

NOTICE OF REGULAR MEETING

FINANCE & ADMINISTRATION COMMITTEE/BOARD OF DIRECTORS (FINANCE & ADMINISTRATION)

(Per paragraph 3 on page 10 under subsection *Committee Meetings* of the Board Handbook: The Board, as a practice, generally does not take final action on items during committee meetings, unless District staff determines the urgency of the item requires immediate action that cannot be delayed until a subsequent regular bi-monthly Board meeting.)

MEETING DATE: 09-23-2021

TIME: 9:30 a.m.

LOCATION: This meeting will be held virtually, pursuant to the Governor's Executive Order N-29-20.

To participate online, go to <https://us06web.zoom.us/j/84974057901>. You can also participate by phone by calling 1-669-900-6833 and entering the webinar ID#: 849 7405 7901.

PARTICIPATION DURING MEETINGS: During the public comment periods, the public may comment by clicking the "raise hand" button on the bottom of the Zoom screen; if you are joining by phone and would like to comment, press *9 and we will call on you as appropriate.

EMAILED PUBLIC COMMENTS: You may submit your comments in advance of the meeting by emailing them to BoardComment@MarinWater.org. All emailed comments received by 7:30 a.m. on the day of the meeting will be provided to the Board of Directors prior to the meeting. All emails will be posted on our website. (Please do not include personal information in your comment that you do not want published on our website such as phone numbers and home addresses.)

AGENDA ITEMS	RECOMMENDATIONS
Call to Order and Roll Call	
Adopt Agenda	Approve
Public Comment <i>Members of the public may comment on any items not listed on the agenda during this time. Comments will be limited to three minutes per speaker, and time limits may be reduced by the Committee Chair to accommodate the number of speakers and ensure that the meeting is conducted in an efficient manner.</i>	

AGENDA ITEMS	RECOMMENDATIONS
Calendar	
1. Minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of August 26, 2021	<i>Approve</i>
2. Marin County's Request for Emergency Drinking Water Supply	<i>Information</i>
3. Monthly Financial Update – August 2021	<i>Information</i>
4. Overview of the Redistricting Process	<i>Information</i>
5. Grant and Legislative Program Update	<i>Information</i>
6. Re-establishing In-Person Board and Committee Meetings Update	<i>Information</i>
Adjournment	

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 disabled 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 Board Secretary Terrie Gillen at 415.945.1448, at least two days in advance of the meeting. Advance notification will enable the Marin Water to make reasonable arrangements to ensure accessibility.

INFORMATION PACKETS ARE AVAILABLE FOR REVIEW AT THE CIVIC CENTER LIBRARY, CORTE MADERA LIBRARY, FAIRFAX LIBRARY, MILL VALLEY LIBRARY, MARIN WATER OFFICE, AND ON THE MARIN WATER WEBSITE (MARINWATER.ORG)

FUTURE BOARD MEETINGS:

- ❖ Tuesday, October 5, 2021
Board of Directors' Regular Meeting
7:30 p.m.
- ❖ Friday, October 15, 2021
Board of Directors' Special Meeting – Board Retreat
9:00 a.m. – 3:00 p.m.


Board Secretary



Item Number: 01
Meeting Date: 09-23-2021
Meeting: Finance &
Administration Committee/
Board of Directors (Finance &
Administration)

Approval Item

TITLE

Minutes of the Finance & Administration Committee/Board of Directors (Finance & Administration) Meeting of August 26, 2021

RECOMMENDATION

Approve the adoption of the minutes.

SUMMARY

On August 26, 2021, the Finance & Administration Committee/Board of Directors (Finance & Administration) held its regularly scheduled meeting. The minutes of that meeting are attached.

DISCUSSION

None

FISCAL IMPACT

None

ATTACHMENT(S)

1. Minutes of the August 26, 2021, Meeting of the Finance & Administration Committee/Board of Directors (Finance & Administration)

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

**MARIN MUNICIPAL WATER DISTRICT
FINANCE & ADMINISTRATION COMMITTEE /BOARD OF DIRECTORS (FINANCE &
ADMINISTRATION) MEETING**

MINUTES

Thursday, August 26, 2021

Via teleconference

(In accordance with Governor Gavin Newsom's Executive Order N-29-20)

DIRECTORS PRESENT: Larry Bragman, John C. Gibson, Larry Russell, Monty Schmitt, and Cynthia Koehler

DIRECTORS ABSENT: None

CALL TO ORDER: Chair Koehler called the meeting to order at 9:32 a.m.

ADOPT AGENDA:

On motion made by Director Gibson and seconded by Director Bragman, the board approved the adoption of the agenda, by the following roll call vote:

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler

Noes: None

PUBLIC COMMENT:

There were two public comments.

