Marin/Sonoma Mosquito & Vector Control District
595 Helman Lane Cotati, California 94931
1-800-231-3236 (toll free)   707-285-2210 (fax)

BOARD OF TRUSTEES
BOARD MEETING

DATE: August 12, 2026
TIME: 6:00 p.m.

Primary Meeting Location: District Headquarters, 595 Helman Lane, Cotati, CA. 94931

Videoconference & Teleconference Options: Zoom Link
Meeting ID: 831 2182 7057 **Telephone Access:** 1-669-900-9128

Sonoma Satellite Location: Alio Labs Inc., 447 Aviation Blvd., Santa Rosa, CA. 95403

Marin Satellite Location: Central Marin Police Authority, Community Room, 250 Doherty Dr., Larkspur, CA. 94939

Individual Teleconference Locations:
2352 Mar East St., Tiburon, CA. 94920
10 Pomander Walk, Belvedere, CA. 94920
533 Port Cir., Cloverdale, CA. 95425
659 Louise Ave., Novato, CA. 94947
388 El Canejo St., Los Alamos, NM. 87544
263 #8 Pearl St., Boulder CO. 80302
1781 East 47th Ave., Vancouver BC, V5P 1P9, Canada

All teleconference locations are open and accessible to the public, and members of the public may address the Board from any listed location or via the videoconference and teleconference options provided.

*Items marked * are enclosed attachments.*
Items marked # will be handed out at the meeting.

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL** (*13 members must be present for a quorum*)

Bruce Ackerman, Fairfax
Cathy Benediktsson, Tiburon **(First V.P.)**
Gail Bloom, Larkspur
Scott Conrad, Santa Rosa
Isabel Dawson, Marin Co. at Large
Rika Gopinath, San Rafael
Susan Harvey, Cotati **(Second V.P.)**
Susan Hootkins, Petaluma
Evan Kubota, Windsor
Jake Mackenzie, Rohnert Park
Alison Marquiss, Corte Madera
Shaun McCaffery, Healdsburg
Vicki Nichols, Sausalito **(Secretary)**
Carol Pigoni, Cloverdale
Piper Primrose, Novato
Richard Snyder, Belvedere
David Witt, Mill Valley
Laurie Gallian, Sonoma **(President)**

Open Seats:
Ross, San Anselmo, Sebastopol, one Marin County at Large and two Sonoma County at Large

In accordance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Marin/Sonoma Mosquito & Vector Control District (MSMVCD) at 1-800-231-3236.

Translators, American Sign Language interpreters, and/or assistive listening devices for individuals with hearing disabilities will be available upon request. A minimum of 48 hours is needed to ensure the availability of translation service.

MSMVCD hereby certifies that this agenda has been posted in accordance with the requirements of the Government Code.

4. PUBLIC TIME

Public Time is time provided by the board so the public may make comment on any item not on the agenda.

The public will be given an opportunity to speak on each agenda item at the time the item is presented. Once the public comment portion of any item on this agenda has been closed by the Board, no further comment from the public will be permitted unless authorized by the Board President and if so authorized, said additional public comment shall be limited to the provision of information not previously provided to the Board or as otherwise limited by order of the Board.

We respectfully request that you state your name and address and provide the Board President with a Speaker Card so that you can be properly included in the consideration of the item.

Please limit your comments to three (3) minutes per person or twenty (20) minutes per subject in total so that all who wish to speak can be heard.

5. CONSENT CALENDAR

A. APPROVAL OF AGENDA

B.* MINUTES – Minutes of Board Meeting held on June 10, 2026.

C.* FINANCIAL REPORTS – Accept Financial Reports for June and July 2026.

ACTION NEEDED
RECOMMENDATION: Approve and accept the consent calendar.
INFORMATION ENCLOSED

6. ITEMS REMOVED FROM CONSENT

7. INFORMATION ONLY

No informational items.

8. **COMMITTEE REPORTS**

A.* **Executive Committee**
Report Attached

B.* **Facility Improvement Committee *(ad hoc)***
Report Attached

C.* **Policy Committee *(ad hoc)***
Report Attached

D. **Finance Committee**
No Report

INFROMATION ENCLOSED

9. **DEPARTMENT REPORTS**

A.* **Administrative/Manager's Report**
Report by Peter Bonkrude

B.* **Operations/Assistant Manager's Report**
Report by Erik Hawk

C.* **Laboratory/Scientific Programs Manager's Report**
Report by Dr. Kelly Furey

INFORMATION ENCLOSED

10. **NEW BUSINESS**

A.* **Discussion and/or Approval Adopting Resolution 2026/27-XX Requesting the Sonoma County Board of Supervisors Reduce the Unincorporated At-Large Trustees from Two to One, per Health & Safety Code § 2025**

ACTION NEEDED
RECOMMENDATIONS: Consider a motion to adopt Resolution No. 2026/27-XX, a Resolution of the Board of Trustees requesting that the Sonoma County Board of Supervisors decrease the number of members of the District's Board of Trustees representing the unincorporated territory of Sonoma County from two (2) members to one (1) member, and directing the District Manager to transmit a certified copy of the Resolution, together with a cover memorandum, to the Clerk of the Sonoma County Board of Supervisors.
INFORMATION ENCLOSED

B.* **Discussion and/or Approval Adopting Resolution 2026/27-XX Requesting the Marin County Board of Supervisors Reduce the Unincorporated At-Large Trustees from Two to One, per Health & Safety Code § 2025**

ACTION NEEDED

RECOMMENDATIONS: Consider a motion to adopt Resolution 2026/27-XX, a Resolution of the Board of Trustees requesting that the Marin County Board of Supervisors decrease the number of members of the District's Board of Trustees representing the unincorporated territory of Marin County from two (2) members to one (1) member and directing the District Manager to transit a certified copy of the Resolution, together with a cover memorandum, to the Clerk of the Marin County Board of Supervisors.
INFORMATION ENCLOSED

C.* Discussion and/or Approval Adopting the Revised Board of Trustees Policy Manual

ACTION NEEDED
RECOMMENDATIONS: Consider a motion to adopt the revised 2026 Board of Trustees Policy Manual.
INFORMATION ENCLOSED

D.* Discussion and/or Approval Adopting the District Finance Principles and Policies Manual

ACTION NEEDED
RECOMMENDATIONS: Consider a motion to adopt the Finance Principles and Policies Manual.
INFORMATION ENCLOSED

E.* Discussion and/or Approval of the Second Amendment to the District Manager Employment

ACTION NEEDED
RECOMMENDATIONS: Consider a motion to approve the Second Amendment to the District Manager Employment Agreement and authorize the President of the Board to execute the amendment on behalf of the District.
INFORMATION ENCLOSED

F.* Amendment to the Fiscal Year 2025/26 Operating and Capital Budget to Appropriate Funds for Capital Asset purchases and District Construction (Resolution 2026/27-XX)

ACTION NEEDED
RECOMMENDATIONS: Consider a motion to adopt Resolution 2026/27-XX, amending the Fiscal Year 2025/26 operating and capital budget to appropriate Fifty Thousand Dollars ($50,000) for the purchase of an airboat, service trucks and related construction, and ratifying the associated expenditures.
INFORMATION ENCLOSED

11. WRITTEN COMMUNICATIONS

No written communications.

CORRESPONDENCE RECEIVED BY THE DISTRICT FROM RESIDENTS OR ANY OTHER PARTY SHALL BE READ ALOUD OR HANDED OUT TO THE BOARD

12. <u>OPEN TIME FOR BOARD OR STAFF COMMENTS</u>

13. <u>ADJOURNMENT</u>

Marin/Sonoma Mosquito & Vector Control District

Board of Trustees
595 Helman Lane
Cotati, CA 94931

June 10, 2026
MEETING MINUTES

1. **CALL TO ORDER**
President Gallian called the meeting to order at 6:02 p.m.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**
Trustees Present (In Person at District Headquarters):

Bloom, Gail	Hootkins, Susan
Conrad, Scott	Mackenzie, Jake
Dawson, Isabel	Nichols, Vicki
Harvey, Susan	Gallian, Laurie

Trustees Present via Teleconference – Satellite Locations:
Sonoma Satellite Location:
Alio Labs Inc., 447 Aviation Blvd., Santa Rosa, CA. 95403

McCaffery, Shaun	Kubota, Evan

Trustees Present via Teleconference – Individual Locations:
(as listed on the posted Agenda):

Benediktsson, Cathy	Pigoni, Carol
Gopinath, Rika	Snyder, Richard

Trustees Absent:

Ackerman, Bruce	Primrose, Piper
Marquiss, Alison	Witt, David

Open Seats: One Marin County at Large, Ross, San Anselmo, Sebastopol and two Sonoma County at Large

Staff and Others Present (In Person): Peter Bonkrude, District Manager, Erik Hawk, Assistant Manager, Liz Garcia, Administrative Services Manager, Dr. Kelly Furey, Scientific Programs Manager, Dawn Williams, Executive Assistant/Board Clerk, Janet Coleson, General Counsel

Meeting Format and Brown Act Compliance (SB 707)
The meeting was conducted in a hybrid format, with trustees participating in person and via teleconference in accordance with the Ralph M. Brown Act, as amended by SB 707.

Teleconferencing was conducted using videoconference and teleconference technology. All teleconference locations were listed on the posted agenda, including District headquarters, designated satellite locations, and individual locations.

Each teleconference location was open and accessible to the public, and members of the public were provided with the opportunity to observe and address the Board. A quorum of the Board was present.

4. PUBLIC TIME

No public comment.

5. CONSENT CALENDAR

A. APPROVAL OF AGENDA

B. MINUTES – Minutes of Board Meeting held on May 20, 2026.

C. FINANCIAL REPORTS – Accept Financial Reports for May 2026.

It was M/S Trustee Snyder/Trustee Mackenzie to approve and accept the Consent Calendar.

Motion passed with a roll call vote:
Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*
Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

6. ITEMS REMOVED FROM CONSENT

No items were removed from Consent.

7. INFORMATION ONLY

No informational items.

8. COMMITTEE REPORTS

A. Executive Committee
No report

B. Facility Improvement Committee
No report

C. Policy Committee
No report

D. Finance Committee
No report

9. DEPARTMENT REPORTS

A. Administrative/Manager's Report

Manager Bonkrude left his report as stated and thanked Trustee Snyder for arranging the meeting with the City of Belvedere. He noted that the timing was ideal, as the City is developing rodent pilot projects, including exclusion work and FAQs. He expressed hope that the District will be able to assist with the rollout of the program.

B. Operations/Assistant Manager's Report

Assistant Manager Hawk stated that his written report stands as submitted.

C. Laboratory/Scientific Programs Manager's Report

Dr. Furey stated that her written report stands as submitted and added that the District's new Biologist, Alex Esquivel Contreras, began employment last Tuesday. She reported that he is currently completing onboarding and training and expressed that the District is excited to have him on board.

D. Outreach/Public Information Officer

Manager Bonkrude stated that he would be providing the report on behalf of PIO Nizza Sequeira, who was unavailable. He explained that staff plan to provide the Board with more regular updates on public information and educational outreach efforts.

10. PUBLIC HEARING

A. Resolution 2025/26-08

It was M/S Trustee Snyder/Trustee Benediktsson to approve Resolution No. 2025/26-08. Approving the engineer's report, confirming the assessment diagram and assessment and ordering the levy of assessments for fiscal year 2026-27 for the Vector Control Assessment (Assessment No. 1).

Motion passed with a roll call vote:
Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*
Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

B. Resolution 2025/26-09

It was M/S Trustee Snyder/Trustee Benediktsson to approve Resolution No. 2025/26-09, approving the engineer's report, confirming the assessment diagram and assessment and ordering the levy of assessments for fiscal year 2026-27for the Northwest Mosquito, Vector and Disease Control Assessment (Assessment No. 2).

Motion passed with a roll call vote:

Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*
Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

11. **NEW BUSINESS**

A. Public Hearing on Vacancy Report in Compliance with Assembly Bill 2561 and Government Code §3502.3

This report is required under Assembly Bill 2561, which became effective last year, and will be presented annually. Many public agencies present this report during the budget process because it aligns with budget planning.

The report before you is an updated version of the one provided last year. While we experienced several staff transitions during the reporting period, our vacancy percentages remained below the reporting threshold.

As part of the law's requirements, the vacancy report must also be provided to the employee union. That requirement was met last week through written notification.

B. Proposed Operating and Capital Budget and Establishing the List of Authorized Positions for Fiscal Year (FY) 2026-27

It was M/S Trustee Harvey/Trustee Mackenzie to adopt Resolution No. 2025/26-10, adopting an Operating and Capital Budget for FY 2026-27 and to adopt Resolution 2025/26-11, establishing the list of Authorized Positions 2026-27.

Motion passed with a roll call vote:
Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*
Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

C. Proposed Operating and Capital Budget and Establishing the List of Authorized Positions for Fiscal Years (FY) 2027/28

It was M/S Trustee Mackenzie/Trustee Harvey to adopt Resolution No. 2025/26-12, adopting an Operating and Capital Budget for FY 2027-28 and to adopt Resolution 2025/26-13, establishing the list of Authorized Positions 2027-28.

Motion passed with a roll call vote:
Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*

Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

D. Board Policy 5060.40: Fund Classifications, Target Fund Balances, Reserve Calculations, and Fund Balance Replenishment Method

It was M/S Trustee Harvey/Trustee Snyder to adopt Resolution No. 2025/26-14, amending Fund Classifications and Target Fund Balances Board Policy 5060.40; Reserve Calculations and Establish a Capital Facility Improvement Reserve and Fund Balance Replenishment Method.

Motion passed with a roll call vote:
Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*
Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

E. Discussion and/or approval to cancel the July 8, 2026, Regular Meeting of the Board of Trustees

It was M/S Trustee Snyder/Trustee Mackenzie to approve the cancellation of the July 8, 2026, Regular Meeting of the Board of Trustees and directing staff to post the cancelled agenda per Brown Act requirements.

Motion passed with a roll call vote:
Ayes: *Trustee Benediktsson, Trustee Bloom, Trustee Conrad, Trustee Dawson, Trustee Gopinath, Trustee Harvey, Trustee Hootkins, Trustee Kubota, Trustee Mackenzie, Trustee McCaffery, Trustee Nichols, Trustee Pigoni, Trustee Snyder, and Trustee Gallian*
No: *(none)*
Abstain: *(none)*
Absent: *Trustee Ackerman, Trustee Marquiss, Trustee Primrose and Trustee Witt*

WRITTEN COMMUNICATIONS
No written communications.

13. OPEN TIME FOR BOARD OR STAFF COMMENTS

Trustee Mackenzie inquired about the status of the NPDES Permit and asked whether the District was experiencing any issues working with Regional Water Board staff. Manager Bonkrude reported that the District's comments on the most recent draft were accepted for further consideration and incorporation, with the next draft expected in late summer followed by a public comment period. He noted that Board action is not anticipated until 2027.

President Gallian reminded everyone that we will not be meeting again until August and wished everyone a happy 250th 4th of July celebration. She also reminded everyone of the upcoming Open House for September 19.

Trustee Nichols reminded those attending Board meetings from the Marin satellite location that meetings will continue to be held in Larkspur, except for the September meeting, which will be held in Corte Madera.

14. ADJOURNMENT

There being no further business to come before the Board, it was M/S Trustee Harvey/Trustee Snyder to adjourn the meeting at 7:01 p.m.

______________________________	______________________________
District Representative *MSMVCD*	*Date of Approval*
______________________________	______________________________
Trustee *MSMVCD Board of Trustees*	*Date of Approval*

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT

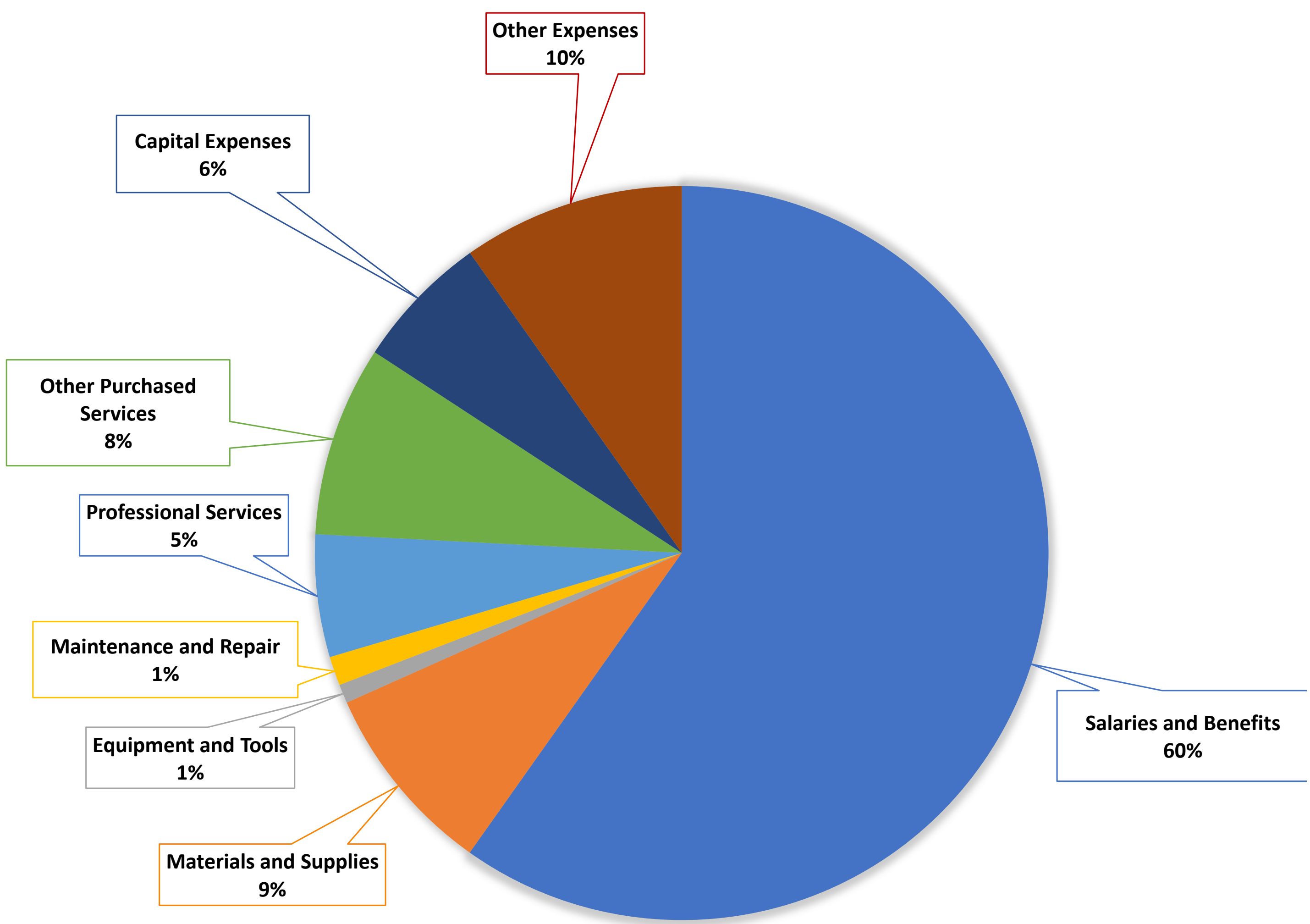
Monthly Budget Summary Report

June 2026

	Current Month Commitments (Expenses Paid)	Year To Date Commitments (Expenses Paid)	Current Appropriation (Adjusted Budget)	Available Appropriation (Remaining Budget)	Percent Committed	% of Total Expenses	Objects
Salaries and Benefits	$748,192	$7,657,368	$8,252,493	$595,125	93%	60%	6000s
Materials and Supplies	105,934	1,090,403	1,326,360	235,957	82%	9%	6100s
Equipment and Tools	28,177	105,471	136,076	30,605	78%	1%	6200s
Maintenance and Repair	34,580	163,962	148,150	-15,812	111%	1%	6300s
Professional Services	91,461	690,420	1,187,697	497,277	58%	5%	6400s
Other Purchased Services	5,189	1,076,263	1,182,625	106,362	91%	8%	6500s
Capital Expenses	253,710	767,955	234,900	-533,055	327%	6%	6800s
Other Expenses	517,987	1,252,504	1,289,650	37,146	97%	10%	6900s
	$1,785,230	**$12,804,345**	**$13,757,951**	**$953,606**	**93%**	**100%**	

***** June account balances will change as year end reconciliations are completed.**

YEAR TO DATE PERCENT OF TOTAL EXPENSE BY TYPE



MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
Monthly Key Figures Comparison Report
June 30, 2026

Balance at June 30, 2025	Change from Year End	Balance as of June 30, 2026

Cash and Investments

Balance at June 30, 2025	Change from Year End	Balance as of June 30, 2026
Marin County **$20,730,552** June 30, 2025	**$1,009,626 Change**	**Marin County** **$21,740,178** June 30, 2026
Exchange Bank **$125,736** June 30, 2025	**$26,523 Change**	**Exchange Bank** **$152,259** June 30, 2026
Petty Cash **$366** June 30, 2025	**($16) Change**	**Petty Cash** **$350** June 30, 2026

Deposits

Balance at June 30, 2025	Change from Year End	Balance as of June 30, 2026
VCJPA **$964,796** June 30, 2025	**$75,353 Change** Balance Adjusted every June	**VCJPA** **$1,040,149** June 30, 2026

Retirement

Marin County Employees' Retirement Association (MCERA)

	2024 Actuarial Valuation	**2025 Actuarial Valuation**
Total Market Value of Assets	$36,209,388	**$39,954,811**
Total Accrued Liability	38,382,201	**40,605,203**
Unfunded Liability	$2,172,813	**$650,392**
Funded Ratio	94.30%	**98.40%**

(2025 Information from MCERA's May 2026 presentation. Will be updated in May 2027)

Employee distribution: 9 Classic and 28 Pepra

Balance at June 30, 2025	Change	Balance
CEPPT **$2,127,331** June 30, 2025	**$265,087**	**CEPPT** **$2,392,418** May 31, 2026

CEPPT, California Employers' Pension Prefunding Trust, to meet MCERA requirements. General Ledger updated in June

***June statement has not been released

Retiree Health Benefits for Tier One Employees

Other Post-Employment Benefit Program (OPEB report summary)

	2024 Actuarial Valuation	**June 30, 2026 Actuarial Valuation**
Total OPEB Liability	$9,369,000	**$10,743,458**
Fiduciary Net Position	-8,095,000	**-10,360,430**
Net OPEB Liability	$1,274,000	**$383,028**
Funded Ratio	86.40%	**96.43%**

Per OPEB report dated April 2026, with a Measurement Date of June 30, 2025

Figures will be updated May 2027 for the GASB 75 Report, required for the Financial Statement audit.

Balance at June 30, 2025	Change	Balance
CERBT **$10,356,449** June 30, 2025	**$1,967,786**	**CERBT** **$12,324,235** May 31, 2026

CERBT, California Employer's Retiree Benefit Trust, to pay for Tier One retiree health benefits. General Ledger updated in June

***June statement has not been released

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT

General Fund Monthly Balance Sheet Comparison Report

		June 30, 2025		Change from June 30, 2025		June 30, 2026	
Current Assets							
Cash with Marin County-General Fund	$	19,382,811	$	743,127	$	20,125,938	
Cash at Exchange Bank		125,736		26,523		152,259	
Petty Cash		366		(16)		350	
Deposits with VCJPA		964,796		75,353		1,040,149	**
Deposits in CEPPT		2,127,331		-		2,127,331	**
Accounts Receivable		2,111,301		75,865		2,187,166	
Property Taxes Receivable		448,530		(18,192)		430,338	
Compensated Absences - Amount to be Provided		599,063		17,610		616,673	**
Inventory		327,330		-		327,330	**
Total Current Assets	**$**	**26,087,264**	**$**	**920,270**	**$**	**27,007,534**	
Liabilities and Equity							
Current Liabilities							
Accounts Payable	$	113,058	$	(55,254)	$	57,804	
Other Payables		-		658		658	
Deferred Revenue		1,880,426		-		1,880,426	
Compensated Absences		599,063		17,610		616,673	**
MCERA Payable		-		-		-	
457 Retirement Plan Payable		-		-		-	
Section 125 Plan and Insurance Premiums		-		-		-	
FSA Medical & Dep Care Payable		5,770		(2,893)		2,877	
Total Current Liabilities	$	2,598,317	$	(39,880)	$	2,558,437	
Equity (Reserve Accounts)							
Non-Spendable: Inventory	$	327,330	$	-	$	327,330	**
Assignment for Deposits with VCJPA		964,796		75,353		1,040,149	**
Assignment for No Income Period		5,161,102		-		5,161,102	**
Commitment for Public Health Emergency		2,064,441		-		2,064,441	**
Assignment for Pension Prefunding Trust		2,127,331		-		2,127,331	**
Unassigned		10,274,073		2,494,521		12,768,594	
CURRENT YEAR INCOME/(LOSS)		2,569,874		(1,609,725)		960,149	
Total Equity	$	23,488,947	$	960,149	$	24,449,096	
Total Liabilities & Equity	**$**	**26,087,264**	**$**	**920,269**	**$**	**27,007,534**	

Capital Fund Monthly Balance Sheet Comparison Report

		June 30, 2025		Change from June 30, 2025		June 30, 2026	
Current Assets							
Cash with Marin County-Capital Fund	$	1,347,741	$	266,499	$	1,614,240	
Accounts Receivable		9,813		(9,813)		-	
Total Current Assets	$	1,357,555	$	256,685	$	1,614,240	
Capital Assets							
Land	$	675,000	$	-	$	675,000	**
Structures and Improvements		6,984,903		-		6,984,903	**
Office Furniture		37,619		-		37,619	**
Office Equipment		354,003		-		354,003	**
Field Equipment		201,664		-		201,664	**
Vehicles		3,123,068		-		3,123,068	**
Construction in Progress		186,901		-		186,901	**
Total Capital Assets	$	11,563,157	$	-	$	11,563,157	
Total Assets	**$**	**12,920,711**	**$**	**256,685**	**$**	**13,177,397**	
Liabilities and Equity							
Current Liabilities							
Accounts Payable	$	61,504	$	81,906	$	143,410	
Total Current Liabilities	$	61,504	$	81,906	$	143,410	
Equity (Reserve Accounts)							
Investment in Capital Assets	$	11,563,157	$	-	$	11,563,157	**
Commitment for Future Capital Replacement and Projects		1,298,687		201,313		1,500,000	**
Unassigned		(307,484)		307,484		-	
CURRENT YEAR INCOME/(LOSS)		304,847		(334,017)		(29,170)	
Total Equity	$	12,859,208	$	174,779	$	13,033,987	
Total Liabilities & Equity	**$**	**12,920,711**	**$**	**256,685**	**$**	**13,177,397**	

NOTES:

Shaded items have offsets in the Current Assets section and Liabilities and Equity section.

**These balances do not change throughout the year. They are updated at June 30th.

***** June account balances will change as year end reconciliations are completed.**

Vendor	Amount	Description	Fund
ACCURATE FORKLIFT	435.53	Boats and Forklifts	GENERAL
ACCURATE FORKLIFT	1,015.00	Conferences and Trainings	GENERAL
ACE ELECTRIC SERVICE	186.58	ARGO Repair	GENERAL
ADAPCO, INC.	49,436.98	Control Products	GENERAL
AFLAC	1,403.52		GENERAL
ALEXANDER ESQUIVEL CONTRERAS	263.75	Employee Boot Allowance	GENERAL
ANDREA TOMKINS	527.03	Employee Wellness Benefit	GENERAL
APEX TECHNOLOGY MANAGEMENT	14,104.60	Network and IT Consulting Services	GENERAL
APEX TECHNOLOGY MANAGEMENT	40,852.00	Grant Expenses	GENERAL
ASCENT ENVIRONMENTAL, INC.	7,212.65		GENERAL
BRAD BALL	191.09	Employee Wellness Benefit	GENERAL
BRODIE'S TIRE & BRAKE INC.	1,295.23	Vehicle Maintenance	GENERAL
BRODIE'S TIRE & BRAKE INC.	1,598.43	Trailer Repair	GENERAL
CA DEPT OF TAX/FEE ADMINISTRATION-CCFTA	4,313.00	Use Tax	GENERAL
CAGWIN & DORWARD	720.00	Landscape Services	GENERAL
CALPERS 457 PLAN	29,071.89		GENERAL
CAPITAL PROGRAM MANAGEMENT, INC	10,957.50	Other Professional Services	CAPITAL PROJECTS
CINTAS CORPORATION	3,182.69	Uniforms	GENERAL
CINTAS CORPORATION	401.76	First Aid Supplies and Kits	GENERAL
CINTAS CORPORATION	316.25	Janitorial Services	GENERAL
CITY OF COTATI - IRRIGATION 01-1210-00	1,239.80	Water - Irrigation/Industrial	GENERAL
CITY OF COTATI - IRRIGATION 01-1210-00	4.00	Other Fees, Permits and Taxes	GENERAL
CITY OF COTATI - SEWER - 01-1220-00	1,688.96	Water and Sewer	GENERAL
CODY WILSON	400.00	Employee Boot Allowance	GENERAL
CODY WILSON	741.30	Employee Wellness Benefit	GENERAL
COMCAST BUSINESS	556.37	Phone System	GENERAL
COMCAST BUSINESS	461.11	Comcast	GENERAL
COMCAST BUSINESS INTERNET	1,176.56	Comcast	GENERAL
COMPLETE WELDERS SUPPLY, INC.	1,301.91	Shop	GENERAL
CONCENTRA OCCUPATIONAL HEALTH CNTRS	373.00	Occupational Health Testing	GENERAL
CONNECT YOUR CARE LLC	13.32	Other Profess Serv-HR	GENERAL
COUNTY OF MARIN	125,966.42	Retiree Medical Benefit	GENERAL
DARREN BROOKSHIRE	264.00	Employee Boot Allowance	GENERAL
DAWN WILLIAMS	48.00	Employee Wellness Benefit	GENERAL
DEBBIE FLYNN	4,275.00	Dry Ice	GENERAL
DELTA DENTAL OF CALIFORNIA	4,064.94	Dental - Active Employees	GENERAL
DIAMONDBACK AIRBOATS LLC	29,170.00	Field Equipment	CAPITAL PROJECTS
DMV RENEWAL	20.00	Other Fees, Permits and Taxes	GENERAL
ERIK HAWK	750.00	Employee Wellness Benefit	GENERAL
ERNESTO VIRUEL	400.00	Employee Boot Allowance	GENERAL
ERNESTO VIRUEL	588.00	Employee Wellness Benefit	GENERAL
ES OPCO USA LLC.	1,986.74	Control Products	GENERAL
FASTSIGNS	2,677.92	Open House	GENERAL
IDESIGN	4,925.00	Presentation Supplies	GENERAL
INTERSTATE BATTERY SYSTEM	124.55	Vehicle Maintenance	GENERAL
JASON PIETSCH	750.00	Employee Wellness Benefit	GENERAL
JASON SEQUEIRA	276.00	Employee Wellness Benefit	GENERAL
JEFF MC CONNELL	400.00	Employee Boot Allowance	GENERAL
JEFF MC CONNELL	375.00	Employee Wellness Benefit	GENERAL
JESSI HAGELSHAW	284.90	Employee Boot Allowance	GENERAL
JESSI HAGELSHAW	204.42	Employee Wellness Benefit	GENERAL
JOSE ROSALES	400.00	Employee Boot Allowance	GENERAL
JOSE ROSALES	375.00	Employee Wellness Benefit	GENERAL

Vendor	Amount	Description	Fund
KAISER FOUNDATION HEALTH PLAN	6,361.00		GENERAL
KAISER FOUNDATION HEALTH PLAN	65,628.85	Medical Ins-Active Employees	GENERAL
KAISER PERMANENTE - OHSS	200.00	Occupational Health Testing	GENERAL
LA VOZ BILINGUAL NEWSPAPER	950.00	Public Relations Newspaper Articles	GENERAL
LIEBERT CASSIDY WHITMORE	120.00	Human Resources Legal Services	GENERAL
LIFE TECHNOLOGIES CORPORATION	5,085.73	Disease Testing	GENERAL
MARIN COUNTY EMPLOYEES RETIREMENT ASSOC	46,060.08		GENERAL
MARIN COUNTY EMPLOYEES RETIREMENT ASSOC	31,238.60	Retirement - Employer Classic	GENERAL
MARIN COUNTY EMPLOYEES RETIREMENT ASSOC	52,941.16	Retirement - Employer PEPRA	GENERAL
MARIN INDEPENDENT JOURNAL - 2071611	4,470.00	Public Relations Newspaper Articles	GENERAL
MARIN INDEPENDENT JOURNAL - 2071611	103.67	Newspaper and Legal Notices	GENERAL
MISSION SQUARE RETIREMENT - Account Fees	10,193.75	Health Savings Account	GENERAL
MVCAC	550.00	Disease Testing	GENERAL
NATHEN REED	750.00	Employee Wellness Benefit	GENERAL
NATHEN REED	86.00	Travel	GENERAL
NATIVE SAGE ENVIRONMENTAL CONSULTING	18,915.00	Other Professional Services	CAPITAL PROJECTS
NICK BARBIERI TRUCKING,LLC	26,474.08	Fuel and Oil	GENERAL
NORTH BAY COMMERCIAL SERVICES INC.	14,411.53	HVAC	GENERAL
NORTH BAY OFFICE FURNITURE LLC	5,966.93	Furniture	GENERAL
NORTH MARIN WATER DISTRICT	571.69	Hydrant Water	GENERAL
P G & E - ELECTRIC	24.64	Gas and Electricity	GENERAL
P G & E - ELECTRIC	23.82	Comcast	GENERAL
P G & E - GAS	1,750.32	Gas and Electricity	GENERAL
PREFERRED ALLIANCE, INC.	130.00	Occupational Health Testing	GENERAL
PUBLIC AGENCY LAW, INC.	3,773.00	Legal Counsel	GENERAL
QUADIENT FINANCE USA, INC.	250.00	Postage and Postage Supplies	GENERAL
QUADIENT LEASING USA, INC.	288.81	Postage Machine Lease	GENERAL
RECOLOGY SONOMA MARIN	858.82	Solid WasteCollect&Disposal	GENERAL
REDWOOD LOCK LLC	728.04	Other Tools	GENERAL
RICHARD A. SANCHEZ	1,642.50	Janitorial Services	GENERAL
ROBERT MCGOVERN	400.00	Employee Boot Allowance	GENERAL
ROBERT MCGOVERN	48.39	Employee Wellness Benefit	GENERAL
ROBERT MORTON	86.00	Travel	GENERAL
SANTA ROSA AUTO PARTS	218.24	Field Equipment	GENERAL
SANTA ROSA AUTO PARTS	88.30	Garage Equipment	GENERAL
SANTA ROSA AUTO PARTS	234.61	Vehicle Maintenance	GENERAL
SANTA ROSA AUTO PARTS	52.58	Trailer Repair	GENERAL
SANTA ROSA AUTO PARTS	470.18	Shop	GENERAL
SANTA ROSA FIRE EQUIPMENT, INC.	277.80	Admin Building	GENERAL
SARAH BROOKS	198.90	Employee Boot Allowance	GENERAL
SEAN BAKER	346.63	Employee Boot Allowance	GENERAL
SEBASTOPOL BEARING & HYDRAULIC	383.63	ARGO Repair	GENERAL
SIERRA BRAVO AIR AND LAND, LLC	53,000.00	Aerial Application-Helicopter&Drone	GENERAL
SONOMA MEDIA GROUP	9,055.00	Radio Advertising	GENERAL
SPARK CREATIVE DESIGN	1,098.99	Presentation Supplies	GENERAL
TAMARA DAVIS	92.35		GENERAL
TEAMSTERS LOCAL 665 - UNION	1,300.00		GENERAL
TEAMSTERS LOCAL UNION #856 HEALTH&WELFAR	362.00		GENERAL
TEAMSTERS LOCAL UNION #856 HEALTH&WELFAR	2,773.00	Medical Ins-Active Employees	GENERAL
TERESA THOMAS-NETT	400.00	Employee Boot Allowance	GENERAL
THE HARTFORD	1,512.00	Employee Life Insurance	GENERAL
THE PRESS DEMOCRAT	3,142.16	Public Relations Newspaper Articles	GENERAL
THE REGENTS OF U.C.	825.00	Disease Testing	GENERAL

Vendor	Amount	Description	Fund
THOMPSON BUILDERS CORPORATION	224,540.00	Structures and Improvements	CAPITAL PROJECTS
U.S. BANK EQUIPMENT FINANCE	488.26	Copy Machine Lease	GENERAL
US BANK	134.95	Coats, Rain Gear, Boots (no logo)	GENERAL
US BANK	187.40	Yellow Jackets - Suits and Gloves	GENERAL
US BANK	1,890.09	Logo Clothing and Hats	GENERAL
US BANK	-7.72	Other Clothing and Safety Supplies	GENERAL
US BANK	630.26	Food for Trustee Meetings	GENERAL
US BANK	846.91	Other Food and Household Supplies	GENERAL
US BANK	451.55	Office Supplies	GENERAL
US BANK	243.07	Copier Supplies	GENERAL
US BANK	45.70	Postage and Postage Supplies	GENERAL
US BANK	129.50	Presentation Supplies	GENERAL
US BANK	1,612.39	Other Outreach and Education Supplies	GENERAL
US BANK	561.97	Disease Testing	GENERAL
US BANK	622.14	Other Lab Supplies	GENERAL
US BANK	93.85	Fish Supplies	GENERAL
US BANK	215.70	Mosquito Traps	GENERAL
US BANK	459.75	YJ Field Equipment	GENERAL
US BANK	547.76	Hand Tools	GENERAL
US BANK	250.23	Power Tools	GENERAL
US BANK	238.08	Other Tools	GENERAL
US BANK	664.35	Computers and Laptops	GENERAL
US BANK	393.25	Computer Software	GENERAL
US BANK	30.98	Computer Network and Storage	GENERAL
US BANK	75.19	Other Computer Equipment/Tools	GENERAL
US BANK	71.33	Vehicle Maintenance	GENERAL
US BANK	788.91	ATV/UTV Repair	GENERAL
US BANK	7,815.43	ARGO Repair	GENERAL
US BANK	1,978.28	Boats and Forklifts	GENERAL
US BANK	3,091.57	Power Application Equipment	GENERAL
US BANK	37.86	Vehicle Storage/Garage	GENERAL
US BANK	24.10	Grounds	GENERAL
US BANK	73.26	Ergonomic Evaluation	GENERAL
US BANK	587.77	Recruitment Services	GENERAL
US BANK	799.84	Memberships & Subscriptions	GENERAL
US BANK	223.00	Newspaper and Legal Notices	GENERAL
US BANK	1,437.08	Open House	GENERAL
US BANK	553.70	Travel	GENERAL
US BANK	225.00	Booth Rental	GENERAL
VECTOR CONTROL JPA	317.19	Employee Assistance Program (EAP)	GENERAL
VECTOR-BORNE DISEASE ACCOUNT	200.00	Conferences and Trainings	GENERAL
VERIZON WIRELESS	5,094.42	Purchase and Maintain Cell Phones	GENERAL
VISION SERVICE PLAN (CA)	907.64	Vision Service Plan - Active Employees	GENERAL
WINE COUNTRY RADIO	2,820.00	Radio Advertising	GENERAL
Total:	**993,073.47**		

MARIN SONOMA MOSQUITO & VECTOR CONTROL DIST
Object Summary Budget vs. Actual Query
For the Accounting Period: 6 / 26

