



## NOTICE OF THE BOARD OF DIRECTORS' REGULAR BI-MONTHLY MEETING

Tuesday, May 06, 2025 at 4:30 PM

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### AGENDA

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#### LOCATIONS:

**Open Session to start at or after 6:30 p.m.**

Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925

**Closed Session begins at 4:30 p.m.**

Marin Water Mt. Tam Conference Room, 220 Nellen Avenue, Corte Madera, CA 94925

#### Public Participation:

The public may attend this meeting in-person or remotely using one of the following methods:

On a computer or smart device, go to: <https://marinwater.zoom.us/j/88134852296>

By phone, dial: **1-669-444-9171** and use Webinar ID: **881 3485 2296**

#### 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. **Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s)**

Following announcement of Closed Session items and prior to recess into Closed Session, the public may speak up to three minutes on items to be addressed in Closed Session. The Board will convene to Closed Session in the Mt. Tam Conference Room after public comment.

- a. **Public Employee Performance Evaluations**  
(CA Government Code §54957)

**Titles:** General Manager and General Counsel

Adjourn closed session and reconvene to open session in the Board Room and via Zoom.

4. **Reconvene to Open Session; Closed Session Report Out** (6:30 p.m. - Time Approximate)
5. **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.

6. **Directors' and General Manager's Announcements** (6:40 p.m. – Time Approximate)
7. **Board Committee Reports**

Each Committee Chair or Vice Chair will provide a report on recent committee meetings. Directors may ask questions or provide brief comments or requests for additional information on an item.

8. **Consent Items** (6:45 p.m. – Time Approximate)

All Consent Items will be enacted by a single action of the Board, unless specific items are pulled from Consent by the Board during adoption of the agenda for separate discussion and action.

- a. April 15, 2025 Regular Board Meeting Minutes and April 24, 2025 Special Board Meeting Minutes

**RECOMMENDATION:** Approve the minutes of the Board of Directors' Regular Bi-Monthly Meeting on April 15, 2025 and Special Meeting on April 24, 2025

- b. Award of Contract No. 1982 - Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project (F22002)

**RECOMMENDATION:** Approve a resolution authorizing award of Contract No. 1982, Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project, to Maggiora & Ghilotti, Inc. in the amount of \$3,567,800

- c. Award of Contract No. 2039- Park Road Pipeline Replacement Project to D&D Pipelines, Inc. (D25019)

**RECOMMENDATION:** Approve a resolution authorizing award of Contract No. 2039, Park Road Pipeline Replacement Project, to D&D Pipelines, Inc. in the amount of \$659,895

- d. Annual Review of Policy No. 33 Investment Policy

**RECOMMENDATION:** Approve proposed changes to Policy No. 33 Investment Policy

- e. Request to Fill Two Business Systems Analyst III's in the Administrative Services Division

**RECOMMENDATION:** Authorize the General Manager to recruit and hire two Business Analyst III positions in the Administrative Services Division

**9. Regular Items (6:50 p.m. – Time Approximate)**

- a. Rescind Watershed Trail Sharing Pilot Program & E-Bike Class I Trial and Adopt a Revised E-Bike Class I Pilot

**RECOMMENDATION:** Rescind Resolutions No. 8790 and 8791, and approve by resolution a revised E-Bike Class I Pilot for a two-year period

**10. Budget Workshop (7:30 p.m. – Time Approximate)**

- a. FY 2025/26 – FY 2026/27 Budget Workshop

**RECOMMENDATION:** Review and comment on the preliminary Fiscal Year 2025/26 – 2026/27 District Budget

**11. Future Board and Committee Meetings and Upcoming Agenda Items**

This schedule lists upcoming board and committee meetings as well as upcoming agenda items for the next month, which may include Board interest in adding future meeting items. The schedule is tentative and subject to change pending final publication and posting of the meeting agendas.

- a. Upcoming Meetings

**12. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s) - None.**

**13. Reconvene to Open Session; Closed Session Report Out - Not applicable.**

**14. Adjournment (9:00 p.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](http://marinwater.org).*

Posted: 05-02-2025



# STAFF REPORT

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**Meeting Type:** Board of Directors  
**Title:** April 15, 2025 Regular Board Meeting Minutes and April 24, 2025 Special Board Meeting Minutes  
**From:** Terrie Gillen, Board Secretary  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** May 6, 2025

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**TYPE OF ITEM:**        X        Action                    Information

**RECOMMENDATION:** Approve the minutes of the Board of Directors' Regular Bi-Monthly Meeting on April 15, 2025 and Special Meeting on April 24, 2025

**SUMMARY:** The Board of Directors held their regular bi-monthly meeting on April 15, 2025, and held a special meeting on April 24, 2025. The minutes of both meetings are attached for your approval.

**DISCUSSION:** None.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** None.

**ATTACHMENT(S):**

1. Draft April 15, 2025 Regular Meeting Minutes
2. Draft April 24, 2025 Special Meeting Minutes

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





## NOTICE OF THE BOARD OF DIRECTORS' REGULAR BI-MONTHLY MEETING

Tuesday, April 15, 2025 at 6:30 PM

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### MINUTES

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#### LOCATIONS:

**Open Session to start at or after 6:30 p.m.**

Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925

#### Public Participation:

The public attended this meeting in-person or remotely using one of the following methods: on a computer or smart device, <https://marinwater.zoom.us/j/88134852296>, or by phone, 1-669-444-9171 using Webinar ID #: 881 3485 2296.

#### AGENDA ITEMS:

##### 1. Call to Order and Roll Call

President Matt Samson called the meeting to order at 6:32 p.m.

#### DIRECTORS PRESENT

Larry Russell

Ranjiv Khush

Diana Maier (*arrived at 6:33 p.m.*)

Jed Smith

Matt Samson

## 2. Adoption of Agenda

Vice President Smith made the motion to adopt the agenda. Director Khush seconded the motion.

There were no public comments.

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

Absent: Director Maier

## 3. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s) - None.

## 4. Reconvene to Open Session; Closed Session Report Out - Not applicable.

## 5. Public Comment on Non-Agenda Matters

There were two (2) public comments.

Director Maier arrived during this time.

## 6. Directors' and General Manager's Announcements

- General Manager Ben Horenstein announced that Marin Water's Pipe Tapping Team was selected to go to the National Pipe Tapping Competition in Denver, Colorado this June.
- Director Maier announced that she had attended the California Wildfire and Forest Resilience Task Force's Spring Regional Meeting and Field Tours and acknowledged staff's fire prevention work.
- Vice President Smith mentioned that he and Director Russell attended the Sonoma Water Advisory Committee/Technical Advisory Committee (Sonoma WAC/TAC) Meeting. He also mentioned that some researchers found aerial photos of the watershed showing how the the District watershed terrain and meadows had changed over time.
- Director Khush commended staff for putting together the Spring Employee Appreciation event and the pipe tapping team for its achievement.
- Director Russell reported that he attended the 2025 Verde Exchange and mentioned some of the topics discussed.
- President Samson reported that he gave an update on the District's Water Supply at the Marin Realtors Association's event. He also acknowledged staff for the Spring Employee Appreciation event.

## 7. Board Committee Reports - None.

## 8. Consent Items

- a. April 1, 2025 Board Meeting Minutes

**RECOMMENDATION:** Approve the minutes of the Board of Directors’ Regular Bi-Monthly Meeting on April 1, 2025

- b. General Manager's Report March 2025

**RECOMMENDATION:** Approve Report

- c. Award of Contract No. 2035 San Geronimo Treatment Plant Roof Replacement Project (D21034) to Best Contracting Services, Inc.

**RECOMMENDATION:** Approve a resolution authorizing award of Contract No. 2035, San Geronimo Treatment Plant Roof Replacement Project, to Best Contracting Services, Inc. in the amount of \$1,495,740 (*Resolution No. 8803*)

- d. Approval of Professional Services with TJC and Associates for the San Geronimo Treatment Plant Clearwell Structural Evaluation and Condition Assessment

**RECOMMENDATION:** Authorize the General Manager to execute a professional services agreement with TJCAA for the San Geronimo Treatment Plant Clearwell Structural Evaluation and Condition Assessment in an amount not to exceed One Hundred Sixteen Thousand Four Hundred and Eight Dollars (\$116,408)

- e. SAP Software Maintenance Renewal and Support Reinstatement

**RECOMMENDATION:** Authorize the General Manager to execute a software license and maintenance renewal agreement with SAP retroactively reinstating and renewing SAP ERP software maintenance and support through December 31<sup>st</sup>, 2025 in an amount not to exceed \$217,771.37

Director Khush made the motion to adopt the Consent Calendar. Vice President Smith seconded the motion.

There was one (1) public comment.

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

9. Regular Items

- a. Approve a Professional Services Agreement with Carollo Engineers for Engineering Design of Atmospheric River Capture Project

**RECOMMENDATION:** Approve a Professional Services Agreement with Carollo Engineers not to exceed \$9,699,235 to provide engineering services for the preliminary and final design package and bidding support services for the Atmospheric River Capture (ARC) and authorize the General Manager to negotiate and execute the contract

Water Resources Director Paul Sellier and Water Quality Manager Lucy Croy provided a presentation on the ARC (formerly known as the PETA 3 Conveyance) Project, including a recap of its description and performance, and proposed scope and design schedule.

Discussion between staff and the Board occurred during and after the presentation.

There were four (4) public comments.

Vice President Smith made the motion to approve the agreement and authorize the General Manager to negotiate and execute the contract with Carollo Engineers. Director Khush seconded the motion.

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

**10. Future Board and Committee Meetings and Upcoming Agenda Items**

a. Upcoming Meetings

The board secretary announced upcoming meetings scheduled for the remainder of April and early May.

There were no public comments.

**11. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s) - None.**

**12. Reconvene to Open Session; Closed Session Report Out - Not applicable.**

**13. Adjournment**

There being no further business, the Board of Directors' Regular Bi-Monthly Meeting adjourned on April 15, 2025 at 7:45 p.m.

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Board Secretary



## NOTICE OF THE BOARD OF DIRECTORS' SPECIAL MEETING

Thursday, April 24, 2025 at 10:30 AM

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### MINUTES

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#### **LOCATIONS:**

**Open Session to start at or after 10:30 a.m., to immediately follow the Finance & Administration Committee/Board Meeting**

Marin Water Board Room – 220 Nellen Avenue, Corte Madera, CA 94925

Outside location for Director Larry Russell - Palazzo Hotel, Business Center, 3325 Las Vegas Blvd., Las Vegas, NV 89109

Marin Water Mt. Tam Conference Room, 220 Nellen Avenue, Corte Madera, CA 94925

#### **Public Participation:**

The public attend this meeting in-person or remotely using one of 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**

Vice President Jed Smith called the special meeting to order at 10:45 a.m.

#### **DIRECTORS PRESENT**

Diana Maier

Larry Russell

Jed Smith

#### **DIRECTORS ABSENT**

Ranjiv Khush

Matt Samson

**2. Announcement of Closed Session Item(s); Public Comments on Closed Session Item(s)**

There were no public comments.

The Board convened to Closed Session and went to the Mt. Tam Conference Room to discuss the following item.

**a. Conference with Legal Counsel - Pending Litigation**  
(California Government Code §54956.9)

*California Native Plant Society, Marin Audubon Society, and Marin Conservation League vs. Marin Municipal Water District*

Marin County Superior Court, Case No. CV0004078

**3. Reconvene to Open Session; Closed Session Report Out**

At 11:18 a.m., the Board reconvened to Open Session in the Board Room. Vice President Smith mentioned that the directors adjourned the Closed Session at 11:15 a.m. and no reportable action was taken.

**4. Adjournment**

There being no further business, the Board of Directors' Special Meeting adjourned on April 24, 2025 at 11:18 a.m.

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Board Secretary



# STAFF REPORT

**Meeting Type:** Board of Directors  
**Title:** Award of Contract No. 1982 - Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project (F22002)  
**From:** Alex Anaya, Director of Engineering  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** May 6, 2025

**TYPE OF ITEM:** X Action Information

**RECOMMENDATION:** Approve a resolution authorizing award of Contract No. 1982, Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project, to Maggiora & Ghilotti, Inc. in the amount of \$3,567,800

**SUMMARY:** This item was reviewed by the District Planning Committee on March 25, 2025. The Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project will install approximately 6,470 feet of new pipe to replace old, leak-prone, fire flow deficient piping in the City of San Rafael within the County of Marin, California.

**DISCUSSION:** The Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project (Project) is a component of the District's Fire Flow Improvement Program. This Project will install approximately 6,470 feet of new 18-, 16-, 12-, 8-, 6-, and 4-inch welded steel pipe to replace old, leak-prone, fire flow deficient piping installed as early as 1928.

The Project will take place in the locations described in Table 1 and shown on the map provided in Attachment 1.

**Table 1.** Pipeline Replacement Locations, Lengths, Installation Dates, and Existing Sizes and Types

STREET	LENGTH	INSTALLATION DATE	EXISTING SIZE & TYPE
Lochinvar Road	2107 ft	1954	10" CIP*
Manderly Road	97 ft	1954	6" CIP, 8" CIP
Dunfries Terrace	99 ft	1954	8" CIP
Kinross Drive	69 ft	1954	6" CIP
Locksly Lane	115 ft	1996	6" PVC
Bonnie Banks Way	133 ft	1973, 1961	8" ACP**, 16" WSP

Table 1 (continued).

Allensby Lane	58 ft	1958	6" CIP
Point San Pedro Road	92 ft	1928	8" CIP
Castlewood Drive	1196 ft	1957, 1966	16" CIP, 8" CIP
Cottonwood Drive	132 ft	1964	6" ACP
Knight Drive	1892 ft	1956, 1964	16" CIP, 6" ACP
Ashwood Court	176 ft	1956	4" CIP
Teakwood Court	227 ft	1956	4" CIP
Fernwood Way	28 ft	1956	6" CIP
Dellwood Court	49 ft	1956	6" CIP

\*CIP = Cast Iron Pipe, \*\*ACP = Asbestos Cement Pipe

These street segments were evaluated for the installation of recycled water piping. The nearest existing recycled water pipeline is approximately 4.6 miles away located at the intersection of San Pablo Avenue and Laurel Glen Terrace. The closest waste water treatment plant, Central Marin Sanitation Agency, is located approximately 4.3 miles away in San Rafael. However, their facilities are not equipped to provide tertiary recycled water.

On April 22, 2025, the District opened three (3) bids, as shown in Table 2, for the Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project. Maggiora & Ghilotti, Inc. submitted the lowest responsive and responsible bid in the amount of \$3,567,800. Therefore, staff recommends that the Board of Directors approve a resolution awarding Contract No. 1982 to Maggiora & Ghilotti, Inc. in the amount of \$3,567,800 and authorizing the General Manager to execute any necessary amendments to Contract No. 1982, which do not exceed \$360,000.

Table 2. Bid Results for the Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project

Bid Rank	Contractor Name	Bid Amount
1.	Maggiora & Ghilotti, Inc.	\$3,567,800
2.	Team Ghilotti, Inc.	\$3,667,667
3.	W. R. Forde Associates, Inc.	\$3,988,970

Engineer’s Estimate: \$3,890,000

Summaries of the estimated Project costs and schedule are provided below.