CALENDAR ITEMS:

ITEM 1. MINUTES OF THE FINANCE & ADMINISTRATION COMMITTEE /BOARD OF DIRECTORS (FINANCE & ADMINISTRATION) SPECIAL MEETING OF JUNE 24, 2021

On motion made by Director Gibson and seconded by Director Russell, the board approved the minutes by the following roll call vote:

Ayes: Directors Bragman, Gibson, Russell, Schmitt, and Koehler

Noes: None

ITEM 2. CONSIDERATIONS IN CONVERTING FROM BI-MONTHLY TO MONTHLY CUSTOMER BILLING

Finance Director Chuck McBride presented this item. The board and staff conversed on this item and the board requested more information about implementing AMI. The Board directed staff to pursue AMI and to table bi-monthly billing for now.

There were two public comments.

This was an informational item. The board took no formal action.

ITEM 3. BOARD HANDBOOK REVIEW & REVISIONS

General Counsel Molly MacLean presented this item. Afterwards, the board and staff discussed this item, including continuation at the current practice of not taking action at committee meetings unless it is an urgent item.

There were no public comments.

This was a *Review and Refer* item, and the item was referred to a future board meeting for formal approval.

ITEM 4. MONTHLY FINANCIAL UPDATE – JULY 2021

Finance Manager & Treasurer Chuck McBride brought forth this item. Brief discussion followed.

There was one public comment.

This was an informational item. The board took no formal action.

ITEM 5. QUARTERLY INVESTMENT REPORT – JUNE 2021

Finance Division Manager McBride also presented this item. Discussion ensued.

There were no public comments.

This was an informational item. The board took no formal action.

ADJOURNMENT

There being no further business, the Finance & Administration Committee/Board of Directors (Finance & Administration) meeting adjourned at 10:39 a.m.


Board Secretary



Item Number: 02
Meeting Date: 09-23-2021
Meeting: Finance &
Administration Committee/ Board
of Directors (Finance &
Administration)

Informational Item

TO: Finance & Administration Committee/Board of Directors (Finance & Administration)

FROM: Paul Sellier, Operations Director 

THROUGH: Ben Horenstein, General Manager 

DIVISION NAME: Operations

ITEM: Marin County's Request for Emergency Drinking Water Supply

SUMMARY

County staff has identified a small number of residents in West Marin that have no or very limited access to drinking water due to ongoing drought conditions. The County has requested that both Marin Municipal Water District and North Marin Water District make potable water available for these residents. The volume of water is expected to be de Minimis - on the order of 1 to 5 acre-feet.

DISCUSSION

Calendar year 2020 was the 2nd driest year in the past 90 years; and, so far in 2021, precipitation totals are less than 2020. The dry conditions are affecting the availability of water for residents in West Marin. Due to these drought conditions, the County of Marin has requested that the District provide access to potable water via a hydrant for qualified West Marin residents. The County will assess the need of residents and will administer the program in a similar manner to the untreated water that is being made available for ranchers in West Marin. Since May 1, 2021, the Ranchers have used 10.9 acre-feet of untreated water from Nicasio. In discussions with the County the drinking water needs are anticipated to be less than a few acre-feet over the next few months. While the District's reservoirs are at 36% of total capacity, given the emergency need, this small volume can be accommodated.

Staff has determined that the intersection of Nicasio Rd and Sir Francis Drake is a suitable location for a hydrant meter and this location has been used for this type of service in the past. Any water pulled from the hydrant can be metered and billed pursuant to District Code sections 6.01.030, 11.32.070 and 11.56.030. Specifically, this will require payment of an \$85 account set up charge, a deposit of either \$1,400 or \$350 (dependent upon the requested meter assembly size), and bi-monthly payment of 150% of the Tier 1 residential water rate for each CCF of water used and payment of bi-monthly service charge based upon the meter size requested.

The amount of water needed is expected to be less than 5 acre-feet in total. Any permit issued for such use will include language expressly providing for the District's revocation of the permit at the sole discretion of the General Manager, for reasons including but not limited to: the water use is beyond the minimal amount expected or is being used for purposes beyond the narrow scope of the permit, or it is determined that the District has insufficient supply to allow the continued use, or future objections are received from water agencies that provide water to the area.

The location of the intended users of the water are outside the District's service area. Water Code Section 71612.5, Article 11, Section 9 of the California Constitution and Section 10005 of the Public Utilities Code collectively authorize the District to sell water for use outside the of the District's service area provided that the Board determines surplus water exists and no other water agency providing water to the area objects. At the present time, the District's reservoirs contain approximately 28,677 acre-feet of water. Given the nominal amount of water sought and the critical nature of the need staff believes that sufficient water is available for these very limited purposes. However, staff will continue to monitor changing water supply conditions, and if insufficient water supply and/or excessive/improper water usage occurs, the General Manager would be authorized to revoke the permit. Additionally, staff is unaware of any objections from other water agencies servicing the area. Furthermore, staff believes water use for the limited purposes described herein is a beneficial use in the interest of the people and for the public welfare and is consistent with Article 10, Section 2 of the California Constitution.