Object	Object Description	Current Month Commitments (Expenses Paid)	Year To Date Commitments (Expenses Paid)	Original Appropriation (Budget)	Current Appropriation (Adjusted Budget)	Available Appropriation (Remaining Budget)	% of Annual Budget
6010	Salaries and Wages	386,523	4,589,178	4,911,180	4,911,180	322,002	70%
6012	Marin County Emp Retirement Assoc. (MCER	2,700	32,251	31,584	31,584	-667	76%
6014	Overtime	3,196	31,239	31,500	31,500	261	68%
6015	Seasonal Wages	25,433	242,348	239,080	239,080	-3,268	67%
6016	Trustee Wages	4,250	15,250	28,800	28,800	13,550	38%
6022	Medicare Employer portion	5,941	68,967	74,736	74,736	5,769	68%
6023	FICA (Social Security)	1,840	16,096	14,822	14,822	-1,274	72%
6030	Retirement - Employer Classic	31,239	427,071	602,064	602,064	174,993	55%
6032	Retirement - Employer PEPRA	52,941	558,856	452,743	452,743	-106,113	89%
6040	Medical Ins-Active Employees	68,402	752,392	1,024,592	1,024,592	272,200	54%
6043	Dental - Active Employees	4,065	47,863	46,654	46,654	-1,209	76%
6045	Vision Service Plan - Active Employees	908	9,727	9,806	9,806	79	73%
6047	Teamsters Anthem	0	0	0	0	0	0%
6051	Employee Life Insurance	1,512	5,838	5,712	5,712	-126	76%
6053	Employee Assistance Program (EAP)	317	1,289	1,540	1,540	251	43%
6054	District 457 Retirement Match	6,274	74,228	81,190	81,190	6,962	69%
6055	Employee Boot Allowance	3,758	12,196	18,000	18,000	5,804	33%
6057	Employee Wellness Benefit	12,223	28,069	30,000	30,000	1,931	36%
6059	State Unemployment	510	22,124	14,490	14,490	-7,634	131%
6065	Retiree Medical Benefit	125,966	460,082	360,000	360,000	-100,082	81%
6067	Health Savings Account	10,194	125,303	137,000	137,000	11,697	70%
6068	Cal Employers' Pension Prefunding Trust	0	0	0	0	0	0%
6069	Cal Employer's Retiree Benefit Trust (CE	0	137,000	137,000	137,000	0	0%
	Total Salaries and Benefits	**748,192**	**7,657,368**	**8,252,493**	**8,252,493**	**595,125**	**93%**
6110	Uniforms	3,183	31,166	35,680	35,680	4,514	58%
6111	Personnel Truck Equipment	0	981	1,500	1,500	519	55%
6112	Coats, Rain Gear, Boots (no logo)	135	2,898	1,500	1,500	-1,398	141%
6113	Yellow Jackets - Suits and Gloves	187	1,248	1,000	1,000	-248	106%
6114	Logo Clothing and Hats	1,890	7,825	7,070	7,070	-755	51%
6115	Eye Wear, Wash and Eye Glass Wipes	0	422	800	800	378	48%
6116	First Aid Supplies and Kits	402	2,549	3,000	3,000	451	47%
6129	Other Clothing and Safety Supplies	-8	1,821	7,300	7,300	5,479	19%
6130	Food for Trustee Meetings	630	2,821	5,000	5,000	2,179	37%
6131	Food for Staff for Business Meetings	0	1,322	2,200	2,200	878	48%
6132	Drinking Water	0	1,288	1,500	1,500	212	86%
6139	Other Food and Household Supplies	847	4,590	6,000	6,000	1,410	47%
6140	Office Supplies	439	4,624	7,450	7,000	2,376	52%
6141	Copier Supplies	243	1,952	4,732	4,732	2,780	36%
6142	Postage and Postage Supplies	296	1,656	2,400	2,400	744	33%
6143	Printer Cartridges and Supplies	0	953	3,200	3,200	2,247	26%
6144	Presentation Supplies	6,153	21,409	23,500	23,500	2,091	65%
6145	Other Outreach and Education Supplies	1,612	24,480	25,000	25,000	520	66%
6149	Other Office Expense	13	1,149	5,653	5,203	4,054	19%
6150	Disease Testing	7,023	22,425	3,000	26,500	4,075	57%
6151	Additional Lab Supplies	0	0	5,500	0	0	0%
6159	Other Lab Supplies	622	2,247	1,000	1,900	-347	75%
6160	Control Products	51,424	761,134	954,575	954,575	193,441	57%
6177	Dry Ice	4,275	31,856	27,000	27,000	-4,856	74%
6185	Fish Supplies	94	1,385	2,150	2,150	765	5%
6189	Other Ag & Op Supplies	0	0	650	650	650	0%
6190	Fuel and Oil	26,474	156,203	170,000	170,000	13,797	57%
	Total Materials and Supplies	**105,934**	**1,090,403**	**1,308,360**	**1,326,360**	**235,957**	**82%**
6210	Respirators	0	2,845	1,650	1,650	-1,195	143%
6211	Ear Wear	0	2,520	2,800	2,800	280	90%
6213	Fire Extinguishers	0	6,466	3,000	3,000	-3,466	216%
6219	Other Safety Equipment	0	11	2,300	2,300	2,289	0%
6220	Mosquito Traps	236	5,250	6,000	6,000	750	81%
6221	Backpack Applicators	0	0	0	0	0	0%
6222	Can Applicators	0	0	400	400	400	0%
6223	Backpack Foggers	0	0	0	0	0	0%
6224	Hand Held Foggers	0	0	0	0	0	0%
6225	Backpack Granulator	0	3,006	3,400	3,400	394	88%
6226	Field Tools	0	914	1,500	1,500	586	53%
6227	YJ Field Equipment	460	908	700	700	-208	64%
6228	UAS Drone Equipment	0	0	2,500	2,500	2,500	0%
6229	Field Equipment	218	411	0	1,880	1,469	5%
6239	Other Field Equipment	-20	258	2,180	300	42	86%

MARIN SONOMA MOSQUITO & VECTOR CONTROL DIST
Object Summary Budget vs. Actual Query
For the Accounting Period: 6 / 26

Object	Object Description	Current Month Commitments (Expenses Paid)	Year To Date Commitments (Expenses Paid)	Original Appropriation (Budget)	Current Appropriation (Adjusted Budget)	Available Appropriation (Remaining Budget)	% of Annual Budget
6240	Hand Tools	548	548	700	700	152	0%
6241	Garage Equipment	88	1,366	1,000	1,000	-366	98%
6242	Power Tools	250	405	1,000	1,000	595	0%
6243	Steel	0	166	1,700	1,700	1,534	13%
6249	Other Tools	966	1,159	1,000	1,000	-159	19%
6250	Furniture	5,967	11,875	16,000	16,000	4,125	37%
6251	Appliances and Office Tools	0	0	0	0	0	0%
6252	Computers and Laptops	664	2,015	12,000	12,000	9,985	5%
6253	Security Equipment	0	0	10,000	10,000	10,000	0%
6254	Phone Equipment	0	0	600	600	600	0%
6255	Computer Software	18,693	63,367	56,621	56,621	-6,746	75%
6256	Printers	0	0	4,525	4,525	4,525	
6257	Computer Network and Storage	31	68	1,500	1,500	1,432	2%
6259	Other Computer Equipment/Tools	75	1,911	3,000	3,000	1,089	58%
	Total Equipment and Tools	**28,177**	**105,471**	**136,076**	**136,076**	**30,605**	**78%**
6310	Vehicle Repairs - Accidents	0	16,721	0	0	-16,721	0%
6311	Vehicle Maintenance	1,726	33,560	25,000	25,000	-8,560	92%
6312	Trailer Repair	1,651	1,651	3,750	3,750	2,099	0%
6313	ATV/UTV Repair	789	1,798	1,000	1,000	-798	42%
6314	ARGO Repair	8,386	10,857	20,000	20,000	9,143	12%
6315	Truck Mount Water Tanks	0	0	800	800	800	0%
6316	Equipment Trailers	0	446	0	0	-446	0%
6317	Boats and Forklifts	2,414	2,501	3,350	3,350	849	2%
6318	Large Field Equipment	0	615	600	600	-15	78%
6330	Power Application Equipment	3,092	3,372	4,000	4,000	628	7%
6331	Foggers	0	58	500	500	442	0%
6332	Mosquito Traps	0	240	400	400	160	60%
6333	Field Equipment	0	828	1,000	1,000	172	44%
6339	Other Field and Application Equipment	0	517	500	500	-17	103%
6340	Shop	1,772	1,810	1,000	1,000	-810	0%
6341	Vehicle Storage/Garage	38	38	500	500	462	0%
6342	Admin Building	278	547	7,500	7,500	6,953	19%
6343	Grounds	24	1,411	7,500	7,500	6,089	8%
6345	HVAC	14,412	31,448	10,000	10,000	-21,448	170%
6346	Aboveground Tank Maintenance	0	665	3,500	3,500	2,835	19%
6349	Other Building and Grounds Maintenance	0	5,291	7,800	7,800	2,509	51%
6350	Hazardous Materials Cleaning	0	7,464	8,500	8,500	1,036	88%
6351	Lab Equipment	0	41,824	40,200	40,200	-1,624	96%
6359	Other Maintenance and Repair	0	299	750	750	451	40%
	Total Maintenance and Repair	**34,580**	**163,962**	**148,150**	**148,150**	**-15,812**	**111%**
6410	Payroll Service Fees	1,488	15,981	20,000	20,000	4,019	58%
6411	Annual Audit	0	16,750	17,625	17,625	875	95%
6412	Actuarial Studies	0	10,700	24,500	24,500	13,800	12%
6413	Assessment Management Services	0	46,686	47,200	47,200	514	99%
6419	Other Profess Serv-Finance	0	0	0	0	0	0%
6420	Occupational Health Testing	703	3,535	2,000	2,000	-1,535	73%
6421	Labor Negotiating Services	0	0	0	0	0	0%
6422	Ergonomic Evaluation	73	73	500	500	427	0%
6423	Human Resources Legal Services	120	1,040	25,000	25,000	23,960	2%
6424	Section 125 Plan Admin Fees	0	0	0	0	0	0%
6425	Recruitment Services	588	2,199	1,500	1,500	-699	68%
6429	Other Profess Serv-HR	13	2,122	1,380	1,380	-742	151%
6431	GIS Tracking System Maintenance Agreemen	0	0	0	0	0	0%
6432	Network and IT Consulting Services	14,105	86,423	80,000	80,000	-6,423	84%
6433	Remote Backup Service	0	0	1,000	1,000	1,000	0%
6434	Financial System Maintenance Agreement	0	0	12,000	12,000	12,000	0%
6435	Web Design, Hosting and Photography	0	14,943	9,000	9,000	-5,943	172%
6436	Phone System	556	7,780	7,000	7,000	-780	79%
6449	Other Profess Serv-IT	0	0	0	0	0	0%
6450	Aerial Surveillance - Swimming Pools	0	16,350	20,000	20,000	3,650	82%
6451	Aerial Application-Helicopter&Drone	53,000	274,552	225,000	225,000	-49,552	81%
6452	Disease Surveillance and Testing (DART)	0	0	18,000	0	0	0%
6453	Alarm Services	0	10,040	13,000	13,000	2,960	64%
6454	Janitorial Services	1,959	24,232	21,000	21,000	-3,232	87%
6455	Landscape Services	720	10,743	8,232	8,232	-2,511	94%
6457	Research	0	1,757	2,000	2,000	243	85%
6470	Printing Services	215	6,079	9,000	9,000	2,921	65%

MARIN SONOMA MOSQUITO & VECTOR CONTROL DIST
Object Summary Budget vs. Actual Query
For the Accounting Period: 6 / 26

Object	Object Description	Current Month Commitments (Expenses Paid)	Year To Date Commitments (Expenses Paid)	Original Appropriation (Budget)	Current Appropriation (Adjusted Budget)	Available Appropriation (Remaining Budget)	% of Annual Budget
6471	Video Services	0	0	0	0	0	0%
6472	Legal Counsel	3,773	16,698	15,000	15,000	-1,698	81%
6473	Sonoma County Regional Parks Foundation	0	0	0	0	0	0%
6474	Environmental Impact Report Consultants	2,576	8,357	15,760	15,760	7,403	37%
6489	Other Professional Services	11,573	113,378	610,000	610,000	496,622	12%
	Total Professional Services	**91,461**	**690,420**	**1,205,697**	**1,187,697**	**497,277**	**58%**
6510	Pooled Worker's Compensation	0	269,298	272,152	272,152	2,854	99%
6511	Pooled Liability	-40,556	153,102	193,661	193,661	40,559	100%
6512	Pooled Auto Physical Damage	0	17,648	11,461	11,461	-6,187	154%
6513	Group Property	0	20,812	20,854	20,854	42	100%
6514	Group Employee Bond	0	0	0	0	0	0%
6515	Aircraft Excess Coverage	0	3,738	4,717	4,717	979	79%
6518	Insurance Administrative Services	72	72	0	0	-72	0%
6522	LAFCO-Sonoma	0	18,929	20,000	20,000	1,071	95%
6523	American Mosquito Control	0	0	0	0	0	0%
6529	Memberships & Subscriptions	800	35,241	34,149	34,399	-842	99%
6530	Public Relations Newspaper Articles	8,562	25,800	40,000	40,000	14,200	37%
6531	Newspaper and Legal Notices	327	341	600	600	259	0%
6532	Digital Advertising	0	65,000	65,000	65,000	0	100%
6533	Radio Advertising	11,875	44,130	44,000	44,000	-130	46%
6534	Outdoor Advertising	0	64,915	65,000	65,000	85	72%
6538	Open House	3,900	4,876	20,000	20,000	15,124	4%
6540	Solid Waste Collection and Disposal	859	5,153	5,153	5,153	0	67%
6541	Gas and Electricity	1,775	33,398	39,000	39,000	5,602	51%
6542	Water and Sewer	1,689	8,998	8,400	8,400	-598	70%
6543	Water - Irrigation/Industrial	1,240	7,088	6,000	6,000	-1,088	87%
6544	Hydrant Water	572	3,164	2,700	2,700	-464	73%
6550	AT&T	0	2,135	3,360	3,360	1,225	60%
6551	Comcast	1,661	9,904	3,822	3,822	-6,082	173%
6552	Communication/Notification System	0	9,803	21,000	21,000	11,197	47%
6553	Purchase and Maintain Cell Phones	5,094	5,402	3,000	3,000	-2,402	147%
6554	Cell Phone Services	0	45,925	51,684	51,684	5,759	64%
6559	Other Communication Services	0	0	0	0	0	0%
6560	OLD Employee Training	0	0	14,000	14,000	0	40%
6561	Employee Recognition	0	607	2,100	2,100	1,493	24%
6562	Conferences and Trainings	1,215	20,426	1,500	1,500	-4,926	513%
6570	Travel	726	23,663	45,000	45,000	31,337	35%
6571	OLD Trustee Travel	0	0	10,000	10,000	0	0%
6580	Use Tax	4,313	4,313	9,500	9,500	5,187	0%
6581	Waste Discharge Permit (SWRCB)	0	3,630	3,800	3,800	170	96%
6582	Revenue Collection Fees (Marin)	0	114,934	108,300	108,300	-6,634	70%
6583	Revenue Collection Fees (Sonoma)	39	37,908	35,000	35,000	-2,908	0%
6584	Hazmat Permit	0	1,333	1,500	1,500	167	89%
6589	Other Fees, Permits and Taxes	24	3,251	1,990	1,990	-1,261	97%
6590	Copy Machine Lease	488	5,682	3,720	3,720	-1,962	100%
6591	Postage Machine Lease	289	1,239	1,252	1,252	13	76%
6592	Source Reduction Equipment Rental	0	0	3,500	3,500	3,500	0%
6593	Booth Rental	225	4,405	5,500	5,500	1,095	56%
6599	Other Rents and leases	0	0	0	0	0	0%
	Total Other Purchased Services	**5,189**	**1,076,263**	**1,182,375**	**1,182,625**	**106,362**	**91%**
6840	Structures and Improvements	224,540	511,912	8,000	8,000	-503,911.85	92%
6850	Office Furniture	0	0	0	0	0.00	0%
6870	Field Equipment	29,170	111,325	72,000	72,000	-39,324.90	114%
6880	Vehicles	0	144,718	154,900	154,900	10,182.19	96%
	Total Capital Expenses	**253,710**	**767,955**	**234,900**	**234,900**	**-533,055**	**327%**
6910	Contingency	0	0	10,000	10,000	10,000.00	0%
6970	Grant Expenses	40,852	166,764	216,000	216,000	49,236.29	56%
6990	Transfers Out	477,135	1,085,740	1,063,650	1,063,650	-22,089.87	57%
	Total Other Expenses	**517,987**	**1,252,504**	**1,289,650**	**1,289,650**	**37,146**	**97%**
	Total Expenses	**1,785,230**	**12,804,345**	**13,757,701**	**13,757,951**	**953,606**	**93%**

***** June account balances will change as year end reconciliations are completed.**

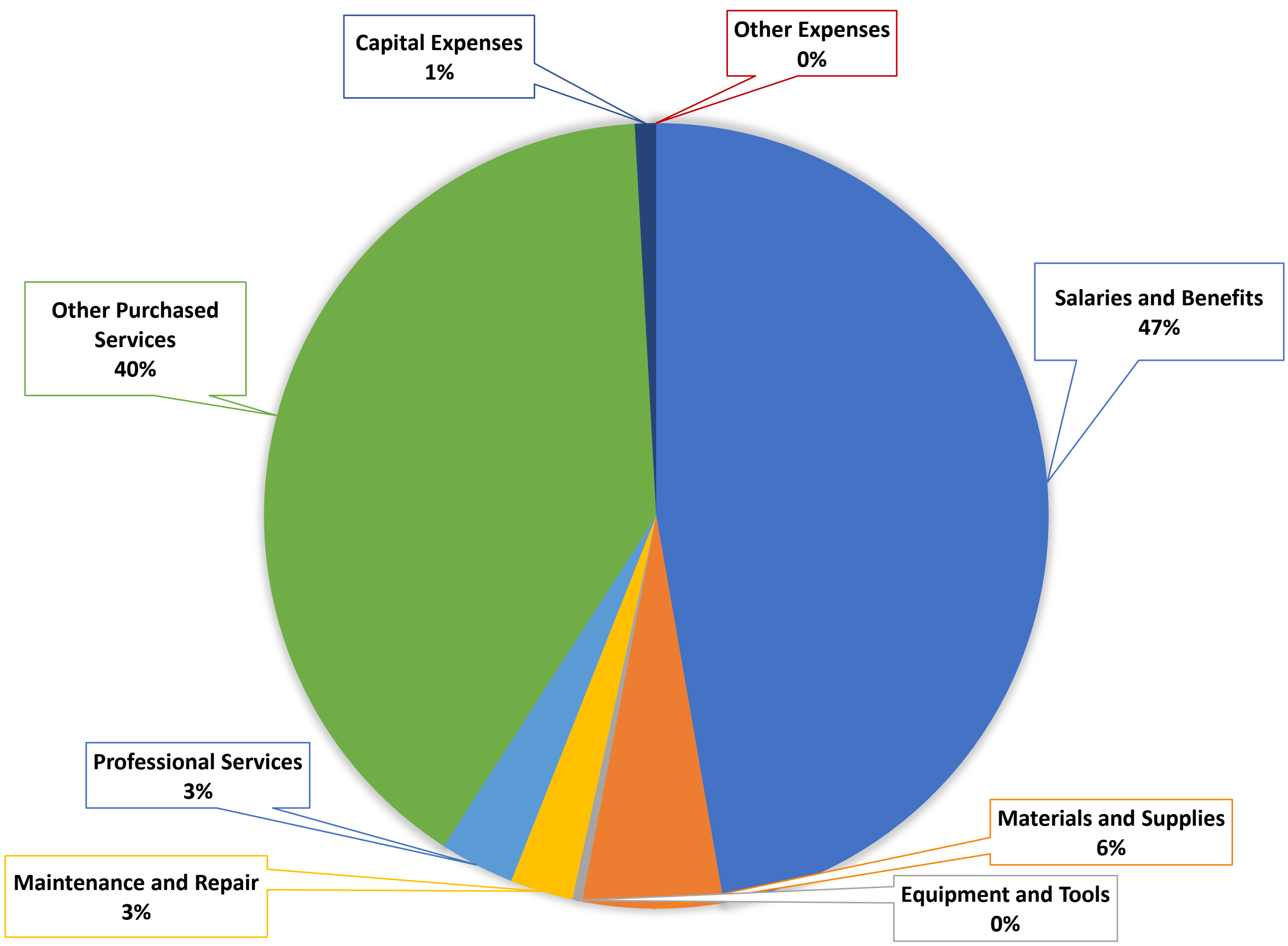
MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT

Monthly Budget Summary Report

July 2026

	Current Month Commitments (Expenses Paid)	Year To Date Commitments (Expenses Paid)	Current Appropriation (Adjusted Budget)	Available Appropriation (Remaining Budget)	Percent Committed	% of Total Expenses	Objects
Salaries and Benefits	$607,296	$607,296	$8,183,508	$7,576,212	7%	47%	6000s
Materials and Supplies	74,414	74,414	1,389,837	1,315,423	5%	6%	6100s
Equipment and Tools	5,156	5,156	169,225	164,069	3%	0%	6200s
Maintenance and Repair	33,260	33,260	169,685	136,425	20%	3%	6300s
Professional Services	39,611	39,611	589,375	549,764	7%	3%	6400s
Other Purchased Services	514,106	514,106	1,273,020	758,914	40%	40%	6500s
Capital Expenses	11,362	11,362	9,865,200	9,853,838	0%	1%	6800s
Other Expenses	0	0	9,885,200	9,885,200	0%	0%	6900s
	$1,285,204	**$1,285,204**	**$31,525,050**	**$30,239,846**	**4%**	**100%**	

YEAR TO DATE PERCENT OF TOTAL EXPENSE BY TYPE



MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
Monthly Key Figures Comparison Report
July 31, 2026

Balance at June 30, 2026	Change from Year End	Balance as of July 31, 2026

Cash and Investments

Balance at June 30, 2026	Change from Year End	Balance as of July 31, 2026
Marin County **$21,740,178** June 30, 2026	**($978,838) Change**	**Marin County** **$20,761,340** July 31, 2026
Exchange Bank **$152,259** June 30, 2026	**($1,981) Change**	**Exchange Bank** **$150,278** July 31, 2026
Petty Cash **$350** June 30, 2026	**$0 Change**	**Petty Cash** **$350** July 31, 2026

Deposits

Balance at June 30, 2026	Change from Year End	Balance as of July 31, 2026
VCJPA **$1,040,149** June 30, 2026	**$0 Change** Balance Adjusted every June	**VCJPA** **$1,040,149** July 31, 2026

Retirement

Marin County Employees' Retirement Association (MCERA)

	2024 Actuarial Valuation	**2025 Actuarial Valuation**
Total Market Value of Assets	$36,209,388	**$39,954,811**
Total Accrued Liability	38,382,201	**40,605,203**
Unfunded Liability	$2,172,813	**$650,392**
Funded Ratio	94.30%	**98.40%**

(2025 Information from MCERA's May 2026 presentation. Will be updated in May 2027)

Employee distribution: 9 Classic and 28 Pepra

CEPPT **$2,127,331** June 30, 2025	**$265,087**	**CEPPT** **$2,392,418** May 31, 2026

CEPPT, California Employers' Pension Prefunding Trust, to meet MCERA requirements. General Ledger updated in June

***June statement has not been released

Retiree Health Benefits for Tier One Employees

Other Post-Employment Benefit Program (OPEB report summary)

	2024 Actuarial Valuation	**June 30, 2026 Actuarial Valuation**
Total OPEB Liability	$9,369,000	**$10,743,458**
Fiduciary Net Position	-8,095,000	**-10,360,430**
Net OPEB Liability	$1,274,000	**$383,028**
Funded Ratio	86.40%	**96.43%**

Per OPEB report dated April 2026, with a Measurement Date of June 30, 2025

Figures will be updated May 2027 for the GASB 75 Report, required for the Financial Statement audit.

CERBT **$10,356,449** June 30, 2025	**$1,967,786**	**CERBT** **$12,324,235** May 31, 2026

CERBT, California Employer's Retiree Benefit Trust, to pay for Tier One retiree health benefits. General Ledger updated in June

***June statement has not been released

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT

General Fund Monthly Balance Sheet Comparison Report

		June 30, 2025		Change from June 30, 2025		July 31, 2026	
Current Assets							
Cash with Marin County-General Fund	$	19,382,811	$	(100,337)	$	19,282,474	
Cash at Exchange Bank		125,736		24,542		150,278	
Petty Cash		366		(16)		350	
Deposits with VCJPA		964,796		75,353		1,040,149	**
Deposits in CEPPT		2,127,331		-		2,127,331	**
Accounts Receivable		2,111,301		33,902		2,145,203	
Property Taxes Receivable		448,530		(448,530)		-	
Compensated Absences - Amount to be Provided		599,063		17,610		616,673	**
Inventory		327,330		-		327,330	**
Total Current Assets	**$**	**26,087,264**	**$**	**(397,476)**	**$**	**25,689,788**	
Liabilities and Equity							
Current Liabilities							
Accounts Payable	$	113,058	$	(110,584)	$	2,475	
Other Payables		-		-		-	
Deferred Revenue		1,880,426		-		1,880,426	
Compensated Absences		599,063		17,610		616,673	**
MCERA Payable		-		-		-	
457 Retirement Plan Payable		-		-		-	
Section 125 Plan and Insurance Premiums		-		-		-	
FSA Medical & Dep Care Payable		5,770		(580)		5,190	
Total Current Liabilities	$	2,598,317	$	(93,554)	$	2,504,763	
Equity (Reserve Accounts)							
Non-Spendable: Inventory	$	327,330	$	-	$	327,330	**
Assignment for Deposits with VCJPA		964,796		75,353		1,040,149	**
Assignment for No Income Period		5,161,102		-		5,161,102	**
Commitment for Public Health Emergency		2,064,441		-		2,064,441	**
Assignment for Pension Prefunding Trust		2,127,331		-		2,127,331	**
Unassigned		10,274,073		3,454,670		13,728,743	
CURRENT YEAR INCOME/(LOSS)		2,569,874		(3,833,945)		(1,264,071)	
Total Equity	$	23,488,947	$	(303,922)	$	23,185,025	
Total Liabilities & Equity	**$**	**26,087,264**	**$**	**(397,476)**	**$**	**25,689,788**	

Capital Fund Monthly Balance Sheet Comparison Report

		June 30, 2025		Change from June 30, 2025		July 31, 2026	
Current Assets							
Cash with Marin County-Capital Fund	$	1,347,741	$	131,125	$	1,478,866	
Accounts Receivable		9,813		(9,813)		-	
Total Current Assets	$	1,357,555	$	121,311	$	1,478,866	
Capital Assets							
Land	$	675,000	$	-	$	675,000	**
Structures and Improvements		6,984,903		-		6,984,903	**
Office Furniture		37,619		-		37,619	**
Office Equipment		354,003		-		354,003	**
Field Equipment		201,664		-		201,664	**
Vehicles		3,123,068		-		3,123,068	**
Construction in Progress		186,901		-		186,901	**
Total Capital Assets	$	11,563,157	$	-	$	11,563,157	
Total Assets	**$**	**12,920,711**	**$**	**121,311**	**$**	**13,042,023**	
Liabilities and Equity							
Current Liabilities							
Accounts Payable	$	61,504	$	(32,334)	$	29,170	
Total Current Liabilities	$	61,504	$	(32,334)	$	29,170	
Equity (Reserve Accounts)							
Investment in Capital Assets	$	11,563,157	$	-	$	11,563,157	**
Commitment for Future Capital Replacement and Projects		1,298,687		201,313		1,500,000	**
Unassigned		(307,484)		278,314		(29,170)	
CURRENT YEAR INCOME/(LOSS)		304,847		(325,981)		(21,134)	
Total Equity	$	12,859,208	$	153,645	$	13,012,853	
Total Liabilities & Equity	**$**	**12,920,711**	**$**	**121,311**	**$**	**13,042,023**	

NOTES:

Shaded items have offsets in the Current Assets section and Liabilities and Equity section.

**These balances do not change throughout the year. They are updated at June 30th.

Vendor	Amount	Description	Fund
AFLAC	1,403.52		GENERAL
AMERICAN MOSQUITO CONTROL ASSOCIATION	8,340.00	Memberships & Subscriptions	GENERAL
APEX TECHNOLOGY MANAGEMENT	6,077.30	Network and IT Consulting Services	GENERAL
BRODIE'S TIRE & BRAKE INC.	1,326.02	Vehicle Maintenance	GENERAL
CAGWIN & DORWARD	1,502.60	Landscape Services	GENERAL
CALPERS 457 PLAN	29,806.57		GENERAL
CINTAS CORPORATION	1,298.44	Uniforms	GENERAL
CINTAS CORPORATION	129.95	First Aid Supplies and Kits	GENERAL
CINTAS CORPORATION	316.25	Janitorial Services	GENERAL
CITY OF COTATI - SEWER - 01-1220-00	11,362.00	Structures and Improvements	CAPITAL PROJECTS
CIVICPLUS, LLC	11,025.00	Web Design, Hosting and Photography	GENERAL
COMCAST BUSINESS	562.74	Phone System	GENERAL
COMCAST BUSINESS	937.22	Comcast	GENERAL
CONNECT YOUR CARE LLC	13.32	Other Profess Serv-HR	GENERAL
DELTA DENTAL OF CALIFORNIA	4,370.38	Dental - Active Employees	GENERAL
ES OPCO USA LLC.	52,827.40	Control Products	GENERAL
GOVERNMENT FINANCE OFFICERS ASSOCIATION	200.00	Memberships & Subscriptions	GENERAL
JAIME MOLINA	335.46	Employee Boot Allowance	GENERAL
KAISER FOUNDATION HEALTH PLAN	6,361.00		GENERAL
KAISER FOUNDATION HEALTH PLAN	62,535.26	Medical Ins-Active Employees	GENERAL
LIFE TECHNOLOGIES CORPORATION	2,688.07	Disease Testing	GENERAL
LIFE TECHNOLOGIES CORPORATION	17,879.99	Lab Equipment	GENERAL
LIZ GARCIA	140.53	Travel	GENERAL
LLOYD FUREY	50.00	Other Profess Serv-HR	GENERAL
MARIN COUNTY EMPLOYEES RETIREMENT ASSOC	48,086.96		GENERAL
MARIN COUNTY EMPLOYEES RETIREMENT ASSOC	28,793.12	Retirement - Employer Classic	GENERAL
MARIN COUNTY EMPLOYEES RETIREMENT ASSOC	47,508.28	Retirement - Employer PEPRA	GENERAL
MISSION SQUARE RETIREMENT - Contribution	9,900.00	Health Savings Account	GENERAL
NATHEN REED	269.47	Employee Boot Allowance	GENERAL
NATIONAL ICE DELIVERY, INC	3,420.00	Dry Ice	GENERAL
NICK BARBIERI TRUCKING,LLC	11,897.90	Fuel and Oil	GENERAL
NORTH COAST TITLE CO.	609.00	Other Professional Services	CAPITAL PROJECTS
OMNI INTERNATIONAL INC	9,162.61	Lab Equipment	CAPITAL PROJECTS
PACIFIC AI DIGITAL MEDIA LLC "PAID MEDIA	2,020.83	Public Relations Newspaper Articles	GENERAL
PACIFIC AI DIGITAL MEDIA LLC "PAID MEDIA	9,291.67	Digital Advertising	GENERAL
PACIFIC AI DIGITAL MEDIA LLC "PAID MEDIA	4,458.33	Radio Advertising	GENERAL
PACIFIC AI DIGITAL MEDIA LLC "PAID MEDIA	3,750.00	Outdoor Advertising	GENERAL
POINT REYES LIGHT	115.00	Memberships & Subscriptions	GENERAL
QUENCH USA, INC.	1,158.81	Drinking Water	GENERAL
RICHARD A. SANCHEZ	1,642.50	Janitorial Services	GENERAL
SAFETY KLEEN CORP	4,602.05	Hazardous Materials Cleaning	GENERAL
SANTA ROSA AUTO PARTS	98.08	Vehicle Maintenance	GENERAL
SIERRA BRAVO AIR AND LAND, LLC	16,200.00	Aerial Application-Helicopter&Drone	GENERAL
SONOMA COUNTY ACTTC OFFICE	19,800.00	LAFCO-Sonoma	GENERAL
SPARK CREATIVE DESIGN	718.75	Outdoor Advertising	GENERAL
SYN-TECH SYSTEMS INC	3,538.00	Computer Software	GENERAL
TEAMSTERS LOCAL 665 - UNION	1,300.00		GENERAL
TEAMSTERS LOCAL UNION #856 HEALTH&WELFAR	362.00		GENERAL
TEAMSTERS LOCAL UNION #856 HEALTH&WELFAR	2,773.00	Medical Ins-Active Employees	GENERAL
THE HARTFORD	504.00	Employee Life Insurance	GENERAL
TIMETAP - ADDY SYSTEMS LLC	809.40	Computer Software	GENERAL
U.S. BANK EQUIPMENT FINANCE	488.26	Copy Machine Lease	GENERAL
US BANK	495.34	Logo Clothing and Hats	GENERAL

Vendor	Amount	Description	Fund
US BANK	121.02	Food for Staff for Business Meetings	GENERAL
US BANK	58.77	Office Supplies	GENERAL
US BANK	167.34	Other Outreach and Education Supplies	GENERAL
US BANK	47.31	Disease Testing	GENERAL
US BANK	69.98	Other Lab Supplies	GENERAL
US BANK	33.65	Fuel and Oil	GENERAL
US BANK	55.05	Mosquito Traps	GENERAL
US BANK	700.25	Computer Software	GENERAL
US BANK	0.99	Computer Network and Storage	GENERAL
US BANK	52.30	Other Computer Equipment/Tools	GENERAL
US BANK	136.07	Shop	GENERAL
US BANK	54.85	Admin Building	GENERAL
US BANK	73.86	Ergonomic Evaluation	GENERAL
US BANK	13.51	Research	GENERAL
US BANK	217.22	Memberships & Subscriptions	GENERAL
US BANK	1,754.33	Open House	GENERAL
VECTOR CONTROL JPA	226,347.00	Pooled Worker's Compensation	GENERAL
VECTOR CONTROL JPA	199,246.19	Pooled Liability	GENERAL
VECTOR CONTROL JPA	14,022.00	Pooled Auto Physical Damage	GENERAL
VECTOR CONTROL JPA	17,428.00	Group Property	GENERAL
VERIZON WIRELESS	4,830.31	Cell Phone Services	GENERAL
VISION SERVICE PLAN (CA)	875.86	Vision Service Plan - Active Employees	GENERAL
Total:	**921,568.24**		

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
595 Helman Lane, Cotati, California 94931

EXECUTIVE COMMITTEE
MINUTES

Tuesday, July 21, 2026 10:00 A.M.
District Office, 595 Helman Lane, Cotati, CA 94931

1. CALL TO ORDER

The regular meeting of the Executive Committee of the Marin/Sonoma Mosquito & Vector Control District was called to order at 10 a.m. by Committee Chair Gallian at the District Office, 595 Helman Lane, Cotati, California.

2. ROLL CALL

Committee Members Present:
Laurie Gallian- Chair
Cathy Benediktsson- 2352 Mar East St. Tiburon, CA 94920
Vicki Nichols- 501 Olima St. Apt. 208 Sausalito, CA 94965
David Witt- 125 W. Blithedale Ave, Mill Valley, CA 94941

Committee Members Absent:

Susan Harvey

Staff Present:

Peter Bonkrude	District Manager
Erik Hawk	Assistant Manager
Liz Garcia	Administrative Services Manager

3. PUBLIC TIME

Committee Chair Gallian opened public time. No members of the public were present and no comments were received. Public time was closed.

4. NEW BUSINESS

A. Facility Improvement Project

District Manager (DM) Bonkrude reported that detailed project information had been presented at recent Facility Improvement Committee and other Committee meetings, and that the update to the Executive Committee would be provided at a summary level.

Scope and Budget. The new administration addition has increased to approximately 6,405 square feet. The vehicle storage building remains unchanged at approximately 8,740 square feet. The remodel of the existing headquarters includes new flooring throughout most spaces, paint, HVAC, and three office modifications, including the addition of a window in the former technician space and the separation of the finance and District Manager offices. The 50% Design Development estimate dated July 9, 2026 places the total project cost at $16.14 million, approximately $106,843 (0.7%) above the 10% Schematic Design estimate.

Value Engineering. Approximately $123,000 in accepted value engineering reductions is reflected in the 50% DD estimate. A design contingency of $0.78 million (5.75%) and a construction contingency of $0.59 million (5%) are carried. Landscape scope, decomposed-granite paving, and river-stone cobble remain open items being priced.

Schedule. The project is running approximately one and one-half months behind the original milestone plan, with the slip occurring in design development. Construction is now anticipated to begin in late February or early March 2027, with a twelve-month construction duration.

B. Construction Financing Options

DM reviewed three financing options for the construction phase: certificates of participation, the California Infrastructure and Economic Development Bank (IBank) Infrastructure State Revolving Fund program, and bank private placement. Based on cost and application requirements, he identified IBank and bank private placement as the most viable options for the District.

DM advised that a detailed financing presentation, including projections over a 20- to 30-year amortization period to evaluate long-term debt sustainability, would be brought to the Finance Committee in late August or early September 2026.

C. Policy Committee Update

DM reported on the restructuring of the District's policy documents, which separates the prior consolidated manual into three manuals. Updates reflect current legal requirements and the District's current committee structure.

The Committee discussed accessibility of policy documents for Trustees. DM proposed preparing a condensed reference guide and posting the manuals in multiple locations, including the trustee portal. Trustee Nichols emphasized the importance of ready access to policies for newly seated Trustees as part of a welcoming onboarding process.

D. Operational Update

Field Operations. Assistant Manager (AM) Hawk reported a lighter-than-typical tree hole season, ongoing tidal marsh surveillance driven by high tides, and continuing challenges with mosquito control in Roanoke Park and the surrounding area.

Mosquito Control. AM reported challenges with property access and water management associated with the Novato Creek Dredge Project. Treatment of breeding sources in areas of dense vegetation is being conducted using drones, airboats, and helicopters.

Rodent Control. Service requests for rodent control continue to increase, including several severe residential infestations. Staff is coordinating with partner agencies on rodent control and wetland restoration projects, and is pursuing cost recovery at fiscal year end.

CDFW Cost Recovery. DM reported receipt of approximately $26,000 from the California Department of Fish and Wildlife, with legal discussions continuing regarding payment responsibility. Coordination with CDFW staff on property reporting and billing processes has improved.

Outreach. DM and Trustee Nichols discussed featuring field operations video at the upcoming District open house and through renewed outreach efforts, including video, radio, and billboard campaigns intended to demonstrate the year-round value of District services.

E. Reducing Marin and Sonoma County At-Large Appointees from Two to One

DM presented a proposal to reduce the number of at-large appointees in each of Marin and Sonoma Counties from two positions to one, a net reduction of two seats. He reviewed the statutory process under Health & Safety Code § 2025(b)–(d): the Board adopts a resolution requesting the decrease; each Board of Supervisors is to order the decrease within 60 days; the county designates which office is eliminated; and the affected Trustee continues to serve until the expiration of that term. He noted the five-member statutory floor under § 2025(a).

DM advised that pushback from the counties is possible, but that the vacancies in Sonoma County have persisted for more than twenty years, which calls into question the continuing need for two at-large positions per county. He confirmed the Board has authority to initiate the change under the Health & Safety Code.