Budget:

Contract Award:	\$ 3,567,800
Contingency (10%):	\$ 360,000
Materials and Professional Fees:	\$ 648,000
District Labor/Inspection:	\$ 200,000



Total Budget:

\$ 4,775,800

Budget Category:

A2A

Project Implementation:

Project Advertisement:

April 8, 2025

Bid Opening:

April 22, 2025

Project Award:

May 6, 2025

Estimated Completion Date:

January 2, 2026

Duration:

241 days

**ENVIRONMENTAL REVIEW:** The Director of Engineering has found that the Project is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15302(c), Replacement or Reconstruction. The Project qualifies for exemption pursuant to Section 15302(c) inasmuch as it is the replacement of existing water pipeline involving negligible or no expansion of capacity.

**FISCAL IMPACT:** The total cost to complete the Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project is estimated at \$4,775,800, inclusive of District Labor, materials and contingencies. This project was partially funded by the Adopted 2 Year Capital Improvement Budget (FY 2023-25). Sufficient prior year fund balance is available in the Fire Flow Improvement Fund to support the full project cost. The Board’s approval for this project will appropriate \$3,600,000 in prior year Fire Flow fund balance for this project.

**ATTACHMENTS:**

1. Site Map
2. Proposed Resolution
3. Draft Notice of Exemption

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	 Alex Anaya Engineering Director	 Ben Horenstein General Manager



Attachment 1

MMWD FIRE FLOW IMPROVEMENT PROGRAM  
GLENWOOD TRANSMISSION PIPELINE REPLACEMENT PROJECT  
CITY OF SAN RAFAEL  
SPRING 2025

Section 8. Item #b.

PIPELINE REPLACEMENT

PIPELINE REPLACEMENT

BAYSIDE  
ACRES



San Pedro  
Elementary  
School - San  
Rafael City

Esri Community Maps Contributors, County of Marin, California State Parks, Esri, TomTom, Garmin,  
SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US  
Census Bureau, USDA, USF

0 500 1,000 1,500 2,000 Feet

Attachment: 2

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF THE MARIN MUNICIPAL WATER DISTRICT  
APPROVING AWARD OF CONSTRUCTION CONTRACT NO. 1982 TO MAGGIORA &  
GHILOTTI, INC. FOR THE FIRE FLOW IMPROVEMENT PROGRAM – GLENWOOD  
TRANSMISSION PIPELINE REPLACEMENT PROJECT

**WHEREAS**, on April 8, 2025, the District advertised Contract No. 1982, Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project (F22002), which will replace approximately 6,470 feet of piping; and

**WHEREAS**, the District received and publicly opened three (3) bids on April 22, 2025, of which the Maggiora & Ghilotti, Inc. bid of \$3,567,800 was the lowest responsive and responsible bid.

**NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES** that:

1. The bid of \$3,567,800 submitted by Maggiora & Ghilotti, Inc. for the Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project under Contract No. 1982 (“Contract”) was the lowest responsive and responsible bid submitted therefor, and said bid is hereby accepted.
2. A Contract for this project be awarded to said low bidder, and the General Manager is authorized and directed to execute said Contract on behalf of the District upon receipt of a performance bond, payment bond, proof of insurance, and the executed contract for the work from said bidder.
3. The General Manager is authorized to execute any and all future amendments to the Contract, which he deems necessary, without further Board approval, so long as those amendments to the Contract do not exceed \$360,000.
4. Upon complete execution of said Contract, the bonds and/or checks of the other bidders are to be returned to said other bidders, and all bids other than that of Maggiora & Ghilotti, Inc. are to be rejected.
5. The project is Categorically Exempt from review under Section 15302(c) of the CEQA Guidelines inasmuch as it is the replacement of existing

water pipeline involving negligible or no expansion of capacity.

**PASSED AND ADOPTED** this 6th day of May, 2025, by the following vote of the Board of Directors.

**AYES:**

**NOES:**

**ABSENT:**

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**Matthew Samson**  
**President, Board of Directors**

**ATTEST:**

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**Terrie Gillen**  
**Board Secretary**

# Notice of Exemption

## Attachment 3



Filing Requested By and When Filed Return To:

Marin Municipal Water District  
220 Nellen Ave  
Corte Madera, CA 94925  
Attn: Alex Anaya, Director of Engineering

**Project Title:** Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project (F22002)

**Project Location:** City of San Rafael

**Project Location – County:** Marin

**Project Description:** This Project will install approximately 6,470 feet of new 18-, 16-, 12-, 8-, 6-, and 4-inch welded steel pipe to replace old, leak-prone, fire flow deficient piping as part of the District's Fire Flow Improvement Program.

The project will take place in the locations described in Table 1 and shown in Figure 1.

**Table 1.** Pipeline Replacement Locations, Lengths, Installation Dates, and Existing Sizes and Types

STREET	LENGTH	INSTALLATION DATE	EXISTING SIZE & TYPE
Lochinvar Road	2107 ft	1954	10" CIP*
Manderly Road	97 ft	1954	6" CIP, 8" CIP
Dunfries Terrace	99 ft	1954	8" CIP
Kinross Drive	69 ft	1954	6" CIP
Locksly Lane	115 ft	1996	6" PVC
Bonnie Banks Way	133 ft	1973, 1961	8" ACP**, 16" WSP
Allensby Lane	58 ft	1958	6" CIP
Point San Pedro Road	92 ft	1928	8" CIP
Castlewood Drive	1196 ft	1957, 1966	16" CIP, 8" CIP
Cottonwood Drive	132 ft	1964	6" ACP
Knight Drive	1892 ft	1956, 1964	16" CIP, 6" ACP
Ashwood Court	176 ft	1956	4" CIP
Teakwood Court	227 ft	1956	4" CIP
Fernwood Way	28 ft	1956	6" CIP
Dellwood Court	49 ft	1956	6" CIP

\*CIP = Cast Iron Pipe, \*\*ACP = Asbestos Cement Pipe

**Public Agency Approving Project:** Marin Municipal Water District

**Name of Person or Agency Carrying Out Project:** Marin Municipal Water District

**CEQA Exemption Status:** Categorical Exemption Section 15302(c), Replacement or Reconstruction.

**Reason for Exemption:** This project qualifies for exemption pursuant to Section 15302(c) of the CEQA Guidelines inasmuch as it is the replacement of existing water pipelines involving negligible or no expansion of capacity.

**Project Approval:** The Marin Municipal Water District Board of Directors approved the award of a contract for project construction, which represents project approval as defined by Section 15352 of the Guidelines for Implementation of the California Environmental Quality Act, at their regularly scheduled meeting on May 6, 2025.

**Lead Agency Contact Person:** Alex Anaya, Marin Municipal Water District

**Telephone:** (415) 945-1588

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**Alex Anaya, Director of Engineering**

**Date**

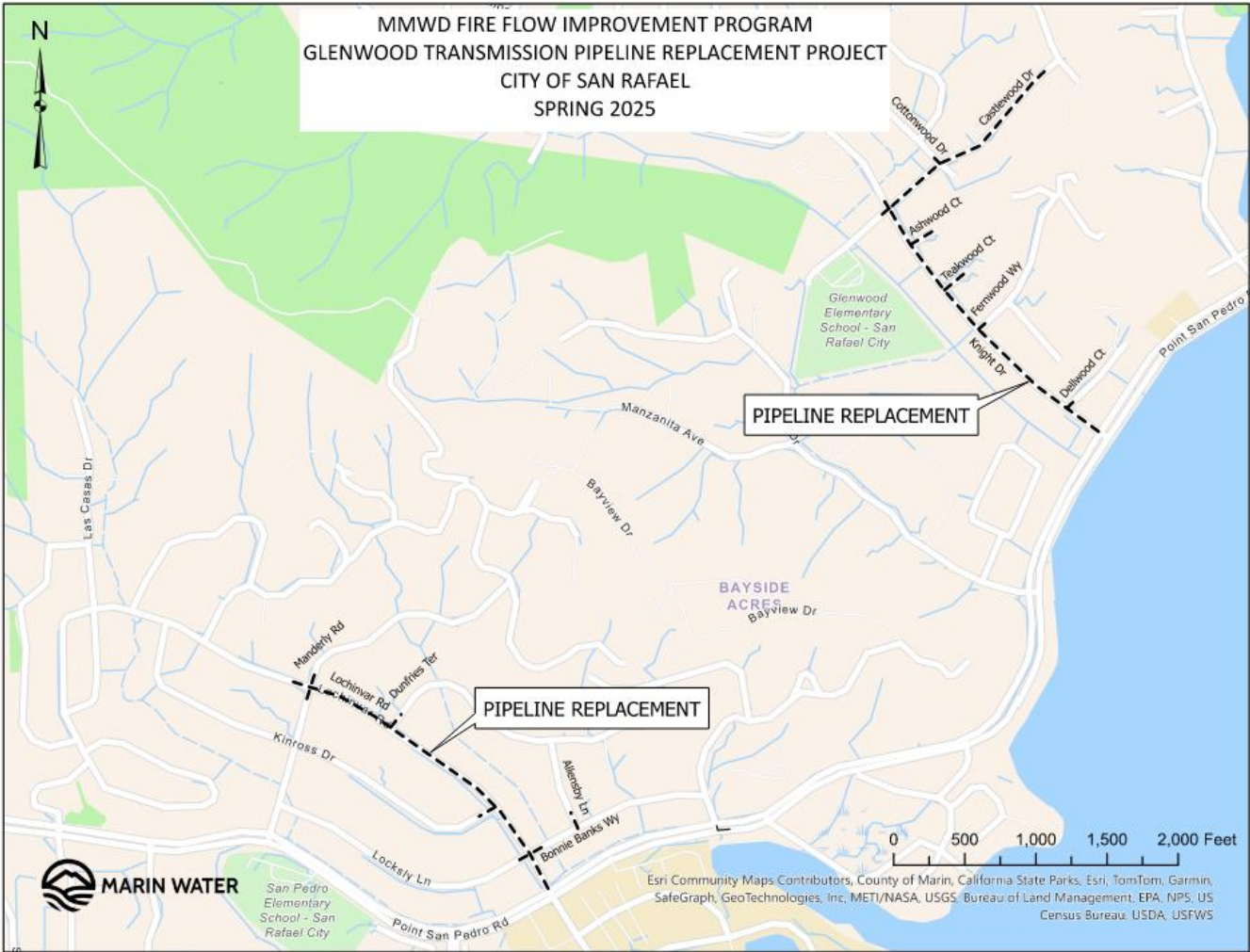


Figure 1. Site Map for the Fire Flow Improvement Program – Glenwood Transmission Pipeline Replacement Project.



# STAFF REPORT

**Meeting Type:** Board of Directors

**Title:** Award of Contract No. 2039- Park Road Pipeline Replacement Project to D&D Pipelines, Inc. (D25019)

**From:** Alex Anaya, Director of Engineering

**Through:** Ben Horenstein, General Manager

**Meeting Date:** May 6, 2025

**TYPE OF ITEM:** X      Action                      Information

**RECOMMENDATION:** Approve a resolution authorizing award of Contract No. 2039, Park Road Pipeline Replacement Project, to D&D Pipelines, Inc. in the amount of \$659,895

**SUMMARY:** This item was reviewed by the District Planning Committee on April 22, 2025. The Park Road Pipeline Replacement Project will install approximately 1,670 feet of new pipe to replace old, leak-prone pipe in the Town of Fairfax within the County of Marin, California.

**DISCUSSION:** The Park Road Pipeline Replacement Project (Project) is a component of the District’s Capital Improvement Program. This project will install approximately 1,670 feet of 8-inch, 6-inch, and 4-inch welded steel pipe to replace old, leak-prone cast iron and asbestos cement pipe installed as early as 1949. This Project will be constructed in coordination with the Town of Fairfax’s upcoming storm drain installation and road restoration project to minimize inconvenience to the public. The District plans to install the Park Road Pipeline Replacement Project prior to the Town’s planned work. See Table 1 for existing pipeline replacement locations and as shown on the map provided in Attachment 2.

**Table 1**  
**Pipeline Replacement Locations**

Street	Length (ft)	Installation Date	Existing Size and Type
Spruce Road	239	1964	8” CIP, 6” ACP
Frustuck Avenue	43	1954	6” CI
Park Road	1,349	1954	8” ACP, 6” CI
Merwin Avenue	39	1949	6 CI

\* ACP= Asbestos Cement Pipe \* CI= Cast Iron

This street segment was evaluated for the installation of recycled water piping. The nearest recycling water pipeline is approximately 6.6 miles away, located on the intersection of San Pedro Road and



Sequoia Road in the community of Los Ranchitos. The closest wastewater treatment plant, Central Marin Sanitary Agency, is located 6.4 miles away, however, this facility is not equipped to provide tertiary recycle water.

On April 24, 2025 the District opened seven (7) bids, as shown in Table 2, for the Park Road Pipeline Replacement Project. D&D Pipelines, Inc. submitted the lowest responsive and responsible bid in the amount of \$659,895. Therefore, staff recommends that the Board of Directors approve a resolution awarding Contract No. 2039 to D&D Pipelines, Inc. in the amount of \$659,895 and authorize the General Manager to execute any necessary amendments to Contract No. 2039, which does not exceed \$70,000.

**Table 2**  
**Bid Results**  
**Park Road Pipeline Replacement Project**

<b>Bid Rank</b>	<b>Contractor Name</b>	<b>Bid Amount</b>
1.	D & D Pipelines, Inc.	\$ 659,895
2.	Maggiora & Ghilotti, Inc.	\$ 775,500
3.	Michael Paul Company	\$ 777,777
4.	WR Forde Associates, Inc.	\$ 787,550
5.	Terracon Constructors, Inc.	\$ 794,615
6.	GSW Construction	\$ 918,220
7.	WestRock Engineering	\$ 1,000,720

Engineer's Estimate: \$816,000

Summaries of the estimated project costs and schedule are provided below.

**Budget:**

Contract Award:	\$ 659,895
Contingency (10%):	\$ 70,000
Material Fees:	\$ 167,000
District Labor/ Inspection:	\$ 81,200
Total Budget:	\$ 978,095
Budget Category:	A1A02A

**Project Implementation:**

Project Advertisement:	April 10, 2025
Bid Opening:	April 24, 2025
Project Award:	May 6, 2025
Estimated Completion Date	July 31, 2025
Duration:	86 days

**ENVIRONMENTAL REVIEW:** The Director of Engineering has found that the Project is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guideline Section 15302 (c), Replacement of Reconstruction and statutorily exempt under 21080.21 Pipelines less than one mile. The Project qualifies for exempt pursuant to Section 15302 (c) inasmuch as it is the replacement of existing water pipeline involving negligible or no expansion of capacity and statutorily exempt pursuant

to Section 21080.21 since this pipeline replaces less than one mile of pipe within the public right-of-way.

**FISCAL IMPACT:** The total cost to complete the Park Road Pipeline Replacement Project is estimated as \$978,095, inclusive of District Labor and contingencies. Funding for this project is included in the Capital Improvement Budget (FY 2025).