Staff is seeking direction from the Board regarding the County's request for emergency drinking water for qualified residents of West Marin County.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENT(S)

None

Informational Item

TO: Finance & Administration Committee/ Board of Directors (Finance & Administration)

FROM: Charles McBride, Finance Director *CM*

THROUGH: Ben Horenstein, General Manager *BH*

DIVISION NAME: Administrative Services Division

ITEM: Monthly Financial Update- August 2021

SUMMARY

The Monthly Financial Update provides an overview of the fiscal year-to-date financials. As of August 2021, the fiscal year-to-date total revenue is \$17.4 million, or 15.6 percent, of budgeted revenue and total expenditure is \$18.1 million, or 14.7 percent, of budgeted expenditure. It is notable that water sales, including fixed charges, are down by approximately 18.3 percent compared to the prior year as conservation efforts are realized. The unrestricted/operating fund balance is \$24.3 million, which is 3.3 months of annualized operating budget.

DISCUSSION

Budget to Actual Comparison – All Funds

Attached is the budget to actual comparison for fiscal year 2021-22 as of August 31, 2021. The budget to actual comparison is prepared by fund and includes revenues, expenditures and reserve balances.

For the Operating Fund, total revenues, including other operating revenue, as of August 31, 2021 are \$14.6 million, or 16.4 percent, of budget. Total operating expenditures of \$15.7 million, not including depreciation and amortization, are 17.7 percent of budget. For reference, if revenues and expenses tracked linearly, we would expect them to be at 16.7 percent of fiscal year budget at the end of August.

For the Capital and Fire Flow Funds, total revenues are \$2.8 million, or 12.5 percent of budget, and are comprised primarily of CMF funds of \$2.7 million. Spending on capital and fire flow projects is \$2.4 million, or 6.9 percent, of budget as of August 31, 2021, as CIP projects typically do not follow smooth trends in expenditures. As noted in Attachment 5, an additional \$7.7

million is encumbered, bringing total expenditures with encumbrances to \$10.1 million, or 29.0 percent of budget.

Water Sales and Consumption

The fiscal year to date water sales through August 31, 2021 were \$9.8 million, which is 16.7 percent of the annual water sales forecast. Billed water consumption (in CCFs) through August 31, 2021 was 4,143 AF, which is 20.9% lower than this time last year.

Year-to-date water sales and fixed charges (Service and Watershed Fees) through August 31, 2021 were \$14.1 million, which is 16.4 percent of total annual revenue forecast of \$85.9 million. Compared to the same period for the previous fiscal year water sales and fixed charges decreased by \$3,150,391, or 18.3 percent.

Fund Balances

Per the attached Fund Balance Summary, as of August 31, 2021, the unrestricted / undesignated - operating fund balance is \$24.3 million, or 3.3 months of annualized projected operating expenses for FY 2021-22.

FISCAL IMPACT

None

ATTACHMENT(S)

1. Total Water Sales and Fixed Charges & Fees 2020/21 – 2021/22
2. Billed Water Consumption in AFs FY 2010/11 – 2021/22
3. Budget to Actual Comparison for 2021/22 as of August 31, 2021
4. Fund Balance Summary as of August 31, 2021
5. CIP Budget to Actual Comparison for 2021/22 as of August 31, 2021

**Total Water Sales and Fixed Charges & Fees
Fiscal Years 2020/21 - 2021/22**

Month	Fixed Charges											
	Water Sales			Service Charges			Watershed Fee			Total Water Sales and Fixed Charges		
	20/21 Actual	21/22 Budget	21/22 Actual	20/21 Actual	21/22 Budget	21/22 Actual	20/21 Actual	21/22 Budget	21/22 Actual	20/21 Actual	20/21 Budget	20/21 Actual
July	5,148,860	\$4,840,348	3,888,283	1,408,195	1,541,834	1,430,482	322,117	352,676	332,156	6,879,172	\$ 6,734,858	5,650,921
August	7,895,649	\$8,155,135	5,887,854	2,003,578	2,193,720	2,073,299	439,045	480,697	454,979	10,338,272	10,829,551	8,416,132
September	5,919,811	\$5,825,972		1,410,919	1,544,817		321,199	351,671		7,651,930	7,722,460	-
October	7,930,465	\$7,823,307		1,999,518	2,189,274		437,931	479,477		10,367,913	10,492,057	-
November	4,977,568	\$4,816,404		1,416,720	1,551,168		321,799	352,328		6,716,088	6,719,900	-
December	6,216,270	\$5,794,180		2,013,149	2,204,199		441,057	482,900		8,670,476	8,481,278	-
January	2,624,605	\$2,544,160		1,405,078	1,538,421		318,852	349,101		4,348,535	4,431,682	-
February	3,594,233	\$3,566,451		1,992,768	2,181,884		437,055	478,518		6,024,056	6,226,853	-
March	1,978,100	\$2,097,854		1,400,299	1,533,189		319,385	349,685		3,697,784	3,980,727	-
April	3,972,353	\$3,930,424		2,047,123	2,241,396		441,798	483,711		6,461,274	6,655,531	-
May	3,367,351	\$3,059,352		1,382,615	1,513,826		320,761	351,191		5,070,727	4,924,370	-
June	6,153,533	\$6,029,493		2,052,718	2,247,523		451,028	493,817		8,657,279	8,770,833	-
TOTAL	59,778,799	\$58,483,079	9,776,137	20,532,680	\$22,481,250	3,503,781	4,572,027	\$5,005,772	787,135	\$84,883,506	\$85,970,101	\$14,067,053