Committee Direction: The Executive Committee directed staff to place the at-large appointee reduction on the August 2026 Board of Trustees meeting agenda. No objections were raised.

F. Quorum Discussion

DM reviewed Health & Safety Code § 2029(a), under which a majority of the Board of Trustees constitutes a quorum, and noted that because a designated office remains filled until the term expires under § 2025(d), the quorum threshold does not change on the date the counties act, but only when the affected terms expire. Because the two counties operate on separate term calendars, the reduction may arrive in two steps.

The Committee discussed recent difficulties maintaining a quorum, including instances in which Trustees departed mid-meeting or were absent. DM proposed a policy requiring Trustees to confirm attendance by a stated deadline in advance of each meeting. Trustee Witt suggested that a rotating Trustee contact members with unexcused absences.

Committee Direction: The Committee agreed to a two-phase approach: first, communication to the full Board clarifying attendance expectations; second, a diplomatic follow-up contact process for missed meetings, with the Vice Presidents from each region (Sonoma and Marin) making those calls. General Counsel Janet Coleson is to review the process for Brown Act compliance prior to implementation.

Committee Direction: Regarding the method of quorum calculation, the Committee directed staff to request a legal opinion from the California Special Districts Association rather than retaining outside counsel, as the more cost-effective approach.

G. District Manager Contract Timing and Evaluation Timing

DM proposed adjusting the timing of his contract and performance evaluation so that the District Manager contract, the Union memorandum of understanding, and unrepresented staff compensation are addressed in consecutive years rather than concurrently, District Manager in 2027, Union in 2028, and unrepresented staff in 2029, with a contract end/start date of April 1, 2027. He further proposed a transition evaluation window of approximately sixteen months, placing the next evaluation in late fall of 2027.

Committee Direction: The Committee supported the proposed contract sequencing and the late fall evaluation window. A written staff report will follow.

5. NEXT MEETING

The next regular meeting of the Executive Committee is scheduled for October 2026, date and time to be determined.

6. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:38 a.m.

Respectfully submitted,

Peter Bonkrude, District Manager

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
Board of Trustees
AD HOC FACILITY IMPROVEMENT COMMITTEE MEETING
MINUTES

DATE: July 2026
TIME: 1:00 P.M.
LOCATION: District Headquarters, 595 Helman Lane, Cotati, CA 94931 / Zoom Teleconference

---

1. ROLL CALL

Committee Members Present: Vicki Nichols, Gail Bloom, Susan Harvey, Carol Pigoni, Bruce Ackerman, David Witt

Committee Members Absent: Cathy Benediktsson, Richard Snyder

Staff Present: Peter Bonkrude, District Manager

Consultants Present: Sharon (CPM), Omar (CPM)

2. PUBLIC TIME

No public comments were received.

3. NEW BUSINESS

A. Facility Improvement Project Update

Peter Bonkrude provided an update on the Facility Improvement Project since the last meeting. The project, a new administration building, a vehicle storage building, and a remodel of the existing headquarters, remains at a budget of approximately $16.1 million. Design Development is currently 50 percent complete and is expected to reach 100 percent by early August 2026, with construction documents to follow in early fall. The construction start has been extended by approximately 1.5 months and is now anticipated for late February or early March 2027; staff noted the revised timing may align better with weather conditions. Staff reported that the project remains essentially on budget, at approximately 0.7 percent over the original estimate.

B. Design Review and Building Features

The Committee reviewed the current design, including the new administration building with its reception area, boardroom, and offices; the vehicle storage building with two doors and storage spaces; and renovations to existing office spaces, including HVAC updates and new flooring. Peter reviewed interior design elements, including flooring materials and finishes, dark woods, green tile, and a representation of the reception area. He described security features including locked doors and a polycarbonate/glass partition providing separation between the reception and public spaces, and a recently added glass-enclosed passage between buildings. The boardroom can be reconfigured based on the number of trustees present and will be equipped with wired capabilities for displays and internet access. Peter also outlined the flooring plan, identifying which areas will retain existing tile and which will receive new carpeting or luxury vinyl.

C. Budget, Value Engineering, and Financing

Peter reviewed the current $16.1 million budget, which carries a 5.75 percent design contingency and a 5 percent construction contingency. The team continues to pursue value engineering through design modifications and material choices to reduce costs. The Committee reviewed three financing options, a State Infrastructure Loan, Certificates of Participation, and Private Placement, with current plans assuming the use of approximately $10 million to $11 million in reserves and borrowing between $4.5 million and $6 million. The Committee discussed floodplain considerations and staff relocation planning during the remodel phase. The financing discussion will be brought to the Finance Committee and Executive Committee for further review and decision-making.

D. Sustainability and Resiliency Features

The Committee reviewed sustainability and resiliency features incorporated into the design, including a proposed 400-amp battery backup system estimated at approximately $150,000, conduit for future EV charging, and solar installation capability. Staff will continue pursuing grant opportunities to offset costs related to the battery backup system, additional solar, and EV infrastructure.

E. CEQA and Documentation

Peter reported that the team continues to work through CEQA documentation with the District's consultant.

4. OPEN TIME FOR COMMITTEE OR STAFF COMMENTS

Committee members expressed appreciation for the project progress and the ongoing efforts to control costs. The Committee addressed questions regarding boardroom technology setup, floodplain considerations, and staff relocation plans during construction.

6. ADJOURNMENT

The meeting was adjourned.

Respectfully submitted,

Peter Bonkrude, District Manager

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
Board of Trustees
POLICY COMMITTEE MEETING
MINUTES

DATE: Thursday, July 16, 2026
TIME: 10:00 A.M. – 11:00 A.M.
LOCATION: District Headquarters, 595 Helman Lane, Cotati, CA 94931 / Zoom Teleconference

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1. ROLL CALL

The meeting was called to order by Peter Bonkrude, District Manager, who led the discussion in the absence of Committee Chair David Witt.

Staff Present:
Peter Bonkrude, District Manager
Liz Garcia, Administrative Services Manager
Erik Hawk, Assistant Manager

Committee Members Present:
Laurie Gallian
Jake Mackenzie

Committee Members Absent:
David Witt, Chair

2. PUBLIC TIME

No public comments were received.

3. NEW BUSINESS

A. Overview and Purpose of the Policy Rewrite

Peter Bonkrude presented the crosswalk between the District's 2023 adopted Board of Trustees Policy Manual and Reference Guide and the two new manuals under development: a streamlined Board of Trustees Policy Manual and a new Financial Principles and Policies Manual. He explained that the restructured Board Manual now addresses governance exclusively, while financial and employee-related policies have been relocated to separate manuals. Staff plan to bring both new manuals to the August Board meeting for consideration. Peter asked Committee members to focus their review on policy language and organizational structure rather than formatting.

B. Board Manual Restructuring

The Committee reviewed how the former Series 4000/5000 financial and administrative content was removed from the Board Manual and rebuilt into the Financial Principles and Policies Manual and the Employee Policy Manual. Peter noted that environmental compliance provisions would be maintained as internal operating documents rather than Board policy, and confirmed that CEQA compliance requirements remain unchanged.

C. Board Officer Structure

Peter discussed the proposed reduction in the number of standing officers, particularly questioning the need for a Second Vice President position, and its relationship to county-based representation. The Committee discussed clarifying how vacancies should be filled based on county representation and the county-based succession structure for the President and Vice President offices. Laurie recommended that the sitting President serve on the Nominating Committee each year to provide continuity and clearer communication of the existing structure. The DM agreed to re-work the officer structure policy to better communicate the current structure and bring a revised version back to the Committee.

D. Standing Committees

The Committee reviewed the consolidation of standing committees from six to five, merging the Budget and Audit functions into a single Finance Committee.

E. Trustee Training and New Board Policies

Peter reported that recent legal updates, including Brown Act trustee training requirements, have been incorporated into the Board Manual. New policies address remote participation and teleconferencing, disability accommodations, and use of social media. Peter agreed to double-check that the trustee financial and ethics training requirements and Form 700 filing obligations are fully and correctly reflected in the Board Manual.

F. Financial Principles and Policies Manual

Peter presented the new Financial Principles and Policies Manual, which includes nine guiding financial principles and a tiered purchasing authority structure ranging from $1,000 for employees to $25,000 for the District Manager. The Committee discussed reserve account management and the interaction between GASB 54 committed fund balances and statutory reserve requirements. The Committee also reviewed the draft Environmentally Preferable Purchasing policy; Peter agreed to consider shortening and adjusting it while preserving its environmental considerations.

G. Employee Policy Manual

Peter and Liz Garcia reported on the continued development of the Employee Policy Manual, which is being revised to close gaps in current policy, including grievance procedures for non-represented employees, conflict of interest, lactation accommodations, visitor security, emergency closures, and intellectual property and work product.

H. Distribution and COVID/Pathogen Response

The Committee discussed distribution of the manuals, with Peter recommending electronic access through a shared drive and allowing printed copies on a case-by-case basis due to cost. Peter noted that COVID protocols currently reside in the Injury and Illness Prevention Program and agreed to consider whether a broader pathogen response plan should be added to the relevant manual.

4. ADJOURNMENT

The meeting was adjourned at 11:00 A.M.

Respectfully submitted,

Peter Bonkrude, District Manager

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT

595 Helman Lane
Cotati, CA 94931
707.285.2200
707.285.2210 fax
www.msmosquito.org

Peter Bonkrude
District Manager

District Manager's Report

August 12, 2026

June and July saw work across the facility improvement project and its financing, professional association responsibilities at both the state and national levels, technology and data systems, and District governance, alongside media engagement on the Fairfax flea situation and preparations for the District's open house.

The following is a summary of key activities during the reporting period.

Work on the facility improvement project remained a central focus. I addressed a range of construction questions as the design advanced, participated in several bi-weekly Owner-Architect-Contractor (OAC) meetings, and met with the City of Cotati to discuss matters related to the project. On the financing side, I met with three separate groups offering financing options for the District's construction project to compare terms and approaches.

In my role as AMCA South Pacific Regional Director, I attended the AMCA Executive Committee meeting and the AMCA Board meeting. At the state level, I attended MVCAC and was appointed to the DART sustainability working group with our Scientific Programs Manager Dr. Furey, which is focused on preserving state-level testing capacity for arboviruses. I also met with the MVCAC Executive Committee to discuss DART and attended the MVCAC Coastal regional meeting. I completed the update to the MVCAC Trustee Manual, which is now available to share with the Board.

The District received notable media attention regarding the flea situation in Fairfax. I was interviewed by ABC7 and by the Marin Independent Journal on the issue.

On District governance, I attended the District Executive Committee meeting and the District Policy Committee meeting, with minutes for both included in the packet, and I attended the ad hoc Facility Improvement Committee meeting. I also continued work on the Board Policy Manual, the District Finance Policy, and the Employee Policy Manual.

I met with Cal OES to review reimbursement forms and the new time-extension forms associated with the District's grant funding. In support of cybersecurity, I met with Cyber 74 to obtain quotes for cybersecurity training and analysis. I also met with the California Department of Fish and Wildlife (CDFW) to discuss billing.

On technology and data, I continued development on VeeMAC.

On outreach, I presented to the City of Petaluma, attended photo day at the District organized by our PIO Nizza Sequeira, and developed a new booth activity for the upcoming open house.

Events

- Continued development on VeeMAC
- Worked through construction questions on the facility improvement project
- Attended several bi-weekly Owner-Architect-Contractor (OAC) meetings
- Met with City of Cotati to discuss the construction project
- Met with three financing groups regarding the construction project
- Attended MVCAC; appointed to the DART sustainability working group (preserving state arbovirus testing)
- Met with the MVCAC Executive Committee to discuss DART
- Attended the MVCAC Coastal regional meeting
- Completed the MVCAC Trustee Manual update (available to the Board)
- Attended the AMCA Executive Committee meeting and AMCA Board meeting as Regional Director
- Interviewed by ABC7 and the Marin Independent Journal on the Fairfax flea issue
- Attended the District Executive Committee meeting (minutes in packet)
- Attended the District Policy Committee meeting (minutes in packet)
- Attended the ad hoc Facility Improvement Committee meeting
- Met with Cal OES to review reimbursement forms and new time-extension forms
- Met with Cyber 74 for cybersecurity training and analysis quotes
- Met with CDFW to discuss billing
- Continued work on the Board Policy Manual, District Finance Policy, and Employee Policy Manual
- Presented to the City of Petaluma
- Hosted photo day at the District
- Developed a new booth activity for the open house

Marin/Sonoma Mosquito & Vector Control District

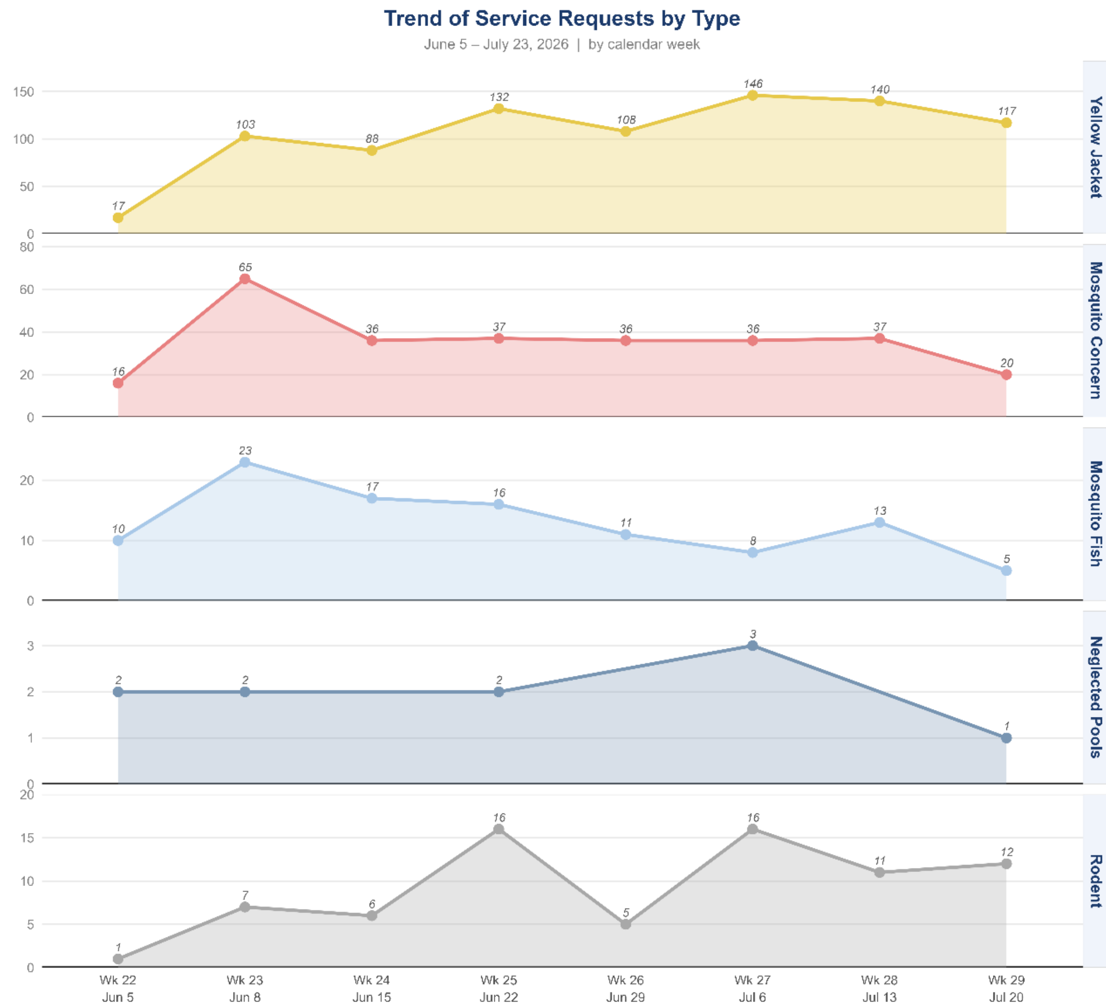
Assistant Manager's Report

Operations staff conducted mosquito surveillance and control after high tide events flooded several tidal marshes in Marin and Sonoma counties. Control operations were successful; however, adult mosquito populations (*Aedes dorsalis*, a.k.a. pale marsh mosquito) were detected in traps in western Sonoma County near the district boundary. Operations staff are working to reduce these populations.

- The Novato Creek Dredge Project, which occurs on a four-year cycle, is underway. Water in a section of the creek near Highway 101 is pumped into flood control channels and ultimately into Lynwood Basin so excavation work can be performed in the creek. Operations staff have found significant mosquito production of *Culex tarsalis* (a.k.a. western encephalitis mosquito) in the flood control channels receiving the pumped creek water. We have applied liquid and granular larvicides to the channels in an attempt to control larval mosquitoes in the dense aquatic vegetation. Adult mosquito control was also necessary. We used a large drone/UAS system to apply granular larvicide in the channels at the end of July. We also used a drone to apply granular mosquito larvicide to a seasonal wetland, in the vicinity of the project, that was full of water at the end of July and has a dense and abundant population of cattails.

- In July, we utilized a helicopter to apply mosquito larvicides to tidal marshes in the Highway 37 corridor, the Petaluma Ellis Creek Water Recycling Facility, and the Laguna de Santa Rosa. Post-application surveillance showed that the applications were successful.

- The treehole mosquito season has largely ended. We are still receiving a relatively small number of service requests in densely wooded and shaded areas, particularly in Sonoma County.



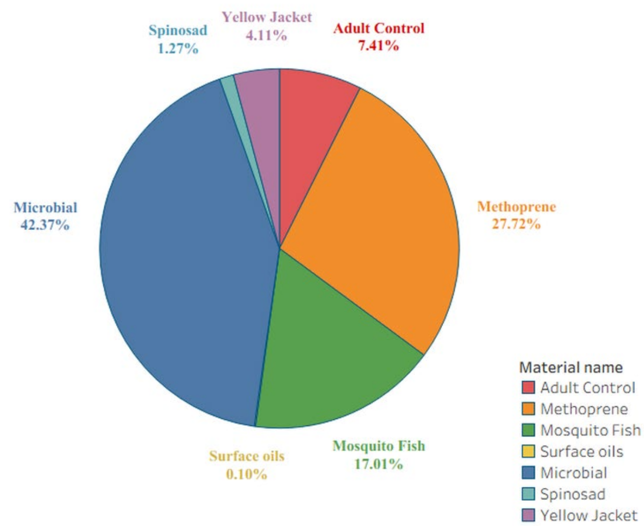
- Adult mosquito traps in the Laguna de Santa Rosa flood control channels in southwest Santa Rosa and near the western boundary of Rohnert Park have been capturing high numbers of adult mosquitoes for several weeks this summer. Field Supervisors, Vector Control Technicians, and I have put considerable effort into locating the sources of larval mosquito production. We have found several new mosquito sources in close proximity to the channels and hope to see a reduction in the adult numbers soon.

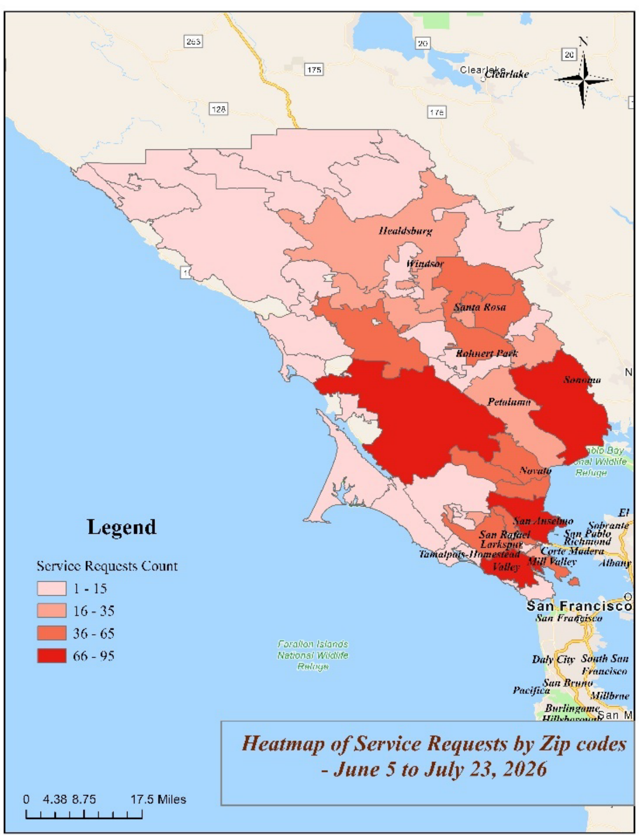
- Service requests for yellowjacket-related issues have been steady. We anticipate a significant increase in service requests in the coming weeks.

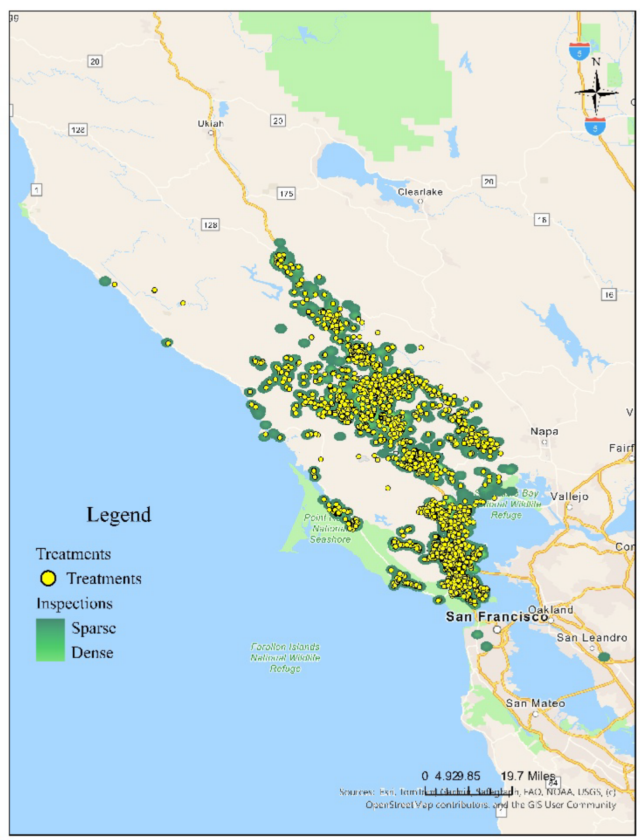
- The Rodent Control Specialist and I attended a meeting in Petaluma with City of Petaluma staff, business owners, and Recology to discuss rat populations and control in the downtown area. The meeting was productive and we will continue to provide support for achieving source reduction and controlling rats.

- The District received several compliments in June and July from members of the public regarding the excellent service provided by our Vector Control Technicians and seasonal assistants.

Material Used for Treatment
Jun 5 - Jul 23, 2026







Mosquito Inspection & Treatment Activity — June 5 to July 23, 2026

Scientific Programs Manager's Update

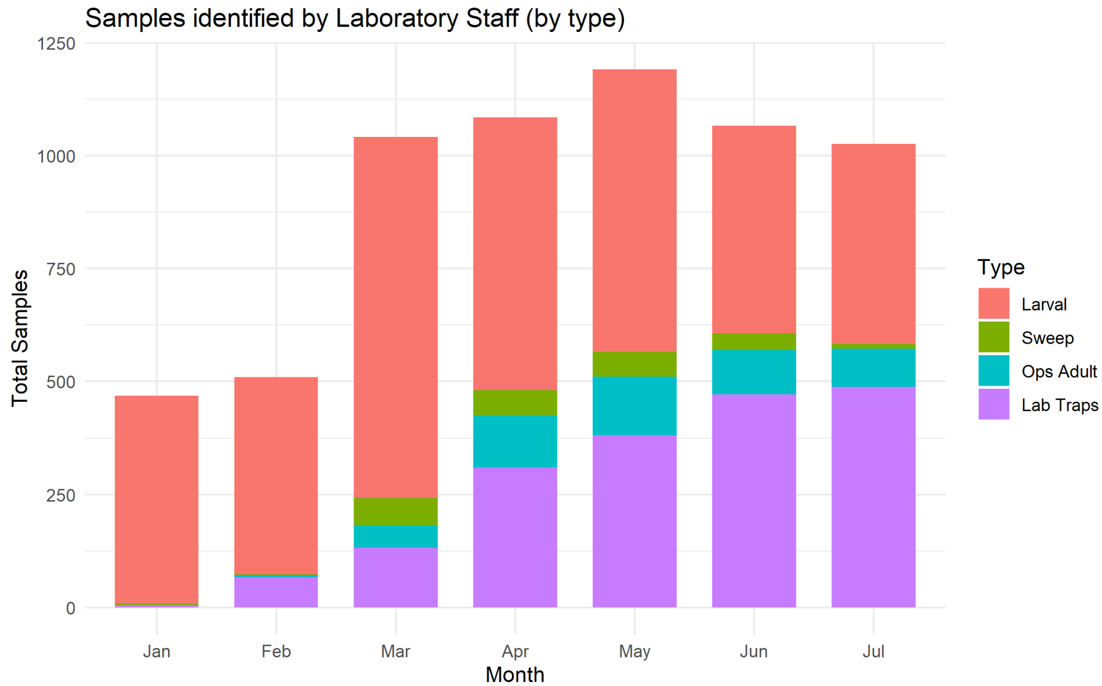
Professional Activities

- Chaired two meetings (June and July) of the Mosquito and Vector Control Association of California (MVCAC) Vector and Vector-Borne Disease Committee.
- Attended the MVCAC Laboratory Technologies virtual meeting.
- Met with Jeff Broderick of JB3 Industrial, Inc. He is looking to test a yellowjacket bait station in the coastal region. Met in person for a demonstration, along with a representative from the Marin County Ag Department. We also met virtually to discuss the protocols of his study.
- Conducted tick surveillance with a biologist from the California Department of Public Health.
- Met virtually with the tick biologist from Monmouth County, New Jersey, to discuss our tick program.
- Met with Justin Liao, a staff scientist with ThermoFisher Scientific, and our new Biologist to discuss mosquito testing procedures.
- Attended the MVCAC summer board meeting (virtual).

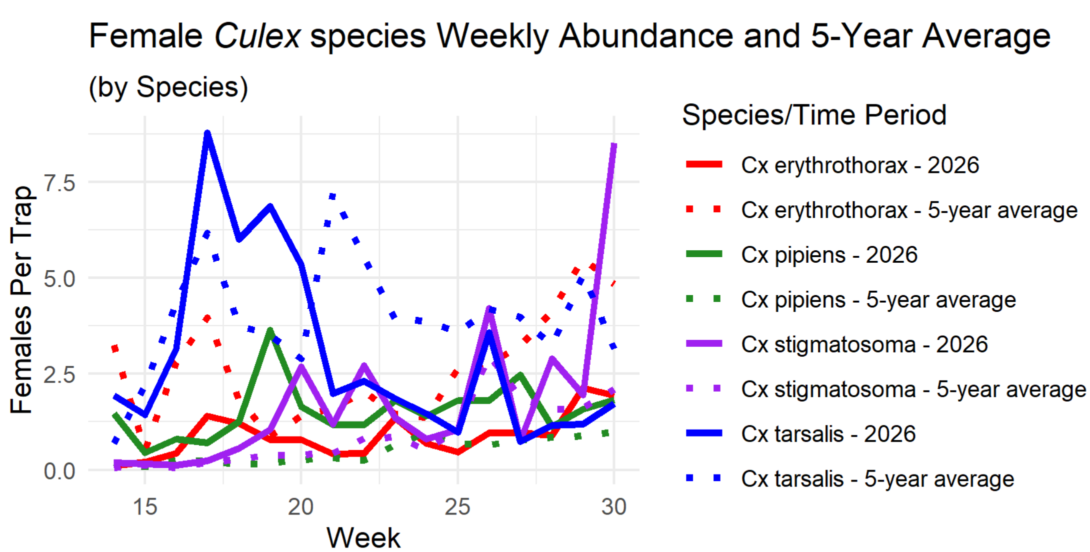
June/July Highlights

- In June we welcomed our new Biologist, Alex Esquivel-Contreras. Alex's background in tick research and molecular biology is a valuable addition to our team!
- Laboratory staff are currently deploying 105 adult mosquito traps per week. These include three different types of traps, designed to attract host seeking, egg laying, and invasive female mosquitoes.
- In June and July, laboratory staff identified over 900 larval samples and over 1,000 adult trap samples.
- Since the dead bird hotline opened mid-April, we have tested eight crows, all of which tested negative.
- Seasonal staff collected ticks at multiple locations in Marin and Sonoma counties and have become proficient in identification of the common species collected and recording the data.
- Lead Biologist Sarah Brooks set up a new trap that will allow us to count mosquitoes as they enter, so we can better identify when mosquitoes are most active at certain locations. We hope to deploy it later this season.
- Lead Biologist Brooks and SPM Furey have been working closely with Biologist Esquivel-Contreras on mosquito identification and testing protocols.

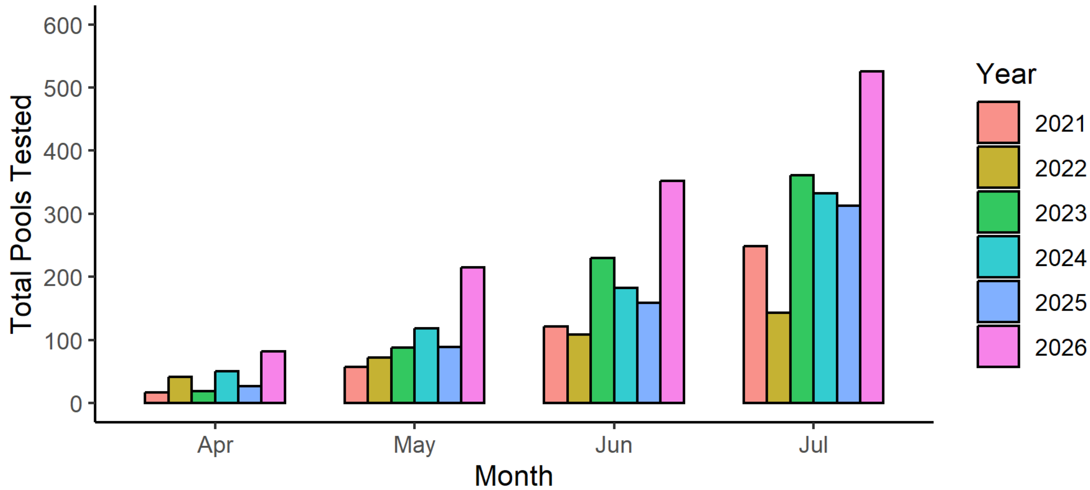
Operational Statistics



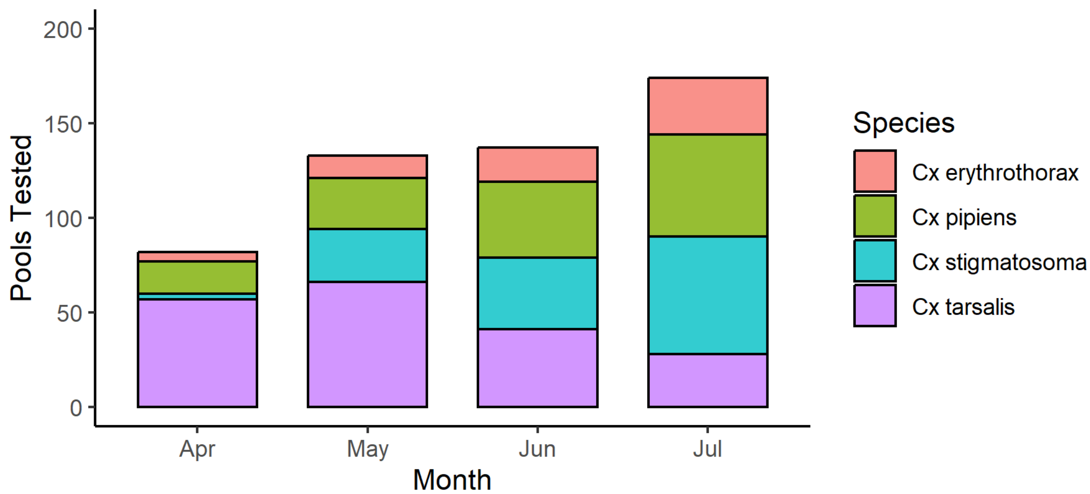
Graphs depicting *Culex* species abundance and mosquito pool data are presented below. Because these species are established vectors of West Nile virus, tracking fluctuations in their populations (both weekly and annually) is critical for disease prevention efforts. To monitor viral activity, the District tests pools of 5 to 50 adult female mosquitoes of the same species collected from a single trap location.



Cumulative pools tested by month (2021 - 2026)



Pools tested in 2026 by month and species



DATE: August 12, 2026

SUBJECT: Adoption of a Resolution 2026-XX Requesting the Sonoma County Board of Supervisors Reduce the Unincorporated At-Large Trustees from Two to One, per Health & Safety Code § 2025

BACKGROUND:

The Marin/Sonoma Mosquito & Vector Control District is an independent special district formed and operating under the Mosquito Abatement and Vector Control District Law, California Health and Safety Code sections 2000 through 2093. The District's Board of Trustees is composed of members appointed by the city councils of the cities within the District and by the Boards of Supervisors of Marin County and Sonoma County to represent the unincorporated territory of each county.

The Sonoma County Board of Supervisors currently appoints two (2) members of the Board of Trustees to represent the unincorporated territory of Sonoma County. Over recent appointment cycles, these at-large positions have experienced extended and recurring vacancies. Those vacancies have, at times, made it more difficult for the Board to consistently achieve a quorum at its regular and special meetings, which can delay District business and the timely conduct of the Board's public responsibilities.

Health and Safety Code section 2025 establishes the mechanism for adjusting the number of at-large trustees representing a county's unincorporated territory. Under subdivision (b), a board of trustees may adopt a resolution requesting that a county's board of supervisors increase or decrease the number of at-large members representing that county's unincorporated territory, provided the resolution specifies the number of members and the areas of unincorporated territory affected. Under subdivision (c), within sixty (60) days of receiving such a resolution, the board of supervisors shall order the decrease consistent with the trustees' request. Under subdivision (d), when a decrease is ordered, the board of supervisors designates the trustee position to be eliminated, and any sitting trustee whose office is designated for elimination continues to serve until his or her current term of office expires.

Section 2025, subdivision (a), provides that a board of trustees shall under no circumstances consist of fewer than five (5) members. Reducing Sonoma County's at-large representation from two (2) members to one (1) member would leave the District's Board of Trustees with more than five (5) members, and the District would therefore remain fully in compliance with subdivision (a). Unincorporated Sonoma County would continue to be meaningfully represented on the Board through its remaining at-large seat.

A companion resolution addressing the unincorporated territory of Marin County is being presented to the Board under a separate agenda item. Adoption of this Resolution initiates the statutory request to Sonoma County; the actual decrease takes effect only upon action by the Sonoma County Board of Supervisors and, consistent with subdivision (d), at the expiration of the designated trustee's current term or upon the order where the designated position is vacant.

STAFF RECOMMENDATION:

Adopt Resolution No. 2026/27-XX, a Resolution of the Board of Trustees requesting that the Sonoma County Board of Supervisors decrease the number of members of the District's Board of Trustees representing the unincorporated territory of Sonoma County from two (2) members to one (1) member, and directing the District Manager to transmit a certified copy of the Resolution, together with a cover memorandum, to the Clerk of the Sonoma County Board of Supervisors.

FISCAL IMPACT:

There is no direct fiscal impact to the District associated with adoption of this Resolution. Reducing the number of at-large trustee positions may modestly reduce trustee-related meeting and administrative costs over time; however, any such savings are incidental and not the purpose of the requested action. Transmittal of the certified Resolution to the County is an administrative function performed within existing staff resources.

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
595 Helman Lane, Cotati, California 94931

RESOLUTION NO. 2026/27-XX

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT REQUESTING THAT THE SONOMA COUNTY BOARD OF SUPERVISORS DECREASE THE NUMBER OF MEMBERS OF THE DISTRICT'S BOARD OF TRUSTEES REPRESENTING THE UNINCORPORATED TERRITORY OF SONOMA COUNTY FROM TWO MEMBERS TO ONE MEMBER PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 2025

WHEREAS, the Marin/Sonoma Mosquito & Vector Control District (the "District") is an independent special district formed and operating under the Mosquito Abatement and Vector Control District Law, California Health and Safety Code sections 2000 through 2093; and

WHEREAS, the District is governed by a Board of Trustees whose members are appointed by the city councils of cities within the District and by the Boards of Supervisors of Marin County and Sonoma County for the unincorporated territory of each county; and

WHEREAS, Health and Safety Code section 2025, subdivision (a), provides that "under no circumstances shall a board of trustees consist of less than five members" and that, except as provided in Section 2026, "the number of members who represent the unincorporated territory of a county may not exceed five members"; and

WHEREAS, Health and Safety Code section 2025, subdivision (b), provides that a board of trustees may adopt a resolution requesting the board of supervisors of any county that contains territory within the district to increase or decrease the number of members of the board of trustees who represent the unincorporated territory of that county, and that the resolution shall specify the number of members and the areas of the unincorporated territory for which the increase or decrease is requested; and

WHEREAS, Health and Safety Code section 2025, subdivision (c), provides that within sixty (60) days of receiving a resolution adopted pursuant to subdivision (b), the board of supervisors shall order the increase or decrease consistent with the board of trustees' resolution; and

WHEREAS, Health and Safety Code section 2025, subdivision (d), provides that if the board of supervisors orders a decrease in the number of members of the board of trustees, the board of supervisors shall designate the trustee or trustees whose office shall be eliminated at the termination of the trustee's current term of office, and any trustee whose office is designated to be eliminated shall continue to serve until his or her term of office expires; and

WHEREAS, the Sonoma County Board of Supervisors currently appoints two (2) members of the Board of Trustees to represent the unincorporated territory of Sonoma County within the District; and

WHEREAS, the at-large positions representing the unincorporated territory of Sonoma County have experienced extended and recurring vacancies, and those vacancies have adversely affected the District's ability to consistently achieve quorum at regular and special meetings of the Board of Trustees; and

WHEREAS, reducing the number of trustees representing the unincorporated territory of Sonoma County from two (2) members to one (1) member will continue to provide meaningful representation of unincorporated Sonoma County on the District's Board of Trustees while supporting the District's ability to conduct its public business in a timely and efficient manner; and

WHEREAS, after the change requested by this Resolution, the Board of Trustees will continue to consist of more than five (5) members and will therefore remain in compliance with Health and Safety Code section 2025, subdivision (a).

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Marin/Sonoma Mosquito & Vector Control District as follows:

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Pursuant to California Health and Safety Code section 2025, subdivision (b), the Board of Trustees hereby formally requests that the Sonoma County Board of Supervisors decrease the number of members of the District's Board of Trustees representing the unincorporated territory of Sonoma County from two (2) members to one (1) member.

Section 3. The area of unincorporated territory for which this decrease is requested is all unincorporated territory of Sonoma County that lies within the boundaries of the Marin/Sonoma Mosquito & Vector Control District.

Section 4. The Board of Trustees respectfully requests that the Sonoma County Board of Supervisors, within sixty (60) days of receipt of this Resolution and consistent with Health and Safety Code section 2025, subdivisions (c) and (d), (i) order the decrease described in Section 2 above, and (ii) designate the trustee position whose office shall be eliminated at the termination of that trustee's current term of office, or, if the designated position is vacant at the time of the order, effective on the date of the order.

Section 5. The District Manager is authorized and directed to transmit a certified copy of this Resolution, together with a cover memorandum, to the Clerk of the Sonoma County Board of

Supervisors and to take such further actions as may be reasonably necessary to effectuate the intent of this Resolution.