**ATTACHMENT(S):**

- 1. Proposed Resolution
- 2. Site Map
- 3. Draft Notice of Exemption

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Engineering	<div> Alex Anaya Engineering Director</div>	<div> Ben Horenstein General Manager</div>

## Attachment: 01

## MARIN MUNICIPAL WATER DISTRICT

## RESOLUTION NO.

**A RESOLUTION OF THE BOARD OF THE MARIN MUNICIPAL WATER DISTRICT  
APPROVING AWARD OF CONSTRUCTION CONTRACT NO. 2039 TO D&D PIPELINES,  
INC. FOR THE PARK ROAD PIPELINE REPLACEMENT PROJECT**

**WHEREAS**, on April 10, 2025, the District advertised Contract No. 2039, Park Road Pipeline Replacement Project (D25019), which will replace approximately 1,670 feet of piping; and

**WHEREAS**, the District received and publicly opened seven (7) bids on April 24, 2025, of which D&D Pipelines, Inc. bid of \$659,895 was the lowest responsive and responsible bid.

**NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES** that:

1. The bid of \$659,895 submitted by the D&D Pipelines, Inc. for the Pipeline Replacement Project under Contract No. 2039 ("Contract") was the lowest responsive and responsible bid submitted therefor, and said bid is hereby accepted.
2. A Contract for this project be awarded to said low bidder, and the General Manager is authorized and directed to execute said Contract on behalf of the District upon receipt of a performance bond, payment bond, proof of insurance, and the executed contract for the work from said bidder.
3. The General Manager is authorized to execute any and all future amendments to the Contract, which he deems necessary, without further Board approval, so long as those amendments to the Contract do not exceed \$70,000.
4. Upon complete execution of said Contract, the bonds and/or checks of the other bidders are to be returned to said other bidders, and all bids other than that of the D&D Pipelines, Inc. are to be rejected.
5. The project is Categorically Exempt from review under Section 15302(c) of the CEQA Guidelines inasmuch as it is the replacement of existing water pipeline involving negligible or no expansion of capacity.

6. The project is statutorily exempt pursuant to the California Public Resources Code Division 13 Environmental Quality Section 21080.21 inasmuch as the project involves the replacement of less than one mile of pipeline.

**PASSED AND ADOPTED** this 6th day of May, 2025, by the following vote of the Board of Directors.

**AYES:**

**NOES:**

**ABSENT:**

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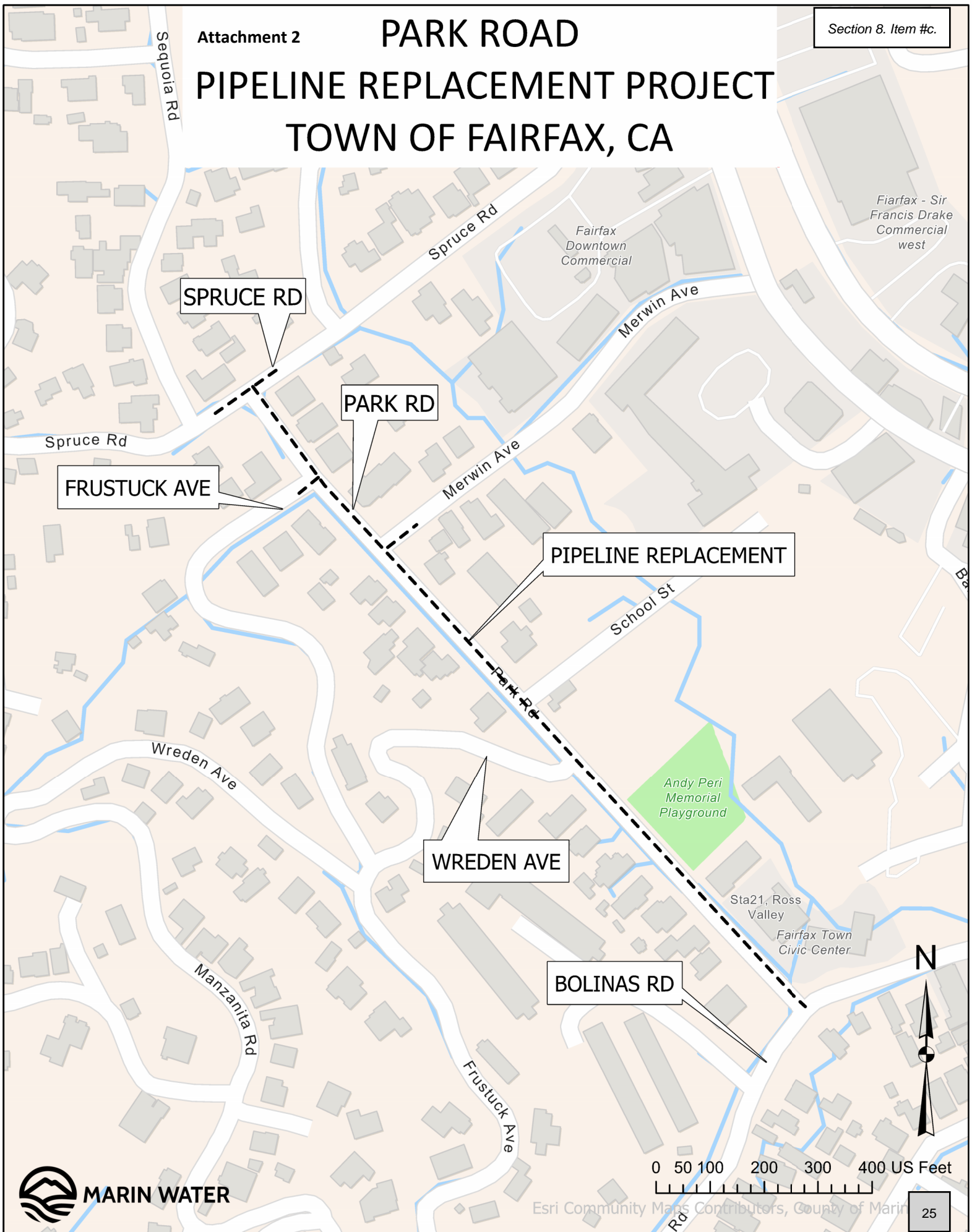
**Matthew Samson**  
**President, Board of Directors**

**ATTEST:**

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**Terrie Gillen**  
**Board Secretary**

# PARK ROAD PIPELINE REPLACEMENT PROJECT TOWN OF FAIRFAX, CA



# Notice of Exemption

## Attachment 3



Filing Requested By and When Filed Return To:

Marin Municipal Water District  
220 Nellen Ave  
Corte Madera, CA 94925  
Attn: Alex Anaya, Director of Engineering

**Project Title:** Park Road- Pipeline Replacement Project (D25019)

**Project Location:** Town of Fairfax

**Project Location – County:** Marin

**Project Description:** This Project will install approximately 1,670 feet of new 8-inch, 6-inch, and 4-inch welded steel pipe to replace old, leak-prone asbestos cement and cast iron piping as part of the District's Capital Improvement Program.

The roads involved are shown in Figure 1 and described in the table below:

Street	Length (ft)	Installation Date	Existing Size and Type
Spruce Road	239	1964	8" CIP, 6" ACP
Frustuck Avenue	43	1954	6" CI
Park Road	1,349	1954	8" ACP, 6" CI
Merwin Avenue	39	1949	6 CI

**Public Agency Approving Project:** Marin Municipal Water District

**Name of Person or Agency Carrying Out Project:** Marin Municipal Water District

**CEQA Exemption Status:** Categorical Exemption Section 15302(c), Replacement or Reconstruction and California Public Resource Code Division 13 Environmental Quality Section 21080.21, less than one mile of pipeline.

**Reason for Exemption:** This project qualifies for exemption pursuant to Section 15302(c) of the CEQA Guidelines inasmuch as it is the replacement of existing water pipelines involving negligible or no expansion of capacity. This project is also statutorily exempt pursuant to the California Public Resource Code Division 13 Environmental Quality Section 21080.21 inasmuch as the project involves the replacement of less than one mile of pipeline.

**Project Approval:** The Marin Municipal Water District Board of Directors approved the award of a contract for project construction, which represents project approval as defined by Section 15352 of the Guidelines for Implementation of the California Environmental Quality Act, at their regularly scheduled meeting on May 6, 2025.

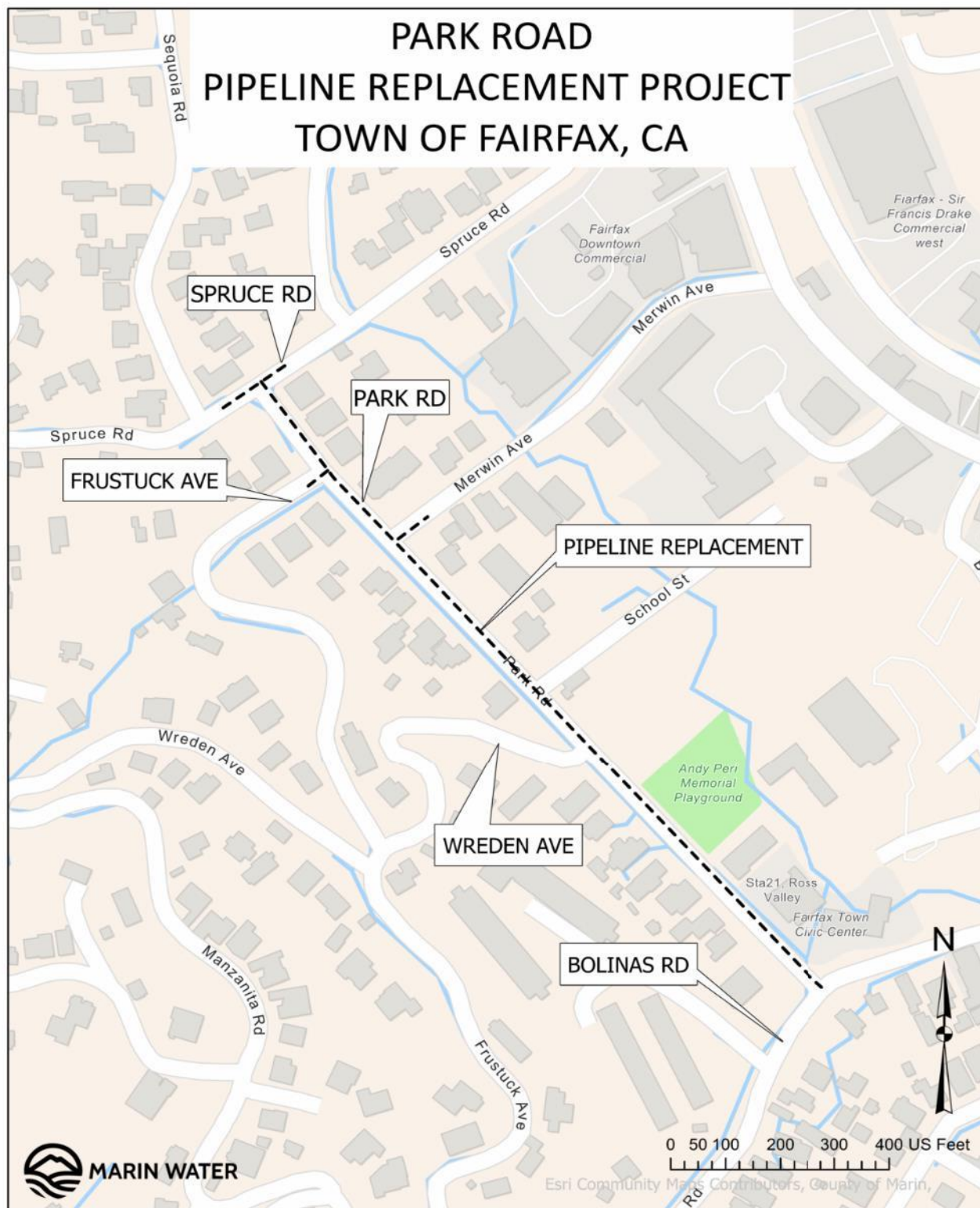
**Lead Agency Contact Person:** Alex Anaya, Marin Municipal Water District

**Telephone:** (415) 945-1588

Alex Anaya, Director of Engineering

Date

Figure 1: Park Road- Pipeline Replacement Project



SOURCE: MMWD 2025





# STAFF REPORT

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**Meeting Type:** Board of Directors  
**Title:** Annual Review of Policy No. 33 Investment Policy  
**From:** Bret Uppendahl, Finance Director  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** May 6, 2025

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**TYPE OF ITEM:**      X      Action                      Information

**RECOMMENDATION:** Approve proposed changes to Policy No. 33 Investment Policy

**SUMMARY:** District policy requires quarterly reporting of investment type, market values and overall yields. The District's investment policies and practices are based on state law and prudent management. Investment Policy No. 33 is updated periodically to conform to changes in the California Government Code provisions applicable to public agency investments. Staff is proposing changes to Investment Policy No. 33 to permit investments in Joint Powers Authority Pools and mutual funds, in addition to other revisions to better align with California Government code.

**DISCUSSION:** The District's investment policy strives to appropriately manage overall investment risk exposure. The investment policy defines allowable investments by type of security, type of issuer, dollar amount, overall percentage of portfolio and maturity. The primary objective of the District's investments are 1) Safety; 2) Liquidity; 3) Return on Investment; and 4) Public Trust. It is the intent of the District to hold all investments until maturity.

On April 24, 2025, staff presented an overview of areas where the District's Investment Policy is more restrictive than what is allowable under applicable provisions of the Government Code as well as investment types that are permitted pursuant to the Government Code, but are not addressed in the District's current investment policy. Staff is proposing modifications to the existing policy as detailed in the attachments. Proposed changes to the investment policy include:

- Addition to permitted investments of Joint Powers Authority Pools, which are permitted by California Government Code section 53601(p) and are authorized for use by all local government agencies in California.
- Expansion from current policy that allows Money Market Mutual Funds to include Mutual Funds that invest in securities and obligations as permitted by the Government Code.
- Increase in the maximum permitted percentage of the District's portfolio invested in Money Market Mutual Funds or Mutual Funds from the current maximum of 10% to a maximum of



20%; with a limit of 10% invested in shares of any one mutual fund to align with Government Code section 53601(l).

- Minor edits to language for certain investment types to align District policy with the Government Code.
- Change in timing for submission of quarterly reporting from 30-days to 45-days to align with the Government Code.
- Revisions to glossary of terms

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** None.

**ATTACHMENT(S):**

1. Board Policy No. 33 Investment Policy (current)
2. Board Policy No. 33 Investment Policy (proposed changes - redline)
3. Board Policy No. 33 Investment Policy (proposed changes – clean)

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Finance	 Bret Uppendahl Finance Director	 Ben Horenstein General Manager



# MARIN MUNICIPAL WATER DISTRICT

## BOARD POLICY No. 33

**DATE:** Reviewed 01-06-10  
 Revised 01-05-11  
 Revised 01-05-12  
 Revised 01-23-13  
 Revised 02-07-17  
 Revised 01-25-18  
 Reviewed 03-13-19  
 Revised 01-21-20  
 Revised 02-25-21  
 Reviewed 01-27-22  
 Reviewed 06-22-23  
 Reviewed 02-15-24

### **SUBJECT: INVESTMENT POLICY**

#### **I. Introduction**

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment policies and practices of the Marin Municipal Water District ("District") are based on State law and prudent money management. All funds will be invested in accordance with the District's Investment Policy and the authority governing investments for local agencies as set forth in the California Government Code, §53601 through §53659.

