officials E&O coverage insures Board members and District officers against claims made against them for “breach of duty” occurring through negligence, error or unintentional omission. Violations of certain laws and regulations by a Board member, such as discrimination, harassment or fraud, may result in that individual member being personally liable for damages that may not be covered by this insurance policy.

All insurance coverage is annually reviewed and approved by the Board. Additionally, District contract language for procuring equipment, supplies and services (including consultant services), includes general provisions that reduce potential risks to the District. These contracting provisions include, but are not limited to, the following topics: indemnification, insurance, nondiscrimination and conflict of interest.

The District maintains an active emergency preparedness program that includes an Emergency Operations Plan (EOP) to help manage District critical functions during an emergency and ensure the safety of staff. The EOP has been prepared to provide a plan of action in response to various emergencies that may involve the District and/or its facilities. The plan primarily addresses the possible emergencies of earthquake, electrical power failure, fire, flood, hazardous or toxic spills, potential water contamination, vandalism and sabotage, and vehicle or personnel accidents. The District coordinates its EOP, functions and response with first responders from other public and private entities and organizations, and the District designates staff as liaisons with general-purpose government Emergency Operations Centers as necessary. The General Manager, or his designee, may request mutual aid assistance from other local government or public agencies, or commit District resources to other agencies requesting aid. The General Manager provides regular reports to the Board on the District's response to emergency situations and presents annual reports on the District Emergency Preparedness Program. Each Board member receives a copy of the EOP, which is updated from time to time.

When an emergency situation arises, the General Manager may award necessary contracts without competitive bidding. The Board must ratify the emergency contract award within 14 days.

*Electronic Equipment, Data and Software*

The District's employees are given access to the District's software, information and applications to perform the functions of the District. Information and applications developed by employees are added to the District's overall information system. The District purchased data for the District's Geographic Information System from the County of Marin.

Board members are regarded as "District employees" with respect to the use of District electronic equipment, data and software and should follow the same rules as District employees. As with any District employee, Board members should only use these materials for District business and assure no dissemination of the materials to the public. Any requests for use of District electronic data and software will be subject to approval by the General Manager.

*Community Outreach*

Supplementing Board member assignments to participate in broad based regional groups, the District provides extensive community outreach programs through its Water Conservation, Watershed Management and Public Information departments. Outreach activities and opportunities can be located on the District's website and through its social media accounts.

*Association Memberships*

The District holds memberships in and attends meetings of associations, which have applicability to District functions, and looks upon such memberships as opportunities for in-service training. Board members may participate in the following associations with which the District holds memberships: the American Water Works Association (AWWA), the Association of California Water Agencies (ACWA) and the Water Environment Association (WEA). Board members who

vote or hold a formal position in these associations recognize that they are representing the District when attending these functions.

When Board members are attending meetings on their own accord, and are not requested to attend by the Board, Board members are cautioned that they are not authorized to officially represent the District at those meetings.

*Orientation of New Board Members*

Newly elected Board members are subject to the Brown Act immediately upon being elected to office, even though their swearing in does not occur until noon on the first Friday in December. Current and newly elected Board members should remain cognizant of this when communicating with each other in order to prevent an unintentional serial meeting from occurring, which would constitute a violation of the Brown Act.

- The Board Secretary is the point of contact for newly elected Board members regarding:
- Filing an assuming office Statement of Economic Interests Form 700 with the FPPC within 30 days of taking office;
  - Completing mandatory Ethics and Harassment training;
  - Procuring a suitable photograph and developing a brief biography to be posted on the District website;
  - Completing employee on-boarding, payroll and benefit paperwork and setting up a District email account; and
  - Providing important reading materials including the Board of Directors Handbook, District policies, recent water rate information and Cost of Service Analysis, budgets, capital improvement program information and Water Resources Plan.

The General Manager is the point of contact for newly elected Board members to tour District offices, meet staff, visit key facilities and address pertinent questions.

The General Counsel is the point of contact for all legal matters, including conflicts of interest and the Brown Act.