



# STAFF REPORT

---

**Meeting Type:** Marin Municipal Water District Financing Authority  
**Title:** Minutes of Marin Municipal Water District Financing Authority Meeting of January 3, 2023, Confirmation of Officers, 2023 Financial Report  
**From:** Bret Uppendahl, Finance Director  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** January 09, 2024

---

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

**RECOMMENDATION:** Confirm officers for the Marin Municipal Water District Authority Board of Directors, approve the minutes of the Marin Municipal Water District Financing Authority Meeting of January 3, 2023, and receive the 2023 financial report for the Authority

**SUMMARY:** On April 16, 2010, the District created the Marin Municipal Water District Financing Authority (Authority) by entering into a joint exercise of power agreement with the California Municipal Financing Authority for the purpose of facilitating financing on behalf of the District. Pursuant to the bylaws adopted by the Authority, the Board of the Authority shall consist of the District Board of Directors and the officers shall be the officers of the District Board. The bylaws also provide that confirmation of officers shall occur at the first meeting of the Authority each calendar year.

**DISCUSSION:**

Confirmation of Officers

In accordance with the Authority's Bylaws, the Authority Board should confirm its officers in its first meeting each year based upon election of new officers of the District Board. This will further inform the public regarding officers of the Authority.

*Section 2.1-2.7 – Officers, and Confirmation of Officers, of the Bylaws of MMWD Financing Authority (“Authority”) dated April 21, 2010, states:*

*Section 2.1 – The officers of the Authority shall be the President, Vice President, Executive Director, Secretary and Treasurer.*

*Section 2.2 – President - The President of the Authority shall be the member who is the President of the Board of Directors of MMWD. The term of office shall be the same as the term of the President of the Board of Directors of MMWD.*

*Section 2.3 – Vice President - The Vice President of the Authority shall be the member who is the Vice President of the Board of Directors of MMWD. The term of office shall be the same as the term of the Vice President of the Board of Directors of MMWD.*

*Section 2.4 – Executive Director - The General Manager of MMWD is hereby designated as the Executive Director of the Authority.*

*Section 2.5 – Secretary – The Secretary shall be the person who is the Secretary to the Board of Directors of MMWD.*

*Section 2.6 – Treasurer – The Finance Director of MMWD is hereby designated as the Treasurer of the Authority.*

*Section 2.7 – Confirmation of Officers – Confirmation of officers shall be the first order of business at the first meeting of the Authority, regular or special, held in each calendar year.*

#### Approval of Minutes

The board of the Financing Authority held its regular annual meeting on January 3, 2023. The minutes, which are attached to this staff report for consideration and approval by the Authority Board.

#### 2023 Financial Report

On May 15, 2012, the Authority issued the Water Revenue Bonds (2012 Series A) in the amount of \$85,000,000. The proceeds of the Revenue Bonds (2012 Bonds) were then used by the District under the terms of the Installment Sale Agreement between the two entities dated May 3, 2012. The proceeds of the issue were used to refund \$16.5 million of the outstanding Marin Municipal Water District Water Revenue Refunding Bonds, Series 2002 bonds, advance refund a portion of the outstanding Certificates of Participation, 2004 Financing Project of \$21.6 million, finance \$54.6 million in District capital projects and pay certain costs incurred in connection with issuance, sale and delivery of the bonds.

On January 21, 2020, the Board approved Resolution No. 8554 authorizing the commencement of proceedings of refunding 2012 Revenue Bonds and the issuance and sale of Refunding Water Revenue Bonds, Series 2022 at the future call date of April 2022 to Morgan Stanley. On April 4, 2022, the Authority issued the Water Refunding Revenue Bonds (2022 Series) in the amount of \$67,505,000.

On November 15, 2016, the Authority issued the Refunding Revenue Bonds (2016 Series) in the amount of \$31,380,000. The proceeds of the Refunding Revenue Bonds (2016 Bonds) were then used by the District under the terms of the Installment Sale Agreement between the two entities dated November 1, 2016. The proceeds of the issue were used to refund, on an advance basis, the Marin Municipal Water District Financing Authority Water Revenue Bonds, Series 2010, which were outstanding in the principal amount of \$31.14 million.