Original Budget-to-Actual Basis **-19.91%**
 Actual-to-Actual Basis **-18.30%**
 % of total budget received **16.36%**

Billed Water Consumption In AF's
Fiscal Year 2010/11 - 2020/21

															Monthly Budget Variance	Actual to Actual % Change
Month	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Budget	16/17 Actual	17/18 Actual	18/19 Actual	19/20 Actual	2021 Actual	21/22 Budget	2022 Actual		
July	1,968	1,852	2,160	2,205	1,969	1,628	1,825	1,876	1,931	1,975	1,834	2,022	1,940	1,642	-15.36%	-18.77%
August	3,457	3,154	3,564	3,407	3,186	2,620	2,945	3,012	3,206	3,245	3,112	3,215	3,194	2,500	-21.74%	-22.24%
Septerr	2,309	2,175	2,333	2,244	1,973	1,775	1,906	1,939	2,027	2,145	2,112	2,205	2,122	-		
Octobe	3,286	3,045	3,163	3,215	2,778	2,583	2,729	2,767	3,140	2,951	3,058	3,124	3,068	-		
Novem	1,628	1,585	1,586	1,931	1,454	1,490	1,503	1,340	1,705	1,664	1,837	1,882	1,772	-		
Decem	1,784	1,986	1,911	2,433	1,984	1,935	1,998	1,646	1,914	2,169	2,295	2,418	2,199	-		
January	1,071	1,200	1,005	1,342	1,065	991	1,047	910	942	993	1,186	1,157	1,070	-		
Februa	1,625	1,858	1,680	1,996	1,651	1,450	1,576	1,392	1,754	1,525	1,556	1,625	1,615	-		
March	958	1,079	1,054	1,042	1,048	832	953	846	992	879	1,105	970	986	-		
April	1,640	1,676	2,016	1,627	1,910	1,467	1,710	1,375	1,612	1,427	1,883	1,775	1,674	-		
May	1,321	1,266	1,655	1,308	1,379	1,067	1,239	1,092	1,240	1,224	1,378	1,459	1,325	-		
June	2,568	2,789	3,161	2,642	2,344	2,478	2,463	2,416	2,516	2,349	2,711	2,559	2,533	-		
TOTAL	23,614	23,666	25,290	25,390	22,742	20,316	21,894	20,611	22,978	22,546	24,065	24,410	23,500	4,143		
															Budget-to-Actual Basis	-19.33%
															Actual-to-Actual Basis	-20.90%
															% of total budget	17.63%

Marin Municipal Water District
Budget to Actual Comparison for 2020/21 - All Funds
Actual as of August 31, 2021
Unaudited

Revenues and Expenditures	2020/21 Adjusted Budget	Actual as of July 31, 2021	% of Budget
Revenues:			
<i>Water Sales and Service Charge:</i>			
Water Sales	\$ 58,483,079	\$ 9,776,137	16.7%
Service Charge	22,481,250	3,503,781	15.6%
Watershed Management Fee	5,005,772	787,135	15.7%
Total Water Sales and Service Charge	85,970,101	14,067,053	16.4%
<i>Other Revenues:</i>			
Rents	666,903	114,128	17.1%
Grants	-	-	
Watershed Rents	939,166	155,520	16.6%
Watershed Payments	365,116	75,863	20.8%
Late Payment and Special Read Charges	120,133	31,760	26.4%
Interest	336,497	27,574	8.2%
Miscellaneous	350,647	86,301	24.6%
Total Other Revenues	2,778,462	491,146	17.7%
Total Operating Revenues	88,748,563	14,558,199	16.4%
Expenditures:			
Personnel services	53,841,603	9,527,973	17.7%
Materials and supplies	3,239,120	275,888	8.5%
Operations	7,169,334	390,942	5.5%
Water conservation rebate program	581,000	114,280	19.7%
Electrical power	5,475,922	1,390,116	25.4%
Water purchased	8,100,000	1,161,256	14.3%
Insurance, including claims	1,425,500	1,294,963	90.8%
General and administrative	3,929,478	639,777	16.3%
Debt service - interest and principal	10,184,004	1,697,334	16.7%
Overhead cost allocated to capital	(5,197,000)	(793,528)	15.3%
Total Operating Expenditures	88,748,961	15,699,001	17.7%
Transfer out to Capital Fund (PayGo)	-	-	
Net Operating Fund Increase(Decrease)	\$ (398)	\$ (1,140,803)	
Operating Fund Balance			
Opening Fund Balance	\$ 34,000,000	\$ 28,941,949	
Net Operating Fund Increase(Decrease)	(398)	(1,140,803)	
Accrual adjustments	398	(3,548,714)	
Ending Fund Balance	\$ 34,000,000	\$ 24,252,432	