#### **II. Scope**

It is intended that this policy cover all funds and investment activities of the District, except investments governed by employment retirement funds and bond documents. The provisions of relevant bond documents will restrict the investment of bond proceeds.

#### **III. Prudence**

Investments shall be made with judgment and care - under circumstances then prevailing - which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds shall act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

#### IV. Objectives

The primary objectives, in priority order, of the District's investment activities shall be:

1. **Safety.** Safety of principal is the foremost objective of the investment program. The District's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
2. **Liquidity.** The District's investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.
3. **Return on Investment.** The District's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.
4. **Public Trust.** All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

It is the District's intent at time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

#### V. Delegation of Authority

The management and oversight responsibility for the investment program is hereby delegated to the Finance Director (Administrative Services Division)/Treasurer who shall monitor and review all investments for consistency with this investment policy. This delegation of authority shall remain in place until revoked by the Board of Directors. The Finance Director/Treasurer may delegate the day-to-day operations of investing to his/her designee(s), but not the responsibility for the overall investment program. No person may engage in an investment transaction except as provided under the limits of this policy.

#### VI. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

**VII. Selection of Financial Institutions and Broker/Dealers**

The Finance Director/Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes in the State of California, and who have proof of National Association of Security Dealers certification. It shall be the policy of the District to purchase securities only from authorized institutions or firms. All authorized firms must also provide certification that they have received and read the District's Investment Policy.

**VIII. Permitted Investment Instruments**

1. Direct obligations for which the full faith and credit of the United States Government is pledged for the payment of principal and interest.
2. Obligations issued by Agencies or Instrumentalities of the United States Government.
3. Repurchase Agreements used solely as short-term investments not to exceed 90 days.
  - a. The following collateral restrictions will be observed: Only United States Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the District's custodian bank vs. payment. The market value of securities that underlay a Repurchase Agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be reviewed on a regular basis and adjusted no less than quarterly. Collateral shall not include strips, zero-coupon instruments or instruments with maturities in excess of five years. The right of substitution will be granted, provided that permissible collateral is maintained.
4. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.
  - a. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the District's surplus money. However, no more than 30% or \$2,000,000 of the District's surplus funds, whichever is less, may be invested in the Banker's Acceptance of any one commercial bank.

5. Commercial paper issued by an entity meeting the following conditions in Option 1 or Option 2 below:

**Option 1:**

1. Is organized and operating in the United States as a general corporation and has total assets in excess of \$500 million.
2. Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized rating agency.

**Option 2:**

1. Is organized within the United States as a special purpose corporation, trust or limited liability company.
  2. Has program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit or surety bond.
  3. Has commercial paper that is rated “A-1” or higher by a nationally recognized rating agency.
- a. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10 percent or \$1,000,000 from an issuing corporation, whichever is less.
  - b. Purchases of commercial paper may not exceed 15 percent of the District's surplus money that may be invested.
6. Medium term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium term corporate notes shall, at the time the note is purchased, be rated as follows:
- a.

1 year or less	A rating by two major rating agencies
1 - 2 years	AA rating by at least one major rating agency
2 - 4 years	AA rating by two major rating agencies
4 - 5 years	AAA rating by two major rating agencies
  - b. Investments will be limited to a maximum of 30 percent of the District's portfolio.

7. Federal Deposit Insurance Company (FDIC) insured or fully collateralized time certificates of deposit in financial institutions located in California, including United States branches of foreign banks licensed to do business in California. The maximum maturity of a time deposit shall not exceed 180 days. All time deposits must be collateralized in accordance with California Government Code §53651 and §53652, either at 150 percent by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under Section 53651(m) or 110 percent by eligible marketable securities listed in subsections (a) through (l), (n) and (o) of §53651, or 105% of letters of credit issued by the Federal Home Loan Bank of San Francisco per subsection (p) of §53651.
8. Negotiable certificates of deposit or deposit notes issued by a nationally or State chartered bank or a State or Federal savings and loan association or by a Federally licensed or State licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.
  - a. Purchase of negotiable certificates of deposit may not exceed 20 percent of the District's surplus money.
9. State of California's Local Agency Investment Fund. Investment in LAIF may not exceed \$75 million per account.
10. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by sections (a) through (l) of California Government Code §53601. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services; or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by California Government Code §53601 and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 10 percent of the District's surplus money and no more than 10 percent invested in shares of any one mutual fund.
11. Registered state warrants or treasury notes or bonds of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency, or authority of California.

12. Bonds, notes or warrants or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the by the local agency, or by a department, board, agency, or authority of the local agency of California.

The following summary of maximum percentage limits, by instrument, are established for the District's total investment portfolio:

<u>Investment Type</u>	<u>Percentage</u>
Repurchase Agreements.....	0 to 10%
Local Agency Investment Fund .....	\$75,000,000 per account
U.S. Treasury Bonds/Notes/Bills .....	0 to 100%
U.S. Government Agency Obligations.....	0 to 100%
Banker's Acceptances .....	0 to 40%
Commercial Paper.....	0 to 15%
Negotiable Certificates of Deposit .....	0 to 20%
Time Certificates of Deposit .....	0 to 20%
Medium Term Corporate Notes .....	0 to 30%
Registered State Warrants or Local Agency Indebtedness .....	0 to 20%

## **IX. Safekeeping of Securities and Internal Controls**

To protect against fraud, embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held by an independent third party safekeeping institution, acting as agent for the District under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). All trades executed by a dealer will settle on a delivery vs. payment ("DVP") basis to ensure that securities are deposited in the District safekeeping institution prior to the release of funds.

The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011).

Securities held in custody for the District shall be monitored by the Finance Director/Treasurer to verify investment holdings.

Management shall establish a system of internal controls, which shall be documented in writing and reviewed with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District.

#### **X. Maximum Maturity**

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

The maximum maturity will not exceed five years.

#### **XI. Ineligible Investments**

Security types which are prohibited include, but are not limited to:

- (a) "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating rate notes, or any other complex variable rate or structured note.
- (b) Interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- (c) Reverse Repurchase Agreements.

#### **XII. Portfolio Adjustments**

Portfolio percentage limitations for each investment category are applicable only at the date of purchase. Should an investment percentage limitation be exceeded due to an incident such as a fluctuation in portfolio size, the Finance Director/Treasurer is not required to sell the affected securities.

Should a security held in the portfolio be downgraded below the minimum criteria included in this Investment Policy, a determination will be made by the Finance Director/Treasurer whether to sell the investment. Any sale of an investment due to a downgrade will be done in a manner to minimize losses on sale of such security.



If a security is downgraded to a level that is less than investment grade (rating less than Ba1 or BB+), the Finance Director/Treasurer shall sell such affected security immediately. If the immediate liquidation of the security is not in the best interest of the District, the Finance Director/Treasurer, in consultation with an ad hoc committee made up of the General Manager and the Finance Committee President, may dispose of the security in an orderly and prudent manner considering the circumstances, under terms and conditions approved by the ad hoc committee.

The description and amounts of any securities downgraded below the District investment criteria are to be included in the quarterly investment report.

### **XIII. Reporting Requirements**

The Finance Director/Treasurer shall render to the District Board a quarterly investment report as per California Government Code §53646, which shall include, at a minimum the following information for each individual investment:

Type of investment instrument (i.e., Treasury Bill, medium term note)

- Issuer name (i.e., General Electric)
- Purchase date (settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation (quarterly)
- Overall portfolio yield based on cost

The quarterly report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs, (iii) description of investments downgraded below the District's investment criteria or below investment grade and hold or sell status and (iv) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

This quarterly report shall be submitted within 30 days following the end of the quarter.

The Finance Director/Treasurer shall annually render to the Board a statement of investment policy, which the Board shall consider at a public meeting.

## GLOSSARY OF TERMS

**Bankers Acceptances.** Are negotiable time drafts or bills of exchange drawn on and accepted by a commercial bank. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is identified with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. Banker's Acceptances are sold at a discount from par and the amount and maturity date are fixed. Bankers Acceptances have the backing of both the bank and the pledged commodities with no known principal loss in over 70 years. State law permits agencies to invest 40 percent of a portfolio and 30 percent with a single issuer in Bankers' Acceptances with a maximum maturity of 180 days.

**Certificate of Deposit.** A deposit insured up to \$250,000 by the FDIC, or collateralized at a minimum of 110 percent by the financial institution if over \$250,000, at a set rate for a specified period of time.

**Collateral.** Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

**Corporate Medium Term Notes.** Are unsecured promissory notes issued by corporations operating within the United States. The notes are in the one-to-five year maturity range. Notes must have at least an "A" rating by a nationally recognized rating service. State law permits agencies to invest 30 percent of the total portfolio and 10 percent with a single issuer in corporate medium term notes with a maximum maturity of 5 years.

**Commercial Paper.** Is an unsecured promissory note of industrial corporations, utilities and bank holding companies having assets in excess of \$500 million and an "A" or higher rating for the issuer's debentures. Interest is discounted from par and calculated using the actual number of days on a 360-day year. The notes are in bearer form, mature from one to 180 days and generally start at \$100,000. There is a secondary market for commercial paper and an investor may sell them prior to maturity. Commercial paper is backed by unused lines of credit from major banks. State Code permits agencies to invest 25 percent and 10 percent with a single issuer in commercial paper with a maximum maturity of 270 days.

**Credit Risk.** Defined, as the risk of loss due to failure of the issuer of a security shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.

**Current Yield.** The interest paid on an investment expressed as a percentage of the current price of the security.

**Custody.** A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

**Delivery vs. Payment (DVP).** Delivery of securities with a simultaneous exchange of money for the securities.

**Fannie Mae.** Trade name for the Federal National Mortgage Association (FNMA), a United States sponsored corporation.

**Federal Reserve System.** The central bank of the United States which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

**Federal Deposit Insurance Corporation (FDIC).** Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

**Freddie Mac.** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a United States sponsored corporation.

**Ginnie Mae.** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the United States Government.

**Interest Rate.** The annual yield earned on an investment, expressed as a percentage.

**Liquidity.** Refers to the ability to rapidly convert an investment into cash.

**Local Agency Investment Fund (LAIF) Demand Deposit.** Established by the State to enable financial managers to place idle funds in a pool for investment. Each agency is currently limited by LAIF to an investment of \$75 million plus any bond proceeds.

**Market Risk.** Defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation.

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Portfolio.** Collection of securities held by an investor.

**Purchase Date.** The date in which a security is purchased for settlement on that or a later date.

**Rate of Return.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO).** Contractual arrangement between a financial institution or dealer and an investor. The investor puts up their funds for a certain number of days at a stated yield. In return, they take title to a given block of securities as collateral. At maturity, the securities are repurchased and the funds are repaid with interest.

**Reverse Repurchase Agreement (Reverse REPO).** A transaction where the seller (District) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

**Sallie Mae.** Trade name for the Student Loan Marketing Association (SLMA), a United States sponsored corporation.

**Treasury Bills (T-Bills).** United States Treasury Bills which are short-term, direct obligations of the United States Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

**United States Government Agencies.** Instruments issued by various United States Government Agencies most of which are secured only by the credit worthiness of the particular agency.

**BOARD POLICY No. 33**

**DATE:** ~~Reviewed 1-6-10~~  
~~Revised 1-5-11~~  
~~Revised 1-5-12~~  
~~Revised 1-23-13~~  
~~Revised 2-7-17~~  
~~Revised 1-25-18~~  
~~Reviewed 3-13-19~~  
~~Revised 1-21-20~~  
Revised 2-25-21  
Reviewed 6-22-23  
Reviewed 2-15-24

**SUBJECT: INVESTMENT POLICY****I. Introduction**

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment policies and practices of the Marin Municipal Water District ("District") are based on State law and prudent money management. All funds will be invested in accordance with the District's Investment Policy and the authority governing investments for local agencies as set forth in the California Government Code, §53601 ~~through §53659~~et sec.

**II. Scope**

It is intended that this policy cover all funds and investment activities of the District, except investments governed by employment retirement funds and bond documents. The provisions of relevant bond documents will restrict the investment of bond proceeds.

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It is the District's intent at time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

#### V. Delegation of Authority

The management and oversight responsibility for the investment program is hereby delegated to the Finance Director (~~Administrative Services Division~~)/Treasurer who shall monitor and review all investments for consistency with this investment policy. This delegation of authority shall remain in place until revoked by the Board of Directors. The Finance Director/Treasurer may delegate the day-to-day operations of investing to his/her designee(s), but not the responsibility for the overall investment program. No person may engage in an investment transaction except as provided under the limits of this policy.

#### VI. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

## VII. Selection of Financial Institutions and Broker/Dealers

The Finance Director/Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes in the State of California, and who have proof of National Association of Security Dealers certification. It shall be the policy of the District to purchase securities only from authorized institutions or firms. All authorized firms must also provide certification that they have received and read the District's Investment Policy.

## VIII. Permitted Investment Instruments

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those Direct obligations for which the full faith and credit of the United States Government is pledged for the payment of principal and interest.
2. Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
3. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
4. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises. ~~Obligations issued by Agencies or Instrumentalities of the United States Government.~~
5. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.
  - a. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the District's surplus money. However, no more than 30% or \$2,000,000 of the District's surplus funds, whichever is less, may be invested in the Banker's Acceptance of any one commercial bank.
6. Commercial paper issued by an entity meeting the following conditions in Option 1 or Option 2 below:

### Option 1:

1. Is organized and operating in the United States as a general corporation

2. Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized rating agency.

**Option 2:**

1. Is organized within the United States as a special purpose corporation, trust or limited liability company.
2. Has program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit or surety bond.
3. Has commercial paper that is rated “A-1” or higher by a nationally recognized rating agency.
  - a. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10 percent or \$1,000,000 from an issuing corporation, whichever is less.
  - b. Purchases of commercial paper may not exceed 15 percent of the District's surplus money that may be invested.
7. Negotiable certificates of deposit or deposit notes issued by a nationally or State chartered bank or a State or Federal savings and loan association or by a Federally licensed or State licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.
  - a. Purchase of negotiable certificates of deposit may not exceed 20 percent of the District's surplus money.
8. Federal Deposit Insurance Company (FDIC) insured or fully collateralized time certificates of deposit in financial institutions located in California, including United States branches of foreign banks licensed to do business in California. The maximum maturity of a time deposit shall not exceed 180 days. All time deposits must be collateralized in accordance with California Government Code §53651 and §53652, either at 150 percent by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under Section 53651(m) or 110 percent by eligible marketable securities listed in subsections (a) through (l), (n) and (o) of §53651, or 105% of letters of credit issued by the Federal Home Loan Bank of San Francisco per subsection (p) of §53651.
9. Repurchase Agreements used solely as short-term investments not to exceed 90 days.
  - a. The following collateral restrictions will be observed: Only United States Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be



delivered to the District's custodian bank vs. payment. The market value of securities that underlay a Repurchase Agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be reviewed on a regular basis and adjusted no less than quarterly. Collateral shall not include strips, zero-coupon instruments or instruments with maturities in excess of five years. The right of substitution will be granted, provided that permissible collateral is maintained.