Section 6. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Trustees of the Marin/Sonoma Mosquito & Vector Control District at a regular meeting held on August 12th, 2026, by the following vote:

	Yes	*No*	*Abstain*	*Absent*
Bruce Ackerman	❐	❐	❐	❐
Cathy Benediktsson	❐	❐	❐	❐
Gail Bloom	❐	❐	❐	❐
Scott Conrad	❐	❐	❐	❐
Isabel Dawson	❐	❐	❐	❐
Rika Gopinath	❐	❐	❐	❐
Susan Harvey	❐	❐	❐	❐
Susan Hootkins	❐	❐	❐	❐
Evan Kubota	❐	❐	❐	❐
Jake Mackenzie	❐	❐	❐	❐
Alison Marquiss	❐	❐	❐	❐
Shaun McCaffery	❐	❐	❐	❐
Vicki Nichols	❐	❐	❐	❐
Carol Pigoni	❐	❐	❐	❐
Piper Primrose	❐	❐	❐	❐
Richard Snyder	❐	❐	❐	❐
David Witt	❐	❐	❐	❐
Laurie Gallian	❐	❐	❐	❐
Vote Totals:				

____

President
Board of Trustees
Marin/Sonoma Mosquito & Vector Control District

ATTEST:____

Secretary
Board of Trustees

DATE: August 12, 2026

SUBJECT: Adoption of a Resolution 2026/27-XX Requesting the Marin County Board of Supervisors Reduce the Unincorporated At-Large Trustees from Two to One, per Health & Safety Code § 2025

BACKGROUND:

The Marin/Sonoma Mosquito & Vector Control District is an independent special district formed and operating under the Mosquito Abatement and Vector Control District Law, California Health and Safety Code sections 2000 through 2093. The District's Board of Trustees is composed of members appointed by the city councils of the cities within the District and by the Boards of Supervisors of Marin County and Sonoma County to represent the unincorporated territory of each county.

The Marin County Board of Supervisors currently appoints two (2) members of the Board of Trustees to represent the unincorporated territory of Marin County. Over recent appointment cycles, these at-large positions have experienced extended and recurring vacancies. Those vacancies have, at times, made it more difficult for the Board to consistently achieve a quorum at its regular and special meetings, which can delay District business and the timely conduct of the Board's public responsibilities.

Health and Safety Code section 2025 establishes the mechanism for adjusting the number of at-large trustees representing a county's unincorporated territory. Under subdivision (b), a board of trustees may adopt a resolution requesting that a county's board of supervisors increase or decrease the number of at-large members representing that county's unincorporated territory, provided the resolution specifies the number of members and the areas of unincorporated territory affected. Under subdivision (c), within sixty (60) days of receiving such a resolution, the board of supervisors shall order the decrease consistent with the trustees' request. Under subdivision (d), when a decrease is ordered, the board of supervisors designates the trustee position to be eliminated, and any sitting trustee whose office is designated for elimination continues to serve until his or her current term of office expires.

Section 2025, subdivision (a), provides that a board of trustees shall under no circumstances consist of fewer than five (5) members. Reducing Marin County's at-large representation from two (2) members to one (1) member would leave the District's Board of Trustees with more than five (5) members, and the District would therefore remain fully in compliance with subdivision (a). Unincorporated Marin County would continue to be meaningfully represented on the Board through its remaining at-large seat.

A companion resolution addressing the unincorporated territory of Sonoma County is being presented to the Board under a separate agenda item. Adoption of this Resolution initiates the statutory request to Marin County; the actual decrease takes effect only upon action by the Marin County Board of Supervisors and, consistent with subdivision (d), at the expiration of the designated trustee's current term or upon the order where the designated position is vacant.

STAFF RECOMMENDATION:

Adopt Resolution No. 2026/27-XX, a Resolution of the Board of Trustees requesting that the Marin County Board of Supervisors decrease the number of members of the District's Board of Trustees representing the unincorporated territory of Marin County from two (2) members to one (1) member and directing the District Manager to transmit a certified copy of the Resolution, together with a cover memorandum, to the Clerk of the Marin County Board of Supervisors.

FISCAL IMPACT:

There is no direct fiscal impact to the District associated with adoption of this Resolution. Reducing the number of at-large trustee positions may modestly reduce trustee-related meeting and administrative costs over time; however, any such savings are incidental and not the purpose of the requested action. Transmittal of the certified Resolution to the County is an administrative function performed within existing staff resources.

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
595 Helman Lane, Cotati, California 94931

RESOLUTION NO. 2026/27-XX

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT REQUESTING THAT THE MARIN COUNTY BOARD OF SUPERVISORS DECREASE THE NUMBER OF MEMBERS OF THE DISTRICT'S BOARD OF TRUSTEES REPRESENTING THE UNINCORPORATED TERRITORY OF MARIN COUNTY FROM TWO MEMBERS TO ONE MEMBER PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 2025

WHEREAS, the Marin/Sonoma Mosquito & Vector Control District (the "District") is an independent special district formed and operating under the Mosquito Abatement and Vector Control District Law, California Health and Safety Code sections 2000 through 2093; and

WHEREAS, the District is governed by a Board of Trustees whose members are appointed by the city councils of cities within the District and by the Boards of Supervisors of Marin County and Sonoma County for the unincorporated territory of each county; and

WHEREAS, Health and Safety Code section 2025, subdivision (a), provides that "under no circumstances shall a board of trustees consist of less than five members" and that, except as provided in Section 2026, "the number of members who represent the unincorporated territory of a county may not exceed five members"; and

WHEREAS, Health and Safety Code section 2025, subdivision (b), provides that a board of trustees may adopt a resolution requesting the board of supervisors of any county that contains territory within the district to increase or decrease the number of members of the board of trustees who represent the unincorporated territory of that county, and that the resolution shall specify the number of members and the areas of the unincorporated territory for which the increase or decrease is requested; and

WHEREAS, Health and Safety Code section 2025, subdivision (c), provides that within sixty (60) days of receiving a resolution adopted pursuant to subdivision (b), the board of supervisors shall order the increase or decrease consistent with the board of trustees' resolution; and

WHEREAS, Health and Safety Code section 2025, subdivision (d), provides that if the board of supervisors orders a decrease in the number of members of the board of trustees, the board of supervisors shall designate the trustee or trustees whose office shall be eliminated at the termination of the trustee's current term of office, and any trustee whose office is designated to be eliminated shall continue to serve until his or her term of office expires; and

WHEREAS, the Marin County Board of Supervisors currently appoints two (2) members of the Board of Trustees to represent the unincorporated territory of Marin County within the District; and

WHEREAS, the at-large positions representing the unincorporated territory of Marin County have experienced extended and recurring vacancies, and those vacancies have adversely affected the District's ability to consistently achieve quorum at regular and special meetings of the Board of Trustees; and

WHEREAS, reducing the number of trustees representing the unincorporated territory of Marin County from two (2) members to one (1) member will continue to provide meaningful representation of unincorporated Marin County on the District's Board of Trustees while supporting the District's ability to conduct its public business in a timely and efficient manner; and

WHEREAS, after the change requested by this Resolution, the Board of Trustees will continue to consist of more than five (5) members and will therefore remain in compliance with Health and Safety Code section 2025, subdivision (a).

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Marin/Sonoma Mosquito & Vector Control District as follows:

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Pursuant to California Health and Safety Code section 2025, subdivision (b), the Board of Trustees hereby formally requests that the Marin County Board of Supervisors decrease the number of members of the District's Board of Trustees representing the unincorporated territory of Marin County from two (2) members to one (1) member.

Section 3. The area of unincorporated territory for which this decrease is requested is all unincorporated territory of Marin County that lies within the boundaries of the Marin/Sonoma Mosquito & Vector Control District.

Section 4. The Board of Trustees respectfully requests that the Marin County Board of Supervisors, within sixty (60) days of receipt of this Resolution and consistent with Health and Safety Code section 2025, subdivisions (c) and (d), (i) order the decrease described in Section 2 above, and (ii) designate the trustee position whose office shall be eliminated at the termination of that trustee's current term of office, or, if the designated position is vacant at the time of the order, effective on the date of the order.

Section 5. The District Manager is authorized and directed to transmit a certified copy of this Resolution, together with a cover memorandum, to the Clerk of the Marin County Board of

Supervisors and to take such further actions as may be reasonably necessary to effectuate the intent of this Resolution.

Section 6. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Trustees of the Marin/Sonoma Mosquito & Vector Control District at a regular meeting held on August 12th, 2026, by the following vote:

	Yes	*No*	*Abstain*	*Absent*
Bruce Ackerman	❐	❐	❐	❐
Cathy Benediktsson	❐	❐	❐	❐
Gail Bloom	❐	❐	❐	❐
Scott Conrad	❐	❐	❐	❐
Isabel Dawson	❐	❐	❐	❐
Rika Gopinath	❐	❐	❐	❐
Susan Harvey	❐	❐	❐	❐
Susan Hootkins	❐	❐	❐	❐
Evan Kubota	❐	❐	❐	❐
Jake Mackenzie	❐	❐	❐	❐
Alison Marquiss	❐	❐	❐	❐
Shaun McCaffery	❐	❐	❐	❐
Vicki Nichols	❐	❐	❐	❐
Carol Pigoni	❐	❐	❐	❐
Piper Primrose	❐	❐	❐	❐
Richard Snyder	❐	❐	❐	❐
David Witt	❐	❐	❐	❐
Laurie Gallian	❐	❐	❐	❐
Vote Totals:				

____

President
Board of Trustees
Marin/Sonoma Mosquito & Vector Control District

ATTEST:

____

Secretary
Board of Trustees

DATE: August 12, 2026

SUBJECT: Adoption of the Revised Board of Trustees Policy Manual

BACKGROUND:

The Board of Trustees Policy Manual is the base resource governing how the Board conducts its business. It contains the Board's current policies for governance and conduct, along with reference materials that provide historical, fiscal, and legal background to assist Trustees in making sound policy decisions. Periodic review keeps the Manual current with governing law and consistent with the District's practices.

Staff have completed a comprehensive review and revision of the Manual. The revised document reorganizes the Board policies into three sections, Introductory Policies, Board of Trustees, and Board Meetings and Conduct, and refreshes the introductory and reference materials, including the History of the District, Financial Overview, and the appendices covering Brown Act compliance, Rosenberg's Rules of Order, seasonal operations, financial statements, mosquito facts, and the Programmatic Environmental Impact Report. The revisions incorporate current citations to the California Health and Safety Code and other governing authorities, and confirm that where any policy conflicts with law, the law prevails.

The revised Manual has been reviewed by the appropriate Board committee and is presented to the full Board for consideration and adoption. A copy of the revised 2026 Board of Trustees Policy Manual accompanies this staff report.

STAFF RECOMMENDATION:

Staff recommends that the Board of Trustees adopt the revised 2026 Board of Trustees Policy Manual as presented.

FISCAL IMPACT:

None. Adoption of the revised Board of Trustees Policy Manual has no direct fiscal impact on the District.

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

Board of Trustees Policy Manual

Mission Statement
The Marin/Sonoma Mosquito and Vector Control District, founded in 1915, protects the health and welfare of the communities it serves from mosquitoes and vector-borne diseases by utilizing cost-effective, environmentally responsible integrated vector management practices.

TABLE OF CONTENTS

INTRODUCTION

The Board of Trustees of the Marin/Sonoma Mosquito and Vector Control District maintains this Board Policy Manual. The Manual contains the Board's current policies governing how the Board conducts its business. It is the base resource for the conduct and governance of the Board of Trustees.

This policy is limited to the functions of the Board of Trustees. The finance and employee policies that govern District operations are maintained separately and are not included here.

If any policy or portion of a policy in this Manual conflicts with any law, regulation, or rule, the law, regulation, or rule shall prevail.

This document also contains reference materials that provide historical, fiscal, and legal background to assist Trustees in making sound policy decisions.

MISSION STATEMENT

The Marin/Sonoma Mosquito and Vector Control District, founded in 1915, protects the health and welfare of the communities it serves from mosquitoes and vector-borne diseases by using cost-effective, environmentally responsible integrated vector management practices.

ROLE OF THE DISTRICT

Within the District's boundaries, or in territory located outside the District from which vectors and vector-borne diseases may enter the District, the District may do all of the following: (a) conduct surveillance programs and other appropriate studies of vectors and vector-borne diseases; (b) take any and all necessary or proper actions to prevent the occurrence of vectors and vector-borne diseases; (c) take any and all necessary or proper actions to abate or control vectors and vector-borne diseases; and (d) take any and all actions necessary for or incidental to the powers granted by this chapter. (California Health and Safety Code § 2040.)

ROLE OF THE TRUSTEES

All Trustees shall exercise their independent judgment on behalf of the interests of the residents, property owners, and the public as a whole in furthering the purposes and intent of this District's mission. The Trustees shall represent the interests of the public as a whole and not solely the interests of the board of supervisors or the city council that appointed them. (Health and Safety Code §2022(e).)

HISTORY OF THE DISTRICT

Origins

In the early 1900s, salt marsh mosquitoes in Marin County made life nearly unbearable for residents of the San Rafael area, who resorted to head nets and smudge pots to ward off swarms of biting insects. The women of the San Rafael Improvement Club studied the problem, producing the earliest known organized mosquito control efforts in the state. Professor C. W. Woodworth of the University of California at Berkeley was called in, and his investigation found that about ninety-five percent of the mosquitoes were coming from the salt marshes, mostly in the spring.

First Efforts to Control Mosquitoes

Armed with this information, the San Rafael Improvement Club sponsored control work in the nearby marshes, applying oil with considerable success. Malaria, carried by the Anopheles mosquito, was endemic to California and was not eliminated from the nation until 1951. Although malaria cases occurred only sporadically in Marin, and Sonoma County was noted as almost entirely free of malaria, the discomfort of mosquito bites and the threat of disease led to increasing pressure for action.

The California Legislature Takes Action

In May 1915, the California Legislature approved the Mosquito Abatement Act. The Marin Abatement District was the first to be formed. The 1915 Act permitted local governments to collect revenues and form special districts to protect the public from mosquitoes and mosquito-borne diseases. As the population grew, the Marin Abatement District annexed additional territory, and motorized equipment greatly facilitated operations. An area west of Novato was annexed in 1964, bringing the District to 400 square miles serving 180,000 people.

Recorded minutes of the Board's meetings date back to 1926. In 1976, the District annexed the central area of Sonoma County, becoming the Marin/Sonoma Mosquito Abatement District. The passage of Proposition 13 in 1978 dealt a severe financial blow, resulting in the layoff of almost half the staff. By 1981 the District had recovered enough to move its headquarters from San Rafael to a larger site in Petaluma. In 1995 the District changed its name to the Marin/Sonoma Mosquito and Vector Control District to better describe the full range of services it provides. In 2000 the District moved to its present purpose-built facility in Cotati, and in 2010 a 150-kilowatt photovoltaic array was installed that now supplies almost all of the District's electrical needs.

Milestones in the 2000s

After arriving on the eastern seaboard in 1999, West Nile virus moved westward, with the first local detections in the District during 2004. This virus, primarily carried by Culex mosquitoes, is now endemic to northern California; there are no known medications to treat it and no vaccine to prevent infection. The arrival of West Nile virus prompted an effort to protect communities not yet served by the District. Voters approved the annexation of the remaining unserved areas, forming Benefit Assessment District #2 and bringing the Board to its present strength of 24 positions.

The District's custom-built laboratory in Cotati allows in-house molecular testing of tick and mosquito vectors for pathogens. After four years of scientific and technical work, the Board certified a Programmatic Environmental Impact Report (PEIR) in 2016, evaluating the environmental effects of the District's Integrated Vector Management Program. Today the District serves approximately 769,000 residents across a nearly 2,300 square mile service area and responds to several thousand requests for service each year.

FINANCIAL OVERVIEW

History

Following its formation as a California special district in 1915, the District was funded by a small share of the general property tax. In 1978, Proposition 13 lowered the maximum property tax rate to one percent of assessed value and limited annual increases, abruptly cutting the District's income in half and causing staff layoffs. More than twenty years later, Proposition 218 placed limits on local government's ability to impose or increase special assessments without voter approval.

Ad Valorem Taxes

The District's share of property tax revenue is a small fraction of one percent of the overall property taxes paid by property owners. Only those properties that were within the District boundaries before Prop 13 were enacted pay ad valorem tax, based on the assessed value of the property. Ad valorem tax income accounts for roughly half of the District's revenue, with most of the remainder provided by the two benefit assessment districts.

Assessment Districts

Assessment District #1, formed in October 1996, levies assessments in the central areas of Marin and Sonoma counties. Because it predated Proposition 218, it is grandfathered, but it is capped at a maximum rate that was reached in fiscal year 2013–14; as a result, its revenue is flat and loses purchasing power to inflation each year. Assessment District #2, established in late 2004 after Proposition 218 took effect, was approved by mail ballot and funds service to the coastal areas of Marin County and the coastal and northern areas of Sonoma County. It is not capped and can adjust over time to reflect the cost of providing services. Each year, in accordance with Health and Safety Code § 2082 and Article XIII D of the California Constitution, the District's assessment engineers calculate the special benefit to each parcel and the assessment amount is voted on by the Board.

Contract Revenues and Expenses

The District performs mosquito control work under contract for some municipalities to recover costs. The District also recovers costs from other agencies and property owners with recurring mosquito issues on a payment-in-lieu-of-abatement basis. These revenues represent less than two percent of total revenue.

Because the District provides a service requiring skilled employees, its primary expense is salaries and benefits, which constitute roughly two-thirds of the budget. The District also incurs costs to implement its Integrated Vector Management program. These costs include the purchase and maintenance of vehicles, application equipment, lab equipment, and the purchase of mosquito control materials, tools, and supplies.

Annual Budget Process

The Board's Finance Committee meets with staff to review the draft budget for the upcoming fiscal years, examining income forecasts and proposed expenditures together with operational and staffing plans and any changes in law. Staff then prepare the budgets that meet the Finance Committee's approval, which the Board considers in open session, accompanied by a budget narrative. The Board may adopt budget amendments during the year. Board members receive quarterly financial statements showing the progress of income and expenditure.

Reserves, Audits, and Risk Management

To guard against delays in revenue collected by the counties, the District maintains a General Fund reserve sufficient to cover six months of operations, since tax and assessment income is remitted only twice per year. The District also maintains a reserve to ensure readiness for a public health emergency such as an outbreak of vector-borne disease.

An independent firm of auditors examines the District's records each year and presents its findings to the Board, typically in the fall; state law requires periodic rotation of the auditing firm or engagement partner.

The District is a member of the Vector Control Joint Powers Agency, which provides general liability, workers' compensation, and property loss coverage and advises the District on safety and risk management.

BOARD OF TRUSTEES POLICIES

The following policies govern the functions of the Board of Trustees. The finance and employee policies governing District operations are approved by the Board separately and maintained by the District Manager and staff.

SECTION 1 — INTRODUCTORY POLICIES

1A Adoption and Amendment of Board Policies

1A.i Consideration by the Board of a proposal to adopt a new policy or amend an existing policy may be initiated by any Trustee or by the District Manager. A proposal is initiated by submitting a written request, with a description of the proposed change, to the Policy Committee.

1A.ii Adoption of a new policy or amendment of an existing policy shall take place at a regular meeting of the Board, after the proposal has been reviewed by the Policy Committee and by District Counsel as to form.

1A.iii Each Trustee shall be provided a current copy of this Manual upon appointment and a copy of any amendment upon adoption.

SECTION 2 — BOARD OF TRUSTEES

2A Members and Role of the Board of Trustees

2A.i Each person appointed by a county board of supervisors to be a member of the Board shall be a voter in that county and a resident of that portion of the county that is within the District. Each person appointed by a city council shall be a voter in that city and a resident of that portion of the city that is within the District. (Health and Safety Code § 2022.)

2A.ii Notwithstanding the common law doctrine that precludes the simultaneous holding of incompatible offices, a member of a city council may be appointed and serve as a Trustee if that person also meets the other applicable qualifications of this chapter.

2A.iii The term of office is either two or four years, as fixed by the appointing authority.

2A.iv All Trustees shall exercise their independent judgment on behalf of the interests of the residents, property owners, and public in furthering the purposes and intent of Health and Safety Code § 2022(e). Trustees shall represent the interests of the public as a whole and not solely the interests of the board of supervisors or the city council from which they were appointed.

2A.v A vacancy is filled by the appointing authority (the county board of supervisors or the city council) that the seat represents for the unexpired balance of the term. The District shall notify the appointing authority promptly upon a vacancy occurring.

2B Code of Ethics and Required Training

2B.i The Board is committed to providing excellence in leadership that results in the highest quality of service to its constituents. To assist in governing the conduct of and among Trustees, the following rules apply.

2B.ii **Ethics training.** Each Trustee **shall** receive at least two hours of training in general ethics principles and ethics laws every two years, as required by Government Code § 53234 et seq. (AB 1234). A new Trustee **shall** complete this training within one year of taking office. Trustees **shall** provide a certificate of completion to the District Office as proof of compliance.

2B.iii **Harassment prevention training.** Each Trustee **shall** receive sexual harassment prevention training as required of local agency officials by Government Code § 53237 et seq. (AB 1661): at least two hours within the first six months of taking office and every two years thereafter. Trustees **shall** provide a certificate of completion to the District Office.

2B.iv **Conflict of interest filings.** Each Trustee **shall** complete and submit an annual Statement of Economic Interests (Form 700) to the District's Filing Officer, and shall comply with the Political Reform Act and Government Code § 1090. A Trustee shall not participate in any matter in which the Trustee has a disqualifying financial interest.

2B.v Trustees shall comply with all applicable laws governing their conduct, including the Ralph M. Brown Act and the Public Records Act.

2C Basis of Authority

2C.i The Board is the unit of authority within the District. Apart from their normal function as part of this unit, **Trustees have no individual authority**. As individuals, Trustees may not commit the District to any policy, act, or expenditure.

2C.ii No individual Trustee may speak or write on behalf of the Board, in any medium, or be interviewed on behalf of the Board, without the express authorization of the full Board.

2D Officers, Nominations, and Elections

2D.i At the first meeting in January each year, the Board shall elect its officers. (Health and Safety Code § 2027(a).) No Trustee shall hold more than one office. (Health and Safety Code § 2027(b).)

2D.ii **President.** The President shall be a Trustee and shall preside at all meetings of the Board, with the rights of every other member, including making motions and voting. The President appoints and publicly announces the chairs and members of committees, subject to confirmation by the Board, and serves as an ex officio voting member of all committees. The President may call special meetings of the Board. The term of office is one year, and the President may be reappointed by the Board.

2D.iii 1st **Vice President.** In the absence or disqualification of the President, the Vice President shall preside over Board meetings and exercise the duties of the President. The Vice President has the rights of every other member, including making motions and voting, and may serve as a voting member or chair of a committee. The term of office is one year, and the Vice President may be reappointed by the Board. One Vice President vacancy is for a Board Trustee from Marin County and one Vice President vacancy is for a Board Trustee from Sonoma County.

2D.iv **2nd Vice President**. In the absence or disqualification of the 1st Vice President, the 2nd Vice President shall preside over Board meetings and exercise the duties of the President. The 2nd Vice President has the rights of every other member, including making motions and voting, and may serve as a voting member or chair of a committee. The term of office is one year, and the 2nd Vice President may be reappointed by the Board.

2D.iv **Secretary.** The Secretary may be either a Trustee or a District employee. (Health and Safety Code § 2027(b).) The Secretary is responsible for ensuring that the records of the Board's proceedings are kept as required by this Manual and by law. The office of Secretary does not include the duties of the recording secretary who prepares the minutes, which may be performed by District staff. Where the Secretary is a Trustee, the term of office is one year, and the Secretary may be reappointed by the Board.

2D.v **Treasurer.** Except as otherwise provided by law, the county treasurer of the principal county acts as the District treasurer and receives no compensation for that service. (Health and Safety Code § 2027(c).)

2D.vi Nominations for officers are made and elections held at the first regular meeting in January. Any qualified Trustee may be nominated. If a vacancy in an office occurs during the year, the Board shall hold a nomination and election to fill the office for the balance of the term at its next regular meeting.

2E Trustee Training, Education, and Conference Attendance

2E.i With prior approval of the Board, Trustees are encouraged to attend professional meetings, seminars, and educational conferences whose purpose is to improve their understanding and governance of the District. Trustees are encouraged to notify staff at least 2 months before attending any meeting, seminar or conference.

2E.ii Members of the Board serve without compensation but may be provided an allowance to defray expenses incurred while on official business of the District, not to exceed one hundred dollars ($100) per month, in accordance with Health and Safety Code

§2030(b). Trustee Compensation in lieu of expenses shall be $100 for each monthly board meeting and $25 for each committee meeting, up to the $100 monthly maximum. Reimbursement of authorized travel, lodging, and registration expenses is governed by the District's expense reimbursement policy maintained by staff.

2E.iii Expenses for professional meetings, seminars, and educational conferences shall be kept to a minimum. Trustees shall use group or government rates where available and shall travel together where feasible and economical.

2E.iv A Trustee is not eligible for reimbursement for a meeting, seminar, or conference after the Trustee has announced a pending resignation or it is apparent the Trustee will not retain the appointment.

2E.v Upon returning from a meeting, seminar, or conference for which expenses were reimbursed, the Trustee shall provide a verbal or written report to the Board at the next regular meeting, describing information of benefit to the Board or the District.

2F Handling of Constituent Requests and Concerns

2F.i When responding to constituent requests and concerns, Trustees should be open and courteous.

2F.ii Trustees are strongly encouraged to route constituent questions and requests through the District Manager for response and tracking.

2G Committees of the Board

2G.i This policy identifies the standing committees of the Board. All committees are advisory to the full Board. Committee members are appointed by the President, subject to confirmation by the Board. A committee shall not commit the District to any policy, act, or expenditure, and shall not direct staff, unless expressly authorized by the Board.

2G.ii **Executive.** Serves as Board leadership, meets with the District Manager, works with the District Manager to set goals, conducts the District Manager's performance evaluation, and remains alert to Trustee concerns.

2G.iii **Finance.** Reviews the proposed annual budget prepared by staff and makes recommendations to the Board. Reviews the independently audited financial statements. Reviews current and forecasted financial reports.

2G.iv **Policy.** Reviews necessary, recommended, or mandated changes to this Manual and other policy documents.

2G.v **Legislative.** Stays abreast of proposed legislation and regulations, maintains liaison with the Mosquito and Vector Control Association of California (MVCAC) Legislative and Regulatory Affairs committees, and makes recommendations to the Board.

2G.vi **Nominating.** Meets annually to nominate officers for the coming year.

2G.vii The President may appoint an ad hoc committee to conduct Board business on a specific topic that is not within the scope of a standing committee. An ad hoc committee is composed of less than a quorum of the Board, serves a single limited purpose, and is dissolved by the President once its task is complete.

SECTION 3 — BOARD MEETINGS AND CONDUCT

3A Board Meetings

3A.i The Board is the governing body of the District, a California special district that exists to protect public health through the control of mosquitoes and other vectors. The Board shall conduct itself within an environment of trust, honesty, and decorum.

3A.ii The conduct of meetings shall enable Trustees to set the direction for the District, establish and support its structure, hold the District accountable on behalf of the community, and serve as community leaders.

3A.iii Regular meetings of the Board are held at 6:00 p.m. on the second Wednesday of each month at District Headquarters, 595 Helman Lane, Cotati, unless otherwise specified on the agenda. The date, time, and place of regular meetings are reconsidered annually.

3A.iv All meetings of the Board and its standing committees shall be conducted in full compliance with the Ralph M. Brown Act (Government Code § 54950 et seq.). See Appendix A for the District's Brown Act compliance policy.

3A.v All meetings shall be conducted under the parliamentary rules in Rosenberg's Rules of Order. Where this Manual conflicts with Rosenberg's Rules of Order, this Manual shall prevail. See Appendix B.

3A.vi A Trustee wishing to speak shall first be recognized by the President. Trustees shall not publicly engage in personal attacks on one another, on members of the public, on District staff, or on the District.

3B Meeting Conduct

3B.i The Board operates in an organizational environment of trust, honesty, and openness, with proper conduct directed by the President. Trustees commit to respectful and orderly discourse toward fellow Trustees, District staff, contractors, and the public.

3B.ii Trustees shall understand the authority and responsibilities allowed them and the Board under the Health and Safety Code and shall conduct themselves accordingly.

3B.iii Trustees shall treat each other and District staff professionally, with respect and courtesy, at all times. Trustees shall not attempt to discredit, humiliate, embarrass, harass, rebuke, or discipline any employee. A concern regarding an employee's performance shall be communicated in writing to the District Manager. A concern regarding the District Manager's performance shall be communicated in writing to the President, who shall take the matter to the Executive Committee.

3B.iv The President may call for an action of formal Board censure against any Trustee who fails to comply with this section.

3C Meeting Attendance

3C.i Trustees shall attend all regular and special meetings unless there is good cause for absence. If a Trustee misses three consecutive Board meetings, or more than four Board meetings in a calendar year, the Executive Committee shall determine whether the appointing authority will be notified of the absences.

A quorum is the minimum number of Trustees, a majority of the Board's membership, who must be present for the Board to lawfully conduct business, which is why confirming attendance in advance is essential: without a quorum, no votes can be taken, agenda items must be postponed, and the meeting cannot proceed, delaying District decisions and creating an inefficient use of the time of staff and members who did attend.

3D Minutes of Board Meetings

3D.i **Recordings.** Unless directed otherwise, an audio recording shall be made of all regular and special meetings. The recording shall be stored securely, with backups, until the minutes are approved or thirty days after the recording, whichever is later, and shall then be erased.

3D.ii **Preparation.** With the assistance of the District Manager and staff, the Secretary shall provide written minutes of all meetings from the meeting notes and the audio recording. The written minutes are the formal minutes of the District.

3D.iii **Format and content.** Minutes shall be prepared in action format, recording the actions taken and conclusions reached. Motions, resolutions, and ordinances shall be recorded as passed or failed, with individual votes recorded unless the action was unanimous. Resolutions and ordinances shall be numbered consecutively, restarting each fiscal year. Minutes shall include, where relevant:

- The date, place, and type of meeting; the call to order and actual start time; and the time of adjournment.
- Trustees present and absent by name, the time and name of any late-arriving or early-departing Trustee, and the names of Trustees absent during any item on which action was taken.
- The names of any Trustees participating remotely and the specific provision of law authorizing each member's remote participation (Government Code § 54953, as amended by SB 707).

- Administrative staff present, and persons serving the District as contractors or consultants, by name.
- A summary of staff reports (which may be provided in the agenda packet) and a summary of public comments on matters not on the agenda, including the names of persons commenting.
- Approval of minutes; the substantive content and number of each resolution and ordinance; contracts and agreements approved by the Board; approval of the annual budget and any amendments; and approval of policies, rules, or regulations.

3D.iv **Approval and retention.** Minutes shall be distributed to Trustees in the agenda packet for the next regular meeting, at which the Board will approve them as presented or with corrections by majority vote. Once approved, the official minutes shall be archived, and shall be maintained in perpetuity pursuant to Government Code § 60201 and the District's records retention schedule.

3E Interactions with the District Manager

3E.i The Board, acting as a body, is the governing authority of the District and sets District policy. The Board acts only at its regular, adjourned, special, or emergency meetings. Individual Trustees, except as otherwise authorized by the Board, have no power to act for the District or the Board, or to direct the District Manager or staff.

3E.ii The District Manager has full charge and control of District operations, maintenance, and facilities; has authority to employ and discharge employees consistent with District employee policy and law; prescribes the duties of employees; and fixes and alters employee compensation subject to approval by the Board.

3E.iii The District Manager is available to individual Trustees for consultation on matters affecting the District.

3F Interactions with District Legal Counsel

3F.i Individual Trustees, except as otherwise authorized by the Board, have no power to direct the District's General Counsel. General Counsel has a contractual relationship with the District as a whole, not with any individual trustee or staff.

3F.ii General Counsel advises the Board and the District Manager on their respective legal responsibilities for full compliance with the laws governing the District, and reviews and comments on appropriate matters that come before the Board.

3F.iii General Counsel is available to individual Trustees for consultation on matters affecting their legal rights and obligations as Trustees.

3G Remote Participation and Teleconferencing

3G.i The Board may use teleconferencing for its meetings in compliance with the Brown Act as amended by Senate Bill 707 (2025). The District provides the public a meaningful opportunity to participate at every meeting.

3G.ii **Traditional teleconferencing.** Under Government Code § 54953, each teleconference location must be identified on the agenda and accessible to the public, the agenda must be posted at each location, at least a quorum must participate from locations within the District's jurisdiction, and all votes must be by roll call.

3G.iii **Just-cause remote participation.** Under the alternative teleconferencing provisions added by SB 707 (Government Code § 54953.8 et seq.), in effect through January 1, 2030, a Trustee may participate remotely for “just cause” without identifying or opening the remote location to the public, subject to the limits in this section. “Just cause” includes a childcare or caregiving need; a contagious illness; a need related to a physical or mental disability not otherwise accommodated; travel while on official business of the District or another agency; a physical or family medical emergency; the medical need of an immunocompromised family member; and certain military service obligations.

3G.iv **Conditions for just-cause participation.** When a Trustee participates remotely for just cause: a quorum of the Board must participate from a single physical location identified on the agenda and open to the public; the Trustee must notify the District at the earliest opportunity, including at the start of the meeting; the Trustee must participate by both audio and visual technology; the public must be able to remotely hear, visually observe, and address the Board through a two-way audiovisual platform, or a two-way telephonic service together with a live webcast; and the Trustee must publicly disclose whether any individual eighteen years of age or older is present in the room at the remote location and the general nature of the Trustee's relationship to that individual. All votes shall be by roll call. The minutes shall record the name of each Trustee participating remotely and the provision of law that authorizes it.

3G.v **Limits on remote participation.** Because the Board meets once per month, a Trustee may participate remotely under the just-cause provisions for no more than two meetings per calendar year.

3G.vi **Reasonable accommodation.** A Trustee with a disability may participate remotely as a reasonable accommodation under Government Code § 54953. Such participation counts as in-person attendance for all purposes, including establishing a quorum.

3G.vii **Disruption of remote access.** If a disruption prevents the public from participating through the remote service, the Board shall take no further action on agenda items until public access is restored, consistent with Government Code § 54953 and § 54957.96.

The presiding officer may remove or restrict an individual who is engaging in disruptive behavior, whether the individual is attending in person or remotely.

3H Use of Social Media

3H.i Consistent with Government Code § 54952.2, a Trustee may engage on an internet-based social media platform to communicate with the public on matters within the Board's jurisdiction, provided that a majority of the Trustees do not use the platform to discuss District business among themselves. A Trustee shall not respond directly to, or react to, a communication regarding Board business made by another Trustee on a social media platform in a manner that could create a prohibited serial meeting.

APPENDIX A: BROWN ACT COMPLIANCE

Background
In 1953, California Assembly Member Ralph M. Brown drafted and secured the enactment of the State's local government open meeting act, now known as the Brown Act (Government Code § 54950 et seq.). The Brown Act balances public access to meetings with the need for confidential deliberation of certain matters. It requires that the deliberative and decision-making processes of the Board be open to public scrutiny, comment, and participation, subject to limited exceptions that allow certain matters to be considered in closed session.

The Brown Act has been amended several times in recent years to address remote participation. Senate Bill 707 (Chapter 327, Statutes of 2025), effective January 1, 2026, reorganized and modernized the Act's teleconferencing provisions, made permanent certain transparency provisions, and added requirements for the orderly conduct of hybrid and teleconferenced meetings. The District complies with these provisions, which are summarized in Board Policy 3G.

Purpose
To establish District policy and procedures for applying and complying with the Brown Act, to promote transparency and openness in the District's governance, and to comply with the law. The District incorporates the Brown Act and all future amendments into its policies. In the event of any conflict between the Brown Act and District policy, the Brown Act shall govern.

Section 1: Meetings
A. Right of access. The District's actions shall be taken openly and publicly to the greatest extent possible. The public has the right to attend and observe all deliberations of the Board, except when the Brown Act authorizes a closed session.

B. Action only at meetings. All Board decisions must be made at Board meetings. The Board shall not use a series of communications of any kind to discuss, deliberate on, or take action on matters within its jurisdiction outside a meeting.

C. Quorum. No business may be transacted unless a quorum (a majority of the membership of the Board) is present. When there is no quorum, the presiding officer may adjourn the meeting.

D. Types of meetings.

1. The Brown Act defines a meeting as any congregation of a majority of the members of a legislative body at the same time and location to hear, discuss, deliberate on, or take action on any item within the body's subject matter jurisdiction.
2. Regular meetings are held at 6:00 p.m. on the second Wednesday of each month at District Headquarters, 595 Helman Lane, Cotati. The agenda for a regular meeting must be posted at least 72 hours in advance.

3. Special meetings are called by the President or a majority of the Board with at least 24 hours' notice to each Trustee and to media that have requested notice, and are posted on the District's website. Only business described in the notice may be transacted.
4. Study sessions are special meetings held to provide information to the Board. The Board may provide direction to staff but takes no formal action at a study session.
5. Closed sessions may be part of a regular or special meeting and are limited to the matters authorized by the Brown Act, such as certain personnel matters, labor negotiations, real property negotiations, security, and litigation. The Board must publicly report actions and votes as required by Government Code § 54957.1.
6. Emergency meetings are allowed where prompt action is necessary because of a work stoppage, crippling disaster, or other emergency that severely impairs public health or safety, in accordance with the Brown Act.
7. The Board may adjourn any meeting to a later time, date, and place. Notice of adjournment must be posted within 24 hours.

E. Exceptions to meetings. The Brown Act provides that the following are **not** meetings, provided a majority of the Board does not discuss District business among themselves other than as part of the scheduled program: individual contacts between a Trustee and another person; attendance at a conference open to the public; attendance at an open community meeting held by another organization; attendance at an open meeting of another legislative body; attendance at an open and noticed meeting of a standing committee by Trustees who are not committee members (as observers only); and attendance at a purely social or ceremonial event.

F. Teleconferencing. If a Trustee cannot attend in person, teleconferencing may be used in compliance with the Brown Act as amended by SB 707. See Board Policy 3G for the District's teleconferencing and remote-participation procedures.

G. Committees. The meetings of standing committees that have continuing subject matter jurisdiction or a fixed meeting schedule are subject to the Brown Act's notice and open meeting provisions, even if the committee is composed of less than a quorum. A temporary ad hoc committee composed solely of less than a quorum, serving a single limited purpose and dissolved upon completion of its task, is not subject to those provisions.

Section 2: Agendas

The District Manager prepares an agenda for each regular and special meeting in accordance with the Brown Act. The Act generally prohibits action or discussion of items not on the posted agenda.

1. The agenda for a regular meeting shall be posted at least 72 hours in advance in a location freely accessible to the public and on the District's website, with a prominent direct link, in a format that is retrievable, downloadable, indexable, and electronically searchable.

2. Writings relating to an open-session agenda item that are distributed to a majority of the Board shall be made available for public inspection, subject to the exceptions allowed by law.
3. The agenda for a special meeting shall be posted at least 24 hours in advance.
4. Members of the public may comment on any item within the Board's jurisdiction at the designated time. The Board may not take action on a matter not on the agenda. The presiding officer may set reasonable, evenly applied time limits for speakers.
5. Items on the consent calendar are considered routine and enacted by a single motion without discussion. Any item may be removed for separate consideration on request.

Section 3: Voting

A. A motion, a second, and at least a majority vote of the Board are required for any formal action. Votes and abstentions are taken by roll call and recorded in the minutes.