Capital and Fire Flow Funds

Revenues and Expenditures	Budget	Actual as of July 31, 2021	% of Budget
Revenues:			
Customer Reimbursement Project	\$ 710,182	\$ 96,137	13.5%
Interest Income	15,000	708	4.7%
Transfer-in from Operating (PayGo)	-	-	
Contributed Capital:			
Fire Flow	4,500,000	34,536	0.8%
Capital Maintenance Fee	17,370,793	2,658,651	15.3%
Capital Connection Fee	100,000	46,426	
Capital Grants & Contribution		-	
Total Revenues and Contributed Capital	<u>22,695,975</u>	<u>2,836,457</u>	12.5%
Capital Expenditures:			
Capital Projects - District	28,027,236	1,899,037	6.8%
Capital Projects - Fire Flow	4,520,952	494,535	10.9%
Capital equipment purchases	2,217,279	6,801	0.3%
Total Capital and Fire Flow Expenditures	<u>34,765,468</u>	<u>2,400,372</u>	6.9%
Net Capital and Fire Flow Fund Increase(Decrease)	<u>\$ (12,069,493)</u>	<u>\$ 436,085</u>	-3.6%
Capital Fund Balance			
Capital Fund			
Opening Fund Balance	\$ 23,981,910	\$ 23,981,910	
Net Capital Fund Increase(Decrease)	(12,048,540)	902,884	
Capital equipment purchases		(6,801)	
Accrual adjustments	3,809,223	(3,535,757)	
Ending Fund Balance	<u>\$ 15,742,593</u>	<u>\$ 21,342,237</u>	
Fire Flow Fund			
Opening Fund Balance	\$ 3,128,482	\$ 3,128,482	
Net Fire Flow Fund Increase(Decrease)	(20,952)	(459,999)	
Accrual adjustments	-	-	
Ending Fund Balance	<u>\$ 3,107,530</u>	<u>\$ 2,668,483</u>	

Fund Balance Summary

	Audited		Preliminary	Projected
	6/30/2019	6/30/2020	6/30/2021	8/31/2021
Restricted	\$ 7,653,646	\$ 6,959,570	\$ 4,424,506	\$ 4,388,315
Board Designated	6,643,705	14,239,307	15,438,000	15,468,956
Watershed Fund	-	-	-	-
Rate Stabilization Fund	9,400,000	9,400,000	9,400,000	7,900,000
Pension Reserve Fund	2,000,000	2,000,000	2,000,000	2,000,000
Fire Flow Fund	(1,363,318)	2,021,206	3,128,482	2,668,483
Capital Fund	23,957,026	25,255,175	23,981,910	21,342,237
Unrestricted/undesignated - Operating	<u>27,359,341</u>	<u>26,162,068</u>	<u>28,941,949</u>	<u>24,252,432</u>
Total	<u>\$ 75,650,400</u>	<u>\$ 86,037,326</u>	<u>\$ 87,314,847</u>	<u>\$ 78,020,424</u>

**Months Operating Fund
Unrestricted - Operating to
Annualized Actual Expenditure**

	4.19	3.69	3.69	3.27
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Debt Coverage Ratio



	1.39	2.10	2.17	3.00
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As of August 30, 2021	Principal	Interest	Total
2012 Bond	74,415,000	63,312,735	137,727,735
2016 Bond	31,380,000	21,401,275	52,781,275
2017 Bond	33,500,000	26,059,375	59,559,375
Total Bond Debt	139,295,000	110,773,385	250,068,385
CREB	366,750		366,750
AEEP	1,930,238	328,268	2,258,506
LGVSD	4,573,719	1,828,551	6,402,270
Total Other Debt	6,870,707	2,156,819	9,027,526
Total Outstanding Debt	146,165,707	112,930,204	259,095,911