10. Medium term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium term corporate notes shall, at the time the note is purchased, be rated as follows:

- |    |                |   |
|----|----------------|---|
| a. | 1 year or less | A rating by two major rating agencies         |
|    | 1 - 2 years    | AA rating by at least one major rating agency |
|    | 2 - 4 years    | AA rating by two major rating agencies        |
|    | 4 - 5 years    | AAA rating by two major rating agencies       |
- b. Investments will be limited to a maximum of 30 percent of the District's portfolio.

11. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds and Mutual Funds) investing in the securities and obligations authorized by sections (a) through (kl) and (m) through (q) of California Government Code §53601. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services; or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by California Government Code §53601 and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 40-20 percent of the District's surplus money and no more than 10 percent invested in shares of any one mutual fund.

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code ~~§~~Section 6509.7 that invests in the securities and obligations authorized in this policy. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- a. The adviser is registered or exempt from registration with the United States Securities and Exchange Commission.
- b. The adviser has not less than five years of experience investing in the securities and obligations authorized in this policy.
- c. The adviser has assets under management in excess of five hundred million

~~42.13.~~ State of California's Local Agency Investment Fund up to the maximum permitted by the State Treasury Policy. ~~Investment in LAIF may not exceed \$75 million per account.~~

The following summary of maximum percentage limits, by instrument, are established for the District's total investment portfolio:

Investment Type	Maximum % of Portfolio
U.S. Treasury Bonds/Notes/Bills	None
U.S. Government Agency Obligations	None
Registered State Warrants or Local Agency Indebtedness	20%
Banker's Acceptances	40%
Commercial Paper	15%
Negotiable Certificates of Deposit	20%
Time Certificates of Deposit	20%
Repurchase Agreements	10%
Medium Term Corporate Notes	30%
<u>Mutual Funds and Money Market Mutual Funds</u>	<del>10%</del> 20%
<u>Joint Powers Authority Pool</u>	None
Local Agency Investment Fund	None

## IX. Safekeeping of Securities and Internal Controls

To protect against fraud, embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held by an independent third party safekeeping institution, acting as agent for the District under the terms of a custody agreement or ~~P~~Purchased Securities Agreement agreement (repurchase agreement collateral). All trades executed by a dealer will settle on a delivery vs. payment ~~("DVP")~~ basis to ensure that securities are deposited in the District safekeeping institution prior to the release of funds.

The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. ~~46-18~~ (effective ~~June 15, 2014~~ May 1, 2017).

Securities held in custody for the District shall be monitored by the Finance Director/Treasurer to verify investment holdings.

Management shall establish a system of internal controls, which shall be documented in writing and reviewed with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District.

**X. Maximum Maturity**

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

The maximum maturity will not exceed five years.

**XI. Ineligible Investments**

Security types which are prohibited include, but are not limited to:

- a. "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating rate notes, or any other complex variable rate or structured note.
- b. Interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- c. Reverse Repurchase Agreements.

**XII. Portfolio Adjustments**

Portfolio percentage limitations for each investment category are applicable only at the date of purchase. Should an investment percentage limitation be exceeded due to an incident such as a fluctuation in portfolio size, the Finance Director/Treasurer is not required to sell the affected securities.

Should a security held in the portfolio be downgraded below the minimum criteria included in this Investment Policy, a determination will be made by the Finance Director/Treasurer whether to sell the investment. Any sale of an investment due to a downgrade will be done in a manner to minimize losses on sale of such security.

If a security is downgraded to a level that is less than investment grade (rating less than Ba1 or BB+), the Finance Director/Treasurer shall sell such affected security immediately. If the immediate liquidation of the security is not in the best interest of the District, the Finance Director/Treasurer, in consultation with an ad hoc committee made up of the General Manager and the Finance and Administration Committee ChairPresident, may dispose of the security in an orderly and prudent manner considering the circumstances, under terms and conditions approved by the ad hoc committee.

The description and amounts of any securities downgraded below the District investment criteria are to be included in the quarterly investment report.

**XIII. Reporting Requirements**

The Finance Director/Treasurer shall render to the District Board a quarterly investment report as per California Government Code §53646, which shall include,

at a minimum the following information for each individual investment:

Type of investment instrument (i.e., Treasury Bill, medium term note):

- Issuer name (i.e., General Electric)
- Purchase date (settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation (quarterly)
- Overall portfolio yield based on cost

The quarterly report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs, (iii) include a description of investments downgraded below the District's investment criteria or below investment grade and hold or sell status, and (iv) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

This quarterly report shall be submitted to the General Manager within 30-45 days following the end of the quarter and presented to the next regularly scheduled Finance and Administration Committee ~~or and other public meeting thereafter.~~

The Finance Director/Treasurer shall annually render to the Board a statement of investment policy, which the Board shall consider at a public meeting.

## GLOSSARY OF TERMS

**Bankers Acceptances.** Are negotiable time drafts or bills of exchange drawn on and accepted by a commercial bank. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is identified with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. Banker's Acceptances are sold at a discount from par and the amount and maturity date are fixed. Bankers Acceptances have the backing of both the bank and the pledged commodities with no known principal loss in over 70 years. State law permits agencies to invest 40 percent of a portfolio and 30 percent with a single issuer in Bankers' Acceptances with a maximum maturity of 180 days.

**Certificate of Deposit.** A deposit insured up to \$250,000 by the FDIC, or collateralized at a minimum of 110 percent by the financial institution if over \$250,000, at a set rate for a specified period of time.

**Collateral.** Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

**Corporate Medium Term Notes.** Are unsecured promissory notes issued by corporations operating within the United States. The notes are in the one-to-five year maturity range. Notes must have at least an "A" rating by a nationally recognized rating service. State law permits agencies to invest 30 percent of the total portfolio and 10 percent with a single issuer in corporate medium term notes with a maximum maturity of 5 years.

**Commercial Paper.** Is an unsecured promissory note of industrial corporations, utilities and bank holding companies having assets in excess of \$500 million and an "A" or higher rating for the issuer's debentures. Interest is discounted from par and calculated using the actual number of days on a 360-day year. The notes are in bearer form, mature from one to ~~180~~ 270 days and generally start at \$100,000. There is a secondary market for commercial paper and an investor may sell them prior to maturity. Commercial paper is backed by unused lines of credit from major banks. State Code permits agencies to invest 25 percent and 10 percent with a single issuer in commercial paper with a maximum maturity of 270 days.

**Credit Risk.** Defined, as the risk of loss due to failure of the issuer of a security shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.

**Current Yield.** The interest paid on an investment expressed as a percentage of the current price of the security.

## Board Policy # 33 – Investment Policy

**Custody.** A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

**Delivery vs. Payment (DVP).** Delivery of securities with a simultaneous exchange of money for the securities.

**Fannie Mae.** Trade name for the Federal National Mortgage Association (FNMA), a United States sponsored corporation.

**Federal Reserve System.** The central bank of the United States which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

**Federal Deposit Insurance Corporation (FDIC).** Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

**Freddie Mac.** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a United States sponsored corporation.

**Ginnie Mae.** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the United States Government.

**Interest Rate.** The annual yield earned on an investment, expressed as a percentage.

**Joint Powers Authority.** Trust established in accordance with State law that invests exclusively in securities permitted by California Government Code §53601.

**Liquidity.** Refers to the ability to rapidly convert an investment into cash.

**Local Agency Investment Fund (LAIF) Demand Deposit.** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office. Established by the State to enable financial managers to place idle funds in a pool for investment. Each agency is currently limited by LAIF to an investment of \$75 million plus any bond proceeds.

**Market Risk.** Defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation.

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Mutual Fund.** Pooled investments managed by professional money managers that trade on exchanges and provide a way for investors to access a wide mix of assets that are selected for the fund.

**Money Market Mutual Fund.** A money market fund is a kind of mutual fund that invests in highly liquid, near-term instruments including cash, cash equivalent securities, and high-credit rating debt-based securities with a short-term maturity (such as U.S. Treasuries).

**Passthrough Security.** A fixed-income security that represent an undivided interest in a pool of loans or mortgages. For example, a mortgage passthrough security may be backed by federally insured mortgages put together by a government-sponsored agency, such as the Government National Mortgage Association (Ginnie Mae).

**Portfolio.** Collection of securities held by an investor.

**Purchase Date.** The date in which a security is purchased for settlement on that or a later date.

**Rate of Return.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO).** Contractual arrangement between a financial institution or dealer and an investor. The investor puts up their funds for a certain number of days at a stated yield. In return, they take title to a given block of securities as collateral. At maturity, the securities are repurchased and the funds are repaid with interest.

**Reverse Repurchase Agreement (Reverse REPO).** A transaction where the seller (District) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

**Sallie Mae.** Trade name for the Student Loan Marketing Association (SLMA), a United States sponsored corporation.

~~**Treasury Bills (T-Bills).** United States Treasury Bills which are short term, direct obligations of the United States Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.~~

**United States Government Obligations.** Treasury Bills are short term, direct obligations of the United States Government issues with original maturities ranging from a few days to 52 weeks. Treasury Notes have original maturities from two to 10 years. Treasury Bonds have original maturities of 20 or 30 years.

**United States Government Agencies.** Instruments issued by various United States Government Agencies most of which are secured only by the credit worthiness of the particular agency.



**DATE:****SUBJECT: INVESTMENT POLICY**

Revised	2-25-21
Reviewed	6-22-23
Reviewed	2-15-24

**I. Introduction**

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment policies and practices of the Marin Municipal Water District ("District") are based on State law and prudent money management. All funds will be invested in accordance with the District's Investment Policy and the authority governing investments for local agencies as set forth in the California Government Code, §53601 et sec.

**II. Scope**

It is intended that this policy cover all funds and investment activities of the District, except investments governed by employment retirement funds and bond documents. The provisions of relevant bond documents will restrict the investment of bond proceeds.

**III. Prudence**

Investments shall be made with judgment and care - under circumstances then prevailing - which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds shall act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.



#### IV. Objectives

The primary objectives, in priority order, of the District's investment activities shall be:

1. **Safety.** Safety of principal is the foremost objective of the investment program. The District's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
2. **Liquidity.** The District's investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.
3. **Return on Investment.** The District's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.
4. **Public Trust.** All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

It is the District's intent at time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

#### V. Delegation of Authority

The management and oversight responsibility for the investment program is hereby delegated to the Finance Director /Treasurer who shall monitor and review all investments for consistency with this investment policy. This delegation of authority shall remain in place until revoked by the Board of Directors. The Finance Director/Treasurer may delegate the day-to-day operations of investing to his/her designee(s), but not the responsibility for the overall investment program. No person may engage in an investment transaction except as provided under the limits of this policy.

#### VI. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

**VII. Selection of Financial Institutions and Broker/Dealers**

The Finance Director/Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes in the State of California, and who have proof of National Association of Security Dealers certification. It shall be the policy of the District to purchase securities only from authorized institutions or firms. All authorized firms must also provide certification that they have received and read the District's Investment Policy.

**VIII. Permitted Investment Instruments**

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States Government is pledged for the payment of principal and interest.
2. Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
3. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within the state of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
4. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises..
5. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.
  - a. Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the District's surplus money. However, no more than 30% or \$2,000,000 of the District's surplus funds, whichever is less, may be invested in the Banker's Acceptance of any one commercial bank.
6. Commercial paper issued by an entity meeting the following conditions in Option 1 or Option 2 below:

**Option 1:**

1. Is organized and operating in the United States as a general corporation and has total assets in excess of \$500 million.

2. Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized rating agency.

**Option 2:**

1. Is organized within the United States as a special purpose corporation, trust or limited liability company.
2. Has program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit or surety bond.
3. Has commercial paper that is rated “A-1” or higher by a nationally recognized rating agency.
  - a. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10 percent or \$1,000,000 from an issuing corporation, whichever is less.
  - b. Purchases of commercial paper may not exceed 15 percent of the District's surplus money that may be invested.
7. Negotiable certificates of deposit or deposit notes issued by a nationally or State chartered bank or a State or Federal savings and loan association or by a Federally licensed or State licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.
  - a. Purchase of negotiable certificates of deposit may not exceed 20 percent of the District's surplus money.
8. Federal Deposit Insurance Company (FDIC) insured or fully collateralized time certificates of deposit in financial institutions located in California, including United States branches of foreign banks licensed to do business in California. The maximum maturity of a time deposit shall not exceed 180 days. All time deposits must be collateralized in accordance with California Government Code §53651 and §53652, either at 150 percent by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under Section 53651(m) or 110 percent by eligible marketable securities listed in subsections (a) through (l), (n) and (o) of §53651, or 105% of letters of credit issued by the Federal Home Loan Bank of San Francisco per subsection (p) of §53651.
9. Repurchase Agreements used solely as short-term investments not to exceed 90 days.
  - a. The following collateral restrictions will be observed: Only United States Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the District's custodian bank vs. payment. The market value of

securities that underlay a Repurchase Agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be reviewed on a regular basis and adjusted no less than quarterly. Collateral shall not include strips, zero-coupon instruments or instruments with maturities in excess of five years. The right of substitution will be granted, provided that permissible collateral is maintained.

10. Medium term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium term corporate notes shall, at the time the note is purchased, be rated as follows:

- a.    1 year or less                      A rating by two major rating agencies  
      1 - 2 years                        AA rating by at least one major rating agency  
      2 - 4 years                        AA rating by two major rating agencies  
      4 - 5 years                        AAA rating by two major rating agencies
- b.    Investments will be limited to a maximum of 30 percent of the District's portfolio.

11. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds and Mutual Funds) investing in the securities and obligations authorized by sections (a) through (k) and (m) through (q) of California Government Code §53601. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services; or (2) have an investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by California Government Code §53601 and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 20 percent of the District's surplus money and no more than 10 percent invested in shares of any one mutual fund.

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code § 6509.7 that invests in the securities and obligations authorized in this policy. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- a. The adviser is registered or exempt from registration with the United States Securities and Exchange Commission.
- b. The adviser has not less than five years of experience investing in the securities and obligations authorized in this policy.
- c. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

13. State of California's Local Agency Investment Fund up to the maximum permitted by the State Treasurer.

The following summary of maximum percentage limits, by instrument, are established for the District's total investment portfolio:

<b>Investment Type</b>	<b>Maximum % of Portfolio</b>
U.S. Treasury Bonds/Notes/Bills	None
U.S. Government Agency Obligations	None
Registered State Warrants or Local Agency Indebtedness	20%
Banker's Acceptances	40%
Commercial Paper	15%
Negotiable Certificates of Deposit	20%
Time Certificates of Deposit	20%
Repurchase Agreements	10%
Medium Term Corporate Notes	30%
Mutual Funds and Money Market Mutual Funds	20%
Joint Powers Authority Pool	None
Local Agency Investment Fund	None

## **IX. Safekeeping of Securities and Internal Controls**

To protect against fraud, embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held by an independent third party safekeeping institution, acting as agent for the District under the terms of a custody agreement or Purchased Securities Agreement agreement (repurchase agreement collateral). All trades executed by a dealer will settle on a delivery vs. payment basis to ensure that securities are deposited in the District safekeeping institution prior to the release of funds.