B. Unless state law requires otherwise, a majority vote is needed for a motion to pass. In the event of a tie, the motion does not pass. For example, a vote to approve the budget needs a majority vote, where a four-fifths vote of the total membership of the board is required to discontinue a restricted reserve account.

C. Continued matters. A Trustee who was absent from a prior meeting may vote on a continued matter after reviewing the relevant documents, minutes, and, if possible, the recording, and disclosing that review on the record.

D. Conflicts of interest. A Trustee shall not vote on any matter in which the Trustee has a conflict of interest. A disqualified Trustee shall state the reason for the conflict, recuse themselves, and leave the meeting room unless the item is on the consent calendar.

Section 4: Prohibited Serial Meetings

A serial meeting is a series of communications among a majority of the Board, through one or more intermediaries or electronic means, by which Trustees develop a collective concurrence on a matter within the Board's jurisdiction. Serial meetings are prohibited by the Brown Act.

A staff member may provide individual briefings to Trustees on upcoming items, provided the communication is a one-way flow of information and the staff member does not share other Trustees' views. A Trustee meeting with a constituent, lobbyist, or other person should remind that person not to relay the views of other Trustees, to avoid inadvertently creating a serial meeting. Trustees should avoid statements indicating they have already decided a matter that will come before the Board, and should take care not to share their views on such matters with a majority of the Board outside a meeting.

APPENDIX B: ROSENBERG'S RULES OF ORDER

The Board conducts its meetings under Rosenberg's Rules of Order, the simplified parliamentary procedure published by the League of California Cities and widely used by California local agencies. Where this Manual conflicts with Rosenberg's Rules of Order, this Manual prevails.

Rosenberg's Rules of Order address the basic format for an agenda item, the rules governing motions, the handling of debate, the order of precedence among motions, voting, and the role of the chair in maintaining decorum. A summary of the principal rules follows. The full text, authored by Judge Dave Rosenberg and published by the League of California Cities, is available free of charge from the League and should be consulted for complete guidance.

Basic Format for an Agenda Item

1. The presiding officer introduces the item.
2. Staff presents a report and any recommendation.
3. The presiding officer invites Trustee questions of staff.
4. The presiding officer opens the matter to public comment.
5. The presiding officer closes public comment.
6. The presiding officer invites a motion and a Trustee makes one.
7. The presiding officer confirms the motion is seconded.
8. The Board debates the motion.
9. The presiding officer calls for the vote and announces the result.

Motions in General

A motion is a proposal that the Board take a particular action. A motion requires a second to be considered, except for certain procedural motions. Once a motion is made and seconded, the chair states the motion and opens it to debate. The maker of a motion may withdraw it before it is voted on.

The Three Basic Motions

- A motion to adopt resolves the matter before the Board.
- A motion to amend changes a pending motion; it must be voted on before the main motion.
- A substitute motion offers an alternative to the pending main motion; it is voted on before the original.

Debate and Precedence

Debate proceeds in an orderly manner under the direction of the chair. Motions to adjourn, to recess, and to table take precedence over substantive motions and are generally not debatable. A motion to close debate (call the question) requires a second and a majority vote. The chair preserves order and decorum and rules on points of order, subject to appeal to the Board.

Voting

Most matters are decided by a majority vote of the quorum present, taken by roll call and recorded in the minutes. A tie vote means the motion fails. A Trustee with a conflict of interest does not vote and follows the recusal procedure in Appendix A.

APPENDIX C: SEASONAL MOSQUITO CONTROL OPERATIONS

This section provides an overview of the seasonal aspects of mosquito surveillance and control and lists examples of the larvicides and adulticides that may be used in different situations. While the seasonality described here has been typical for many decades, District staff have observed substantial deviations in recent years; for example, larval populations of *Culex tarsalis* and *Aedes dorsalis* have appeared earlier in the year than normal, and adult *Aedes washinoi* have occurred later than normal. For additional detail, the District's Programmatic Environmental Impact Report (PEIR) provides in-depth analysis of the District's Integrated Vector Management Program.

January – March

Mosquito species competent to transmit pathogens are active during this period (for example, *Culex pipiens* in septic tanks), and populations gradually increase as daylight lengthens and temperatures rise. Staff conducts surveillance, public education, and control work to minimize biting pressure and the potential for disease transmission. Surveillance and larvicide treatment are conducted in tidal marshes for *Aedes squamiger, Aedes dorsalis, and Culex tarsalis*, and in freshwater sources such as vernal pools, seasonal wetlands, and low-lying areas. Adulticide applications may be needed in mid to late March to control adult *Aedes washinoi* and *Aedes squamiger*. Staff also survey backyard sources such as septic tanks, ponds, ornamental water features, and swimming pools, and agricultural sources such as dairy and winery waste ponds.

Control materials typically applied include *Bacillus thuringiensis israelensis* (Bti), *Bacillus sphaericus* (Bs), spinosad, methoprene, monomolecular film, and larvicide oil. Larvicides are applied by hand and by handheld equipment, ATV, boat, and truck-mounted equipment, and may be applied aerially. Adulticides such as pyrethrins and etofenprox may be applied with handheld, ATV, and truck-mounted ultra-low-volume equipment.

April – June

Pathogen-competent species become increasingly active (*Culex tarsalis, Culex stigmatosoma, Culex erythrothorax, Culex pipiens*). Surveillance and treatment occur in tidal marshes in conjunction with high-tide events, and in vernal pools, seasonal wetlands, and roadside ditches. Treehole mosquitoes (*Aedes sierrensis*) begin to hatch, and staff prioritize source reduction and bite-prevention measures. Wastewater irrigation on private and municipal lands begins, and staff work with property owners to manage irrigation and apply larvicides as needed. Laboratory staff begin surveillance for invasive Aedes mosquitoes (*Aedes albopictus and Aedes aegypti*) as an early-detection measure; these species have not been detected in the District. Dead-bird surveillance, in cooperation with the California Department of Public Health, is used to detect West Nile virus.

July – September

This is a critical period when mosquito populations peak and the potential for pathogen transmission is significantly elevated. Surveillance and control occur in tidal marshes, seasonal wetlands, winery waste ponds, and backyard sources. Wastewater irrigation is fully operational, and staff respond to a seasonally high volume of service requests. Surveillance for West Nile virus and invasive Aedes mosquitoes continues. Source reduction and public education remain first-line strategies.

October

October is typically a transitional month. Operations resemble the summer pattern but change gradually, or in some cases dramatically, with the weather. If warm temperatures persist, pathogen transmission can remain elevated. Source-reduction operations in tidal marshes (circulation-channel cleaning and vegetation trimming) typically begin. Dead-bird and adult-mosquito surveillance generally continue through mid to late October.

November – December

Surveillance and control are performed as needed for winter species such as *Culiseta inornata, Aedes squamiger, and Aedes washinoi*. Source-reduction operations continue in tidal marshes. Staff conduct research and preparation work in the office and repair, maintain, and calibrate field equipment in preparation for the January–March season. Service-Request volume is typically lower than at other times of the year. Community outreach and education continue year-round.

APPENDIX D: READING THE DISTRICT'S FINANCIAL STATEMENTS AND ANNUAL BUDGET

Overview

The District accounts for revenue and expenses over a fiscal year beginning July 1 and ending June 30. Because each fiscal year spans the second half of one calendar year and the first half of the next, it is abbreviated as, for example, FY 2026/27. During the year, staff provide the Board with periodic financial reports compiled from the District's accounting system. These reports are as complete as possible on the day they are prepared, but may not reflect transactions not yet known for the period.

Definitions

Accounting period. The date or period covered by a report, shown at the top of each report and read as a calendar (for example, 12/26 is December 2026).

Appropriation. The amount approved by the Board in the budget. Original appropriation is the amount approved in June for the coming year; current appropriation includes any amendments; available appropriation is the amount remaining to spend.

Balance sheet. A report showing the District's assets, liabilities, and net equity on a given date, including cash, investments, capital assets, receivables, debts, and reserves.

Capital assets. Assets owned by the District with a value set by the Board and reflected in the District Finance Policy, such as vehicles, lab equipment, buildings, and application equipment. Purchases increase the value of capital assets; depreciation decreases it.

Fund. An individual set of books for specific operations. District activities are accounted for in the General Fund (operations) and the Capital Fund (capital purchases, depreciation, and assets).

Income statement. A statement of revenue and expenditures over a period. Because the District relies on tax revenues received mostly in December and May, expenses exceed revenues in most months; what matters is that revenue and expense balance over the full year. In specific situations, such as with significant one-time capital expenditures, the Board may approve a planned use of accumulated fund balances.

Periodic Reports

During the year, the Board receives monthly and quarterly reports to evaluate the District's financial condition and confirm adherence to the budget. Monthly reports include a list of claims paid by vendor, a payroll summary, and a budget summary showing the percentage of the expense budget spent to date. Quarterly reports include a revenue statement and a balance sheet showing assets, liabilities, and equity (including District reserves) at the end of the quarter.

Annual Reports

The Board receives two sets of reports: interim reports prepared by staff monthly, and fully audited reports presented by the District's independent auditors, typically in October or

November. The interim reports are not final and are later adjusted for capital assets, depreciation, accrued revenues and expenses, and reserve changes. The audited statements emphasize the overall fiscal condition of the District, and the auditor attends a Board meeting to present them and answer questions.

APPENDIX E: FACTS ABOUT MOSQUITOES

- There are more than 3,000 species of mosquitoes worldwide; about 176 species are recognized in the United States, roughly 50 of them in California, and 23 in Marin and Sonoma counties.
- At least 43 species of mosquitoes in the United States have been found infected with West Nile virus.
- Salt marsh mosquitoes can travel up to 20 miles for a blood meal.
- Mosquitoes locate hosts by sight (movement), by detecting the infrared radiation of warm bodies, and by chemical signals such as carbon dioxide and lactic acid at distances of 27 to 38 yards.
- Only adult female mosquitoes bite; they need the protein in blood to produce eggs. Males feed on plant juices and nectar.
- Most adult female mosquitoes live two to three weeks, though some overwintering species can live as long as six months.
- A vector is any animal capable of transmitting the agent of human disease or of producing human discomfort or injury, including mosquitoes, yellowjackets, ticks, other arthropods, rodents, and other vertebrates.
- Malaria, once endemic to California and the United States, was not eliminated nationally until 1951. More than 40 percent of the world's population still lives in malaria-risk areas.
- More than 70 mosquito and vector control agencies have been established in California since 1915. Together they cover roughly 60,000 square miles and protect more than 85 percent of California residents.
- On May 25, 1915, the California Legislature passed the Mosquito Abatement Act, permitting local governments to form special districts to protect the public from mosquitoes and mosquito-borne diseases.

APPENDIX F: INTRODUCTION TO THE PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT (PEIR)

The California Environmental Quality Act (CEQA) generally requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects and to reduce those impacts to the extent feasible. The CEQA definition of project is broad and includes the work commonly performed by the District. Beginning in 2012, the District worked collaboratively with other districts to complete an environmental impact report covering its program.

The District's report is a programmatic EIR (PEIR), which differs from the more common project-specific EIR. The PEIR examines the environmental effects of the District's entire vector control program throughout its service area, rather than a single site-specific project. The project analyzed was the District's existing Integrated Vector Management Program, together with certain chemical treatment options under consideration for future use.

Prepared over four years, the PEIR began as a joint effort among several districts in the state vector control association's Coastal Region, with a consultant selected through a request for proposals. After the master template was completed, the District contracted to customize the document to address the unique habitats and environmental settings within its roughly 2,300 square miles of territory. Specialized legal counsel assisted the District through the requirements of CEQA.

As required by CEQA, the PEIR describes program alternatives, including a no-project alternative and a no-chemical alternative. With the adoption of numerous Best Management Practices, one potentially significant impact (odor from chemical treatments) remained, which was reduced to a less-than-significant level through specific mitigation measures. The draft PEIR was circulated for public review, comments were received and responded to, and the Final PEIR was certified by the Board of Trustees in June 2016.

The District considers the PEIR an important and enduring reference document for Trustees, staff, the public, landowners, and partner agencies. The complete PEIR and supporting documentation are available on the District's website.

DATE: August 12, 2026

SUBJECT: Discussion and/or Approval Adopting the District Finance Principles and Policies Manual

BACKGROUND:

The Marin/Sonoma Mosquito & Vector Control District has not previously maintained a single, consolidated set of adopted financial policies. Formally adopted financial policies assist the Board and District staff in developing sound fiscal management practices, provide structure and continuity for financial decisions, promote public confidence, and enhance transparency over time.

Staff developed the attached Finance Principles and Policies Manual to serve as a central repository establishing policies for overall fiscal management, budget development, and fiscal administration. The Manual opens with the District's guiding financial principles and is organized into fourteen individual policies:

- A — Financial Reporting & Budgeting Policy
- B — Electronic Signature Use Policy
- C — Fiscal Resilience Policy
- D — Revenues Controls and Management Policy
- E — Expenditure Planning and Purchasing Policy
- F — Funding Post-Employment Benefits
- G — Credit Card Management Policy
- H — Travel and Meeting Expense Policy
- I — Fraud Prevention and Investigation Policy
- J — Capital Assets Policy
- K — Investment Management Policy
- L — Debt Management Policy
- M — Grant Management Policy

The Manual is grounded in Generally Accepted Accounting Principles as established by the Governmental Accounting Standards Board (GASB) and incorporates applicable statutory requirements, including audit partner rotation under California Government Code § 12410.6. It reflects the District's existing fund structure, a General Fund and a Capital Replacement Fund, and codifies current practices for financial reporting, budgeting, internal controls, purchasing, investment, and debt management. The policies are designed to be reviewed on a regular basis by District staff and updated as necessary through Board approval.

The Policy Committee reviewed the draft Manual and recommends its adoption by the Board.

STAFF RECOMMENDATION:

Staff recommend that the Board of Trustees adopt the Finance Principles and Policies Manual as presented.

FISCAL IMPACT:

Adoption of the Finance Principles and Policies Manual has no direct fiscal impact on the District. The Manual formalizes and consolidates existing financial management practices and does not, by itself, authorize any new expenditure or change to the District's budget.

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

Finance Principles and Policies Manual

Mission Statement

The Marin/Sonoma Mosquito and Vector Control District, founded in 1915, protects the health and welfare of the communities it serves from mosquitoes and vector-borne diseases by utilizing cost-effective, environmentally responsible integrated vector management practices.

Table of Contents

Overview

This document establishes policies of overall fiscal management, budget development, and fiscal administration for the Marin/Sonoma Mosquito & Vector Control District. Included herein are statements and principles designed to guide the District in maintaining its financial stability and delivering high-quality services to the public.

Formally adopted financial policies assist the appointed Board and District staff in the development of fiscal management practices, save time and provide structure for financial decisions, promote public confidence, enhance transparency, and provide continuity over time. These policies will be updated periodically but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the District will encounter. Fiscal policies support long-term planning and enhance the District's effectiveness in implementing long-term strategies to deliver efficient services to the public.

Guiding Financial Principles

The following are the guiding principles to be adhered to and used as a conceptual framework for the Marin/Sonoma Mosquito & Vector Control District:

1) Manage financial resources in a responsible and prudent manner allowing for uncertainties and maintaining a posture of financial flexibility while maintaining responsiveness to citizens input and guidance.
    a) Integrate long-term operating and capital resources planning into the budget process.
    b) Develop programs in a manner that supports the District's long-term ability to cover costs and provide the level and quality of service required by its customers.
    c) Provide financial information in a relevant, thorough, and timely manner, and in a format that effectively communicates financial status to the Board, citizens, and District employees.
    d) Establish and maintain prudent fund balance levels
    e) Manage debt responsibly.
2) Maintain financial reporting in compliance with current governmental accounting standards.

a) Promote and implement a relevant and robust system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
b) Uphold investment policies in accordance with the District Policy and State law.

Policies

This document provides a structured, central repository for a variety of fiscal policies and is organized into the following categories:

1) Financial Reporting & Budgeting Policy (A)
2) Electronic Signature Use Policy (B)
3) Fiscal Resilience Policy (C)
4) Revenues Controls and Management Policy (D)
5) Expenditure Planning and Purchasing Policy (E)
6) Funding Post-Employment Benefits (F)
7) Credit Card Management Policy (G)
8) Travel and Meeting Expense Policy (H)
9) Local Vendor and Environmentally Preferable Purchasing Preference (E17)
10) Fraud Prevention and Investigation Policy (I)
11) Capital Assets Policy (J)
12) Investment Management Policy (K)
13) Debt Management Policy (L)
14) Grant Management Policy (M)

Review and Approval

These policies shall be reviewed on a regular basis by District staff and updated as necessary through approval by the District Board of Trustees to ensure best practices are in effect for proper fiscal management.

A Financial Reporting & Budgeting Policy

A1 Financial Overview

A2 District's Fund Structure and Classifications

The fund structure includes the General Fund & Capital Replacement Fund.

1) The General Fund is the District's main operating fund and all financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.
2) The Capital Replacement Fund is used to account for all purchases of capital assets. Examples include purchase of vehicles, building systems or large or costly equipment such as biological incubators for the lab. New capital assets are funded separately as needed for each acquisition. The monetary threshold for an item to be considered a capital purchase shall be established from time to time by the Board.

A2.1 Fund Types

Governmental Funds Type are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This type of fund includes the General Fund where Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, revenues are considered available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Governmental fund types include the general fund, special revenue funds, capital projects funds, and debt service funds. GASB has defined these funds and the GFOA has further summarized these funds as follows:

General Fund

This is the chief operating fund of a local government. GASB Codification Section 1300.104 states that the general fund is used "to account for all financial resources except those required to be accounted for in another fund". In other words, all a government's financial activities should be accounted for in the general fund unless there is a compelling reason to report them in some other fund type. The government may never report more than one general fund per Codification, Section 1300.106. In practice, typically the general fund is of chief interest to financial statement users.

Special Revenue Funds

These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

Capital Projects Funds
As local governments often undertake significant capital acquisitions and construction projects, they often account for the activities separately from their other general operations. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

Debt Service Funds
Governments set aside monies to meet current and future debt service requirements on general government debt. As such, these funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

Proprietary Fund Types are accounting categories used by state and local governments to track business-type activities where operations are primarily funded by user fees and charges rather than general tax revenue. They use private-sector, accrual-basis accounting to measure profitability, cost recovery and net position.

The District does not have Proprietary Funds.

Fiduciary Fund Types track assets held by the District in trust which are managed by another party.

The District does not have Fiduciary Funds.

A3 Financial Reporting Policies

The District's accounting and financial reports are to be maintained in conformance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). To ensure compliance an annual financial audit will be performed by an independent public accounting firm familiar with Special District government activities. The auditor presents the audited financial statements and the Memorandum on Internal Control and Required Communications report to the District's Finance Committee each year, typically at the November meeting. Consistent with California Government Code § 12410.6, the District shall not use the same lead (or coordinating) audit partner, or the partner responsible for reviewing the audit, for more than six consecutive fiscal years; the District need not change audit firms, but shall rotate the responsible audit partner(s) as required by that section.

A3.1 External Financial Reporting

The District is subject to Federal, State, County, and Debt Lender requirements for recurring annual reporting.

The District is required to generate an Audited Financial Report. One of the most significant purposes of a comprehensive financial report is that it provides valuable insight into how the District Board manages public finances. This annual report consists of three parts - management discussion and analysis, the basic financial statements, and required supplementary information, consistent with the financial reporting model established by GASB Statement No. 34

Staff shall also comply with all other mandated state financial reporting including but not limited to the California State Controller's Office (SCO) Report for the District Financial Transactions, SCO Report for Compensation, and Federal and State OMB Circular A-133 (Single Audit) Grant Compliance Reporting, if required.

A3.2 Internal Financial Reporting

Provided on a periodic and timely basis, as needed: These reports are used to help the District's Board, the public, and management to monitor budgetary compliance and evaluate financial status as of a point in time. Internal financial reports often provide more detail on individual departments than general purpose external financial reporting and does not require an independent auditor review and audit.

A4 Budgetary Policies

The District is legally required to adopt the District budget. The budget development process is the formal method through which the District establishes its program priorities, goals, and service levels for the upcoming fiscal periods. Through the budget development process, programs are established, service levels are expressed, performance measures are articulated, and resources are identified. This planning tool uses forecasted revenues and expenditures the District will incur in the upcoming fiscal periods and is neither actual revenue nor actual expenditures. The budgets must be continuously monitored and reported back out through periodic internal reporting.

A4.1 Budget Proposal and Adoption

The budgets are to be prepared in accordance with GAAP and are to be prepared using the modified accrual basis. The modified accrual basis recognizes expenditures at the point in time when the related fund liability is incurred, not necessarily when the liability is actually paid. Revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Each fund is estimated prior to the end of the fiscal year utilizing the same basis of accounting that is used for the same fund within the final audited financial statements once the Fiscal Year is closed.

The Administrative Services Manager, with oversight from the District Management, will develop and present a draft operating budget for consideration by the Finance Committee and the Executive Committee and with their approval, to the full District Board and public. The prepared budget should present a budget where projected expenditures do not exceed total estimated revenues and one time revenue sources are not to be relied upon to fund on-going operations. In specific situations, such as with significant one time capital expenditures, the District Board may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.

The District Board will adopt an operating budget no later than June 30th of each fiscal cycle, understanding that per Health and Safety Code §2070(a), the statutory deadline is set at on or before August 1. The budget will include appropriations that provide expenditure authority to public Board responsible for operating their respective departments to fulfill obligations to provide public services as delegated by the District Board.

A4.2 Controlling and Adjusting the Annual Budget

The District structures and controls its budget by using funds.

1) District Board: The District's budget is controlled at the fund level by the District Board. The District Board, as representatives of the public, is the sole authority for establishing District priorities and creating or increasing expenditure appropriations of the general fund or capital fund, as approved in the final adopted budget. The District Board approves:
   a) All increases in appropriations of a fund, as approved in the final adopted budget.
   b) All transfers of appropriations between funds.
   c) All decreases in appropriations, with the exception that the District Manager may direct Department Managers to suspend expenditure pending Board consideration of decreases in appropriations, needed to respond to fiscal emergency.
2) District Manager: Holds all departments responsible and accountable for their respective budgets as originally adopted by the District Board or as thereafter revised in accordance with this policy. The District Manager has authority to approve:
   a) Budget transfers between departments if those changes do not increase overall appropriations within any one department or fund.
3) District Department Managers: The level of expenditure control for departments is at the fund and department level, as approved in the final adopted budget. Departments that operate programs among different departments or funds are limited to the appropriation levels within any department or fund, as approved in the final adopted budget.
4) Administrative Services Department: Shall coordinate the overall administrative responsibility for planning, coordinating, analyzing, preparing, and issuing the budget.

A5 Expenditure Appropriations Budgetary Carryover

All operating expenditure appropriations not spent during the fiscal year lapse at year-end, except for:

1) Encumbrances or commitments, as in the form of finalized purchase orders or agreements, made during the fiscal year that have not been completed at year-end.
2) Appropriations for capital improvement projects and ongoing grants with a life cycle beyond one year.

BUDGET PROCESS

Every two years the Board's Finance Committee holds an initial meeting with staff to review an administrative draft of the proposed budget for the coming two fiscal years, which begins on July 1 and ends on June 30 of each year. The committee reviews income forecasts for the next two consecutive years and proposed expenditures for the same period, noting operational and staffing plans as well as any changes in laws and regulations. Following this series of meetings, staff prepares two, one year budgets that meet with the Committee's approval, and the budget proposals are considered by the Board in open, public session. To give context to the budget, staff prepares an accompanying "Operating and Capital Budgets Preliminary Budget Review" document that cites many statistics and performance measures. As the need arises, the Board may adopt one or more Budget Amendments during the fiscal year.

Board members are provided with a financial statement, at least quarterly, that illustrates the progress of income and expenditure as the budget year progresses. Staff also tracks revenues, expenditures and conformance with the budget by means of a similar monthly statement.

A5.1 Revenue Overview

HISTORY

Following the District's formation as a California Special District in 1915, the District was funded by means of a small share of the general property tax revenues. In 1978, voters approved the landmark Proposition 13, which fundamentally altered local government finance by lowering the maximum property tax rate to 1% of assessed value and limiting annual tax increases to no more than 2%. Prior to the passage of Proposition 13, property taxes rates in California averaged slightly less than 3%.

The effect on the District was to abruptly slash its income in half, causing staff layoffs and service reductions. A series of legislative actions by the state to regulate the allocation of property tax funding followed. More than 20 years later, funding of Special Districts and other local government entities was further modified by the voters' approval of Proposition 218, which placed limits on local government's ability to impose or increase special assessments without voter approval.

AD VALOREM TAXES

The District's share of the property tax revenues represents a tiny fraction of one percent of the overall property taxes paid by property owners. The formula was established to be equivalent to the share that the District received prior to the passage of Prop 218. In 2021, the ad valorem (according to value) tax income accounted for approximately 58% of the District's income, with almost all the remainder provided by the two Benefit Assessment Districts described below. For more detailed information on property taxes, the reader may wish to consult the document

"Understanding California's Property Taxes," published free of charge by the nonpartisan Legislative Analyst's Office, and available on the web.

ASSESSMENT DISTRICT #1

After enduring some lean financial years, the Board formed Assessment District #1 in October 1996, with the first revenues accruing to the District in 1997. State law required only a protest hearing to create the Assessment District; no mail or other ballot was required. Assessments in District #1 were levied in the central areas of Marin and Sonoma counties. Since this assessment predated the voters' 1996 approval of Proposition 218, it is considered to be "grandfathered" and is subject to some of the limitations subsequently established by Proposition 218. Initially, the Board of Trustees approved an annual increase to the maximum authorized tax rate equal to the change in the Consumer Price Index (CPI) for the San Francisco Bay Area, not to exceed 5% per year. However, the assessments were limited to a never-to-be-exceeded maximum assessment rate (cap) of $12.00 per single family equivalent benefit unit and this capped was reached in fiscal year 2013/14. As a result, the income from Assessment District #1 is flat; it is not subject to the CPI increase each year and the cap cannot legally be increased. One consequence is that this flat revenue declines in purchasing power each year due to the eroding effect of inflation. In fiscal year 2026/27, revenues from Assessment District #1 are anticipated to be approximately $3.4 million, representing 76% of the total benefit assessment revenue from the two benefit assessment districts.

Each year, in accordance with Health & Safety Code Section 2082 and Article XIIID of the California Constitution, the District's Assessment Engineers calculate the amount of special benefit accruing to each parcel receiving services within the District.

ASSESSMENT DISTRICT #2

Assessment District #2 was established in late 2004, long after Proposition 218 took effect in 1996. Before establishing the Assessment District, the District conducted community outreach and surveying to ensure property owners supported the proposed new services and assessments. Following LAFCO (Local Agency Formation Commission) required procedures, the District conducted a mail election. This new benefit assessment enabled the District to provide mosquito, vector and disease control to the coastal areas of Marin County and the coastal and northern areas Sonoma County, which had not previously been served by the District or any agency. Around this time, West Nile virus arrived in the area and this development may have played a role in the approval by the voters, which stood at 61.22 % of the weighted returned ballots. Although it accounts for only 24% of the revenue ($1.1 million) from benefit assessments in fiscal year 2026/27, this assessment is not capped and can adjust over time to reflect increases in costs to provide services. To recognize varying levels of services rendered by the District, there are two zones (A and B) of differential benefit within this Assessment District #2. For example, during fiscal year 2026/27, the maximum authorized rates were $34.04 for Zone A and $32.56 for Zone B. The per parcel amount levied in Assessment District #2 is higher than for properties in Assessment District #1 because properties in Assessment #2 do not contribute ad valorem taxes to the District.

CONTRACT REVENUES

The District performs mosquito control work for municipalities and their facilities that don't contribute to the property tax income the District receives, such as the Petaluma wastewater treatment plant and water recycling facility. The District also provides ongoing mosquito control services to the City of Santa Rosa's wastewater irrigation and reclamation programs. Because the scope and nature of these undertakings clearly exceeds the amount received in municipal assessments by the District, the District enters into contract agreements to recover some of the costs it incurs. The District's intent is to charge customers the same amount the District incurs for labor costs, pesticide purchases and any expenses related to third parties used for the application (for example, helicopter treatment expenses). Although the total amount varies from year to year, revenues have averaged $250,000 annually over the last decade, representing about 2% of the District's total revenue.

A5.2 Expenses Overview

The District provides a public service requiring many employees with a variety of skills and experience. As a result, the District's primary expenses are salaries and benefits. Generally, the District will spend about 70% of the total budget on salaries and benefits. Employee salaries and benefits are established by District policies and approved labor contracts.

In addition to salaries and benefits, the District incurs costs to purchase and maintain vehicles, spray equipment, and lab equipment. Similarly, the District purchases chemicals, tools and supplies needed for vector testing and control, and contracts for needed professional services not provided by District staff. The District Board of Trustees adopts two, one-year budgets, every other year that details these expenditures.

CAPITAL ASSETS

The District requires a wide variety of vehicles, equipment, tools and facilities to perform vector control and administrative functions. In order to purchase and maintain the capital assets, the District has two reserve accounts, the Capital Facility Improvements Reserve and the Capital Equipment Replacements Reserve. The Capital Facility Improvements is to support ongoing and future facility and infrastructure improvements. This reserve is for large scale, infrequent and non-routine expenses for facility repairs, infrastructure upgrades or new construction. While the

Capital Equipment Replacements Reserve is dedicated to the replacement and acquisition of capital equipment and vehicles not associated with facility infrastructure.

These reserve funds buffer fluctuating annual capital expenditures and help replace equipment as it wears out.

LONG TERM LIABILITIES
The District provides retirement benefits through the Marin County Employees' Retirement Association. Additionally, the District provides other post-employment medical benefits (OPEB) to tier one employees when they retire from the District. Pension and OPEB liabilities are accounted for and reported in accordance with GASB Statement No. 68 and GASB Statement No. 75, respectively. The District has set aside sufficient cash and investments to fully fund this OPEB obligation.

The District does not have any other long-term liabilities. The Debt Management Policy is in place as a guideline for future liabilities.

A6 Fund Balance Reserve

It shall be the policy of the District to maintain fund balances adequate to address public health emergencies, contingencies, operating cash flow, future liabilities, replacement of equipment and facilities, and the like. Additionally, this policy establishes goals and provides guidance concerning the target level of fund balance in various categories to be maintained by the District to mitigate various financial risks that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. This policy follows the guidelines set in the Governmental Accounting Standards Board ("GASB") Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. No other policy or procedure shall supersede the authority and provisions of this policy.

A6.1 Definitions
Fund balance is essentially the difference between total assets, total liabilities and deferred inflows/outflows or resources, reported in each governmental fund.

GASB Statement 54 distinguishes various categories of fund balance based on the relative strength of the constraints that control the purposes for which specified amounts can be spent.

A6.2 Fund Balance Classifications
Listed below are the fund balance classifications beginning with the most restricted and constrained category, and progressing stepwise to the least restricted classification. Fund

balance amounts will be reported in the following categories: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Further explanations of each category are provided below:

1) **Nonspendables** classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. This classification represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact and assets not expected to be converted to cash, such as prepaids, notes receivable, and inventories are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.
2) **Restricted fund balances** classification includes amounts that can be spent only for the specific purposes stipulated by external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Examples include pension prefunding trust, grants or donations.
3) **Committed fund balances** have constraints imposed by formal action of the Board of Trustees which may be altered only by formal action of the Board of Trustees. Encumbrances and nonspendable amounts subject to Board commitments are included along with spendable resources. The Committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, which is the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (for example, a resolution) that it employed to previously commit those amounts. Committed Fund Balance amounts also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Examples include funds committed for tax collection timing reserve and public health emergencies. Where a committed balance is also a statutory restricted reserve established under Health & Safety Code §§ 2070–2071, the more stringent statutory rule controls: such a reserve may be discontinued, or its funds redirected to the general fund, only by a four-fifths vote of the total membership of the Board of Trustees. General Counsel shall confirm, for each reserve, whether it is a

statutory restricted reserve, a GASB 54 committed balance, or both, and the controlling change-control rule shall be applied accordingly.

4) **Assigned fund balance** classification includes amounts that are constrained by the District's intent that they be used for specific purposes, but are neither restricted nor committed. Such intent is expressed by the Board of Trustees or its designee and may be changed at the discretion of the Board of Trustees or its designee. This category includes encumbrances when it is the District's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of the Capital Replacement Fund which have not been restricted or committed. Examples of assigned fund balances include funds set aside for insurance reserve joint powers authority, capital facility improvements and capital equipment replacements.
5) **Unassigned Fund Balance**
The Unassigned Fund Balance classification represents residual amounts not contained in any of the above four categories. This includes the residual balance in the General Fund. Unassigned amounts may be used for any legal purpose.

A6.3 Authority to Designate Funds
The responsibility for designating funds to specific classifications shall be as follows:

Committed Fund Balance – The Board of Trustees is the District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

Assigned Fund Balance – The Board of Trustees has designated the District Manager and the Administrative Services Manager as the officials authorized to assign fund balances to a specific purpose, only as approved and governed by this Policy.

A6.4 Minimum Fund Balances
Under GASB 54, governments have the option to formally set aside unrestricted fund balance amounts for use in emergencies, revenue shortages, or to deal with a budget imbalance. The District has the authority to set aside such amounts by resolution of the Board. These set-aside amounts may be spent only if certain specific circumstances exist. Amounts maintained in the

General Fund that are intended to provide financial stability shall be reported as committed or assigned. The notes to the District's annual financial statements shall disclose the authority for establishing the arrangement, the requirement for additions to the amount, the conditions under which amounts may be spent, and the balance.

The Board's Finance Policy establishes fiscal management and budget policies. This policy establishes that the District will prudently maintain sufficient reserve funds to stabilize the District's fiscal base and enable it to deal with anticipated fluctuations in revenues and expenditures, provide for unanticipated expenditures of a non-recurring nature and to pay for any unexpected increases in materials or service delivery costs within the fiscal year.

1) <u>Inventory, nonspendable account.</u>
   Inventories are recorded as assets on the balance sheet and the nonspendable fund balance matches the balance of the inventory asset. This ensures that the District does not overstate its available spending capacity.
2) <u>Pension Prefunding Trust, General Fund restricted account</u>.
   It is the District's policy to invest post-employment benefit reserves in a Section 115 Trust, as defined in the Internal Revenue Code. Once funds are invested in a Section 115 Trust, the funds cannot be used for any purpose other than qualified benefit expenses. The District cannot withdraw funds for any other purpose. The District will participate in the California Employers' Pension Prefunding Trust (CEPPT).
   The District shall maintain a balance in the CEPPT needed to fund the next one to three years total annual contributions required by MCERA. MCERA determines this amount annually in their actuarial analyses, and this reserve policy will remain regardless of the program funding status as determined by MCERA. If MCERA determines that the District does not have an Unfunded Actuarial Accrued Liability, future payments required for "normal costs" will be set aside in the CEPPT, as needed to meet the actuarial analyses above. Annually, the District will make deposits and withdrawals as needed to fund the program, maintain this required reserve and maximize investment earnings.

3) <u>Tax Collection Timing Reserve, General Fund committed account</u>
   The majority of the District's revenues are collected by the two counties from the tax rolls and remitted to the District twice annually, at intervals of approximately six months. In order to continue operations between these widely spaced increments of revenue, the District must keep sufficient funds on hand to provide

for the purchase of materials, services and to meet payroll. Additionally, even when the monies are deposited in the District's bank accounts, the reporting of these amounts to the District is often delayed by several months due to workflow priorities at the County Department of Finance. The District cannot spend unrecognized revenues.

Therefore, the District shall maintain in the General Fund, a minimum target fund balance equal to six months of the prior budget year's actual expenditures in the General Fund, less substantial one-time, non-recurring expenditures for that year.

4) Public Health Emergencies, General Fund committed account

California Health & Safety Code section 2070 provides that the Board may divide the annual budget into categories, including a reserve for public health emergencies. Funds held in this reserve may be used only to deal with an emergency such as an outbreak or epidemic of vector-borne disease, or to take appropriate actions in the event of the discovery of an invasive mosquito species within the District's service area. Examples of expenditures that may be necessary include, hiring additional personnel to conduct specialized or enhanced mosquito surveillance and/or control, materials, laboratory testing, aviation services, mapping and specialized consultant help, and reimbursing other mosquito districts for mutual aid provided. Recognizing that increasing the District's revenue stream is a cumbersome and time-consuming process, this fund balance is committed for the express purpose of financing whatever response is deemed necessary to deal with a public health emergency or serious threat.

In the case of a public health emergency, the district will set aside funds for 24 additional aerial applications and an additional 6 months ground support. The District will calculate the anticipated expenses for the following:

- Temporary Staffing of eight employees for six months
- Aerial Larvicide treatment for 1,000 acres
- Aerial Adulticide treatment for 1,000 acres
- Additional Materials (adulticides and larvicides)
- Additional Field Equipment for eight employees (truck, personal computer, employee onboarding, etc.)

- Lab Equipment and supplies for additional testing, traps and any miscellaneous expenses

5) Insurance Reserve Joint Powers Authority, General Fund assigned account

As part of its participation in the Vector Control Joint Powers Agency (VCJPA) the District maintains a fund balance to defray the estimated cost of paying several self-insured retention (SIR) amounts. SIRs are similar in function to an insurance deductible and must be paid by the District in the event of a claim. VCJPA has published recommended fund balance targets in the Member Contingency Fund (MCF) to deal with a worst-case scenario involving multiple large claims. These funds are kept on deposit with VCJPA and professionally invested at the direction of the VCJPA Board. MCF amounts are invested and managed in strict accordance with governmental fund investing requirements and restrictions. Historically the rate of return has equaled or bettered other relatively secure investment vehicles such as the Local Authority Investment Funds (LAIF).

It shall be the District's policy to maintain funds on deposit with VCJPA in the Member Contingency Fund in an amount approximately equal to that recommended by the VCJPA, plus or minus twenty percent of the recommended value.

As an assigned fund balance designated for a specific purpose, under section 5060.10, the Board authorizes the Manager and/or Administrative Services Manager to disburse funds from the VCJPA Member Contingency Fund to the extent necessary to pay the District's SIR to VCJPA in connection with an emergency situation.

6) Capital Facility Improvements, General Fund assigned account

The District has established the Capital Facility Improvement Reserve to support ongoing and future facility and infrastructure improvements. This reserve is for large scale, infrequent and non-routine expenses for facility repairs, infrastructure upgrades or new construction.

This reserve account will be funded with transfers of unassigned General Fund balances with a maximum of $10,000,000.

7) Capital Equipment Replacements, assigned account

The District shall maintain an assigned fund balance for the replacement and acquisition of capital equipment and vehicles not associated with facility infrastructure, in accordance with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board guidance, and applicable provisions of the California Government Code. The reserve shall have a maximum balance of $1,500,000, and a target balance of approximately $1,000,000.

The target reserve balance of $1,000,000 is established based on the District's average annual capital equipment and vehicle expenditures of approximately $500,000, with periodic replacement costs approaching $800,000, and a fleet exceeding 55 vehicles with significant individual replacement values. This target is intended to provide sufficient funding capacity to accommodate cyclical replacement needs, absorb at least one year of elevated capital outlays, and address unforeseen or emergency equipment failures.

8) <u>Unassigned Fund Balance</u>

Unassigned fund balance represents the net financial resources of a governmental fund that are available for appropriation and spending. This portion of fund balance is not restricted, committed or assigned for a specific or legally binding purpose. To the extent that the District has unreserved fund balance at June 30th of each year, the District will replenish reserve accounts in the following order:

1. Tax Collection Timing Reserve
2. Public Health Emergencies
3. Capital Equipment Replacements
4. Capital Facility Improvements

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the District shall expend funds in the order beginning with using the most restricted category before drawing progressively from categories with successively less restricted fund balances that are available for the intended purpose.

