



STAFF REPORT

Meeting Type: Board of Directors
Title: Update on New State Laws, Levine Act Review and Review of Board Handbook, Board Compensation and Board Travel Policies
From: Molly MacLean, General Counsel
Through: Ben Horenstein, General Manager
Meeting Date: January 6, 2026

TYPE OF ACTION: Action X Information

RECOMMENDATION: Receive an update on changes in State law that take effect in January 2026, Review the Levine Act restrictions for campaign donations and Review the Board Handbook, Board Compensation and Board Travel Policies and provide input regarding possible revisions

SUMMARY: Staff will present an update on some legal changes that go into effect this month, including changes to the Brown Act open meeting rules, training requirements for elected officials and key public agency staff and new Form 700 filing requirements (Senate Bill (SB) 707, SB 827 and SB 852 respectively). Staff will also provide a brief review of the current Board Handbook, Board Compensation and Board Travel Policies and suggest some updates to realign the policies with current law and actions adopted by the Board in 2024 and 2025. This will also be an opportunity for Board members to provide input on possible updates to these policies that could return to the Board for future action.

DISCUSSION:

Legal Review

Effective January 1, 2026, are a few changes in state laws affecting public agencies and public agency officials. SB707 sets forth changes to the Ralph M. Brown Act, codified starting at section 54952.2 of the California Government Code. Certain of the changes apply only to “eligible agencies”, which includes larger agencies. The District is not an eligible agency under the new provisions of this legislation and therefore need not comply with those new requirements, which could include translation requirements, among others. Other changes made by this bill pertain to the just cause and emergency exceptions upon which board members may rely for remote meeting participation. These changes will continue to allow for remote meeting participation by a board member in compliance with the Brown Act in the event of a qualified circumstance, such as a contagious illness, need to care for an ill family member or travel on behalf of the District or another local or state agency. The new provisions streamline the two former exceptions into one “just cause” exception and caps the number

of times per year that each Director would be allowed to use this exception to five (based on the District's schedule of twice monthly meetings). The law still requires that there be a quorum of the board in person, and that the board member notify the board as soon as possible, provide a brief explanation of the need for the exception, announce any other adult (18 or over) in the room and maintain video during the remote attendance. The law now also requires that the basis for the exception be included in the meeting minutes.

SB 827 expands training requirements for elected officials and key agency staff. In addition to the Assembly Bill (AB) 1234 ethics training, the law now requires that elected officials and key local agency staff also receive "fiscal and financial" training at least once every two years to help assure sound oversight of public funds. For those board members already in rotation with the AB 1234 training, the new fiscal and financial training will need to be completed by the end of 2027. The District will research appropriate training opportunities and will communicate these to the Directors.

SB 852 provides new requirements for certain Form 700 filers requiring "public officials who manage public investments" to file their Form 700 statements electronically directly with the Fair Political Practices Commission. There is no definition of an official who manages public investments. Staff will further review this issue and may propose changes to the District's Conflict of Interest code, which is updated at least every other year.

Also of note is a reminder on the adoption of changes to the Levine Act effective in 2023 and 2025, which provide restrictions on campaign donations to those running for elected local office. The Act now prohibits these officials from acting on certain matters for their agencies if they have received campaign contributions of more than \$500 in any 12-month period from those having business in front of the board via a contract, permit or other entitlement. This includes all contracts, other than those under \$50,000, competitively bid, labor or employment contracts or contracts between two public agencies. When an official accepts, solicits, or directs a prohibited contribution in excess of \$500 within 12 months after the final decision is rendered, the officer will be permitted to cure the violation by returning the contribution in excess of \$500 within 30 days of accepting, soliciting, or directing the contribution, whichever comes latest. However, if the officer knowingly and willfully accepted, solicited or directed the prohibited contribution, the cure is not permitted.

Board Policies

The Board Handbook, Board Policy No. 1, was initially adopted on February 2, 2021. It is a guidance document for incumbent and newly elected members of the District Board of Directors as it contains general information and specific authorities regarding the function of the Board and oversight of the District, including processes for the election of Board officers and committee appointments, among other topics. The Handbook is intended to facilitate the handling of Board affairs, assist the Board in complying with legal requirements such as the open meetings laws (i.e., the Brown Act), and is complementary to applicable laws and other requirements. Following adoption of the Handbook, it was subsequently updated on September 21, 2021. In 2024, the Board of Directors undertook a thorough review and update to incorporate pertinent provisions of the Board Ethics Policy, Board Policy No. 50, which was then sunset, as well as updates to reflect legal changes and actions of the Board, such as clarifying the time for seating of newly elected Board Directors. Staff recommends regular review of the Handbook to promote familiarity and to ensure it reflects current legal authorities, District policies, Board directives and best practices. Based upon staff review, a few minor updates to the Board Handbook are needed in order to assure alignment with the above legal changes

and prior Board actions, such as committee restructuring. Staff will discuss a few of these changes and seek input from the Board.

Directors are entitled to per diem compensation pursuant to District Code section 2.10.060 and Board Policy No.42, Compensation of Marin Municipal Water District Directors. The Board adopted Ordinance No. 468 on November 21, 2024, which adjusted the per diem compensation amount to \$250, but capped the number of days per month for which each Director could receive compensation to eight (8). Section 2.10.060 Compensation provides:

Each Director shall receive as compensation two hundred fifty dollars per day for each day's attendance at meetings of the board or for each day's service rendered as a member of the board by request of the board. No director may receive compensation for more than 8 days in any calendar month.

The Board Compensation Policy, Board Policy No. 42, last updated on May 21, 2024, further governs what constitutes compensable service by board members. This policy sets out the statutory provisions of California Government Code section 53232.1(a), the District Code and adds other specific activities eligible for compensation. The compensation policy has not yet been updated to align with changes to the District Code. There may be other opportunities for clarification, such as non-committee member attendance or review of committee meetings, as well as informal meetings with constituents. The Board has discretion to be more restrictive than state law, but may not exceed what is allowed by state law.

Board Policy No. 41, Reimbursement of Travel Expenses for Marin Municipal Water District Directors, was most recently updated on May 21, 2024, and provides details regarding travel reimbursement for Board Directors travelling on District business or to conferences or trainings that provide specific benefit to the District.

Staff will review these policies and seek input from the Board.

ENVIRONMENTAL REVIEW: Not applicable

FISCAL IMPACT: Not applicable.

ATTACHMENT(S):

1. Board Policy No. 1 – Board of Directors Handbook
2. Board Policy No. 41 – Compensation of Marin Municipal Water District Directors
3. Board Policy No. 42 – Reimbursement of Travel Expenses for Marin Municipal Water District Directors