The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 18 (effective May 1, 2017).

Securities held in custody for the District shall be monitored by the Finance Director/Treasurer to verify investment holdings.

Management shall establish a system of internal controls, which shall be documented in writing and reviewed with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District.

**X. Maximum Maturity**

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

The maximum maturity will not exceed five years.

**XI. Ineligible Investments**

Security types which are prohibited include, but are not limited to:

- a. "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating rate notes, or any other complex variable rate or structured note.
- b. Interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- c. Reverse Repurchase Agreements.

**XII. Portfolio Adjustments**

Portfolio percentage limitations for each investment category are applicable only at the date of purchase. Should an investment percentage limitation be exceeded due to an incident such as a fluctuation in portfolio size, the Finance Director/Treasurer is not required to sell the affected securities.

Should a security held in the portfolio be downgraded below the minimum criteria included in this Investment Policy, a determination will be made by the Finance Director/Treasurer whether to sell the investment. Any sale of an investment due to a downgrade will be done in a manner to minimize losses on sale of such security.

If a security is downgraded to a level that is less than investment grade (rating less than Ba1 or BB+), the Finance Director/Treasurer shall sell such affected security immediately. If the immediate liquidation of the security is not in the best interest of the District, the Finance Director/Treasurer, in consultation with an ad hoc committee made up of the General Manager and the Finance and Administration Committee Chair, may dispose of the security in an orderly and prudent manner considering the circumstances, under terms and conditions approved by the ad hoc committee.

The description and amounts of any securities downgraded below the District investment criteria are to be included in the quarterly investment report.

**XIII. Reporting Requirements**

The Finance Director/Treasurer shall render to the District Board a quarterly investment report as per California Government Code §53646, which shall include, at a minimum the following information for each individual investment:

Type of investment instrument (i.e., Treasury Bill, medium term note):

- Issuer name (i.e., General Electric)
- Purchase date (settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation (quarterly)
- Overall portfolio yield based on cost

The quarterly report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs, (iii) include a description of investments downgraded below the District's investment criteria or below investment grade and hold or sell status, and (iv) include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

This quarterly report shall be submitted to the General Manager within 45 days following the end of the quarter and presented to the next regularly scheduled Finance and Administration Committee.

The Finance Director/Treasurer shall annually render to the Board a statement of investment policy, which the Board shall consider at a public meeting.

## GLOSSARY OF TERMS

**Bankers Acceptances.** Are negotiable time drafts or bills of exchange drawn on and accepted by a commercial bank. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is identified with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. Banker's Acceptances are sold at a discount from par and the amount and maturity date are fixed. Bankers Acceptances have the backing of both the bank and the pledged commodities with no known principal loss in over 70 years. State law permits agencies to invest 40 percent of a portfolio and 30 percent with a single issuer in Bankers' Acceptances with a maximum maturity of 180 days.

**Certificate of Deposit.** A deposit insured up to \$250,000 by the FDIC, or collateralized at a minimum of 110 percent by the financial institution if over \$250,000, at a set rate for a specified period of time.

**Collateral.** Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

**Corporate Medium Term Notes.** Are unsecured promissory notes issued by corporations operating within the United States. The notes are in the one-to-five year maturity range. Notes must have at least an "A" rating by a nationally recognized rating service. State law permits agencies to invest 30 percent of the total portfolio and 10 percent with a single issuer in corporate medium term notes with a maximum maturity of 5 years.

**Commercial Paper.** Is an unsecured promissory note of industrial corporations, utilities and bank holding companies having assets in excess of \$500 million and an "A" or higher rating for the issuer's debentures. Interest is discounted from par and calculated using the actual number of days on a 360-day year. The notes are in bearer form, mature from one to 270 days and generally start at \$100,000. There is a secondary market for commercial paper and an investor may sell them prior to maturity. Commercial paper is backed by unused lines of credit from major banks. State Code permits agencies to invest 25 percent and 10 percent with a single issuer in commercial paper with a maximum maturity of 270 days.

**Credit Risk.** Defined, as the risk of loss due to failure of the issuer of a security shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.

**Current Yield.** The interest paid on an investment expressed as a percentage of the current price of the security.



## Board Policy # 33 – Investment Policy

**Custody.** A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

**Delivery vs. Payment (DVP).** Delivery of securities with a simultaneous exchange of money for the securities.

**Fannie Mae.** Trade name for the Federal National Mortgage Association (FNMA), a United States sponsored corporation.

**Federal Reserve System.** The central bank of the United States which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

**Federal Deposit Insurance Corporation (FDIC).** Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

**Freddie Mac.** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a United States sponsored corporation.

**Ginnie Mae.** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the United States Government.

**Interest Rate.** The annual yield earned on an investment, expressed as a percentage.

**Joint Powers Authority.** Trust established in accordance with State law that invests exclusively in securities permitted by California Government Code §53601.

**Liquidity.** Refers to the ability to rapidly convert an investment into cash.

**Local Agency Investment Fund (LAIF) Demand Deposit.** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**Market Risk.** Defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation.

**Market Value.** The price at which a security is trading and could presumably be purchased or sold.

**Maturity.** The date upon which the principal or stated value of an investment becomes due and payable.

**Mutual Fund.** Pooled investments managed by professional money managers that trade on exchanges and provide a way for investors to access a wide mix of assets that are selected for the fund.

**Money Market Mutual Fund.** A money market fund is a kind of mutual fund that invests in highly liquid, near-term instruments including cash, cash equivalent securities, and high-credit rating debt-based securities with a short-term maturity (such as U.S. Treasuries).

**Passthrough Security.** A fixed-income security that represent an undivided interest in a pool of loans or mortgages. For example, a mortgage passthrough security may be backed by federally insured mortgages put together by a government-sponsored agency, such as the [Government National Mortgage Association](#) (Ginnie Mae).

**Portfolio.** Collection of securities held by an investor.

**Purchase Date.** The date in which a security is purchased for settlement on that or a later date.

**Rate of Return.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO).** Contractual arrangement between a financial institution or dealer and an investor. The investor puts up their funds for a certain number of days at a stated yield. In return, they take title to a given block of securities as collateral. At maturity, the securities are repurchased and the funds are repaid with interest.

**Reverse Repurchase Agreement (Reverse REPO).** A transaction where the seller (District) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

**Sallie Mae.** Trade name for the Student Loan Marketing Association (SLMA), a United States sponsored corporation.

**United States Government Obligations.** Treasury Bills are short term, direct obligations of the United States Government issues with original maturities ranging from a few days to 52 weeks. Treasury Notes have original maturities from two to 10 years. Treasury Bonds have original maturities of 20 or 30 years.

**United States Government Agencies.** Instruments issued by various United States Government Agencies most of which are secured only by the credit worthiness of the particular agency.



# STAFF REPORT

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**Meeting Type:** Board of Directors  
**Title:** Request to Fill Two Business Systems Analyst III's in the Administrative Services Division  
**From:** Bret Uppendahl, Finance Director  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** May 6, 2025

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**TYPE OF ITEM:** X      Action                      Information

**RECOMMENDATION:** Authorize the General Manager to recruit and hire two Business Analyst III positions in the Administrative Services Division

**SUMMARY:** Staff in the Administrative Services Division are currently working on multiple projects to modernize the District's technology. These efforts include upgrades to SAP, which is an Enterprise Resource Planning (ERP) module, upgrades to the billing and payment systems, upgrades to Microsoft 365 cloud services and the implementation of Advanced Metering Infrastructure (AMI). In each of these areas, the level of complexity will significantly increase compared to the previous on premise models. Staff has identified an ongoing need for the most advanced level of support across multiple business areas. Staff is seeking approval to recruit for two Business System Analyst III positions to better support these advanced software applications across multiple business systems.

**DISCUSSION:** The Business Systems Analyst classification supports the operation, implementation and maintenance of the District's business information systems. There are three levels within the Business Systems Analyst series. Staff in the I/II classification typically serve as the journey-level resource for one business area and/or for one information system. The Business Systems Analyst III classification is distinguished from the I/II classification by its extensive expertise in several relevant business functions and also by the ability to perform more complex analytical tasks. Incumbents in the III classification will perform all tasks currently covered in the I/II classification, including analysis, reporting, training and maintenance activities. The III classification will cross train with other business areas and will serve as backup for other business areas. In addition, incumbents in the III classification will analyze and recommend modifications to business process designs, document workflow, assess user requirements, and develop efficient and accurate data entry methods.

The addition of two Business Systems Analyst III positions in the Administrative Services Division will not result in a change to overall staffing within the District. Staff is proposing to conduct an internal recruitment for these positions and the resulting vacancies will be eliminated as an offset.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** The salary range for the Business Analyst III is currently \$128,460 to \$157,644. Based on the result of the internal recruitment, the additional annual cost of the two new positions is estimated to be between \$25,000 and \$35,000. Funds are available in the Administrative Services Division budget to offset the cost of the higher-level position.

**ATTACHMENT(S):** None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Finance	 <b>Bret Uppendahl</b> Finance Director	 <b>Ben Horenstein</b> General Manager



# STAFF REPORT

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**Meeting Type:** Board of Directors

**Title:** Rescind Watershed Trail Sharing Pilot Program & E-Bike Class I Trial and Adopt a Revised E-Bike Class I Pilot

**From:** Shaun Horne, Director of Watershed Resources

**Through:** Ben Horenstein, General Manager

**Meeting Date:** May 6, 2025

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**TYPE OF ITEM:**        X        Action                    Information

**RECOMMENDATION:** Rescind Resolutions No. 8790 and 8791, and approve by resolution a revised E-Bike Class I Pilot for a two-year period

**SUMMARY:** The Board adopted the Watershed Recreation Management Planning Feasibility Study (Feasibility Study) at the April 16, 2024 Board of Directors Meeting. A priority Strategic Opportunity Identified in the Feasibility Study was the establishment of a Trail Sharing Pilot and E-Bike Class I Trial. Staff reviewed the framework for these efforts at the June 20, 2024 Board of Directors Meeting and heard community input. At the September 3, 2024 Board of Directors meeting the Board approved the Trail Sharing Pilot Program and E-Bike Class I Trial. On October 1, 2024, the California Native Plant Society, the Marin Audubon Society and the Marin Conservation League filed a lawsuit against the District alleging that it failed to comply with the California Environmental Quality Act (CEQA) in its adoption of these programs and sought a temporary restraining order to stop the District's implementation of the Trail Sharing Pilot and E-Bike Class I Trial. Through extensive negotiation, the District has reached a settlement agreement with the petitioners, which anticipates a dismissal of the lawsuit with the rescission of Resolutions No. 8790 and 8791, but allows for the adoption of a revised E-Bike Class I Pilot on the watershed with certain parameters. Staff recommends that the Board of Directors approve a resolution to rescind Resolutions No. 8790 and 8791 effectively canceling both projects. Staff also recommends the Board review and approve by resolution a revised E-Bike Class I Trial for a two-year period.

**DISCUSSION:** Mt. Tamalpais and its adjacent watersheds support a rich array of plants and animals, panoramic vistas, and recreational opportunities that are treasured by residents and visitors alike. Recreational uses on public lands managed by the Marin Municipal Water District (District) are governed by the Mt. Tamalpais Watershed Management Board Policy 7, Part 5 and District Code Title 9 "Regulations for Use of Marin Municipal Water District Lands". The District has allowed conventional mountain bikes on natural surface fire roads (but not on narrow, single track trails) for many years as part of a road and trail system that also includes hiking, horseback riding, and other uses. Currently,

electric bikes (E-Bikes) are considered motorized vehicles by the District and prohibited per District Code 9.04.01.

To facilitate community input relating to E-bike access on the Mt. Tamalpais Watershed Lands the District held a public workshop in December of 2018 to better understand the public perspectives on E-bike access on the watershed. Based on the input received at the 2018 workshop the District Board of Directors decided to convene an E-Bike Community Advisory Committee (CAC) to review the benefits and concerns raised by the community. The E-Bike CAC held seven public meeting to explore E-Bike related topics from September 2019-April 2020. A key outcome of the E-Bike CAC was a recommendation that the District review watershed visitation holistically, which led to the initiation of the Watershed Recreation Management Planning Feasibility Study.

The District partnered with the Golden Gate National Parks Conservancy (GGNPC) to engage District Board members, executive leadership, stakeholders, and constituents in the development of a Watershed Recreation Management Planning Feasibility Study. Since June 2022, the District hosted six (6) community workshops, two (2) site visits, and completed an updated watershed census survey to solicit input relating to watershed operations and visitor management. A priority Strategic Opportunity identified in the Feasibility Study was the establishment of a Trail Sharing Pilot and E-Bike Class I Trial.

At the September 3, 2024 Board of Directors meeting, the Board approved a Trail Sharing Pilot Program and E-Bike Class I Trial. On October 1, 2024, the California Native Plant Society, the Marin Audubon Society and the Marin Conservation League filed a lawsuit against the District alleging that it failed to comply with the California Environmental Quality Act (CEQA) in its adoption of these programs and sought, and was granted, a preliminary injunction to stop the District’s implementation of the Trail Sharing Pilot and E-Bike Class I Trial. Through extensive negotiations, the District has reached a settlement with the petitioners, which anticipates dismissal of the lawsuit against the District with the rescission of Resolutions No. 8790 and 8791, but provides for the District’s adoption of a revised E-Bike Class I Pilot on the watershed. Staff recommends that the Board of Directors approve a resolution to rescind the Resolutions No. 8790 and 8791 that were approved at the September 3, 2024 Board of Directors meeting. Staff also recommends that the Board review and approve by resolution a revised E-Bike Class I Trial for a two-year period.

**E-Bike Class I Pilot**

The objective of the E-Bike Class I Trial is to evaluate changes in E-Bike Class I usage and how the inclusion of Class I E-Bikes influences visitors’ watershed experience. Evaluating the inclusion of Class I E-Bikes on existing fire roads within the watershed will provide critical data to inform the District’s future watershed management and policy decisions. The pilot is designed to assess potential effects of Class I E-Bike Use on watershed roads while ensuring that the inherent features of the project avoid any potential environmental impacts, consistent with CEQA Guidelines section 15301 – Existing Facilities. Attachment 1 is a proposed resolution that authorizes E-Bike Class I’s on watershed roads that are now open to conventional bicycles.

Data collection process for the E-Bike Class I trial will include:

- A. Trail counters: Install trail counters at key entrances to collect data to understand the approximate number of bikes on the watershed.
- B. Incident Reporting: Add additional signage at main kiosks with information about how to report illegal activities.