B Electronic Signature Use Policy

B1 Policy

It is the policy of the Marin/Sonoma Mosquito & Vector Control District (the “District”) to accept electronic signatures affixed to documents in which a signature is required or used, provided that:
(1) the electronic signatures are “digital” signatures that comply with the requirements of California Government Code Section 16.5 and applicable state regulations
(2) the signatories are willing and desiring to utilize digital signatures, and
(3) the digital signatures are created by technologies authorized by the California Secretary of State and made available by the District. Signatories may digitally sign the following types of documents:

- Memoranda
- Service Agreements (Contracts)
- Forms, Certificates, Permits (if allowed)
- Leases
- Board Letters
- Purchase Orders
- Correspondence
- Administrative Policies
- Meeting Minutes
- Documents requiring the Board President’s signature

The use, or the District’s acceptance, of a digital signature is at the option of the District and the signer(s). Nothing in this Policy requires the District to use or accept the submission of a document containing a digital signature. Transactions involving real property (e.g. deeds, transfers of title) shall not be signed electronically.

All parties that wish to use electronic signatures shall agree to follow this Policy, shall provide written or electronic consent as to the use of electronic signatures, and shall agree to indemnify the District against any liability associated with transmitting an electronic signature or an electronically signed record by electronic transmission.

The District will use electronic signatures, but not digital signatures for RFPs, Board letters and minutes, in which there is no transaction with another party.

B2 Definitions

"Digital Signature" means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. A digital signature is a type of "electronic signature".[2]

"Digital Signature Certification Authority" means an entity authorized by the Secretary of State to issue digital certificates that are required for a digital signature under California law and that is listed on the Secretary of State's "Approved List of Digital Signature Certification Authorities."

"Digital Signature Provider" means an entity that provides document signing services using digital technology.

"Electronic Signature" means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record, including a digital signature.[3]

B3 Electronic Signatures

The use of electronic signatures is authorized by two California statutes, the Uniform Electronic Transactions Act ("UETA"), codified at Civil Code Section 1633.1 et seq., and Government Code Section 16.5.

The UETA provides that a signature may not be denied legal effect or enforceability solely because it is in electronic form. In order for the UETA to apply, the parties must agree to conduct the transaction by electronic means, and whether they have agreed to do so "is determined from the context and surrounding circumstances, including the parties' conduct."

Government Code Section 16.5 applies to public entities[4] such as the District, and authorizes any party to a written communication with a public entity, in which a signature is required or used, to affix a signature by use of a digital signature that complies with the requirements of Section 16.5.[5] Digital signature transactions involving public entities that are subject to the UETA are also subject to the more particular requirements of Government Code Section 16.5.[6] The use of a digital signature will have the same force and effect as the use of a manual signature if, and only if, the digital signature embodies the five attributes[7] discussed in Section

2D below.

B4 Digital Signatures

Government Code Section 16.5 and state regulations require that a digital signature

(i) be created by a technology that is acceptable for use by the State of California and
(ii) (ii) embodies the following five attributes:
1. It is unique to the person using it;
2. It is capable of verification;
3. It is under the sole control of the person using it;
4. It is linked to data in such a manner that if the data are changed, the digital signature is invalidated; and
5. It conforms to regulations adopted by the Secretary of State, codified at Chapter 10 of Division 7 of Title 2 (commencing at Section 22000) of the California Code of Regulations. [8]

B5 Digital Signature Technologies

The Secretary of State allows public entities to utilize digital signatures that are created by one of two different technologies – "public key cryptography" and "signature dynamics" – provided that the digital signatures are also created consistent with the provisions of Section 22003 of the California Code of Regulations.

Public key cryptography ("PKC") is a form of cryptography that generally allows users to communicate securely. PKC signatures are affixed to documents using software enhancements to existing applications and web browsers and are capable of immediate third-party verification.

Signature dynamics uses the individual's handwritten signature. Unlike PKC signatures, signature dynamics signatures require additional hardware to create the signatures. An electronic drawing tablet and stylus are used to record the direction, speed, and coordinates of a handwritten signature – essentially, taking a snapshot of a person's signature. This type of digital signature does not offer encryption, confidentiality, or the level of security that is inherent in PKC signatures. PKC allows for third party verification of the signature by certification authorities approved by the State, while signature dynamics signatures require additional steps (including handwriting analysis) to verify the signer of a document (similar to a non-notarized, paper-based signature). A formal handwriting analysis of a signature dynamics signature may be lengthy. However, some degree of certainty can be obtained by a lay comparison of manual handwritten signatures that may already be on file with the District.

The District shall only contract with digital signature providers that offer their digital signature services with a certificate issued by a digital signature certification authority. District staff shall only accept digital signatures created by PKC or signature dynamics technologies. As advised by the Secretary of State, District staff shall consider the following issues and other issues when identifying the appropriate technology to use for each document that includes a digital signature component:

- Are the documents containing signatures going to be transmitted over an "open" (insecure) or a "closed" (secure) network?
- Does the signature on the document require verification?
- How much time and resources can be allocated to verification?
- Is it necessary for the signature to be compared to a manual signature on paper or can a digital certificate adequately provide one-stop verification?
- Will immediate verifiability reduce the potential of fraud?
- Will the documents containing digital signatures have to be reproduced for public access to the records?
- Will the documents containing digital signatures be utilized by another local, state or federal agency? If so, is the technology compatible with the other agency's needs?

Whenever a document requires immediate absolute verification of a signature, District staff shall use and accept only digital signatures created by the PKC technology.

Cal. Code Regs., tit. 2, § 22000 *et seq.*
[2] Cal. Gov. Code, § 16.5(d).
[3] Cal. Civ. Code, § 1633.2(h).
[4] "'Public entity' includes the state, the Regents of the University of California, the Trustees of the California State University and the California State University, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State." Cal. Gov. Code, §§ 16.5(a) & 811.2 (emphasis added).
[5] Cal. Gov. Code, § 16.5(a).
[6] See Civ. Code, § 1633.3(e).

[7] Gov. Code, § 16.5(a).

[8] Cal. Gov. Code, § 16.5; 2 C.C.R. § 22002.

[9] California Secretary of State, *Approved List of Digital Signature Certification Authorities*, http://www.sos.ca.gov/administration/regulations/current-regulations/technology/digital-signatures/approved-certification-authorities?referrer=&lastReferrer=trustfile.avalara.com (as of July 2018).

C Fiscal Resilience Policy

C1 Policy

Under authority granted by the Board of Trustees of the Marin/Sonoma Mosquito & Vector Control District (the "District"), the District Manager, working closely with the Administrative Services Manager, is responsible for keeping the Board fully apprised of the financial condition and needs of the District.

The goal of this policy is to provide guidance for identifying and preemptively managing potential or existing financial shortfalls, while prioritizing the District's core essential services and maintaining financial stability. The core functions of the District, in priority order, are:

1) Protecting public health by conducting surveillance for, and control of, mosquitoes and other vectors and the diseases they transmit.
2) Responding to public health emergencies involving vector-borne disease.
3) Maintaining the District-owned infrastructure, buildings, vehicles, and field and laboratory equipment necessary to carry out the vector control mission.

C2 Objectives

This policy standardizes a process for regular evaluation of the District's financial position, so that potential threats are identified as early as possible, and provides a suite of potential actions to address shortfalls.

The District's primary financial objective is to maintain a prudent level of reserves to protect against reductions in core service levels, or increases in taxes and assessments, arising from temporary revenue shortfalls or unexpected one-time expenditures. Consistent with the District's Fiscal Resilience Policy and the reserve structure authorized by California Health and Safety Code section 2070, the District's reserve goals are:

1) General Fund. An unassigned fund balance of no less than six (6) months of regular General Fund operating expenditures, which exceeds the Government Finance Officers Association (GFOA) recommended minimum of no less than two months of operating revenues or expenditures.
2) Statutory Restricted Reserves. Funding of the restricted reserves for public health emergencies, capital and asset preservation, and contingencies at levels established by the Board in the annual budget (Health and Safety Code sections 2070 and 2071).

Maintaining a healthy fund balance also supports the District's ability to secure favorable terms on any capital financing it may undertake.

C3 Scope

This policy addresses fiscal circumstances that affect the District's overall financial position. Because the District is a single-purpose special district that does not operate enterprise (fee-for-service) utilities, its financial risk is concentrated in the General Fund, which funds substantially all core operations, and in the statutory restricted reserves that support those operations. This policy therefore focuses on the General Fund and the District's restricted reserves.

C4 Regular Evaluation

The District shall generate regular financial reports, including but not limited to quarterly financial reports and a long-range financial forecast prepared with the annual budget. The second-quarter (Q2) report shall serve as the District's mid-year review, at which staff re-forecast the full fiscal year and recommend any budget adjustments. In addition to reporting reserve balances against policy targets, staff shall include in these reports a summary of the District's financial standing using ratio analysis, threshold monitoring, and observation of economic conditions. Financial considerations shall include, but are not limited to, the following:

General Fund Fiscal Health Analysis

a) Maintain a cash coverage level consistent with the General Fund reserve target of no less than six (6) months of regular operating expenditures. This measure serves as a surrogate for the minimum reserve target during the year.

b) Monitor liquidity using months of cash on hand (days cash on hand), which measures unrestricted cash and investments against the District's average daily operating outflow. Because the District receives the majority of its property-tax-based revenue in two annual apportionments (approximately December and April), the District shall maintain unrestricted cash equal to at least the General Fund reserve floor established in this policy, and in no case less than the amount needed to fund operations through the gap to the next apportionment. This measure parallels the six-month reserve target and is the primary indicator of the District's ability to meet obligations between apportionments.

c) Confirm that total revenues have not declined by more than 10% compared with budget or the prior year.

d) Confirm that total General Fund expenditures have not increased by more than 10% relative to budget, whether from the factors below or other unexpected causes.
e) Confirm that significant revenue sources — principally property tax apportionments and benefit assessments — have not each declined by more than 10% from budget or the prior year.
f) Confirm the receipt, or expected receipt, of any material one-time or grant revenue relied upon in the adopted budget (for example, cooperative agreement or state and federal grant funding).

Five-Year Community Fiscal Health Analysis

Because the District's revenue base is driven primarily by assessed property values within its jurisdiction, the District shall monitor the following longer-term indicators over a rolling five-year period:

a) Property valuation trends. Changes in the assessed value of property within the District, which indicate the direction of the District's property-tax and assessment revenue base.
b) Growth trends. Population and residential and commercial development within the District, which affect service demand (acreage and sources requiring inspection and treatment) and operational cost.
c) Regional and national economic factors, including:
    i) The U.S. personal saving rate, as reported by the U.S. Bureau of Economic Analysis.
    ii) Unemployment rates for Marin and Sonoma counties, as reported by the U.S. Bureau of Labor Statistics and the California Employment Development Department.

C5 Steps to Address Shortfalls

Some indicators require immediate action, while others may signal, individually or collectively, trends presenting a near- or medium-term risk to the District.

Primary Indicators

Primary indicators include falling below a target reserve level, or an unbudgeted decline in revenue or increase in expenditures of more than 10% in the General Fund.

If a primary indicator is triggered, the District will immediately freeze new non-essential contract services, will not issue any new capital improvement contracts, and will prepare a recommendation for next steps to the Board of Trustees within thirty (30) calendar days.

Secondary Indicators

If, during an evaluation period, more than one secondary indicator suggests current or projected fiscal uncertainty to the detriment of the District, staff shall perform the following assessment and present it to the Board at the next quarterly financial update:

a) Initiate an immediate assessment of the complete financial situation upon reaching the defined thresholds.
b) Review quarterly financial presentations to analyze and identify the cause of any shortfall.
c) Evaluate the indicator to identify the projected magnitude and duration of the fiscal impact.

C6 Potential Measures to Consider

The following measures outline, in general priority order, a triage process for addressing an acute financial situation. The Board of Trustees should determine the order and implementation of measures based on conditions as they present themselves, with the focus on preserving core essential services.

Core essential services are those that directly protect public health: mosquito and vector surveillance, larval and adult mosquito control, response to vector-borne disease detections and public health emergencies, and the laboratory, field, and information systems that directly support those activities. The District will allocate reasonable resources to these critical areas to maintain uninterrupted service delivery.

To identify non-critical expenditures, the District will evaluate contracts, including capital project contracts, professional services contracts, and other services, subscriptions, and fees, to determine their necessity to the District's core services and their relative budgetary and service impact. Staff will initially identify, categorize, and make recommendations on these expenses; the Board will decide where, and in what order, to reduce expenditures based on the fiscal needs of the District.

1) Contract Freezing, Renegotiation, and Cost Reduction:
   a) Consider freezing new capital expenditures and related "soft" costs.
   b) Consider freezing design services for future capital projects.

   c) Consider freezing or reducing service contracts, subscriptions, and discretionary purchases.
   d) Initiate renegotiation of outside contracts and explore cost-saving measures.

2) Excess Asset Management:
   a) If the shortfall is expected to be short in duration, assess available physical and financial assets to manage cash flow, including:
      i) Selling or leasing surplus or underutilized property or equipment.
      ii) Prioritizing liquidation of longer-term investments to meet cash-flow needs, consistent with the District's investment policy and Government Code sections 53600 et seq.

3) Staffing and Training Freeze and Labor Discussions:
   a) Consider a hiring freeze on non-essential positions. Freezes may need to be lifted for positions essential to the District's core functions, particularly seasonal field and surveillance staff during vector season.
   b) Consider freezing non-essential training, particularly travel-related training.
   c) Consider engaging in dialogue with the District's recognized labor organization to seek collaborative solutions, consistent with the applicable memorandum of understanding and the Meyers-Milias-Brown Act.

4) New Revenue:
   a) Consider exploring new or additional revenue sources — such as grants, cooperative agreements, cost-recovery for special services, or, where warranted and legally authorized, adjustments to benefit assessments under Article XIII D of the California Constitution — particularly when the shortfall appears to be a long-term issue affecting core service levels.

5) Debt and Liability Management:
   a) Consider working with lenders and with MCERA to address loan or unfunded-liability payment terms, such as adjusting amortization or restructuring payments to better align with cash-flow projections.
   b) Evaluate the timing of internal debt-service and inter-fund transfers to manage operating cash flow.

When implementing cost-reduction measures, communication and transparency with the community are essential. The District will communicate the financial challenges and proposed measures to stakeholders and the public and provide regular updates on the status of any shortfall and the actions taken to address it.

1) Monitoring and Adjustment:
   a) Establish a framework to track the implementation and effectiveness of cost-saving measures.
   b) Conduct regular reviews to assess the impact of actions taken and adjust strategies as needed.
2) Documentation and Reporting:
   a) Document all budget decisions, negotiations, and financial projections.
   b) Provide comprehensive reports to the Board of Trustees and stakeholders to maintain transparency and accountability.

C7 Review and Approval

This policy shall be reviewed together with the District's other financial policies on a regular basis by the District Manager and the Administrative Services Manager and updated as necessary, subject to approval by the Board of Trustees, to ensure its continued effectiveness in identifying and addressing financial shortfalls.

D Revenues Controls and Management Policy

D1 Purpose

The purpose of the Revenue Control and Cash Management Policy is to establish a framework from which the District Board of Trustees, District Manager, and all District departments may work to maintain effective revenue controls and cash management practices, including compliance with federal, state, and local requirements and industry standards.

D2 Revenues Management

1) The District shall make a prudent effort to collect revenues and perform audits to ensure that funds due to the District are accurately received in a timely manner.
2) The District will fund current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
3) The District has established various special revenues, capital projects and debt service, to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures, and fund equity.
    a) Any transfers between funds for operating purposes are clearly set forth in the annual budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from inter-fund borrowings, which are usually made for temporary cash flow reasons, and are not intended to result in a transfer of financial resources by the end of the fiscal year.
4) The District will seek reimbursements for State mandated costs whenever possible.
5) The District will adopt user fees with appropriate levels of cost recovery.
    a) User-fee studies should be performed and updated to ensure the proper balance of costs and service charges. The District should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent the District Board approves defined subsidy levels by program area.
6) Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the District Board as fees are updated to ensure they reflect all the direct and reasonable indirect costs of providing such services.
7) The District will seek out, apply for, and effectively administer federal, state, and other grants that address the District's current operating and capital priorities. Prior

to accepting grant funding, the Grants Management policy will be reviewed to ensure the grant being applied for meets those requirements.

D3 Revenues Controls

1) District Management shall be responsible for establishing a reasonable internal control environment that all aspects of cash receipting and accounts receivables should be subject to proper processing including:
   a) Segregation of duties such as initiation and authorization of transactions, execution of transactions (receipting and disbursement), recording transactions, reconcilement, and maintaining custody.
   b) Daily processing and timely deposit of receipts. Ideally, all funds should be deposited within 4 days of receipt.
   c) Timely reconciliation to applicable ledgers.
   d) Physical security procedures.
   e) Fraud reporting procedures.
   f) Use of integrated receipt and accounting systems wherever practical and cost effective.
2) Accounting practices - All receipts and receivables should be recorded in accordance with our financial reporting framework and generally accepted accounting principles (GAAP).
3) Billing and collection practices - Accounts receivable should be established for services provided in advance of payment and terms for collection should be established. In accordance with established procedures, bills should be initiated, recorded in an accounts receivable system, and accounted for within the financial reporting system if different. All invoices for payment should be generated within an established timely manner after initial service delivery. Efforts should be made to ensure that receivables are collected in a timely fashion.
4) Methods of payment to the District- The District shall offer as many payment types and methods as possible that can be reasonably administered. Electronic forms of payment methods should be promoted due to the increased timeliness and cost-effectiveness while providing reduced overall risk and increased cash flow. Merchant servicers who process credit cards shall be PCI Compliant.
5) Depositing of received funds - Administrative Services should serve as the primary recipient for all revenue collection. There should be timely recognition and depositing of revenue collected.

6) Returned checks - The Administrative Services Department shall process timely and initiate collections for any returned checks. The District will follow the State Law as the established fees for returned checks.
7) Accounts receivable management - All accounts receivable, invoicing, should be recorded in a manner that allows for aging analysis according to GAAP. The Administrative Services Department should establish available collection options that maximize collection efficiency. Collection agencies that are familiar with federal, state, and local notice requirements and regulations should be considered when their use proves cost-effective.
8) Bad Debts - An allowance for doubtful accounts and a write-off procedure should be established. Bad debt expenses should be estimated based upon a documented method of calculation. An allowance for doubtful accounts should be recorded. Write-offs should be performed periodically to ensure that accounts receivable and allowance balances are not overstated. Efforts should be made to pursue the timely collection of delinquent accounts.
9) Budgetary review responsibilities - Revenue collections and accounts receivable should be monitored in a timely manner. Both actual and budgeted or forecast revenues should be monitored. Any significant variance of the actual from the forecast or budgeted revenues should be investigated thoroughly.

D4 Review and Approval

This policy shall be reviewed with the District Financial Policies on a regular basis by the District Manager and Administrative Services Manager and updated as necessary through approval by the District Board to ensure its effectiveness in identifying and addressing budget shortfalls.

E Expenditure Planning and Purchasing Policy

E1 Purpose and Scope

This policy provides purchasing guidelines for all District purchases.

Formal purchasing procedures for local agencies (including Special Districts) are required under the terms of California Government Code, Section 54202. The purpose of this policy is to manage the procurement process in accordance with the law; spend taxpayer's money wisely and fairly; protect against fraud and to best meet the needs of the District through continuous improvement of purchasing systems and procedures. The policies and procedures set forth in this document are designed to ensure that procurements are accomplished in a timely, efficient manner at the most economical cost to the public. The District purchases and contracts (excluding rentals and leases) will be made pursuant to these guidelines.

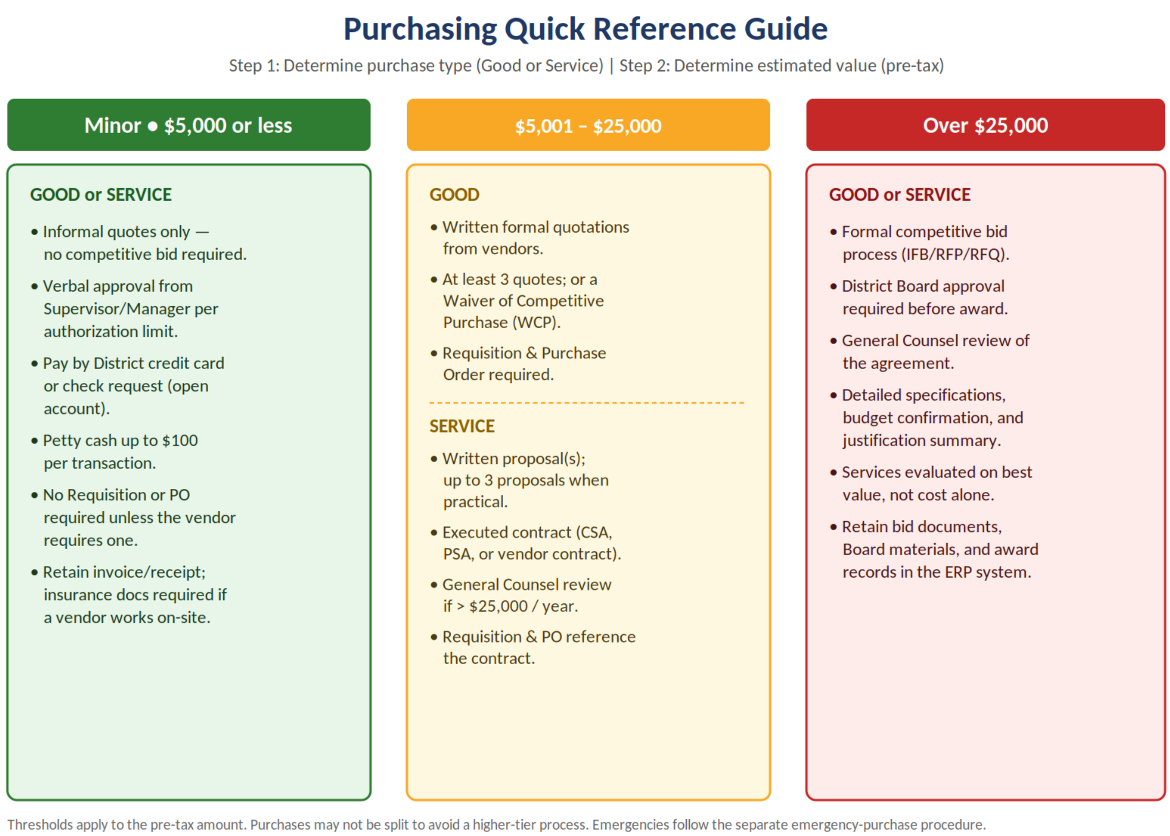


Figure 5-1. Purchasing Quick Reference Guide — determine purchase type and value, then follow the matching tier.

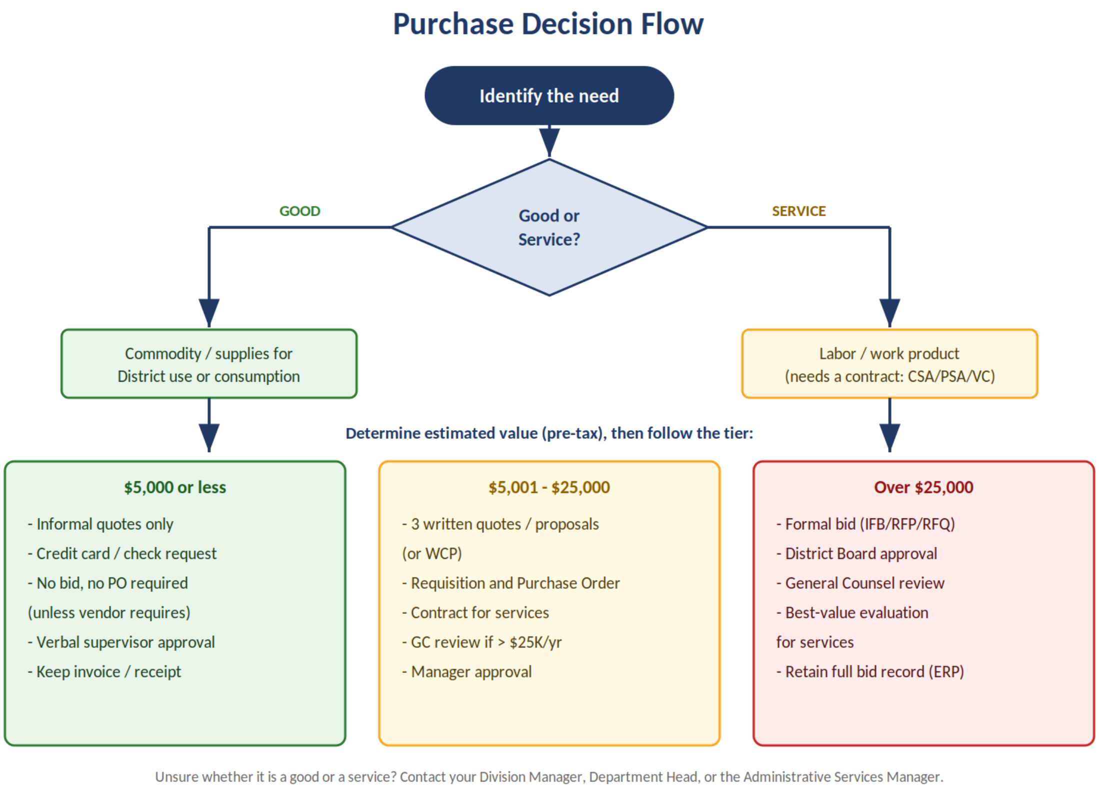


Figure 5-2. Purchase Decision Flow — good vs. service and the process by dollar tier.

E2 Definitions

- "Professional services" means services such as, but not limited to, those defined in Government Code §4525, including architectural, landscape architectural, engineering, environmental, construction project management, and land surveying services, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform.
- "Public Project" shall be defined in accordance with the Uniform Public Construction Cost Accounting Act (Public Contract Code [PCC] §22002).
- "Responsible bidder" means a person or entity with the capability in all respects to fulfill the contract requirements.
- "Services" means any and all work performed, or service rendered by independent contractors, with or without the furnishing of material, excluding contracts for professional services.

- "Supplies", "materials", and "equipment" mean any and all articles or things which shall be furnished to or used by any department of the District, including those items purchased by the District and furnished to contractors.
- "Emergency"; is defined as the following;
  - In accordance with Government Code (GC) §8558(c), as may be amended from time to time, a "Local emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or District, caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission.
  - An "Emergency," under PCC §1102 can also mean a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

E3 Purchases Generally

1) Budget Requirements: All purchases must have a District Board approved budget and requisite funds available.
2) Insufficient Funding: If the needed funds are not available for a purchase, then the purchase shall require separate District Board appropriation.
3) Due Diligence: Any official of the District authorized to make purchases shall, before making the purchase, secure accurate and comparative cost information concerning the articles to be purchased and shall act to procure for the District the needed quality and quantity of supplies, materials and equipment at the least expense to the District.
4) Best Practices: All purchasers should follow this District Purchasing Policy and direct any questions about this Policy to the District Manager or the Administrative Services Manager.

5) Vendor Relations: District employees will conduct all purchasing functions in a professional manner and shall promote equal opportunity and fairness in all vendor relations.
    a) Ethics and Standards of Behavior: All purchasing functions shall be conducted impartially to assure fair competitive access by responsible vendors. In addition, public employees should conduct themselves in a manner that will foster public confidence in the procurement process.

E4 Requirement of Good Faith

This Policy requires all parties involved in the procurement, negotiation, performance or administration of District contracts to act in good faith. District officials and employees shall take care to limit communication with bidders during the solicitation process so that the integrity of the competitive solicitation process is maintained. If it is determined that a bidder received an unfair advantage from information obtained through improper circumstances, the solicitation may be canceled, or the bidder disqualified from participation in that solicitation request.

State law forbids any Trustee or other officer or employee of the District from being interested, directly or indirectly, in any contract awarded or to be awarded by the Board, or in the profits to be derived from it.

E5 Provisions / Procedures

1) Budget Requirements
   Expenditures are to be budgeted and controlled to not exceed estimated revenues and the approved and planned use of fund balances accumulated in prior years.
2) Minor Non-Recurring Purchases
    a) Petty Cash: Only to be utilized for minor purchases up to $100 per person per transaction. All claims must be approved by the appropriate department head and accompanied by supporting documentation.
    b) Credit Card: The Administrative Services Department may issue District credit cards as directed by the District Manager only. Issued cards shall be used in accordance with the procedures for use of District credit cards as included within the Credit Card Management Policy. Marin/Sonoma Mosquito & Vector Control District credit cards should never be used to circumvent established competitive purchasing procedures.

E6 Purchase of Inventory, Materials, Supplies, Equipment, & Non-Professional Services

1) Minor Purchases of five thousand ($5,000) dollars or less may be made based on informal quotes.
2) Other than Minor Purchases: Purchases greater than five thousand and one ($5,001) dollars up to twenty-five thousand ($25,000) dollars shall be made based on written formal quotations from vendors.
3) Significant Purchases: For purchases greater than twenty-five thousand and one ($25,001) dollars, the purchase shall be approved by the District Board through a competitive bid process.

E7 Review by Legal Counsel

Agreements for goods, services, or supplies in excess of $25,000 per year shall be referred to the District's General Counsel for review.

E8 Purchasing Limits

The Board has delegated authority for procurement to the District Manager, except in the cases of special projects or large undertakings. The District Manager further delegates authority to the Assistant Manager, Administrative Services Manager, Department Managers and District Employees as outlined below.

1) <u>District Employees</u>: $1,000 limit per purchase with prior approval from Department Manager, District Manager, Assistant District Manager or Administrative Services Manager.

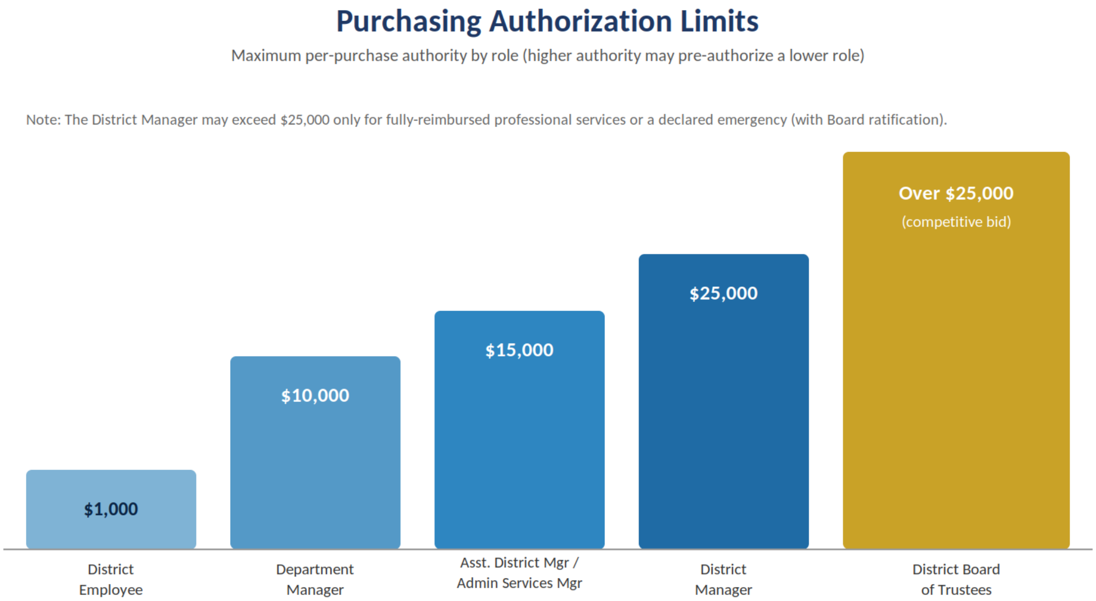


Figure 5-3. Purchasing Authorization Limits by role (maximum per purchase).

2) Department Manager: For their department expenses, Department Managers have a purchasing limit of $10,000 per purchase, unless previously authorized by District Manager, Assistant District Manager or Administrative Services Manager.
3) Assistant Manager and Administrative Services Manager: $15,000 limit per purchase unless previously authorized by District Manager.
4) District Manager: $25,000 limit per purchase, with the following exceptions:
   The District Manager may authorize purchases, if all of the District funds to be spent for the special and professional services (architects, engineers, attorneys, planning consultants, environmental consultants and other specialized consultants) will be fully reimbursed by another party; or if there is an emergency.

   In emergency situations, the District Manager shall have the authority to waive the procedures set forth in this Policy and to negotiate and execute contracts without prior approval of the Board, pursuant to the following procedures:

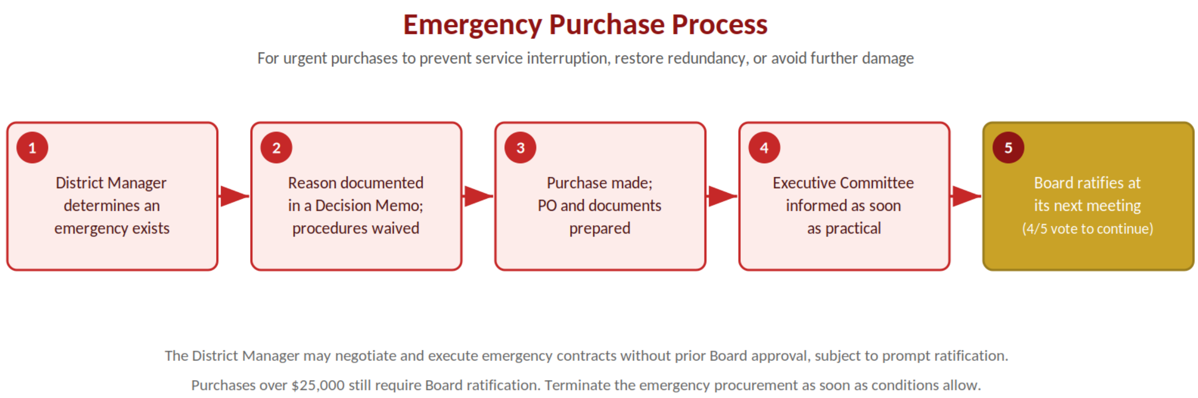


Figure 5-4. Emergency Purchase Process — waiver authority with Board ratification.

a. The reason for the determination of the emergency shall be indicated in a Decision Memo,
b. The District Manager shall inform the Executive Committee as soon as practical of the emergency situation and actions taken, and
c. A Purchase Order, along with all written documentation, shall be submitted to the Board for ratification at the next Board meeting.

5) District Board: Any purchase above $25,000 requires District Board approval, except in limited circumstances noted above.

E9 Travel

All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the **Travel and Meeting Expense Policy**, which establishes policy and procedure related to obtaining travel authorization, advance travel funds, and expenditure or reimbursement for travel and subsistence expenses incurred in conduct of business of the District.

E10 Information Technology Purchases

All Information Technology (IT) purchases must be approved in advance by the District Manager and/or designee to ensure compliance with District hardware and system standards. Similarly, the District Manager is required to be consulted for any planned purchases of software and hardware arising during the budget process and in the development of system specifications.

E11 Purchase of Professional Services

Agreements for Professional Services will be awarded pursuant to the following guidelines:

1) Agreements for Professional Services estimated to cost up to twenty-five thousand dollars (up to $25,000) may be awarded, based on up to three proposals whenever practical.
2) For professional services estimated to be twenty-five thousand dollars ($25,000) or greater, Requests for Quotation (RFQ) or Requests for Proposal (RFP) should be highly considered. Awarding of the agreement may be issued by the District Manager provided a budget appropriation for the service has been approved by the District Board. If no RFP of RFQ is issued, three proposals shall be solicited.

Contracts for Professional Services estimated to cost more than twenty-five thousand and one ($25,001) dollars will generally be awarded pursuant to the following guidelines; however, it is recognized that the District's need for consultant services will vary from situation to situation, and accordingly, flexibility will be provided in determining the appropriate evaluation and selection process to be used in each specific circumstance. As such, cost shall not be the sole criterion in selecting the successful bidder. Consultant proposals will be evaluated based on a combination of factors that result in the best value to the District, including but not limited to:

- *Understanding of the work required by the District*
- *Quality and responsiveness of the proposal*
- *Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the District*
- *Recent experience in successfully performing similar services*
- *Proposed methodology for completing the work*
- *References*
- *Background and related experience of the specific individuals to be assigned to the project.*
- *Proposed compensation*

E12 Contracts, Agreements, MOU's with Other Public Agencies or Non-Profits

Must go to District Board for approval, regardless of dollar amount, unless under $25,000 and normal process is waived by the District Manager and General Counsel.

E13 Annual and Multi-Year Agreements

1) Annual Agreements: For annual agreements with a single vendor for repeated or "as-needed" purchases throughout a year, the procurement procedures used shall be consistent with the estimated cumulative expenditures during that fiscal year.
2) Multi Year Agreements: A contract may be entered into for any period deemed to be in the best interest of the District, (typically not longer than 5 years), provided that the initial term of the contract and renewal provisions are included in the original solicitation process. Multi-year contracts are subject to the purchasing procedures required for each fiscal year under contract. Adequate funds must be available to fulfill the first fiscal year's obligation at the time of contract execution, except for "standby" agreements that are for emergency services only and not used during the normal course of business. Subsequent year's appropriations are subject to authorization by the District Board, with the exception for "standby" emergency agreements. Standard termination of a contract language must be included within all multi-year agreements.

E14 Exemptions for Bid Requirements

1) Sole Source Purchases Exemption: Commodities and services, which can only be obtained from one vendor, are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area, or a certain product that has been proven to be the only product that is acceptable. All sole source purchases shall be supported by written documentation signed by the purchasing Department Manager and District Manager, Assistant Manager or Administrative Services Manager. An example of a sole source is where equipment, supplies or materials are required in order to be compatible with existing equipment or to perform a complex or unique function. The final determination that an item is a valid sole source purchase will be made by the District Manager and shall not be delegated.
2) Pesticide Purchases Exemption: Special procedures shall apply solely to the procurement of pesticide materials. In keeping with standard industry practice, material price sheets are provided to the District by the vendors at the beginning of each calendar year in lieu of purchasing contracts. From time to time, rebates, bulk purchases and temporary price cuts are also offered by the manufacturers and distributors of these materials. All rebates or discounts shall accrue to the sole benefit of the District. Supervisory staff in the District's Operations Department

and/or management staff dealing with the purchase shall use their best judgement in applying the evaluation factors listed in this policy. Additional evaluation criteria may apply, including but not limited to inventory levels, shelf life of the material and product efficacy.

All proposed purchases of pesticide materials shall first be reviewed and approved by the District Manager or Assistant District Manager.