On August 1, 2017, the Authority issued the Water Revenue Bonds (2017 Series) in the amount of \$36,120,000. The proceeds of the Revenue Bonds (2017 Bonds) were then used by the District under the terms of the Installment Sale Agreement between the two entities dated as of August 1, 2017. The proceeds of the issue are used to finance \$42 million in the District's capital program and pay certain

costs incurred in connection with issuance, sale and delivery of the bonds. The obligation of the District to make installment payments is subordinate to payments the District makes in connection with bonds issued by the Authority to finance and refinance projects of the District issued in 2012 and 2016. This issue is subordinate to the prior issues to provide flexibility to the District for future borrowings. The District covenanted in the 2017 Installment Sale Agreement that it will not issue any obligations senior to the 2017 Bonds.

Debt Service Payments

For the 2016, and 2017 bonds, semi-annual debt service payments are made on January 1 and July 1 of every year. Interest payments are made every January and July, and principal payments are made once a year in July. For the 2022 bonds, semi-annual debt service payments are made on June 15 and December 15 of every year. Interest payments are made every June and December, and principal payments are made once a year in June. Below are a summary of the debt service payments funded in calendar year 2023 for the 2016, 2017 and 2022 debt issues.

<b>2016 Bonds Debt Service Payments in CY 2023</b>			
<b>Due Date</b>	<b>Interest</b>	<b>Principal*</b>	<b>Total</b>
July 1, 2023	\$740,987.50	\$0.00	\$740,987.50
January 1, 2023	\$740,987.50	\$0.00	\$740,987.50
<b>Total</b>			<b>\$1,481,975.00</b>
<i>* For the 2016 Bonds, annual principal payments do not begin until July 1, 2030.</i>			

<b>2017 Bonds Debt Service Payments in CY 2023</b>			
<b>Due Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>
July 1, 2023	\$787,875.00	\$720,000.00	\$1,507,875.00
January 1, 2023	\$787,875.00	\$0.00	\$787,875.00
<b>Total</b>			<b>\$2,295,750.00</b>

<b>2022 Bonds Debt Service Payments in CY 2023</b>			
<b>Due Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>
June 15, 2023	\$1,367,850.00	\$2,325,000.00	\$3,692,850.00
December 15, 2023	\$1,332,975.00	\$0.00	\$1,332,975.00
<b>Total</b>			<b>\$5,025,825.00</b>

Future Scheduled Events

Below are a summary of the debt service payments funded in calendar year 2024 for the 2016, 2017 and 2022 debt issues.

<b>2016 Bonds Debt Service Payments in CY 2024</b>			
<b>Due Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>
July 1, 2024	\$740,987.50	\$0.00	\$740,987.50
January 1, 2024	\$740,987.50	\$0.00	\$740,987.50
<b>Total</b>			<b>\$1,481,975.00</b>
<i>* For the 2016 Bonds, annual principal payments do not begin until July 1, 2030.</i>			

<b>2017 Bonds Debt Service Payments in CY 2024</b>			
<b>Due Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>
July 1, 2024	\$769,875.00	\$755,000.00	\$1,524,875.00
January 1, 2024	\$769,875.00	\$0.00	\$769,875.00
<b>Total</b>			<b>\$2,294,750.00</b>

<b>2022 Bonds Debt Service Payments in CY 2024</b>			
<b>Due Date</b>	<b>Interest</b>	<b>Principal</b>	<b>Total</b>
June 15, 2024	\$1,332,975.00	\$2,400,000.00	\$3,732,975.00
December 15, 2024	\$1,284,975.00	\$0.00	\$1,284,975.00
<b>Total</b>			<b>\$5,017,950.00</b>

Based on the foregoing, Staff recommends that the Authority Board (1) confirm the new officers of the Authority, and (2) approve the minutes of the Board of Directors' Marin Municipal Water District Financing Authority meeting of January 3, 2023, and (3) receive the 2023 financial report for the Authority.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** Annual debt service payments are included in the District's FY 2024-26 approved budget.

**ATTACHMENT(S):**

1. Minutes of the Board of Directors' Financing Authority Meeting of January 3, 2023

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