CIP Projects	FY2021/22 Adjusted Budget	Capital Projects YTD Actual Expenditures As of 08/31/21	Encumbered for Contracts As of 08/31/21	Total Capital & Fire Flow As of 08/31/21
District Pipeline Replacement / Improvement	\$ 7,260,204	\$ 824,960	\$ 1,305,471	\$ 2,130,431
Replacements - Tank Maintenance & Replacement	\$ 3,952,318	\$ 82,853	\$ 117,538	\$ 200,391
Replacements - Treatment Plant Facilities	\$ 7,766,022	\$ 90,619	\$ 2,828,882	\$ 2,919,501
Replacements - Dam/Pump/Control System	\$ 2,940,854	\$ 630,401	\$ 376,313	\$ 1,006,715
Fire Chief's Fund	\$ 150,000	\$ -	\$ -	\$ -
Program Management- Asset Mangement	\$ 1,108,569	\$ 14,083	298,523	\$ 312,606
System Improvements	\$ 50,000	\$ 752	\$ -	\$ 752
Watershed - Minor Structures I/R/R	16,088	11,745	4,288	\$ 16,033
Watershed - Ranger Residence & Minor Structures	-	-	-	\$ -
Watershed - Trail Repair and Improvement	100,000	-	50,000	\$ 50,000
Watershed - Road Repair & Improvement	811,970	38,649	40,792	\$ 79,441
Watershed - Natural Resource Project	2,121,563	16,230	573,564	\$ 589,794
Reimbursable Grant Projects	843,858	14,281	237,453	\$ 251,734
Reimbursable Customer Projects	\$ 505,035	\$ 172,755	\$ 8,671	\$ 181,426
Information Technology - Capital Equipment	\$ 400,755	\$ 1,710	\$ 71,754	\$ 73,464
Fire Flow Replacement	\$ 4,520,952	\$ 494,535	\$ 1,198,336	\$ 1,692,871
Capital Equipment Purchases	\$ 2,217,279	\$ 6,801	\$ 624,908	\$ 631,709
Total Capital Projects	\$ 34,765,468	\$ 2,400,372	\$ 7,736,495	\$ 10,086,867

Informational Item

TO: Finance & Administration/Board of Directors (Finance & Administration)

FROM: Molly MacLean, General Counsel 
Jerrad Mills, Staff Attorney 

THROUGH: Ben Horenstein, General Manager 

DIVISION NAME: Office of the General Counsel

ITEM: Overview of the Redistricting Process

SUMMARY

Following each federal decennial census, the District is required to review and adjust its electoral divisions using that census data. Staff will provide the Board and public an overview of the redistricting process applicable to the District.

DISCUSSION

The District's enabling act is the Municipal Water District Law of 1911, which can be found in Water Code sections 71000 *et seq.* Section 71540 of the Water Code specifies that adjustment to District's electoral division boundaries shall be conducted pursuant to the process for special districts set forth in Elections Code sections 22000 *et seq.* This process requires the District to adjust its electoral division boundaries following each decennial census to ensure that electoral divisions are, as far as practicable, equal in population and comply with federal voting laws. In adjusting the electoral division boundaries the Board may consider the following factors: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of territory, and (4) community of interests of the electoral division. Prior to making any adjustments to the boundaries of an electoral division, the Board is required to hold at least one public hearing on the proposal to adjust the boundaries of the electoral division prior to the public hearing at which the Board would vote on the proposed electoral division boundary adjustment.

Currently, staff is waiting to receive additional census data. Once this additional data is received and analyzed, staff will notice and hold a public hearing on proposed adjustments to the District's electoral division boundaries. Based upon the input received at the first public hearing, staff will further refine any proposed adjustments to the electoral division boundaries and bring an item back for further discussion at a second public hearing. At the second public hearing, the Board may adopt the proposed electoral division changes or determine that additional public hearings are needed to permit further public input and deliberation before any changes are adopted by the Board.

FISCAL IMPACT
None

Informational Item

TO: Finance & Administration/Board of Directors (Finance & Administration)

FROM: Shaun Horne, Watershed Manager

THROUGH: Ben Horenstein, General Manager

DIVISION NAME: Watershed

ITEM: Grant and Legislative Program Update

SUMMARY

Staff will provide a presentation relating to recent grant activities, drought funding opportunities, and legislative activities of interest to the District.

DISCUSSION

District grant efforts in 2021 have targeted funding for several wildfire, fuel reduction and forest health projects. In the last two months, the District has secured two grants for our forest health and wildland fire reduction efforts. The District secured a \$1.088M grant from the California Coastal Conservancy's Forest Health and Wildfire Resiliency Grant Program, which the Board accepted at the July 6, 2021 Board of Directors meeting. The District working in collaboration with One Tam and Marin County Parks and Open Spaces submitted a \$3.5M grant application to the Cal Fire Forest Health Program. On August 5, 2021, One Tam received an award letter from Cal Fire, the District will receive \$3M for forest health project work on the watershed.

In response to the current drought, staff has been evaluating and applying for funding for priority drought projects, water conservation, water supply infrastructure projects and natural resource restoration projects. The District, with help from the Office of Assembly Member Marc Levine, applied for state funding assistance for the Pine Mountain Tunnel Project. As a result, the State directly awarded Marin Water \$1M for the Pine Mountain Tunnel Project. The award is making its way through appropriations and will be brought back to the Board of Directors for approval in the Fall of this year.