3) Leveraged Procurement Agreements Exemption: Notwithstanding the other provisions of this policy, in accordance with the California Procurement Code Sections 10298 a and b, the District may take advantage of “piggyback contracts” such as those issued by the state, U.S. Communities or the Western States Contracting Alliance. District staff shall ensure that the terms and conditions of such agreements are competitive and compatible with the District’s needs. By means of volume purchasing, such pre-negotiated template contracts may allow the District to contract directly with a vendor to procure vehicles and other goods or services on the competitive terms obtained by the issuing body, potentially saving staff time and District resources.
4) Emergency Contracting Exemption: In all cases, when the District declares a "Local Emergency", in accordance with GC §8558(c) the following emergency contracting provisions apply.
    a) The District Manager shall report to the District Board at its next meeting the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why action is necessary to respond to the emergency
    b) The District Board shall initially review the emergency procurement at its next regularly scheduled meeting (no more than 14 days following the action), and at least at every regularly scheduled meeting thereafter until the procurement is terminated by the District Manager. The purpose of the District Board review is to determine, by a four-fifths vote, that there is a need to continue any on-going emergency procurement.
    c) The District Manager shall terminate the emergency procurement at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

E15 Federal Procurement Policy

When the District procures goods and services utilizing funds through Federal grants, the District will follow all guidance and ensure proper financial stewardship of taxpayer resources. This document serves to outline the District's procurement policy to include all Federal grant funded projects and purchases. These policies and procedures reflect applicable state and local laws and their conformity to the applicable Federal laws and standards identified in the Uniform Guidance, Procurement Standards (2 CFR 200.317-.326). The District's compliance, and notification thereof, are indicated here, and throughout this Purchasing Manual by referencing the applicable Uniform Guidance section. Additionally, the Uniform Guidance Procurement Standards (2 CFR 200.317-.326) are included in the Appendix.

All District employees procuring goods and/or services utilizing Federal grants are responsible for complying with the Federal Procurement Standards referenced throughout the Purchasing Manual and attached in the Appendix. Federal grant funds include funds that are Federal in origin that are passed through the state or other agencies. Employees obtaining grants are responsible for determining the source of funds and notifying the Finance Department Accountant Auditor responsible for grant reporting of any Federal funds awarded. Legal Agreements where the District provides services to the federal government, such as the Intergovernmental Service Agreement (IGSA), are contracts for services, not grants, and as such follow each Agreement's purchasing guidelines, not the Federal grant procedures.

Where thresholds differ between District and Federal procurement policies, District employees utilizing Federal grants will follow the most restrictive rule. For example, currently the Federal "micro purchase" (informal bid) threshold is $10,000 whereas the District's is $5,000. In this instance formal bids/quotes would be obtained starting at the District limit of $5,000. (2 CFR 200.320 (a))

For Federal grant funded contracts, the District solicitation and contract documents must comply with requirements regarding small and minority businesses, women's business enterprises, and labor surplus area firms.

E16 Cooperative Purchasing

The District will endeavor to utilize the State Cooperative Purchasing; the League of California Purchasing Pool; and other public agencies operating local pools or allowing piggyback purchasing. When utilizing such pools, bidding requirements set forth herein shall be deemed to be met.

E17 Insurance and Bonds

District policy is to require contractors and all sub-contractors providing services, materials, or construction to the District to indemnify, defend, and hold the District harmless for claims arising from their performance of the contract and supply proof of insurance coverage to the District. The proof the District requires is usually in the form of certificates of coverage and endorsements provided by the contractor's insurance broker or carrier. The Board, through the District Manager, shall determine the types and amounts of insurance coverage that shall be required. The contractor shall have the District named as an additional insured and furnish the District with satisfactory evidence of said insurance. All insurance requirements made by the contractor must appear in the District agreement, and in the case of a competitive bid, they must also be in the Request For Bid (RFB) or Request For Proposal (RFP).

E18 Procurement Records

All determinations and other written records, notes of telephone conversations and notes for oral conversations pertaining to the solicitation, award and performance of a contract shall be maintained in accordance with the District's record retention schedule.

E19 Contractor Record Retention

For all contracts, the contractor and all sub-contractors shall be required to maintain adequate records appropriate to the type of contract, to retain such records for a minimum of three (3) years from final payment unless otherwise specified in the solicitation, and to make such records available for inspection by the District upon reasonable terms consistent with State law.

E20 Responsibility of Bidders

If a bidder, designee, or offeror who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility, setting forth the basis of the findings shall be prepared by management. In determining responsibility of any bidder, the District may take into account, in addition to financial responsibility, past records of transactions with the bidder, experience, adequacy of equipment and ability to complete performance within a specific time. (for example, the ability to meet the specified completion date in accordance with the contract specifications.) A detailed explanation shall be sent promptly to the non-responsible bidder or offeror who shall then have three (3) days to provide evidence to dispute the determination. The final determination shall be made by the District Manager and shall form part of the contract file. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for such determination.

E21 Change Orders and Contract Modifications

For contracts and service agreements that are approved directly by the Board, all Change Orders and contract modifications exceeding ten percent (10%) of the value of the original agreement shall be presented in advance to the Board for review and approval. No such Change Order or modification shall be effective absent such approval. Change Orders and contract modifications for less than ten percent (10%) of the value of the original agreement may be reviewed and approved by the District Manager who shall notify the Board at its next meeting of the actions taken and reason. Only one such change order may be approved by staff during the life of the contract or service agreement.

E22 Contract Renewals

In general, the District discourages the use of automatic renewal clauses in contracts and service agreements. All contracts that are subject to Board approval and that contain an optional or automatic renewal clause shall be presented for approval to the Board with the total dollar value for the initial period of award. A request for renewal shall be submitted at least sixty (60) days prior to the expiration date of the current period. All renewals shall be for the time period specified in the original contract document or shorter period of time. No contracts containing renewal clauses that exceed a total term of five (5) years shall be presented to the Board.

F Funding Post-Employment Benefits

F1 Purpose

The District provides certain post-employment benefits to employees. These include a retirement pension provided through the Marin County Employees' Retirement Association (MCERA) and, under certain circumstances, post-retirement medical insurance benefits for tier one employees. These two benefits, which are described in detail in the District's annual financial statements, create long-term funding obligations for the District. These obligations are quantified periodically through actuarial analyses.

It shall be the policy of the District to set aside funds needed to fully or partially fund the long-term obligations created by these post-employment benefits, as described in this policy. These reserves ensure that the District will have sufficient funds available to provide the benefits when required; allow the District to plan ahead for costs, minimizing the impact on General Fund resources needed for operations; and ensure a prudent investment return on the District's investment.

As described in this policy, it is the District's policy to invest these post-employment benefit reserves in Section 115 Trusts, as defined in the Internal Revenue Code. Once funds are invested in a Section 115 Trust, the funds cannot be used for any purpose other than qualified benefit expenses. The District cannot withdraw funds for any other purpose. The District will participate in the California Employers' Pension Prefunding Trust (CEPPT) and the California Employers' Retiree Benefit Trust (CERBT), both managed by the California Public Employees' Retirement System (CalPERS). CalPERS offers varied investment strategies for these funds; the Board will direct staff regarding the appropriate investment strategy for each account as needed.

Funding Post-Employment Benefits

A. MCERA Retirement Benefits

Every year MCERA updates the District's Total Market Value of Assets, Total Accrued Liability and the District's Unfunded Liability. These figures are used in the calculations to update the District's Pension Prefunding Trust reserve. See further details in the Reserve Policy section.

B. Post Employment, Retiree Health Benefits for Tier One Employees

The District shall maintain a balance in the CERBT between 90% and 100% of the District's total actuarial accrued liability for these benefits as determined by the District's Actuary every two years. Annually, the District will make deposits and withdrawals required to fund the program consistent with the actuarial analysis, maintain this required reserve, and maximize investment earnings.

G Credit Card Management Policy

G1 Purpose

It is the policy of the District to provide employees with credit cards as an alternative method of payment for goods and services. The credit card represents the District’s trust in a responsible employee to safeguard and protect the District’s assets.

Cardholders assume the responsibility of the protection and proper use of the District issued card at all times. This policy provides guidelines on requesting a card and the responsibilities associated with card use.

G2 Policy

1) The District may make credit cards available to designated staff to make purchases or payments in order to facilitate the operations of the District department.
2) The Administrative Services Department will issue cards to employees as requested by the employees’ Department Manager and approval by the District Manager.
3) Employees will not use District-issued credit cards for personal expenses even if the intent is to reimburse the District later. Charging personal expenses on the credit card is a misuse of District funds and doing so may result in disciplinary action.
4) Purchases made with District-issued credit cards must be made in compliance with the District’s Purchasing Policy.
5) Purchases should not be "split" to circumvent credit card transaction limits. Split purchases are when the vendor is asked to split a single purchase into two separate transactions by a single employee credit, or by multiple employee credit cards.

G3 Responsibilities

1) Administrative Services Department
   a) Administer the District’s credit card program including establishing procedures and issuing payments to the credit card company.
   b) Maintain a log of all new credit card requests, credit limit adjustment requests, activations, and deactivations. Cardholders are encouraged to contact the Administrative Services Manager whenever they have any questions.
2) District Manager
   a) Authorize requests for new credit cards to be issued or for adjustments to existing credit card purchasing limits.
3) Department Managers/Supervisors

a) Ensure that employees of their respective departments who make credit card transactions are aware of this Credit Card Policy and the Purchasing Policy.
b) Retrieve credit cards, receipts, packing slips, and the monthly statement prior to employees leaving the District and return them to the Administrator Services Manager.
c) Timely approve their staff's credit card purchases and general ledger coding each month, for accounts payable to process the District's credit card payment.

4) Cardholders
a) Utilize the credit card in compliance with this Credit Card Policy and the Purchasing Policy, including the related processes and procedures. Cardholders are responsible for the purchases made on their District-issued credit cards.
b) Do not permit others to use the card, except when a duty has been delegated to office staff (e.g., to make District business travel and hotel arrangements).
c) Reconcile the receipts and packing slips to their monthly credit card statement within prescribed timelines. Provide the statement, supporting documents (receipts) and general ledger coding to their Manager/Supervisor for approval.
d) Secure credits from suppliers when items are returned or billing errors are found.
e) Resolve disputes and any fraudulent charges on the monthly statement.
f) Notify the bank, your Manager/Supervisor, and the Administrative Services Department immediately if the credit card is lost or stolen.

H Travel and Meeting Expense Policy

This policy articulates the requirements related to District travel, business and related expenditures to ensure they are appropriate, properly authorized, supported by a documented business purpose, substantiated by receipt s when appropriate, correctly processed for payment, and in compliance with all applicable regulations.

H1 Scope

Covers Board members, full and part-time employees, and volunteers acting on behalf of the District. As used throughout this policy document, “employee” means all persons included in this “scope”.

H2 Definitions

“Travel” is defined as an event that requires overnight stay.

“Training” is defined as an event which does not require overnight travel.

“Incidental expenses” are defined as tips and gratuities given to baggage carriers, bellhops, hotel staff, food servers, etc.

H3 Policy

Authorization

The District Manager is responsible for authorizing out of town travel, training and meetings, considering budget availability, District benefit and department recommendation of staffing needs. The District will pay for allowable business travel expenses when reasonable, necessary, and directly related to conducting business for the District. Expenses incurred for District travel that are not in compliance with the policies outlined below will not be paid or reimbursed by the District.

1. The following are considered reasonable and necessary business travel expenses:

- Transportation (District or personal vehicle, airfare, baggage fees, parking, bridge toll, car rental)
- Lodging
- Registration fees for conferences, training, and tuition
- Meals
- Other business expenses (copies, fax, internet service)

2. The following will not be paid or reimbursed

- Alcoholic beverages or other alcohol related costs
- Theft, loss, or damage to personal property
- Airline or other trip insurance
- Personal entertainment
- Personal care services
- Fines for parking or traffic violations
- Valet parking, when self-parking option exists

Air Travel

The District has no negotiated air discounts with any airline, thus air travel should be booked with the carrier that offers the best fare and routing for the destination. Advance arrangements for air travel should be made in order to receive the best rate for the travel period.

Air travel is expected to be arranged via the most direct route available. Employees traveling are encouraged to obtain the most economical airfare whenever practicable. As applicable, employees may arrive early to take advantage of a reduced airfare, the cost of meals, lodging, etc., so that the additional period of stay shall not exceed the cost of the regular direct airfare. All air travel on District business will be coach/economy class. Air travel will be paid or reimbursed at actual cost. If air travel would be the preferred mode of transportation, but the employee chooses to drive a personal vehicle rather than fly, the District will pay the lesser of mileage/parking/bridge tolls versus airline/baggage fees/parking/mileage to and from the airport.

District Vehicles

Whenever possible a District fleet vehicle shall be used for business related transportation needs.

Personal Vehicles

Reimbursement for use of a personal vehicle for business travel in lieu of a District fleet vehicle must be approved by the District Manager/Department Manager/Supervisor in writing.

When traveling in a personal vehicle for business purposes, the following information will be recorded on the Employee Reimbursement form: the date and destination, business purpose of trip, total mileage. If an employee does not report to their primary work location during a business day, full mileage between home and the meeting location is reimbursable at the current mileage rate set by the Internal Revenue Service. Miles traveled may be documented using actual odometer readings or online mapping resources.

The District credit card should not be used in conjunction with private vehicles as the established mileage rate covers all cost of vehicle operation including gasoline, insurance, and maintenance.

Rental Cars

The cost of vehicle rentals while on travel must be approved in advance by the District Manager. The District will pay for a compact or a mid-size rental vehicle only if needed for business purposes and is the most cost effective option for transportation.

Rental car insurance for collision damage to the rental car and third party liability should be obtained. All other rental car insurance should be denied and will not be reimbursed.

Lodging

The District will pay lodging costs (room and taxes) at the government or single occupancy standard room rate. When attending a training or conference, an employee may elect to stay at the conference hotel at the lowest available room rate. Lodging costs will be paid, or reimbursed, on an actual cost basis. An original detailed hotel receipt, showing the single room rate plus taxes, must be submitted with the request for payment. Any additional charges, such as meals or activities should not be charged to the room and will not be paid by the District.

Registrations

Fees charged for registration to attend District business related conferences are allowable expenses. When expenses are included in registration fees for conferences, seminars, lodging, and meals, reimbursement will not exceed the cost of registration. For example, if an employee attends a seminar for which meals and lodging are included in the registration fee, and the employee elects lodging and meals other than those already included in the registration package, reimbursement will not exceed the cost of the registration fee. A copy of the conference flyer, brochure, or registration packet must be provided as documentation for payment or reimbursement. The document must show dates of conference, summary agenda, location and cost.

Meals

Meal expenses, while on travel, will be reimbursed using per diems. The employee or Board member is responsible for completing the Travel and Meeting Expense reimbursement form. Request for per diem reimbursement should be made within 30 days of travel on the Travel and Meeting Expense reimbursement form. The District tries to prepare per diem reimbursements a week before travel. No receipts will be required for per diem reimbursement.

Per diem is the allowance for meals and incidental expenses (tips). Per diem is provided in lieu of reimbursement of actual meal expenses. Employees may not request reimbursement of actual costs for one portion of the trip and per diem for the remainder. The rate is adjusted at least annually by the Administrative Services Department as set by the **U.S. General Services Administration** for the area of the conference or meeting. The District will reimburse the employee a daily per diem rate for meals and incidental expenses including taxes and gratuity. The first and last days of travel are only eligible for 75% of the total daily rate, unless the departure time is before 7:00am and their return time is after 7:00pm.

Employees attending trainings where no overnight travel is required, per diem reimbursement will be based upon travel times. Departure and return times must be documented on the Travel and Meeting Expense reimbursement form.

When Departing Time is Before:	Or, Return Time is After:	Reimbursement Allowed for:
7:00 a.m.	8:00 a.m.	Breakfast
12:00 p.m.	1:00 p.m.	Lunch
5:00 p.m.	7:00 p.m.	Dinner

Employees will complete and sign a Travel and Meeting Expense reimbursement form within thirty days of travel. The following is a list of required documentation supporting travel expenses:

- Copy of conference or training registration showing dates, location and cost;
- Conference, training, or meeting agenda to document business purpose;
- Travel itinerary as appropriate;
- Per diem reimbursement request for meals and incidentals;
- Documentation of personal vehicle mileage traveled; and

- Parking and bridge toll receipts, as applicable.

If any of these requirements are not met, the reimbursement payment may become taxable to the employee.

A valid receipt contains merchant's name, amount, date, place, and detailed identification of what was purchased. If an employee has lost a business receipt and has exhausted all efforts to obtain a copy from the merchant, the employee shall provide a written explanation with his/her reimbursement request including the details of the purchase and a declaration that the amount claimed is the amount actually paid by the employee and that s/he has not and will not seek reimbursement from any other source. A copy of a credit card statement can substantiate that the employee made the purchase, but without details of what was purchased, this will not serve as a stand-alone receipt replacement. It shall be the responsibility of the Administrative Services Department to make available the forms and instructions necessary for implementation of the travel policies. Department Manager/Supervisors are responsible for ensuring that these policies are adhered to.

Personal Expenses

The District will not pay for personal travel expenses that may be incurred during business travel. When personal travel is scheduled in connection with a business trip, the District pays only those expenses directly related to official District business. Any expenses related to personal travel must be clearly distinguishable and paid directly by the employee.

H4 Policy Administration

The Administrative Services Manager develops and implements procedures for administering this policy, ensuring compliance with the policy and State and Federal Laws. Only the District Manager and Administrative Services Manager are authorized to approve any exceptions to the above policy.

These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of District related travel or attendance at meetings. Accordingly, the basic standard that should always prevail is to exercise good judgment in the use and stewardship of the District's resources. Failure to do so may be construed as misuse of District funds and may be a serious breach of the District's ethics policy. If an employee does not adhere to the basic standard, even when the intent is to reimburse the District later, will result in disciplinary action, up to and including termination.

I Fraud Prevention and Investigation Policy

I1 Fraud Prevention and Investigation

The District is committed to protecting its assets against the risk of loss or misuse. It is the policy of the District to identify and promptly investigate any possibility of fraudulent or dishonest activity against the District and, when appropriate, to pursue available legal remedies. This policy identifies describes activities that are considered to be fraudulent and specifies the steps to be taken when fraud or other dishonest activities are suspected.

Definitions

Fraud – Fraud and similar irregularities include, but are not limited to:

1. Claim for reimbursement of expenses that are not job-related or authorized by District policy;
2. Forgery, falsification, or unauthorized alteration of documents or records (including but not limited to checks, promissory notes, timesheets, independent contractor agreements, purchase orders, budgets, etc.);
3. Misappropriation of District assets (including but not limited to funds, securities, supplies, furniture, equipment, etc.);
4. Inappropriate use of District resources (including but not limited to labor, time, and materials);
5. Improprieties in the handling or reporting of money or financial transactions;
6. Authorizing or receiving payment for goods not received or services not performed;
7. Computer-related activity involving the unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software;
8. Misrepresentation of information;
9. Theft of equipment or goods;
10. Any apparent violation of federal, state, or local laws related to dishonest activities or fraud;
11. Seeking or accepting anything of material value from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the District's Conflict of Interest Code which incorporates the Fair Political Practices Commission's regulations;
12. Any other conduct, actions or activities treated as fraud or misappropriation under any federal or state law, rule or regulation.

Employee – In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, including members of the Board of Trustees, from the District. The term also includes any volunteer who provides services to the District through an authorized arrangement with the District or a District organization.

Management – In this context, management refers to any manager, supervisor, or other designated individual who manages or supervises District's resources or assets.

Internal Audit Committee – In this context, if the claim of fraud involves anyone other than the District Manager, the Internal Audit Committee shall consist of the District Manager, the District's Legal Counsel and any other persons appointed to the Internal Audit Committee by the District Manager. If the claim of fraud involves the District Manager, the Internal Audit Committee shall consist of the President of the Board of Trustees of the District, the District's Legal Counsel and those persons appointed to the Internal Audit Committee by the President of the Board. Nothing contained in this policy shall be construed as requiring the District Manager or the President of the Board to appoint other persons to the Internal Audit Committee. Individuals appointed to the Internal Audit Committee by the District Manager or the President of the Board other than the District's Legal Counsel shall serve at the pleasure of the District Manager or the President of the Board.

External Auditor – In this context, External Auditor refers to independent audit professionals who perform annual audits of the District's financial statements and are appointed by the District's Board of Trustees.

Policies

It is the District's intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the District of any party who might be or become involved in or becomes the subject of such investigation. An employee being investigated for fraud may request representation by a representative of any recognized bargaining unit that represents the employee.

Each department of the District is responsible for instituting and maintaining a system of internal controls to provide reasonable assurance of the prevention and detection of fraud, misappropriations, and other irregularities. Management staff should be familiar with the types of improprieties that might occur within their areas of responsibility and be alert for any indications of such conduct.

For claims of fraud not involving the District Manager, the District Manager or an Internal Audit Committee appointed by the District Manager shall have primary responsibility for investigation of activity covered by this policy. For claims of fraud involving the District Manager, the President of the Board or an Internal Audit Committee appointed by the President shall have primary responsibility for investigation of activity covered by this policy. The District's Legal Counsel shall advise the Committee, the District Manager or the Board President on all such investigations.

Throughout the investigation, the Internal Audit Committee shall inform the District Manager of pertinent investigative findings. Upon conclusion of the investigation, the results shall be reported to the District Manager or, if the investigation involves the District Manager, the Board President, who shall advise the Board of Trustees.

4. An employee shall be granted whistle-blower protection when acting in accordance with this policy so long as he or she has not engaged in activity that violates this policy. When informed of a suspected impropriety, neither the District nor any person acting on its behalf shall:
   A) Dismiss or threaten to dismiss an employee providing the information,
   B) Discipline, suspend, or threaten to discipline or suspend such an employee,
   C) Impose any penalty upon such an employee, or
   D) Intimidate or coerce such an employee.

Violations of this whistle-blower protection policy shall result in discipline up to and including termination.

5. Following review of investigation results, the District Manager or the Board President, as the case may be, shall take appropriate action regarding employee misconduct. Disciplinary action can include termination, referral of the case for criminal prosecution, or both.
6. The District Manager or the District's Counsel shall pursue every reasonable effort, including court- ordered restitution, to obtain recovery of District losses from the offender, other responsible parties, insurers, or other appropriate sources.

Responsibilities

1. Board of Trustees Responsibilities
   A) If a Board Member has reason to suspect a fraud has occurred, he or she shall immediately contact the District Manager or the Board President, if the activity involves the District Manager, and the District's Legal Counsel.

B) The Board Member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the District Manager or Board President, as the case may be, and the District's Legal Counsel.

C) The alleged fraud or audit investigation shall not be discussed with the media by any person other than the District Manager or the Board President after consultation with the District's Legal Counsel and any Internal Audit Committee appointed as to the matter.

2. Management Responsibilities

A) Management staff are responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.

B) Each manager should be familiar with the types of improprieties that might occur in his or her area of responsibility and be alert for any indication that improper activity, misappropriation, or dishonest activity did occur or is occurring.

C) When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.

D) If a manager determines a suspected activity may involve fraud or related dishonest activity, he or she should contact his or her immediate supervisor or the District Manager. If the activity involves the District Manager, it shall be reported to the Board President or the District's Legal Counsel.

E) Managers should not attempt to conduct individual investigations, interviews, or interrogations other than as directed by the District Manager or District Counsel. However, manage staff are responsible for taking appropriate corrective actions to implement adequate controls to prevent recurrence of improper actions.

F) Management staff should support the District's responsibilities and cooperate fully with the Internal Audit Committee, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.

G) Management staff must give full and unrestricted access to all necessary records and Personnel to those responsible for identifying, investigating and remedying fraud and related dishonest acts. All District assets, including furniture, desks, and computers, are open to inspection at any time. No District officer, agent or employee has a reasonable expectation of privacy in District property and other resources to preclude such inspection.

H) In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management staff should avoid the following:

i.) Incorrect accusations;

ii.) Alerting suspected individuals that an investigation is underway;

iii.) Treating employees unfairly; and

iv.) Making statements that could lead to claims of false accusations or other offenses.

I) In handling dishonest or fraudulent activities, managers have the responsibility to:

i) Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to “what you did”, “the crime”, “the fraud”, “the misappropriation”, etc;

ii.) Avoid discussing the case, facts, suspicions, or allegations with anyone outside the District, unless specifically directed to do so by the District Manager; and

iii.) Avoid discussing the case with anyone inside the District other than employees who have a need to know such as the District Manager, Internal Audit Committee, the District’s Legal Counsel or law enforcement personnel.

iv.) Direct all inquiries from the suspected individual, or his or her representative, to the District Manager, the Board President, or the District’s Legal Counsel. All inquiries by an attorney of the suspected individual should be directed to the District Manager or the District’s Legal Counsel.

v.) All inquiries from the media should be directed to the District Manager or the Board President, if the activity involves the District Manager.

vi.) Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the District Manager and Legal Counsel, in conformance with District policy and applicable law.

3. Employee Responsibilities

A) A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee’s supervisor for reporting to the proper management official.

B) When an employee believes his or her supervisor may be involved in inappropriate activity, the employee shall make the report to the next higher level of management and/or the District Manager. If the activity involves the District Manager, it shall be reported to the Board President or the District's Legal Counsel.

C) A reporting employee shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the District Manager, Internal Audit Committee, the District's Legal Counsel, or law enforcement personnel.

4. Internal Audit Committee Responsibilities

A) Upon assignment by the District Manager or the Board President, an Internal Audit Committee shall be formed by the Board President promptly investigate the fraud. This committee shall be designated as ad hoc.

B) In all circumstances where there is reason to suspect that criminal fraud has occurred, the Internal Audit Committee, in consultation with the District Manager or the Board President and Legal Counsel, if the District Manager is suspected of involvement in the fraud, shall contact the appropriate law enforcement agency.

C) The Internal Audit Committee shall be available and receptive to relevant, confidential information to the extent allowed by law after consultation with the District's Legal Counsel.

D) If evidence is uncovered showing possible dishonest or fraudulent activities, the Internal Audit Committee shall:

i.) Discuss the findings with management and the District Manager;

ii.) Advise management, if the case involves District staff members, to meet with the employee (or his/her designated representative) to determine discuss possible disciplinary action;

iii.) Report to the External Auditor such activities to assess the effect of the illegal activity on the District's financial statements;

iv.) Coordinate with the District's risk manager regarding notification to insurers and filing of insurance claims;

v.) Take immediate action, after consultation with the Legal Counsel, to prevent the theft, alteration, or destruction of evidence. Such action shall include, but is not limited to removing relevant records and placing them in a secure location, limiting access to those records and/or preventing the individual suspected of committing the fraud from having access to the records.

vi.) In consultation with the District Legal Counsel and the local law enforcement agency, the Internal Audit Committee may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.

vii.) If the Internal Audit Committee is contacted by the media regarding an alleged fraud or audit investigation, the Internal Audit Committee shall refer the media to the District Manager or Board President, if the activity involves the District Manager.

viii.) At the conclusion of the investigation, the Internal Audit Committee shall document the results in a confidential memorandum report to the District Manager or the Board President for action. If the report concludes that the allegations are founded and the District's Legal Counsel has determined that a crime has occurred, the report shall be forwarded to the appropriate law enforcement agency.

ix.) The Internal Audit Committee shall make recommendations to the appropriate department as to the prevention of future similar occurrences.

x.) Upon completion of the investigation, including all legal and personnel actions; all records, documents, and other evidentiary material, obtained from the department under investigation shall be returned by the Internal Audit Committee to that department.

Exceptions

There shall be no exceptions to this policy unless provided and approved in writing by the District Manager or the Board President and the District Legal Counsel. The Board of Trustees reserves the right to amend, delete, or revise this policy at any time by formal action of the Board of Trustees.

I2 Internal Fiscal Controls

Policy

The Board establishes the following policies related to internal fiscal controls in order to safeguard the District's assets, protect the integrity of the District's fiscal operations, and reduce risk of fraud. Good internal controls include the following features:

- Segregation of duties among multiple employees
- Authorization of transactions by selected employees
- Retention of records to substantiate transactions.
- Supervision or monitoring of operations
- Physical safeguards such as locks and physical barriers

- Analysis of results including periodic and regular reporting
- IT Security including the usage of passwords

This policy describes how the District employs these tools to protect the District's fiscal assets.

Segregation of Duties

Good internal controls rely heavily on segregation of duties. In order to reduce risk of fraud, the Administrative Services Department shall segregate duties between multiple employees so that no single employee can control both the creation of records and authorization of transactions for essential functions.

The District Manager is responsible for establishing and maintaining a system of written internal controls. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by District employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that

(1) the cost of a control should not exceed the benefits likely to be derived, and

(2) the valuation of costs and benefits requires estimates and judgments by management.

This includes, but is not limited to:

1. The employee opening the mail and receiving checks shall list all checks in a log. A different employee shall prepare the deposit slip and take the deposit to the bank. All checks shall be deposited within two days of receipt. The Administrative Services Manager shall review the log and deposits to ensure the deposit and log agree.

All invoices for purchases made by operating departments must be approved by both an authorized person in the requesting department and the Financial Office. All paid invoices shall be marked and filed for reference. When entering invoices for payment, invoice numbers shall be checked to reduce the risk of duplicate payment.

Only the Administrative Services Manager may authorize new vendors or customers in the financial management system.

Accounts payable and accounts receivable tasks shall be completed by different employees.

All invoices sent to customers must be first approved by both the generating department and the Financial Office.

In the event that staffing in the Financial Office is insufficient to segregate duties as described, the Administrative Services Manager shall assign duties with existing staff and implement other controls, including proofing, cross staff assignments, and random sampling, to minimize risk.

Financial Reporting and Annual Audit

The District shall maintain an accounting and financial reporting system that conforms to Generally Accepted Accounting Principles (GAAP). An independent annual audit shall be performed by a certified public accounting firm that will issue an official opinion on the annual financial statements and a management letter detailing areas of internal control that need improvement. During the audit, all records shall be made available to the Auditor for review and any unique or unusual transactions shall be brought to the attention of the Auditor. Any Auditor findings of potential fraud shall be reported consistent with this policy.

Bank Reconciliations

All bank reconciliations shall be prepared within ten days after the end of the month or receipt of the statements, whichever is sooner, by the Administrative Services Manager.

Funds Transfers

1. Transfers between District Banks or Investment Managers: Requests for transfers between District banks or investment managers require authorization of the Administrative Services Manager and must be supported by documents approving the underlying transaction (payroll, Board approved transfer to investment accounts, etc.).
2. ACH Payments to Vendors: At this time, the District does not allow ACH payments to vendors.

CEPPT and CERBT

Withdrawals from CEPPT and CERBT accounts may only be made in accordance with Board policy and require the authorization of both the Administrative Services Manager and District Manager.

Payroll Controls

1. The District shall not keep more funds in the Exchange Bank account than specified in the Payroll Banking Policy.
2. All employees and Trustees shall be paid via direct deposit only.
3. The employee processing payroll cannot be the same employee who manages and maintains the master pay schedule, which includes a list of current employees, pay rates, longevity increases, step increases, etc.

4. After payroll is entered, a different employee shall proof the payroll register to the schedule of salary and wage rates and timecards for each employee.
5. The District shall use an outside payroll processing firm who will make all tax calculations and payments directly to taxing agencies.
6. The District Manager shall review all supporting documentation and provide final authorization for payroll.

For additional information, Payroll Banking Policy.

Purchasing and Check Signing

The purchase of goods and services and storage and signing of any checks written on the accounts of the District shall be in accordance with the Procurement Policy and Check Handling Procedures and Signature Authority.

Terminated Signers

Upon the departure of any employee or Trustee with signature authority, signature cards and/or electronic approval privileges shall be immediately removed.

Unused Accounts

All unused bank and investment accounts shall be promptly closed by the District Manager.

Accounting Systems and Budget

The District's Accounting systems shall be maintained to accurately reflect expenses, revenues, and cash position at least monthly. The District adopts a budget annually and shall monitor adherence to the adopted budget in the accounting system. The District shall manage the budget consistent with Budget Development and Management Policy.

Documentation and Records Retention

The District shall ensure fiscal transactions are supported by sufficient documentation to assure that the transactions are appropriate and accurately recorded. Financial records shall be retained in accordance with state law.

Communication and Flow of Information

District staff, as well as Trustees, need financial information in order to properly execute their responsibilities. Department Managers shall be provided "view only" access to budget and other relevant information in the accounting system. Budget status reports shall be distributed to Department Managers monthly. Additionally, the Board's published agenda shall include monthly, quarterly and annual financial reports reflecting the District's revenues, expenses, assets and liabilities. The District shall update fiscal information on the website monthly.

Passwords and Electronic Access

Employees in the Financial Office shall only be provided access to those components of the accounting system necessary to complete their tasks. Additionally, passwords to external websites, such as banking, service providers, and vendors, shall be kept secure and only made available to the employee or employees needing them to complete District business.

J Capital Assets Policy

J1 General Information

The Marin/Sonoma Mosquito & Vector Control District's policies for the acquisition, valuation, and disposition of capital assets are contained within this document. These policies are designed to aid District departments, under the control of the District Board of Trustees by clarifying the District's definition of capital assets. Relevant State Government Codes and Accounting Standards are incorporated within the policies. Proper capital asset accounting provides the District with the data necessary to:

- Prepare financial reports.
- Safeguard sizable investments.
- Identify custodial responsibility.
- Assist with risk management /insurance activities.
- Formulate future asset acquisition and retirement policies.
- Recover costs from Federal and State programs or fee reimbursement programs.

To set the highest possible standard, we will continue to compare the asset policy as described herein against the recommended Government Finance Officers Association (GFOA) Best Practices Guide on Capital Asset Procedures. Current recommendations included within the GFOA guide that are included herein include the following:

- Potentially capitalizable items should only be capitalized if they have an estimated useful life of at least two years following the date of acquisition;
- Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g. books of a library district):
- In no case should a government establish a capitalization threshold of less than $5,000 for any individual item;

- In establishing capitalization thresholds, governments that are recipients of federal awards should be aware of federal requirements that prevent the use of capitalization thresholds more than certain specified minimum amounts (i.e., currently $10,000) for purposes of federal reimbursement; and
- Governments should exercise control over potentially capitalizable items that fall under the operative capitalization threshold.

J1.1 Administration Services Responsibility
It is the responsibility of the Administrative Services Department to ensure capital assets are all properly accounted for by fund and asset category on the Capital Asset List.

J1.2 Departmental Responsibility
Departments are responsible for protecting and controlling the use of District assets assigned to their department. Each department shall appoint a representative to work with the Administrative Services Department to maintain accurate and up-to-date capital asset accounting records. This representative will be required to validate their department's fixed asset listing for its accuracy and completeness on a regular basis.

In addition, an annual year-end inventory is required to be completed by July 10 for each fiscal year ending June 30. To facilitate the fulfillment of the requirements of this section and in order to prepare accurate financial reports, Departments are also responsible for safeguarding assets that are not defined as capital assets by the Policy Guidelines.

J2 Overview

Capital assets are broadly defined as financial resources that are tangible or intangible in nature and have a useful life greater than two (2) years. Examples of capital asset categories are Land, Structures and Land Improvements, Office Furniture, Office and Lab Equipment, Field and Shop Equipment and Tools, and Vehicles. The Capital Asset Policy defines capital assets under each classification, addresses useful life ranges, sets minimum capitalization thresholds, and gives examples of costs to include in the value of the capital asset. Additionally, the policy discusses the treatment of unique items such as Computer Software, Capital Leases, Works of Art, Donated Assets, Construction in Progress, Costs incurred Subsequent to Acquisition, and Transfers of Assets between Funds.

Capital assets are to be accounted for at historical cost, or if cost is not determinable, at estimated fair market value at the time acquired or placed into service. Generally, cost includes all expenses associated with the acquisition, construction, and installation of a capital asset. If appropriate, salvage/residual values should be determined prior to recording an asset.

If the funding source of an asset is a grant, or the asset is acquired by gift or donation, the source or donor should be identified. If multiple funding sources apply, all sources should be identified.

For historical assets, if the funding source cannot be determined, the asset shall be recorded under the general fund.

J2.1 Summary of Capitalization Thresholds
Although the service life of certain buildings, improvements, and equipment, may extend beyond two (2) years, the District has established minimum capitalization thresholds for administrative purposes. All purchases below the applicable class threshold are to be expensed in the current period.

<u>Class Capitalization Threshold</u>

Land	$0.00
Structures and Land Improvements	$10,000
Office Furniture	$10,000
Office and Lab Equipment	$10,000
Field and Shop Equipment and Tools	$10,000
Vehicles	$10,000
Intangible Assets	$10,000
Capital Leases	See Lease and SBITA Accounting Policy
Leasehold Improvements	$10,000

Works of Art/Historical Treasures	$10,000

Construction in Progress for Year End Reporting Projects expected to exceed $10,000 at completion

The classes above are further defined in Section 4.

J3 Useful Life Ranges

Useful lives are determined by suggested useful life tables and professional judgment, since similar capital assets may have different useful lives depending on how and where they are used. Questions about the useful life of a specific asset should be decided upon jointly by department personnel and the Administration Services Department. Items that have useful lives of less than two (2) years are not to be capitalized.

Overview of Standard Useful Lives by Asset Type

Assets	Years
Land	Not depreciated
Structures and Land Improvements	20-30
Office Furniture	10-20
Office and Lab Equipment	10-20
Field and Shop Equipment and Tools	10-20
Vehicles	5-10 passenger vehicles 5-20 wheeled equipment & trailers

J3.1 Budgetary Control
Annually, the District Board considers capital asset acquisitions as part of the budget process. Please refer to the budgetary policy for further understanding of the procedures performed.

J4 Acquisition of Capital Assets

J4.1 Definitions:
Land and Land Improvements

Land includes all investments in real property other than structure and land improvements

Land Improvements are building assets that enhance the quality or facilitate the use of land.

Examples of depreciable land improvements include parking lots, driveways, sidewalks, retaining walls, fencing, outdoor lighting, landscaping, irrigation systems, recreation areas, and fountains. Land improvements such as fill, grading, and excavation that provide permanent benefits and incur limited deterioration with use or the passage of time are to be classified with land as non-depreciable.

Capitalization: All Land is to be capitalized. Land Improvements valued at or over the threshold defined in the table above will be capitalized.

Valuation: The cost of land includes all expenditures in connection with acquisition and preparation for use such as, but not limited to: purchase price appraisal and negotiation fees, title search and filing/recording fees, relocation costs, costs of consents clearing, filling, and grading land for use, condemnation costs, demolishing or removing structures, surveying fees, hazardous waste clean-up. (Receipts from the sales of salvage should be credited against the land cost.) In the case of land and buildings acquired as a single parcel, the value of the land and buildings should be determined individually and recorded separately into their respective capital accounts.

Structures and Improvements

Buildings are structures that are physical property of a permanent nature that enclose people, equipment, services, or functions. Buildings may include major high-cost components such as boilers, elevators, HVAC systems, and roofs. If practical, these components should be recorded separately in the capital asset system to simplify future replacement transactions and because their useful lives can differ from buildings.

Building Improvements are additions or improvements to buildings that increase the value or extend the useful life of a building. Examples include replacing major building components, structural additions to a building, major energy conservation projects, installation of upgraded plumbing or electrical systems, and major renovations of exterior structural deterioration.

Capitalization: Structures and Improvements valued at or over the threshold defined in the table above will be capitalized.

Valuation: The cost of Structures and Improvements includes all expenditures in connection with acquisition or construction, such as:

- purchase price or construction costs
- fixtures attached to the structure
- filing and other closing costs
- inspections and tests
- architects' fees
- payment of damages
- cost of permits and licenses
- accident or injury costs
- insurance during construction.

The cost shall be reduced for sale of salvage from materials charged against the construction, discounts, allowances, and rebates secured, amount is recovered through surrender of liability and casualty insurance.

Office Furniture, Office and Lab Equipment, Field and Shop Equipment and Tools, and Vehicles

Office Furniture, Office and Lab Equipment, Field and Shop Equipment and Tools, and Vehicles categories include physical moveable personal property such as machines, tools, furniture, vehicles, aircraft, office trailers, and computer servers. Equipment does not include major systems integrated into a building or structure such as elevators, boilers, roofs, or HVAC.

Capitalization: Individual units valued at or over the threshold defined in the table above.