- C. Visitor experience: Conduct two rounds of visitor surveys to understand perceptions, experiences and conflicts over the E-Bike Pilot period.
- D. Social Trails: Continue monitoring use of social trails.
- E. Early Detection Rapid Response: Continue EDRR monitoring along Fire Roads.
- F. Bat Study: Conduct a bat study during E-Bike Pilot period.
- G. Norther Spotted Owl (NSO): The District will continue annual NSO monitoring on the Watershed.

**ENVIRONMENTAL REVIEW:** The proposed project involves implementing a two-year E-Bike Class I Pilot on the District's watershed lands. This project aims to evaluate the feasibility of allowing Class I E-Bikes on existing watershed roads. Over the past several years, the District has conducted extensive community outreach to ensure the proposed projects align with the District's goals of providing for high quality recreational opportunities and environmental protection of watershed resources. The District thoroughly reviewed the proposed Revised E-Bike Class I Pilot and determined that the project is categorically exempt from CEQA under Article 19, Categorical Exemptions, of the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), specifically pursuant to CEQA Guidelines Section 15301 (Existing Facilities) in that the proposed project is limited to existing roads where conventional bicycles and vehicles, as well as E-bikes used pursuant to the Americans with Disabilities Act, are already permitted. The operation and use of the roads will not be expanded beyond the roads' current capacities, which are maintained to support multiple types of uses and thus any use of the roads by Class I E-Bikes during the Pilot period would be negligible.

#### **Exceptions to CEQA Exemptions (Section 15300.2)**

The District has also determined that none of the exceptions under CEQA Guidelines Section 15300.2, subdivision (c), apply to the E-Bike Class I Trial. Specifically:

**1. Location in Sensitive Environments (CEQA Guidelines § 15300.2, subd. (a)):** This exception is limited to Classes 3, 4, 5, 6, and 11 CEQA categorical exemptions, none of which are being utilized for the Revised E-Bike Pilot Program. Therefore, the Board finds CEQA Guidelines section 15300.2, subdivision (a) is inapplicable.

**2. Cumulative Impact (CEQA Guidelines § 15300.2, subd. (b)):** There are no successive projects of the same type as the project currently located or proposed within the Watershed. Therefore, CEQA Guidelines section 15300.2, subdivision (b) is inapplicable.

**3. Unusual Circumstances (CEQA Guidelines § 15300.2, subd. (c)):** The Revised E-Bike Pilot will not result in unusual circumstances given its comparable size and location as regards other projects the District has found to be exempt under CEQA Guidelines section 15301. Therefore, the Board finds CEQA Guidelines section 15300.2, subdivision (c) is inapplicable.

**4. Scenic Highways (CEQA Guidelines § 15300.2, subd. (d)):** The exception specifies that a categorical exemption shall not be used for a project that may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a State scenic highway. Here, there are no State-designated scenic highways adjacent to or in close proximity to the Revised E-Bike Pilot Roads. Therefore, the exception under Section 15300.2(d) is not applicable to the project.

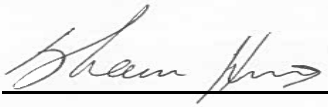

5. **Hazardous Waste Sites. (CEQA Guidelines Section subd. 15300.2(e)):** The exception specifies that a categorical exemption shall not be used for a project located on a site that is included on a list compiled pursuant to Section 65962.5 of the Government Code (“Cortese List”). There are no such sites on the Watershed Roads. Therefore, the exception under Section 15300.2(e) is not applicable.
6. **Historical Resources (CEQA Guideline § 15300.2, subd. (f)):** The exception specifies that a categorical exemption shall not be used for a project that may cause a substantial adverse change in the significance of a historical resource. Here, the Revised E-Bike Pilot’s authorization of E-Bikes on existing and Roads are not expected to disturb any known or potential historical resources. Therefore, the exception under Section 15300.2(f) is not applicable

**Conclusion**  
The District has thoroughly reviewed the proposed the Revised E-Bike Class I Pilot and determined that the project is categorically exempt from CEQA under section 15301 of the CEQA Guidelines. This project has been meticulously designed to avoid significant disturbances to environmental resources and is intended to inform future management decisions.

**FISCAL IMPACT:** Not Applicable.

**ATTACHMENT(S):**

- 1. Resolution Rescinding E-Bike Class I and Trail Sharing Pilot
- 2. Proposed Revised E-Bike Class I Pilot Resolution
- 3. E-Bike Class I Pilot CEQA NOE

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Watershed	 Shaun Horne Watershed Resources Director	 Ben Horenstein General Manager



**MARIN MUNICIPAL WATER DISTRICT****RESOLUTION NO.****A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN MUNICIPAL WATER DISTRICT  
RESCINDING BOARD RESOLUTION NO. 8791, AUTHORIZING WATERSHED TRAIL SHARING  
PILOT PROGRAM AND BOARD RESOLUTION NO. 8790, AUTHORIZING WATERSHED E-BIKE  
CLASS I TRIAL PROGRAM**

**WHEREAS**, on September 3, 2024, the Board of Directors (Board) of the Marin Municipal Water District (District) adopted Ordinance No. 465 updating the District Code to allow the District Board of Directors to adopt bicycle pilot/trial programs by resolution to preserve the flexibility to adaptively manage these programs without the need for further code revisions; and

**WHEREAS**, on September 3, 2024, the Board adopted Resolution No. 8791 the E-Bike Class I Trial for a period of up to two years in furtherance of the work performed in the Recreational Management Planning and Feasibility Study to allow E-Bike Class I usage on existing roads and trails within the watershed, where conventional bicycles are permitted, including any new trails under the Trail Sharing Pilot Program and in order to collect critical data to inform the District's future watershed management and policy decisions, which E-Bike Class I trial included trail counters at key entrances to collect data to understand the approximate number of bikes on the watershed as well as visitor surveys to understand perceptions, experiences and conflicts over Trial period; and

**WHEREAS**, on September 3, 2024, the Board adopted Resolution No. 8790, the Board adopted a Trail Sharing Pilot Program to evaluate bike access on single track trails on select existing watershed trails, for the purpose of collecting data relating to visitor patterns, environmental conditions, and compliance with District regulations to evaluate various trail sharing strategies, which pilot project would test new methods to safely share a select number of trails and improve the trail experience for all users, and that would be limited to the following trails: Sunnyside Trail, Pumpkin Ridge Trail, Madrone Trail, Concrete Pipe Fire Road, Upper Fish Gulch Trail, Lower Fish Gulch Trail, Arturo Trail, Mountain Top Trail, Lakeview Trail, Grassyslope Fire Road; and

**WHEREAS**, on October 1, 2024, the California Native Plant Society, the Marin Audubon Society and the Marin Conservation League filed a lawsuit against the District alleging that it failed to comply with the California Environmental Quality Act (CEQA) in its adoption of these programs and were successful in obtaining a preliminary injunction to stop the District's implementation of the Trail Sharing Pilot and E-Bike Class I Trial and neither of the programs were implemented by the District; and

**WHEREAS**, through extensive negotiation, the District has reached a settlement agreement with the petitioners, which anticipates a dismissal of the lawsuit with the rescission

of Resolutions No. 8790 and 8791, but provides for the adoption of a revised E-Bike Class I Pilot on the watershed with certain parameters.

**NOW, THEREFORE, THE BOARD RESOLVES**, that the Board hereby rescinds Resolutions No. 8790 and 8791, which cancels the Trail Share Pilot and E-Bike Class I Trail effective immediately.

**PASSED AND ADOPTED** this 6th day of May, 2025, by the following vote of the Board of Directors.

**AYES:**

**NOES:**

**ABSENT:**

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**Matt Samson**  
**President, Board of Directors**

**ATTEST:**

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**Terrie Gillen**  
**Board Secretary**

**MARIN MUNICIPAL WATER DISTRICT****RESOLUTION NO.****RESOLUTION OF THE BOARD OF THE MARIN MUNICIPAL WATER DISTRICT  
AUTHORIZING REVISED E-BIKE CLASS I PILOT PROGRAM AND FINDING THE  
PROGRAM EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT  
PURSUANT TO STATE CEQA GUIDELINES SECTIONS 15301 (EXISTING FACILITIES)**

**WHEREAS**, the Mt. Tamalpais Watershed lands owned and managed by the Marin Municipal Water District (“Watershed”) are comprised of 18,570 acres of land and receives approximately 2 million visitors annually, including anglers, hikers, equestrians, nature viewers, runners, walkers, youth camps, and cyclists. Marin Municipal Water District (“District”) Board Policy 7, entitled “Mount Tamalpais Watershed Management Policy” calls for the District to manage the Watershed for “water supply, natural wildland, scenic open space and limited passive recreational purposes.” As such, the District permits non-motorized and non-electric bicycles, otherwise known as conventional bicycles (“Bicycles”), as well as motorized vehicles, including cars, trucks, emergency service vehicles, equipment, and all-terrain-vehicles on approximately 91 miles all paved and fire roads on Watershed lands (“Roads”); and

**WHEREAS**, in 2018, the District initiated a community advisory committee process to better understand Class 1 electric bicycles, as defined by California Vehicle Code Section 312.5(a)(1), (“E-Bikes”), and their potential impact on areas already open to Bicycles, a key outcome of which was the recommendation that the District undertake a planning process to review watershed visitation holistically and consider updates to the District’s Watershed Road and Trail Management Plan adopted by the District in 2005, which, in turn, led to the initiation of the Watershed Recreation Management Planning Feasibility Study; and

**WHEREAS**, on April 16, 2024, following multiple community workshops, two community site visits and an updated watershed census survey to solicit input relating watershed operations and visitor management, the District Board of Directors (“Board”) adopted a Watershed Recreation Management Planning Feasibility Study (“Feasibility Study”), which reviewed existing watershed recreational facilities, visitor use data, biological resources, stewardship and volunteer programs, and visitor management strategies in alignment with the District’s adaptive watershed management strategy; and

**WHEREAS**, the Feasibility Study helped to inform multi-benefit outcomes that can be advanced to help protect the unique goals of different watershed visitors and the biodiversity of the District’s Watershed lands, the final section of which presents a series of Strategic Opportunities organized around stewardship initiatives, visitor services, watershed facilities, and adaptive management operations; and

**WHEREAS**, one of the Strategic Opportunities identified in the Feasibility Study was a pilot program for E-bikes, which would evaluate changes in usage and how the inclusion of E-Bikes Class I influences visitors’ experience and bicycle usage on the Watershed; and

**WHEREAS**, the Feasibility Study identified the need to authorize an amendment to policy to allow the use of Class I E-Bikes on Roads on Watershed lands authorized for use by Bicycles in alignment with the District's goals of enhancing visitor experiences while protecting environmental resources; and,

**WHEREAS**, based on the Feasibility Study, the District designed the E-Bike Class I pilot program, which would permit the use of Class 1 E-bikes on Watershed Roads (“E-Bike Pilot Program”); and

**WHEREAS**, on September 3, 2024, the District adopted Ordinance No 465 amending the Marin Municipal Water District Code to add Section 9.04.006 which provides that the District may “establish and implement one or more pilot or trial programs that allow the use of Class I electric bicycles on watershed lands where conventional bicycles are permitted,” approved Resolution No. 8791 adopting the E-Bike Pilot Program and, as a separate project, approved Resolution No. 8790 adopting the Trail Share Pilot Program (“Trail Share Pilot Program”); and

**WHEREAS**, on May 6, 2025, the District rescinded Resolution No. 8790 adopting the Trail Share Pilot Program and does not currently propose authorizing the use of E-Bikes on any trails on Watershed lands open to use by visitors (“Trails”); and

**WHEREAS**, on May 6, 2025, the District rescinded Resolution No. 8791, and as the District now desires to implement a “Revised E-Bike Pilot Program” to serve as a pilot program to evaluate the feasibility of permanently allowing Class I E-Bikes on Watershed Roads, in line with the strategic goals identified in the Feasibility Study, with the inclusion of additional design features consistent with its Settlement Agreement with California Native Plant Society Marin Audubon Society and Marin Conservation League in California Native Plant Society et al. v. Marin Municipal Water District, Marin County Superior Court Case No. CV0004078, and to ensure the Project addresses public concerns; and

**WHEREAS**, the Board is the Lead Agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.); and

**NOW, THEREFORE, BE IT RESOLVED** that, pursuant to District Code section 9.04.006, the Board hereby adopts the Revised E-Bike Pilot Program on the Mt. Tamalpais Watershed. The Revised E-Bike Pilot Program, under which Class I E-Bikes will be allowed on all Watershed Roads will commence on July 1, 2025 and will

continue for a period of up to two (2), subject to the following provisions which will occur during, and as part of, the Revised E-Bike Pilot Program.

**BE IT FURTHER RESOLVED** that, over the duration of the Revised E-Bike Pilot Program, the District shall continue monitoring of all Roads, and Trails including eight pedestrian and bicycle counting devices produced by Eco Counter(“Multi-Modal Trail Counters”), with Bicycles and E-Bikes as one mode at the following locations:

1. Sky Oaks Meadow
2. Deer Park
3. Natalie Coffin/Phoenix Lake
4. Pine Mountain Road at Bolinas Fairfax Road
5. Old Railroad Grade
6. Eldridge Grade
7. Pine Mountain
8. Concrete Pipeline Fire Road (recognizing limited public use due to ongoing District Work)

**BE IT FURTHER RESOLVED** that, over the duration of the Revised E-Bike Pilot Program, the District will take further steps to advance monitoring of bat species as outlined in Exhibit “A” (“Bat Study”) of this Resolution.

**BE IT FURTHER RESOLVED** that, over the duration of the Revised E-Bike Pilot Program, the District will monitor any Northern Spotted Owl (“NSO”) nests along Concrete Pipeline Fire Road during 2025 and 2026 consistent with the District’s ongoing NSO survey and monitoring work.

**BE IT FURTHER RESOLVED** that, over the duration of the Revised E-Bike Pilot Program, the District will conduct visitor surveys regarding the use of E-Bikes on Watershed Roads, including interactions with other users as well as the condition of Roads on the Watershed.

**BE IT FURTHER RESOLVED** that the District will continue its current practice of monitoring and documenting the current occurrence and spread of District-identified priority invasive plant species along Roads over the duration of the Revised E-Bike Pilot Program pursuant to the MMWD Biodiversity Fire and Fuels Integrated Plan.

**BE IT FURTHER RESOLVED** that the District will continue its current practices of monitoring the creation of new non-system trails on the Watershed, which are not maintained or actively managed by the District (“Social Trails”) and use of Social Trails on the Watershed with an intent for the District to prioritize the future decommissioning of specific Social Trails based on the District's assessment of potential impacts to sensitive plant and wildlife species, among other factors.

**BE IT FURTHER RESOLVED** that the District will establish an improved method of incident reporting, e.g., improved existing trailhead kiosk at primary entrances to include ways to report incidents.

**BE IT FURTHER RESOLVED**, that upon conclusion of the Revised E-Bike Pilot Program, the Board will review the collected data and make a determination regarding the permanent status of Class I E-Bikes on the Watershed, including any necessary amendments to District policies and regulations.