Recent Grant Funding Applications

The table below describes the status of grant applications submitted by the District in 2021.

Project	Funder	Amount	Status	Date
Mt. Tam Watershed Fuels Reduction	Coastal Conservancy	\$1.088M (MMWD \$808K)	Awarded	July 2021
Mt. Tamalpais Forest Health Initiative-One Tam Phase I	CALFIRE Forest Health Pgm.	\$3.5M (MMWD \$3.1M)	Awarded	August 2021
Pine Mtn. Tunnel Replacement	State Budget/Member Request	\$1M	Awarded	July 2021
Azalea Hill	California Department of Parks and Recreation	\$850,000 (award increased by \$150,000)	Awarded	February 2021
Smith Saddle Tank Replacement	Water Infrastructure Finance and Innovation Act (WIFIA)	\$12M	Applied	July 2021
Lagunitas Creek Stream Release Enhancement	CDFW	\$2M	Completed consultation; applying	July 2021
Lagunitas Creek Coho Enhancement Plan (Phase 1)	CDFW	\$1M	Completed consultation; applying	July 2021

District staff have begun to seek infrastructure funding from federal and state budgets passed in July of this year. An initial request was submitted in July for a Water Infrastructure Finance and Innovation (WIFIA) loan from the United States Environmental Protection Agency (EPA), for the Smith Saddle Tanks Rehabilitation Project. Staff will continue to seek more funding for priority projects and is working to align projects with upcoming funding opportunities.

Status of Future State and Federal Drought Funding

The District's grants and legislative program is currently focusing on tracking funding for water infrastructure and drought relief, in coordination with industry groups such as Association of California Water Agencies (ACWA), California Municipal Utilities Association, and TOGETHER Bay Area. The District is also in the process of bringing on addition support through a contract with a consultant to assist with grant funding outreach and legislative activities to help further advance funding opportunities for critical drought projects.

State Options for Funding:

The 2021 legislative session focused early in the year on awarding supplemental funding, which is shown in the fire-related funding and the successful member request awards to the District to be received as grant funding. In July, following the passage of Gov. Newsom's budget, a Senate trailer bill, SB 129, appropriated funding for a \$2.4B drought relief package.

Of the \$2.4B package, much of the funding was reserved for small water systems and groundwater management projects. The District is tracking several of the funding allocations closely:

- \$1.3 billion to the State Water Resources Control Board (SWRCB), \$650 million of which will be available for drinking water projects, \$650 million for wastewater projects, \$85 million for groundwater cleanup and water recycling projects.
- \$100 million General Fund to DWR for water conveyance.

These two funds are seen as potential opportunities to fund critical District drought relief projects. District staff have been engaging with staff from both the State Water Board and the Department of Water Resources, and will be ready to apply for funding made available in subsequent solicitations.

Federal Options for Funding:

Another key target will be the recently passed \$1.2T Bipartisan Infrastructure Framework, which contains the full text of the Drinking Water and Wastewater Infrastructure Act (S. 914):

- **Drinking Water and Clean Water State Revolving Funds (SRFs), \$23.4 Billion:** This program funding will be conveyed to the State level SRFs, and could provide an opportunity for long-term low cost loans for District drought projects.
- **US EPA and other agencies Drinking Water and Wastewater projects: \$55 billion:** This funding may be available for the District's Emergency Intertie Project as well as the San Quentin recycled water project.

Of particular interest is \$350B in potential allocations to states for State Revolving Funds (SRF). SRF loans, which are partially forgivable, are commonly used in California to fund recycled water projects as well as other water infrastructure projects.

Drought Funding Opportunities

Agency/Program	Funding Vehicle	Program Amount	Potential District Targets	Date Solicitation Expected
State Water Resources Control Board (SWRCB)/ Drinking Water Projects	Senate Bill 129 (General Fund)	\$650M	Emergency Intertie; Pine Mountain Tunnel	Fall 2021
Department of Water Resources (DWR)/ Multi-benefit Projects	Senate Bill 129 (General Fund)	\$200M	Emergency Intertie	Fall 2021
DWR/ Water Conservation and Water Supply Reliability	Senate Bill 129 (General Fund)	\$10M	Water Conservation Programs	TBD
SWRCB/ State Revolving Fund Loan Program	Pass-through from Federal Water Infrastructure Act of 2021	\$23.4B (national)	Emergency Intertie, other water infrastructure projects	Late 2021/Spring 2022
California Department of Fish and Wildlife/ Fisheries and Wildlife Support	CDFW	\$33M	Lagunitas Creek Coho Enhancement Plan	Fall 2021
US Bureau of Reclamation/WATERSMART	S. 914 Federal Water Infrastructure Act	\$400M (national)/\$2 million per entity	AMI; Water Conservation Programs; Watershed Restoration	Fall 2021

COVID Relief Funding

- The State Water Board will be administering the California Water and Wastewater Arrearage Payment Program (Program). There will be \$1 billion in funding available for Water Districts to cover COVID 19 financial losses relating from outstanding water bills for the period of March 4, 2020 through June 15, 2021. The District responded to an initial needs based survey which will be used by the State Water Board to determine funding allocations. A funding application process is expected to open in early October and the District will be applying for funding support to cover past due bills.
- The American Rescue Plan Act of 2021 ("ARPA") provides \$350 billion in additional funding for state and local governments. The local funding portion for Marin County is approximately \$130 billion, equally divided between cities and counties.

Legislative Update

- **SB 427:** This bill would authorize the legislative body of a local agency, to adopt an ordinance that provides for enhanced penalties for prohibited water theft. The bill would require the local agency to adopt an ordinance that sets forth the administrative procedures governing the imposition, enforcement, collection, and administrative review of the administrative fines or penalties for water theft and to establish a process for granting a hardship waiver to reduce the amount of the fine.
- **AB 148:** The California Water and Wastewater Arrearage Payment Program (Program), passed as part of the Assembly Bill 148, is being developed and implemented by the State Water Resources Control Board. This program will provide funding for “community water systems” that have experienced revenue shortfalls and arrearages on water and wastewater bills during the COVID-19 pandemic.

Staff will present details on these grant and legislative initiatives during the meeting.

FISCAL IMPACT



No fiscal impact


ATTACHMENT(S)

1. Cal Fire Grant Award Letter

Informational Item

TO: Finance & Administration Committee/Board of Directors (Finance & Administration)

FROM: Molly MacLean, General Counsel 
Terrie Gillen, Board Secretary 

THROUGH: Ben Horenstein, General Manager 

DIVISION NAME: General Counsel

ITEM: Re-establishing In-Person Board and Committee Meetings - Update

SUMMARY

On June 11th, the governor's office issued Executive Order N-08-21, extending through September 30, 2021 the virtual meeting allowances that were formerly relaxed from those typically required by the Ralph M. Brown Act (the Brown Act). Currently, the District continues to host both its board and committee meetings virtually. Recently, the California State Legislature passed Assembly Bill (AB) 361, which was signed by the Governor on September 17th and is effective immediately as an urgency act. AB361 codifies certain changes to the Brown Act allowing teleconference (or virtual) meetings to continue during a health emergency.

District staff have been preparing for the eventual facilitating of in-person meetings given the impending expiration of the Governor's orders relaxing rules under the Brown Act.

DISCUSSION

In preparation for the return to in-person meetings consistent with the Brown Act, District staff have researched cities and agencies in the Bay Area to see how they are hosting their meetings. Some cities like the City of Mill Valley and City of San Jose are allowing in-person meetings with everyone wearing masks. Whereas, some agencies like the County of Marin and East Bay Municipal Utility District (EBMUD) are still conducting only virtual meetings.

Some cities, like the City of Santa Rosa, have established what's called "hybrid" meetings. A hybrid meeting consists of the board or council conducting business in-person while some or all of the staff and the public watch and participate in the meeting virtually. The board of directors or councilmembers meet in person while wearing their masks, and they may or may not be separated by plexiglasses. Moreover, staff are giving their presentations either through Zoom, Webex, or in person.

With the anticipated return to in-person meetings, District staff have been considering how best to meet the Center for Disease Control (CDC) guidelines. To meet the CDC guidelines, District staff proposes conducting hybrid-meetings with the Board in physical attendance, and minimum number of staff and public participating in the board room. To ensure that hybrid meetings are successful, and to continue to receive public input virtually, staff have been consulting with Community Media Center of Marin (CMCM) to place needed equipment in the board room that will allow the board to conduct a hybrid meeting.

With the recent adoption of AB 361, some agencies may choose to delay re-establishing in-person meetings. AB 361 authorizes local agencies to continue holding their public meetings virtually during a proclaimed state of emergency under section 8625 of the California Emergency Services Act where (1) state and local officials have imposed or recommended social distancing, or (2) the Board, by a majority vote, has determined that as a result of the emergency, meeting in person would present imminent risks to the health and safety of attendees. The Board would need to make findings, by a majority vote, every 30 days to continue to meet virtually. AB 361 contains a sunset date of January 1, 2024.

AB361 further allows an agency to meet virtually in order to determine whether virtual meetings should continue because in-person meetings would present imminent risks to the health and safety of attendees. Therefore, staff proposes that the board hold its October 5th meeting virtually, pursuant to AB361, and at that meeting consider whether to continue virtual meetings, based on health and safety issues. Staff will bring an item to board at that meeting that will allow the board to make that determination.

FISCAL IMPACT

The report itself has no fiscal impact.

ATTACHMENT(S)

None