**BE IT FURTHER RESOLVED**, the Board has determined that the Revised E-Bike Pilot Program is categorically exempt from further CEQA review under Article 19, Categorical Exemptions, of the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), pursuant to CEQA Guidelines Section 15301 – Existing Facilities. CEQA Guidelines section 15301 exempts projects that “consist of the operation [] permitting, [] of existing public [] structures, [] or topographical features, involving negligible or no expansion of existing or former use” including “[e]xisting [] bicycle and pedestrian trails, and similar facilities...” The Board finds that the Revised E-Bike Pilot fits within this exemption as it only allows the continued operation and use of existing roads by Class I E-Bikes, which are already used for conventional biking and motor vehicle activity, as well as by individuals currently operating E-bikes pursuant to the Americans with Disabilities Act. The operation and use of the roads will not be expanded beyond the roads’ current capacities, which are maintained to support multiple types of uses and thus any use of the roads by Class I E-Bikes during the Pilot would be negligible.

**BE IT FURTHER RESOLVED** that the Board has determined that none of the exceptions under CEQA Guidelines section 15300.2 apply, as follows:

**1. Location in Sensitive Environments (CEQA Guidelines § 15300.2, subd. (a)):** This exception is limited to Classes 3, 4, 5, 6, and 11 CEQA categorical exemptions, none of which are being utilized for the Revised E-Bike Pilot Program. Therefore, the Board finds CEQA Guidelines section 15300.2, subdivision (a) is inapplicable.

**2. Cumulative Impact (CEQA Guidelines § 15300.2, subd. (b)):** The Board finds there are no successive projects of the same type as the Pilot Program currently located or proposed within the Watershed. Therefore, the Board finds CEQA Guidelines section 15300.2, subdivision (b) is inapplicable.

**3. Unusual Circumstances (CEQA Guidelines § 15300.2, subd. (c)):** The Board finds that the Revised E-Bike Pilot Program will not result in unusual circumstances given its comparable size and location as regards other projects the District has found to be exempt under CEQA Guidelines section 15301. Therefore, the Board finds CEQA Guidelines section 15300.2, subdivision (c) is inapplicable.

**4. Scenic Highways (CEQA Guidelines § 15300.2, subd. (d)):** The exception specifies that a categorical exemption shall not be used for a project that may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a State scenic highway. Here, there are no State-designated scenic highways adjacent to or in close proximity to the Revised E-Bike Pilot Program’s Roads. Therefore, the exception under Section 15300.2(d) is not applicable to the project.

**5. Hazardous Waste Sites. (CEQA Guidelines Section subd. 15300.2(e)):** The exception specifies that a categorical exemption shall not be used for a project located on a site that is included on a list compiled pursuant to Section 65962.5 of the Government Code (“Cortese List”). There are no such sites on the Watershed Roads. Therefore, the exception under Section 15300.2(e) is not applicable.

**6. Historical Resources (CEQA Guideline § 15300.2, subd. (f)):** The exception specifies that a categorical exemption shall not be used for a project that may cause a substantial adverse change in the significance of a historical resource. Here, the Revised E-Bike Pilot Program’s authorization of E-Bikes on existing and paved Roads are not expected to disturb any known or potential historical resources. Therefore, the exception under Section 15300.2(f) is not applicable

**BE IT FURTHER RESOLVED,** based on its review of the Revised E-Bike Pilot Program, the staff report, and other relevant documents comprising the administrative record, and based on the foregoing, the Board directs staff to file and post a Notice of Exemption with regard to its determination that there is substantial evidence to support the finding that the Revised E-Bike Pilot Program is exempt from further CEQA review under CEQA Guidelines Section 15301.

**PASSED AND ADOPTED** this 6th day of May, 2025, by the following vote of the Board of Directors.

**AYES:**

**NOES:**

**ABSENT:**

**Matt Samson**  
**President, Board of Directors**

**ATTEST:**

**Terrie Gillen**  
**Board Secretary**

EXHIBIT A

BAT STUDY

Introduction

The Mt. Tamalpais Watershed provides habitat for a diverse assemblage of bat species. This study utilizes the North American Bat Monitoring Program (NABat) acoustic monitoring protocols and aligns with the broader One Tam Bat monitoring efforts but with a focus on periodic monitoring and data collection pre-project and during the term of the e-bike pilot, in selected bat habitats on the Mt. Tamalpais Watershed.

Methodology - Acoustic Monitoring

Conduct NABat grid-based (10Km x 10Km) acoustic monitoring protocol on the Mt. Tamalpais watershed with four sub grid (5km x 5km) monitoring sites. Two acoustic monitoring stations will be established within each sub grid in areas with bat habitat (habitat favorable for bat foraging or roosting), totaling eight detectors. The monitors will be evenly distributed adjacent to: (1) busy fire roads, (2) lower use fire roads and (3) two sites at least 100 meters from a fire road. Additional selection criteria are habitats that best support bat species, including species known to be most sensitive to high frequency noise. One busy fire road site and one remote site shall be in habitat favorable for bat roosting. All sites adjacent to fire roads shall include fire roads where it would be expected that e-bikes users would engage their electric motors. Monitoring stations adjacent to fire roads shall be placed within two meters of a fire road. Sites that meet the above criteria will be identified by a bat biologist.

Each site will be equipped with full-spectrum acoustic detectors (e.g., Titley Electronics Ranger or Pettersson D500X, Wildlife Acoustics Song Meter SM4BAT) deployed for a minimum of four nights per habitat site, in each season (July, fall, winter and spring) but will also complete one monitoring session prior to commencement of the E-Bikes Pilot and will be carried out over the two consecutive years during the E-Bike Pilot (the “Monitoring Period”).

- Each monitoring period shall include at least two week days and two weekend days or national holidays.
- The preferred protocol is contemporaneous monitoring of the eight sites. If, in any quarter, sites are monitored sequentially, the order in which sites will be monitored shall be randomized.
- Monitoring stations shall be operational on a 24 hour basis on nights that are monitored. A bat biologist will consider weather conditions, including inclement weather, strong winds, rain or temperatures below 40 degrees in determining the appropriate time for monitoring during each season.



- Data will be processed using Sonobat and Kaleidoscope software to classify species presence and activity levels.

### **Data Analysis and Report**

Acoustic data will be analyzed to determine species diversity (number of different species detected), distribution, activity levels (based on bat call recordings by species), seasonal trends, and habitat use (“Habitat” as defined in the Wildlife Habitats – California Wildlife Habitat Relationships System: <https://wildlife.ca.gov/Data/CWHR/Wildlife-Habitats>).

- Following the data collection, the bat specialist will analyze the data to document each species of bat present in each habitat area and relative abundance of each species.
- Analysis will compare diversity and abundance of species over the Monitoring Period (including by site and between sites).
- Findings of the monitoring will be summarized in a report made available to the public along with an appendix including all raw digital acoustic files, including full-spectrum bat and noise data. This approach will enhance the District’s understanding of bat species presence, distribution, habitat, and activity within the Mt. Tamalpais Watershed and will contribute to the broader One Tam Monitoring efforts while aligning with NABat methodologies that feed into a national database and monitoring program.



# Notice of Exemption

## Attachment 3

Filing Requested By and When Filed Return To:

Marin Municipal Water District  
220 Nellen Ave  
Corte Madera, CA 94925  
Attn: Shaun Horne, Director of Watershed Resources

**Project Title:** Mt. Tamalpais Watershed Revised E-Bike Class I Pilot

**Project Location:** 49 Sky Oaks Road, Fairfax

**Project Location – County:** Marin

**Public Agency Approving Project:** Marin Municipal Water District

**Name of Person or Agency Carrying Out Project:** Marin Municipal Water District

**Project Description:** The Marin Municipal Water District (District) proposes to implement a Revised E-Bike Class I Pilot for a period of up to two years on existing fire roads within the Mt. Tamalpais Watershed where conventional bicycles are permitted. This Pilot aims to evaluate the impacts of Class I E-Bike use on visitor experience, providing data to inform future decisions regarding E-Bike access on watershed lands.

**CEQA Exemption Status :** The District thoroughly reviewed the proposed Revised E-Bike Class I Pilot (Project) and determined that it is categorically exempt from CEQA under Article 19, Categorical Exemptions, of the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), specifically pursuant to CEQA Guidelines Section 15301 (Existing Facilities) in that section 15301 exempts projects that “consist of the operation [] permitting, [] of existing public [] structures, [] or topographical features, involving negligible or no expansion of existing or former use” including “[e]xisting [] bicycle and pedestrian trails, and similar facilities...” The Revised E-Bike Pilot fits within this exemption as it only allows the continued operation and use of existing roads by Class I E-Bikes, which are already used for conventional biking and motor vehicle activity, as well as by individuals currently operating E-bikes pursuant to the Americans with Disabilities Act. The operation and use of the roads will not be expanded beyond the roads’ current capacities, which are maintained to support multiple types of uses and thus any use of the roads by Class I E-Bikes during the Revised E-Bike Class I Pilot period would be negligible.

### Exceptions to CEQA Exemptions (Section 15300.2)

The District has also determined that none of the exceptions under CEQA Guidelines Section 15300.2, subdivision (c), apply to the E-Bike Class I Trial. Specifically:

- 1. Location in Sensitive Environments (CEQA Guidelines § 15300.2, subd. (a)):** This exception is limited to Classes 3, 4, 5, 6, and 11 CEQA categorical exemptions, none of which are being utilized for the Revised E-Bike Pilot Program. Therefore, CEQA Guidelines section 15300.2, subdivision (a) is inapplicable.
- 2. Cumulative Impact (CEQA Guidelines § 15300.2, subd. (b)):** There are no successive projects of the same type as the project currently located or proposed within the Watershed. Therefore, CEQA Guidelines section 15300.2, subdivision (b) is inapplicable.
- 3. Unusual Circumstances (CEQA Guidelines § 15300.2, subd. (c)):** The Revised E-Bike Pilot will not result in unusual circumstances given its comparable size and location as regards other projects the District has found to be exempt under CEQA Guidelines section 15301. Therefore, CEQA Guidelines section 15300.2, subdivision (c) is inapplicable.
- 4. Scenic Highways (CEQA Guidelines § 15300.2, subd. (d)):** The exception specifies that a categorical

exemption shall not be used for a project that may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a State scenic highway. Here, there are no State-designated scenic highways adjacent to or in close proximity to the Revised E-Bike Pilot roads. Therefore, the exception under Section 15300.2(d) is not applicable to the Project.

- 5. **Hazardous Waste Sites. (CEQA Guidelines Section subd. 15300.2(e)):** The exception specifies that a categorical exemption shall not be used for a project located on a site that is included on a list compiled pursuant to Section 65962.5 of the Government Code (“Cortese List”). There are no such sites on the Watershed Roads. Therefore, the exception under Section 15300.2(e) is not applicable.
- 6. **Historical Resources (CEQA Guideline § 15300.2, subd. (f)):** The exception specifies that a categorical exemption shall not be used for a project that may cause a substantial adverse change in the significance of a historical resource. Here, the Revised E-Bike Pilot’s authorization of E-Bikes on existing roads is not expected to disturb any known or potential historical resources. Therefore, the exception under Section 15300.2(f) is not applicable

**Project Approval:** The Marin Municipal Water District Board of Directors approved the Mt. Tamalpais Watershed Revised E-Bike Class I Pilot, at its regularly scheduled meeting on August 20, 2024.

**Lead Agency Contact Person:** Shaun Horne, Marin Municipal Water District      **Telephone:** (415) 945-1190

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**Shaun Horne, Director of Watershed Resources**

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**Date**



# STAFF REPORT

**Meeting Type:** Board of Directors  
**Title:** FY 2025/26 – FY 2026/27 Budget Workshop  
**From:** Bret Uppendahl, Finance Director  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** May 6, 2025

**TYPE OF ITEM:** Action      X      Information

**RECOMMENDATION:** Review and comment on the preliminary Fiscal Year 2025/26 – 2026/27 District Budget

**SUMMARY:** Staff is preparing the Operating and Capital Budget for FY 2025/26 and FY 2026/27 for the Board's consideration in June 2025. The District's two-year budget process incorporates the costs necessary to provide safe and reliable water service over the long term. The preliminary all funds expenditure budget for FY 2025/26 is \$183 million, which is a 12 percent increase compared to FY 2024/25. Expenditures in FY 2026/27 are increasing by an additional two percent. This expenditure level reflects the District's top priorities as well as inflationary impacts and non-discretionary cost drivers.

**DISCUSSION:** The District provides high quality water to over 191,000 residents in a 147 square mile area that includes most cities, towns and unincorporated areas within Marin County. Novato and West Marin are located outside of the District's service area.

As shown below, overall expenditures are increasing by 12 percent in FY 2025/26, and increasing by 2 percent in FY 2026/27. Operating expenditures, which provide funding for day-to-day activities are increasing by 4 percent in FY 2025/26 and 5 percent in FY 2026/27. Capital investments, which include water supply and fireflow projects are increasing by 35 percent in FY 2025/26 and are decreasing by 4 percent in FY 2026/27. The decreased capital expenditures in FY 2026/27 largely reflects the expiration of grants.

	FY 23/24	FY 24/25	FY 25/26	% Change	FY 26/27	% Change
Operating Expenditures	\$ 104,139,464	\$ 109,347,389	\$ 113,475,685	4%	\$ 118,957,142	5%
Capital and Fire Flow	\$ 32,981,000	\$ 49,451,000	\$ 67,004,499	35%	\$ 64,485,429	-4%
Contributions to Reserves	\$ 5,000,000	\$ 5,000,000	\$ 2,500,000	-50%	\$ 2,500,000	0%
<b>Total</b>	<b>\$ 142,120,464</b>	<b>\$ 163,798,389</b>	<b>\$ 182,980,184</b>	<b>12%</b>	<b>\$ 185,942,571</b>	<b>2%</b>

Over 90 percent of the revenue required to support District operating activities and capital

investments come from customer water rates. The District's water rates for FY 2025/26 and FY 2026/27 were established as part of the 2023 rate setting process. Water consumption has been largely consistent with the assumptions underlying the 2023 rate study and therefore revenue levels are expected to be in-line with previous estimates. Overall, the revenue budget is increasing by 11 percent in FY 2025/26 and by an additional 3 percent in FY 2026/27.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** None.

**ATTACHMENT(S):** None.



## UPCOMING MEETINGS

This schedule lists upcoming board and committee meetings as well as upcoming agenda items for the next month, which may include Board interest in adding future meeting items. The schedule is tentative and subject to change pending final publication and posting of each meeting agenda.

<b>Internal Meetings</b>		
<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Key Item(s)</b>
Tuesday, May 20, 2025 5:45 p.m.	Board of Directors' Regular Bi-Monthly Meeting with a Closed Session at the beginning	Legislative Update
Thursday, May 22, 2025 9:30 a.m.	Finance & Administration Committee Meeting	FY 2025/26 Insurance Renewal
Tuesday, May 27, 2025 9:30 a.m.	Planning Committee Meeting/Special Meeting of the Board of Directors	Nicasio Spillway Project Update, Water Efficiency-AMI Update

<b>External Meetings</b>	
<b>Meeting Date</b>	<b>Meeting Type</b>
Wednesday, May 21, 2025 3:00 p.m.	Tomales Bay Foundation