The group method for capitalization may apply in limited circumstances for equipment. Grouping includes a number of different units purchased at the same time whose defined purpose is to work in conjunction with one another, their independent operation is not feasible, and replacement of which is intended as a whole. Purchase of multiple identical units (e.g. 6 printers @ $1,850 ea.) rarely represents valid grouping. Examples of valid grouping are:

- Computer systems comprised of hardware and software components designed to work exclusively with one another
- Unique multi-device systems for communications or vehicles

Valuation: The cost of equipment includes all costs necessary to acquire and place the equipment into service, such as:

Purchase or construction price, less discounts, installation costs, freight or other carriage charges initial operational training, sales, use, or transportation taxes.

The cost of new equipment should not be reduced by the value of trade-ins. Trade-ins shall be retired from the capital asset and financial systems, and any resultant gain or loss for the asset being traded-in should be recognized on its disposition.

Construction In Progress

Construction in Progress includes new construction or improvements to land, buildings, or infrastructure that have not been physically completed or have not had all project costs processed by fiscal year-end and the final cost of which is expected to exceed the threshold defined above. Construction in Progress expenditures shall be reported to the Administration Services Department at the end of each fiscal year as the sum of the expenditures to date by project, to be classified under Construction in Progress account.

Capitalization: Infrastructure and infrastructure improvements valued at or over the threshold defined in the table above will be capitalized. Refer to the "Treatment of Costs Subsequent to Acquisition" section of this document for more specific information.

Valuation: The cost of infrastructure includes the purchase price, contract prices, internal costs, and any other expenditures necessary to put the infrastructure into its intended state of operation. Refer to the Structures and Land Improvements paragraph for examples of costs to include.

Preservation costs that significantly extend the useful life of an asset beyond its original estimated useful life, but do not increase the capacity of the asset, are generally capitalized. An example is seismic retrofitting.

Maintenance costs allow an infrastructure asset to continue to operate at its intended level of service during its originally established useful life and are not to be capitalized.

Intangible Assets

Intangible assets are financial assets that lack physical substance. Common examples of intangible assets are easements, rights-of-way, and computer software.

Software Capitalization: An individual software application or license purchased for District use shall be capitalized if it meets the criteria for capitalization in accordance with GASB Statement No. 51 (Accounting and Financial Reporting for Intangible Assets) and GASB Statement No. 96 (SBITAs).

Valuation: Software purchased as a component of a system designed to work exclusively with specific hardware shall be capitalized with the hardware using the group method as noted in the equipment paragraph above. Computer software developed or obtained for internal use shall follow the capital asset guidance provided in GASB Statement No. 51. Vendor modifications, such as patches and version upgrades, used to keep software in a usable state as opposed to adding significant new capabilities, should be charged as maintenance expense.

Eminent Domain

Eminent Domain is the acquisition of private property for public use. The value of a capital asset obtained through eminent domain shall include all direct costs included in reaching a settlement with the seller.

Works of Art and Historical Treasures

Works of Art and District Historical Treasures are defined as collections of works of art, historical treasures, and similar assets as one or more items which are considered inexhaustible and held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain.

These types of assets shall be capitalized and recorded at historical cost and are not to be depreciated. Items that require major renovations exceeding the thresholds established in this policy should be depreciated.

Donated Assets

Donated Assets to the District are to be recorded at their fair market value as of the date of acceptance by the District Board plus any ancillary costs necessary to place those assets into service. The department receiving the donation is responsible for obtaining and providing written information required to create a Capital Asset record. Surplus property purchased at nominal prices far below actual value are in part a donation and shall be valued at the estimated fair market value at the time of acquisition.

Leasehold Improvements

Leasehold Improvements are improvements to buildings or structures that the District leases to be used during the term of that lease. Leasehold improvements are permanent in nature in that they involve physical modifications to a leased property. As such, moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement.

Leasehold improvements do not have a residual value as they revert to the lessor at the expiration of the lease.

Leasehold improvements are capitalized by the District and are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. Improvements made in lieu of rent shall not be capitalized. If the lease contains an option to renew and the likelihood of renewal is uncertain, the leasehold improvement should be written off over the life of the initial lease term or useful life of the improvement. whichever is shorter.

J5 Additional Capital Asset Issues

Capital Lease and SBITA Accounting

Capital lease is a lease that transfers substantially all the benefits and risks of ownership of property to the District at the end of the lease term.

The Governmental Accounting Standards Board (GASB) has introduced two new accounting statements: GASB Statement No. 87, ***Leases*** (GASB 87) and GASB Statement No. 96, ***Subscription-Based Information Technology Arrangements*** (SBITA). In accordance with GASB 87 and GASB Statement No. 96, SBITAs (GASB 96), a lease and a SBITA are defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transactions (i.e., buildings, land, vehicles, equipment, and information technology resources). Any contract that meets this definition should be accounted for under the guidance of GASB 87 or GASB 96 as appropriate. Subject to certain provisions and exceptions noted in the guidance, leases and SBITAs are generally reported as follows in a District's external financial statements:

Lessee/Contractee: A lessee/contractee should recognize a liability and an asset at the commencement of the lease/contract term. A lessee/contractee should reduce the liability as payments are made and recognize an outflow of resources (i.e., expense) for interest on the liability. The lessee/contractee should amortize the asset in a systematic and rational manner over the shorter of the lease/contract term or the useful life of the underlying asset.

Lessor: A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. A lessor should recognize interest revenue on the lease receivable and an inflow of resource (i.e., revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

200.00 Scope

This policy covers all contracts or agreements entered into between the District and another party for the use of another party's non-financial asset(s). Both statements allow application only for items material to the District's financial statements taken as a whole.

300.00 Policy

Prior to issuance of GASB 87 and GASB 96, the District recorded revenues or expenditures on most of its leases and SBITAs when revenues are received, or payments are made. The new statements require the District to record an asset or liability for leases and SBITAs that are material in nature. Due to the quantity and value of lease and SBITA contracts entered into as of the implementation date of January 1, 2022, District management has decided to not record existing lease and SBITA agreements in accordance with GASB 87 and GASB 96 as they, individually and collectively, do not have a material impact on the District's financial statements taken as a whole.

In order to properly analyze and potentially record an asset or liability related to an agreement that falls under the scope of GASB 87 or GASB 96, the District will need to centrally maintain all lease and SBITA contracts. Each time a new contract is approved that is a lease or SBITA contract or is a contract with a lease or SBITA component, the contracting department must include the Finance Department on the distribution list for the contract. If there is any uncertainty as to the nature of an agreement or the applicability of GASB 87 or GASB 96, the contracting department should contact the Finance Department to obtain clarity.

The District will set a lease and SBITA capitalization threshold based on 1% of the 5-year average of annual total assets for lease or SBITA contracts to be recorded under the new pronouncements. Any lease or SBITA agreement with a present value at inception less than that amount will be deemed immaterial in relation to the financial statements as a whole and, thereby, excluded from reporting.

J5.1 Treatment of Costs Subsequent to Acquisition

Major expenditures that increase future benefits from an existing capital asset beyond its previously assessed standard of performance shall be capitalized. After a capital asset has been placed into service, subsequent expenditures are capitalized if they meet the asset's class threshold and:

1) Extend the estimated life or increase the value of the asset as per established thresholds defined in this document, or
2) increase the future service potential, (capacity, or efficiency) of the asset, or
3) Are for a new major fixture of a building (e.g. elevator, boiler, HVAC, roof), or
4) For depreciated parking lots and roads, the 'base' has been impacted by a recycle, reconstruction, overlay or other maintenance treatments that extend the life of the asset as per established threshold defined in Table 3A under Infrastructure.

The determination as to whether expenditures meet any of these factors shall be made by an evaluation of engineering design, physical condition, cost, and other relevant factors.

Alteration or remodeling of buildings, costs to change the physical structure or arrangement of capital assets that do not extend the building's useful life shall not be capitalized.

Repairs and Maintenance

Repairs and Maintenance are defined as expenditures, which neither materially add to the value of property nor prolong its life, but merely maintain its original level of service or condition. Maintenance costs are not to be capitalized.

Depreciation

Depreciation is the process of allocating the cost of depreciable capital assets over a period of time, rather than incurring the entire cost as an expense in the year of acquisition. This process recognizes an asset's periodic cost of use and declining usefulness over time. Land, certain land improvements, and certain works of art and historical treasures are inexhaustible and are therefore not depreciated.

As a matter of policy, the District has elected to adopt the straight-line method of depreciation, unless there is clear evidence indicating that the expected consumption of an asset will significantly change as the asset ages.

The calculation of depreciation expense for assets with a straight-line life is as follows:

Asset Cost – Residual Value = Annual Depreciation Expense Estimated Useful Life in Years

> **Residual value** is the amount that can be anticipated to be recovered when the asset is no longer useful for its intended purpose. Useful life should approximate the time an asset will provide service to the District.

Capital assets that become fully depreciated and are still in use must remain in the financial capital accounts and identified within a capital asset system until they are disposed of.

Asset Dispositions, Transfers, and Sales

Surplus items are those that are no longer required by the asset's custodial department. These assets may be traded in for new assets, transferred to other departments, or classified as surplus and for subsequent redistribution to other departments, sale, or disposal. Any sale, transfer, donation, disposal, or dismantling of a capital asset must receive approval from the District Manager.

All transfers and sales require an update in the capital asset system.

Stolen or missing assets must be reported to the Administration Services Department immediately.

Methods of Disposal

Once property has been declared surplus by the Board or District Manager, it may be disposed of in any of the following manners:

a. Public Auction for Vehicles and Heavy Equipment

Motor vehicles (cars, trucks, all-terrain vehicles, etc.) shall be disposed of by the use of an independent auction service. Heavy equipment may also be sold on the District's behalf by an independent auction service. In selecting an auction service, the District Manager or designee shall take into account the service's commission fee, its reputation and its prior performance on the District's behalf. To protect the District against liability, certificates of title transfer shall be obtained for all vehicles sold.

a) <u>Online Auction for Other Items</u>
Surplus equipment other than vehicles may be sold directly to the general public through either of the following methods:

1. <u>Public Auction</u>
   Surplus property may be sold at public auction. Public auctions may be conducted by the District, or the District may contract with a professional auctioneer including professional auction services.
2. <u>Internet Auction</u>
   The District may utilize an Internet auction service (i.e., e-Bay; Public Surplus, etc.) to sell surplus property.
3. <u>Sealed Bids</u>
   Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest bidder. Notice of the sale of surplus property shall be posted on the District's website and published in a newspaper of the District at least once a week for two successive weeks in accordance with Government Code section 6066.

c) <u>Donation</u>
Surplus property may be donated directly to charitable nonprofit organizations or to other public agencies including, but not limited to, cities, counties, school districts, sister-cities, special districts and joint powers agencies upon receiving reasonable assurances that the property (or the proceeds from sale of the property by the non-profit organization) will be used to serve a public purpose.

d) <u>Minimal Value Items</u>

If the District Manager or designee determines that obsolete or surplus Property (or other items) lack any resale value or the cost to the District to market and resell the Property is greater than the Property's estimated resale value, the District may donate, recycle, or otherwise dispose of the Property.

e) Trade-In/Return to Manufacturer
Surplus property may be offered as a trade-in for credit toward the acquisition of new property or returned to the manufacturer for buy-back. If surplus property is to be applied to a purchase order, the trade-in value shall be itemized on the purchase order.

f) Disposal of Electronic Equipment
Prior to the sale, recycling or disposal of surplus computer, tablet or mobile smartphone equipment, the District Manager shall ensure that all erasable data is securely deleted by the District's Information Technology specialist.

Non-Warranty
All surplus Property disposed of will be "as is" and "where is", with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property. All bills of sale, transfers of title or other documentation reflecting the transfer of surplus Property to any third party must include warranty disclaimers consistent with this section.

Controlled Capital-Type Assets

Capital-Type Assets are those assets that individually do not meet the capitalization threshold as discussed above, however they meet one of the requirements below and as such require special attention and management oversight.

1) Items that require special attention to ensure legal compliance. Legal or contractual provisions may require a higher than ordinary level of accountability over certain capital type items (e.g., items acquired through grant contracts);
2) Items that require special attention to compensate for a heightened risk of theft (walk away items). Some capital-type items are both easily transportable and readily marketable or easily diverted to personal use (e.g., sound equipment, tablet or laptop computers, cell phones, etc.).

Each department is required to maintain their own listing of their specific types of Capital Type Assets and maintain custody over the assets. The individuals responsible for controlled capital-type items for each department should prepare and maintain a complete list of those items each year within the department. At the close of each fiscal year, every individual assigned responsibility for controlled capital-type items should prepare a report (to be maintained within the department) that provides a complete list of those items along with an explanation of changes from the previous year.

Departments shall provide each year by June 30 an updated list of controlled Capital Type Assets to Administrative Services. The Administrative Services Department should periodically verify the data on controlled capital-type items in each department. No less than once every five years on a rotating basis (more frequently for particularly sensitive items), Administrative Services should verify the reliability and completeness of the data on file in each department concerning controlled capital-type items.

K Investment Management Policy

K1 Mission Statement

It is the policy of the Marin/Sonoma Mosquito and Vector Control District ("District") to invest public funds in a manner that will provide maximum security, adequate liquidity, and sufficient yield, while meeting the daily cash flow demands of the District and conforming to all statutes and regulations governing the investment of public funds.

K2 Scope

This investment policy applies to all the financial assets of Marin/Sonoma Mosquito and Vector Control District. These funds are accounted for in the District's Audited Financial Statements. If the District invests funds on behalf of another agency and, if that agency does not have its own policy, the District's investment policy shall govern the agency's investments.

K2.1 Pooling of Funds

Except for cash in certain restricted and special funds, the District shall consolidate cash balances from all funds to maximize investment earnings. Investment income shall be allocated to various funds in accordance with generally accepted accounting principles.

K2.2 Funds Included in this Policy

General Fund

Capital Project Funds

Any new fund created by District Board unless specifically exempted

K2.3 Funds Excluded from this Policy

This policy does not include retirement, retiree health care savings/trust/plan(s) or deferred compensation plans. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and are not governed by this policy.

K3 General Objectives

The primary objectives, in priority order, of the District's investment activities are safety, liquidity and yield.

K3.1 Safety

Preservation of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the District shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

1. Credit Risk

   The District shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

   - Limiting investments to the most creditworthy types of securities
   - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the District will do business
   - By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District

2. Interest Rate Risk

   To minimize the negative impact of material changes in the market value of securities in the portfolio, the District shall:

   - Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity
   - Invest operating funds primarily in shorter-term securities, money market mutual funds, the State of California's Local Agency Investment Fund ("LAIF") and the California Asset Management Program (CAMP)

K3.2 Liquidity

The District's investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds, LAIF or CAMP, which offer same-day liquidity for short-term funds.

K3.3 Yield (Return on Investment)

The District's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

K4 Standards of Care

K4.1 Prudence

The standard of prudence to be used by District investment officials shall be the **"**prudent investor standard**"** (California Government Code Section 53600.3) in that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of an enterprise of a like character and with like aims. This standard shall be applied in the context of managing the overall portfolio. District investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

K4.2 Ethics and Conflicts of Interest

Officers and employees involved in the District investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. District employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the District immediately to the District Manager and annually to the Fair Political Practices Commission. District employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

C. K4.3 Delegation of Authority

In accordance with the Marin/Sonoma Mosquito and Vector Control District's Investment Policy, herewith established, the District Manager is authorized to invest the District's funds in accordance with the California Government Code 53600 et seq. In the absence of the District Manager, the investment of funds will be delegated to the Administrative Services Manager. Investments made by the Administrative Services Manager will be restricted to LAIF, or to securities maturing within six months. Prior to investing in securities, the Administrative Services Manager will consider the cash flow requirements of the District and may invest in securities maturing over six months if directed by the District Manager in writing or verbally, which shall be confirmed in writing within 30 days.

K4.4 Internal Controls

The District Manager is responsible for establishing and maintaining a system of written internal controls. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by District employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

1. Control of collusion
2. Separation of transaction authority from accounting and recordkeeping
3. Custodial safekeeping
4. Delivery versus payment (DVP)
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Wire transfer agreements

K4.5 Review of Investment Portfolio

The securities held by the District must be in compliance with Section VII Suitable and Authorized Investments at the time of purchase. Because some securities may not comply with Section VII Suitable and Authorized Investments subsequent to the date of purchase, the District Manager shall at least quarterly review the portfolio to identify those securities that do not comply. The District Manager shall establish procedures to report to the District Board, major and critical incidences of noncompliance identified through the review of the portfolio.

K5 Authorized Financial Dealers and Institutions

The District Manager shall establish selection criteria for pre-approval of financial institutions and security broker/dealers to do business with the District. The District Manager shall maintain a list of District approved financial institutions, registered investment advisors and security broker/dealers who are authorized to provide investment services to the District. These may include primary dealers, or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following to the District Manager as appropriate:

- Current audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Complete broker/dealer questionnaire
- For banking institutions, a statement of compliance with the Federal Reserve Bank of New York's capital guideline
- Statement of having read, understood and agreed to comply with the District's investment policy and depository contracts

If a third-party investment advisor is authorized to conduct investment transactions on the District's behalf, the investment advisor may use their own list of broker/dealers and financial institutions. The investment advisor's list must be available to the District upon request.

K6 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis which will ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the District Manager and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, California Asset Management Program (CAMP), time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization. The District Treasury shall be bonded to protect the public against possible embezzlement and malfeasance.

K7 Suitable and Authorized Investments

The District shall be governed by the California Government Code, Sections 53600 et seq. If the Code is amended to allow additional investments or is changed regarding the limits on certain categories of investments, the District is authorized to conform to the changes in the revised Code provided that the changes are not specifically prohibited by the District's policy. The District shall be required to present those changes in the annual review of the policy and to incorporate the new legislation within the policy. Surplus funds are defined as funds not required for the immediate necessities of the District and include investments in individually managed portfolio(s), money market fund(s), LAIF and/or CAMP and all portfolio limitations and restrictions shall apply to this aggregate amount. For purposes of compliance with the California Government Code and the District's Investment Policy, the credit rating requirement for medium-term notes, deposit notes, bank notes and commercial paper shall be based on the quality ratings at the time of purchase. If the quality rating of the issuer is downgraded, subsequent to purchase, by any of the Nationally Recognized Statistical-Rating Organizations below "A", or its equivalent, it shall be reported to the District Board with a recommendation, and ongoing information shall be provided if the bond is not sold. Percentage limitations of surplus funds invested are noted for the various investment instruments. Where there is a specified percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction.

The District is empowered by statute to invest in the following types of securities and those that the District Manager is trained in and competent to handle.

K7.1 Investment Types

1. Bonds issued by the District, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the District or by a department, board, agency, or authority of the local agency.
2. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
3. Federal Agency or United States government-sponsored enterprise obligations (GSE), participations, or other instruments.

4. State of California and Local Agency Obligations. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state; and bonds, notes, warrants, or other evidence of indebtedness of any local agency within this state including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Notes eligible for investment shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.
5. Medium-Term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, 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. Purchases of medium-term notes may not exceed thirty (30) percent of the District's surplus funds. Investments in medium-term notes for any one non-government issuer shall be limited to no more than ten (10) percent of surplus funds. Notes eligible for investment shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.
6. Bankers Acceptances otherwise known as bills of exchange or time drafts, drawn on and accepted by a commercial bank, which are eligible for purchase by the Federal Reserve System. Purchased bankers acceptances may not exceed one hundred and eighty (180) days maturity or thirty (30) percent of the District's surplus funds, and no more than twenty-five (25) percent of the District's surplus funds may be invested in the banker's acceptances of any one commercial bank.
7. Commercial Paper of "prime" quality of the highest ranking or the highest letter and number rating as provided for by a Nationally Recognized Statistical-Rating Organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):
    a. The entity is organized and operating in the United States as a general corporation and has total assets in excess of five hundred million dollars ($500,000,000). In addition, its debt other than commercial paper, if any, must be rated "A" or higher by a Nationally Recognized Statistical-Rating Organization.
    b. The entity is organized within the United States as a special purpose corporation, trust, or limited liability company and has a program-wide credit enhancement including, but not limited to, over-collateralization, letters of credit, or a surety bond. In addition, the entity has commercial paper that is rated "A-1" or higher, or the equivalent, by a Nationally Recognized Statistical-Rating Organization.

Eligible commercial paper shall have a maximum maturity of two hundred and seventy (270) days or less. The District may not invest more than twenty-five (25) percent of its surplus funds in no more than ten (10) percent of the outstanding eligible commercial paper of any single issuer.

8. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or savings association or federal association or a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed thirty (30) percent of the District's surplus money invested and shall be limited to no more than three (3) percent of any one issuer. Deposit notes and bank notes purchased through a broker or dealer shall be included with negotiable certificates of deposit in calculating allowable maximum percentages. Negotiable certificates of deposit, deposit notes and bank notes shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations (NRSRO). Purchases of FDIC member CD's are limited to $250,000 per issuer are federally insured and thereby not require to be rated by a NRSRO.

9. Time Deposits. The District may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code. To be eligible to receive District funds, the depository institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation of its record of meeting the credit needs of California's communities, including low and moderate-income neighborhoods. In selecting depositories, the credit worthiness of institutions shall be considered. Banks and savings and loan associations seeking to establish an investment relationship with the District shall submit an audited financial report that shall be reviewed for compliance with the District's investment standards. Any institution not providing an audited annual financial report shall be removed from the approved list and all funds maturing will be withdrawn. A list of eligible institutions shall be maintained. Qualification shall be determined by the following criteria:

    a. Tangible capital must equal or exceed one and a half (1½) percent; core capital must equal or exceed three (3) percent; and risk-based capital must equal eight (8) percent of assets adjusted for assigned risk-weightings.

b. Return on assets of a minimum of a half of one (½) percent; a return on equity of a minimum of eight (8) percent; an equity to assets ratio of a minimum of five (5) percent; and, District investments shall be no greater than a half of one (½) percent of the total assets of the depository.
c. Independent auditor's statement must have a clean opinion.

10. Savings accounts. Savings accounts when used in conjunction with the District's checking accounts at a qualified bank where funds are collateralized in accordance with the California Government Code.
11. U. S. Government money market funds registered with the Securities and Exchange Commission, and which comply with rule 2a7 of the Investment Company Act of 1940. The dollar weighted average maturity of the portfolio shall be less than ninety (90) days and the portfolio is managed to maintain a one dollar ($1.00) share price. Also, the fund shall meet either of the following criteria: (a) Attained the highest ranking or the highest letter and numerical rating provided by not less than two Nationally Recognized Statistical-Rating Organizations; (b) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).
12. Repurchase Agreements. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by the Code, so long as the proceeds of the repurchase agreement are invested solely to supplement the income normally received from these securities. The District shall adopt as a standard the Bond Market Association Master Repurchase Agreement and shall maintain a list of approved counterparts and limit counter parties to primary dealers rated "A" or better by two Nationally Recognized Statistical-Rating Organizations. Reverse repurchase agreements and securities lending agreements shall require District Board authorization separate from District Board approval of this policy. Securities lending agreements shall include the following safeguard measures: terms of lending agreements, indemnification provisions, reinvestment guidelines, liquidity provisions, credit risks and monitoring requirements. Additionally, any securities lending agreement shall be reviewed by the General Counsel to ensure the District's interests are properly protected.
    a. Investments in repurchase agreements may be made, on any authorized investment, when the term of the agreement does not exceed one year.
    b. Reverse repurchase agreements or securities lending agreements may be utilized when the security to be sold on the reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the District for a minimum of thirty (30) days prior to sale; the

total of all reverse repurchase agreements on investments owned by the District does not exceed twenty (20) percent of the base value of the portfolio; and the agreement does not exceed a term of ninety two (92) days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

13. Local Agency Investment Fund (LAIF). The District may invest in The Local Agency Investment Fund (LAIF), a special fund in the California State Treasury created and governed pursuant to Government Code Sections 16429.1 et seq. This law permits the District with the consent of the Board of Directors, to remit money not required for the District's immediate need, to the State Treasurer for deposit in this special fund for the purpose of investment. LAIF limits the amount any one public agency may deposit to the current maximum established administratively by the State Treasurer; the District shall observe the LAIF per-agency deposit maximum in effect at the time of investment (which was $75,000,000 as of the adoption of this policy and is subject to change by the State Treasurer). The California Government Code states that monies placed for deposit in LAIF are in trust in the custody of the State Treasurer and cannot be borrowed or be withheld from the District. Further, the right of the District to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or agency based upon the State's failure to adopt a budget by July 1 of each new fiscal year.

14. Joint Powers Authority Investment organized pursuant to Section 6509.7 that invests in the securities and obligations under Sections 53601 of the California Government Code. To be eligible for District investments, 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 Securities and Exchange Commission.

    b. The adviser has not less than five years of experience investing in the securities and obligations authorized under Section 53601.

b. The adviser has assets under management in excess of $500 million.

15. Supranational Obligations. Defined as United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by at least two Nationally Recognized Statistical Rating Organizations. There is a 15% limit on the percentage of the portfolio that can be invested in this category.

K7.2 Summary Table of Suitable and Authorized Investments

Investment Type	Maximum Percentage of Portfolio	Maximum par value per name	Credit/Minimum Quality Requirements
US Treasury Bills, Bonds and Notes	100%	None	Full faith and credit of the United States Government and have a Aaa/AA+ rating by Moody's and S&P.
Federal Agency Securities	100%	None	Implied guarantee of the US Government. Federal Agency Securities have a Aaa/AA+ rating by Moody's and S&P.

Local Agency Bonds	0-30%	$2,000,000	Shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service such as Moody's or S&P.
State of California Obligations	0-30%	$5,000,000	Shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service such as Moody's or S&P.
CA Local Agency Obligations	0-30%	$5,000,000	Shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service such as Moody's or S&P.
Money Market Funds	0-20%	20% of total portfolio	Multiple requirements including highest ranking by two nationally recognized rating agencies, must have fund advisor registered with the SEC, have more than

			$500 million under management, etc.
Commercial Paper	0-25%	10% per single issuer	Multiple requirements including highest ranking A-1, P-1, by two nationally recognized rating agencies, and must have total assets exceeding $500 million.
Bankers Acceptances	0-25%	10% per single issuer	May not exceed one hundred and eighty (180) days maturity
Certificates of Deposit	0-30%	3% per single issuer to $250k	FDIC insurance coverage amount, currently $250,000 maximum per FDIC member.
Repurchase Agreements	0-25%	10% per single issuer	Signed Security Loan Agreement in file. Reverse Repurchase Agreements are specifically not authorized under this investment policy.

Local Agency Investment Fund	0-100%	$75,000,000	Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account
Joint Powers Authority Investment	0-100%	None	Investment of funds in the California Asset Management Trust as a participant in the California Asset Management Program (CAMP)
Medium-term Corporate Bonds	0-30%	10% per single issuer	Shall be rated in a rating category of “A” or its equivalent or better by a nationally recognized rating service such as Moody’s or S&P.
Supranationals	0-15%	10% per single issuer	Shall be rated in a rating category of “AA” or its equivalent or better by a nationally recognized

			rating service such as Moody's or S&P.

K7.3 Collateralization

Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit. Collateral shall be held by an independent third party with whom the District has a current written custodial agreement. Clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. The right of collateral substitution is granted in accordance with the following requirements:

1. Certificates of Deposit
    a. Government securities used as collateral require one hundred and two (102) percent of market value to the face amount of the deposit
    b. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
    c. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
2. Repurchase and Reverse Repurchase Agreements
    a. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the District's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the District for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market

value must be calculated each time there is a substitution of collateral.

b. The District or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

K7.4 Investments Not Approved

Any security type or structure not specifically approved by this policy is hereby prohibited. Security types, which are hereby prohibited include, but are not limited to: Collateralized mortgage obligations (CMO's), mortgage pass-through securities, reverse repurchase agreements used as a leveraging vehicle, "exotic" derivatives structures such as range notes, dual index notes, inverse floating-rate notes, leveraged or de-leveraged floating-rate notes, interest-only strips that are derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, or any other complex variable or structured note with an unusually high degree of volatility or risk.

K7.5 Investments Pools/Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The investigation will, at a minimum, obtain the following:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, and what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings
- A description of how the pool/fund maintain reserves, retained earnings, etc. or is all income after expenses distributed to participants
- A fee schedule that discloses when and how fees are assessed.
- The eligibility of the pool/fund to invest in bond proceeds and a description of its practices.

K7.6 Environmental, Social and Governance (ESG)

Consistent with the prudent-investor standard in Government Code § 53600.3 and the safety, liquidity, and yield priorities stated above, the District may consider environmental, social, and governance (ESG) factors alongside traditional financial measures in the investment decision-making process, provided that doing so does not compromise those priorities and that investments remain financially prudent. Investments in companies that prioritize conservation and sustainable business practices help to protect our environment for future generations and is commensurate with the District's values. ESG factors may include, but are not limited to:

- Environmental: Carbon Footprint; Energy Consumption; Water/Waste; External Conservation Initiatives; and Sector-Specific Adjustments.
- Social: Labor Rights; Employee Diversity; Corporate Social Responsibility; and Human Rights/Ethics.
- Governance: Leadership Structure; Executive Compensation; Human Capital Management; Transparency/Disclosure; and Shareholder Rights.

K8 Investing Parameters

K8.1 Diversification

The District shall diversify its investments by security type, issuer, maturity, and financial institutions. No percentage limitations are established for United States government, United States government agencies and United States government sponsored enterprises; however, percentage limitations are established for other permitted investments, as noted in Section VII of this policy. The investments shall be diversified by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury and Federal Agency securities), limiting investment in securities that have higher credit risks, and investing in securities with varying maturities.

K8.2 Maximum Maturities

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. Where there is no specified maturity limitation on an investment, no investment shall be made in any security, which, at the time of the investment, has a term remaining to maturity in excess of five (5) years, unless the District Board has granted express authority to make that investment no less than three months prior to the investment.

In addition to the five (5) year limitation on investments specified in this policy, the average maturity of the District's combined portfolio shall not exceed two and a half (2½) years without prior approval of the District Board.

K9 Reporting

The District Manager shall submit investment reports to the District Board that provide a clear picture of the status of the current investment portfolio and shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

A. Quarterly Reporting to District Board

In accordance with California Government Code Section 53646, the District Manager shall submit to District Board, within thirty (30) days following the end of the quarter, an investment report that summarizes all securities in the portfolio. The report shall include:

- Investment type
- Issuer
- Maturity date
- Book value
- Market value
- Source of valuation
- Statement of compliance with the investment policy
- Statement of the ability to meet expenditures for the next six months

In addition, a narrative shall accompany the portfolio addressing noteworthy items or the current investment climate. Annually, the District Manager shall provide a review of the District's Investment Policy.

B. Reporting to California Debt and Investment Advisory Commission (CDIAC)

The District shall forward copies of investment portfolio reports and copies of the annual District's Statement of Investment Policy to CDIAC on an as-required basis.

K10 Performance Standards

The investment portfolio shall be managed in accordance with the parameters specified within this policy and always within consistently safe and prudent treasury management procedures.

A. Market Yield (Benchmark)

The District's overall investment strategy is passive: Investments are generally held to maturity. The LAIF quarter-to-date and/or apportionment rate, and the two-year U.S. Treasury Note shall also be considered useful benchmarks of the District's portfolio performance.

B. Marking to Market

The market value of the portfolio shall be calculated at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. In defining market value, consideration shall been given to pronouncements from the Governmental Accounting Standards Board (GASB) that address the reporting of investment assets and investment income for all investment portfolios held by governmental entities. The fair value of all securities reported in the District's portfolio is based on currently quoted market prices.

A. Review of Investment Portfolio

The securities held by the District must be in compliance with Authorized and Suitable Investments at the time of purchase. District Manager shall establish procedures to report to the District Board any major or critical incidences of noncompliance identified through the review of the portfolio.

K11 Investment Policy Compliance and Adoption

A. Policy Compliance and Changes

Any deviation from the policy shall be reported to District Board at the next scheduled meeting. The District Manager shall promptly notify the District Board of any material change in the policy, and any modifications to the policy must be approved by the District Board.

B. Annual Statement of Investment Policy

The District Manager shall render a written Investment Policy that shall be reviewed at least annually by the District Board to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. The District Board shall consider the annual Investment Policy and any changes therein at a public meeting. The Investment Policy shall be adopted by resolution of the District Board.

L Debt Management Policy

L1 Policy Purpose

These Debt Management Policies (the "Debt Policy") establishes the parameters within which debt may be issued and administered by the District. Additionally, these policies apply to debt issued by the District on behalf of assessment, community facilities, or other special districts, and conduit-type financing by the District for industrial development projects.

The Debt Policy may be utilized by staff of the District with the discretion to deviate as determined appropriate by the District Manager or Administrative Services Manager, and may be amended by the governing Board of the applicable District as it deems appropriate from time to time in the prudent management of the debt and capital financing needs of the District.

This Debt Policy is intended to comply with California Government Code Section 8855(i) and shall govern all debt undertaken by a District.

The District hereby recognize that a fiscally prudent debt policy is required in order to:

- Ensure that the use of debt is in a manner that sustains financing payments at manageable levels.
- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers and constituents of the District.

- Ensure that the District's debt is consistent with their planning goals and objectives and capital improvement program or budget, as applicable.

L2 Purposes for Which Debt May Be Issued

Generally, the District will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of District investment holdings over the financing term.

1) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and operated by the District.
   a) Long-term debt financings are appropriate when the following conditions exist:
      i) When the project to be financed, is necessary to provide basic services.
      ii) When the project to be financed is to provide benefit to constituents over multiple years.
      iii) When total debt does not constitute an unreasonable burden to the District and the District's taxpayers.
      iv) When the debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.
   b) The District may use long-term debt financings subject to the following conditions:
      i) The project to be financed must be approved by the governing board of the District.
      ii) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
      iii) The District estimates that sufficient revenues will be available to service the debt through its maturity.
      iv) The District determines that the issuance of the debt will comply with the applicable state and federal law.
      v) The District will not issue long-term debt to finance current operations.
2) Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows to maintain a steady and even cash flow balance. Shortterm debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.
3) Financing on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes

of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed, and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

L3 Types of Debt

The following types of debt are allowable under this Debt Policy:

- General obligation bonds (GO Bonds)
- Bond or grant anticipation notes (BANs)
- Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- Other revenue bonds and COPs
- Lease-purchase method of financing for equipment (should be used if the lease rates are more favorable than the District's expected overall investment rate of return)
- Tax and revenue anticipation notes (TRANs)
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Tax increment financing to the extent permitted under State law

The governing body may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

L4 Relationship of Debt to Capital Improvement Program and Budget

The District and the Board are committed to long-term capital planning. The District and the Board intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the capital budget and the capital improvement plan.

The District and the Board shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District and the Board shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate their debt issuances with the goals of the capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

L5 Policy Goals Related to Planning Goals and Objectives

The District and the Board are committed to long-term financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the annual operations budget.

It is a policy goal of the District and the Board to protect taxpayers and constituents by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District and the Board will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

L6 Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post- issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- The District will diligently monitor its compliance with bond covenants.

- Any federal tax compliance requirements, including, without limitation, arbitrage, and rebate compliance.
- Investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the District Manager or Administrative Services Manager, or his or her written designee, or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District.

M — Grant Management Policy

M Grant Management Policy

M1 Overview

The Marin/Sonoma Mosquito & Vector Control District continues its practice of taking advantage of granting opportunities to support operations, programs, and capital improvement projects. Major sources of grant awards are federal, state, local agencies, and private organizations. A grant's scope is determined by the policy goals of the grantor, and the grantee is obligated to provide deliverables based on the terms and conditions of the grant. Grants differ based on the funding source, scope of work, requirements, and timelines. This policy provides a general guidance to managing grants which may not be pertinent to manage all grants awarded to the District.

M2 Purpose

The purpose of the Grants Management Policy is to develop, implement, and maintain meaningful grant oversight and coordination for the District Board thereby increasing grant-related revenue, limiting the District Board's exposure to grant-related legal liability, and improving the efficiency and impact of programs and services funded through grants.

M3 Defining A Grant

Grants are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is entered into by the District and a granting agency. The following conditions characterize a grant and distinguish grants from donations and contributions:

Statement of Work/ Application

Grants are typically awarded in response to a request, application, detailed statement of work and commitment to a specified project plan. The statement of work and budget are usually described in a written proposal submitted by the District to the granting agency for competitive review.

Detailed Financial Accountability

The grant agreement generally defines the level of financial accountability associated with a grant funded project. While not all of the following conditions are necessary to define a grant project, they are collectively indicative of the increased level of financial accountability associated with such projects:

- a line-item budget related to the project plan. The terms of the agreement may specify allowable or unallowable costs, requirements for prior approvals for particular expenditures, etc.
- a specified period of performance, typically defined with "start" and "end" dates.
- a requirement to return any unexpended advance funds at the end of that period.
- requires draw down requests to receive funds related to allowable expenditures under the grant agreement.
- regular financial reporting and audit, including, for federal and state awards, or accountability under the terms of the Uniform Guidance Single Audit.
- grant agreements may also include terms and conditions for the disposition of tangible or intangible property acquired or constructed using grant funds.

M4 General Information

The District shall only seek grants when sufficient staff resources are available to effectively administer the program in compliance with grant requirements and successfully perform the grant work scope and provide any necessary matching requirements. The District may pursue funding from federal, state, and other sources, for expenses consistent with identified District goals and priorities. All grants and other federal and state funds shall be managed to comply with the regulations and requirements of the granting agency. No grant shall be applied for or accepted without first being reviewed and approved by the District Manager or Designee.

M5 Pre-Application Evaluation

District staff will continuously identify grants in all functional areas in general but specifically in funding capital projects. District staff must review grant requirements to validate the feasibility of undertaking the responsibility of grant deliverables and the alignment of the scope with the District's and the community's mission before applying, accepting, and committing to any grant opportunity.

Short Term Revenues vs. Long Term Costs

Special attention must be paid to evaluate if a grant opportunity is viable to the District and that one time or short-term grant revenues are not adding to the fiscal burden of unprecedented permanent or long-term expenditures. For example, a grant funded project may require the District to hire additional staff, in this situation it is necessary to review the grant to assure that the District is clear about the requirement of additional staff, temporary or permanent. If permanent staff is required, the long-term labor cost must be evaluated and analyzed before applying for the grant. The viability consideration is not limited to labor cost; it must be evaluated for all types of costs such as ongoing operations and maintenance.

Required Resources
A grant opportunity must be evaluated based on required resources versus available resources in the District before moving forward with the application process. This applies to resources such as: staff support, local funding match, or in-kind match. If a funding match is required by a grantor, the District Manager must approve the funding source in writing before submitting the grant application.
Indirect Costs
During the grant application process the District staff shall include the cost of administering the grant program when possible and wherever it is allowable by the grantor in the grant terms and conditions. For example, some grantors may have a fixed percentage for indirect costs that can be reimbursed.

Cost Benefits Analysis
The overall cost benefit analysis is required to confirm that the grant is in alignment with the District's general mission and strategic goals and is in the best interest of the residents of the District.

Public Private Partnership
In a situation where the District is working in partnership with another organization (local or public) the solicitation process must be transparent. District Board approval is required prior to

submitting the grant application. If the pre-approval step is missed in such a partnership, there must be an explanation provided to the District Board upon the grant acceptance.

M6 Grant Cycle

1) Grant Application
   Department staff are required to follow the grantors' determined application processes. Department staff seeking and administering the grant are responsible for compiling the grant application, and the Administrative Services Department shall provide certain information that is required to be submitted with the proposal.
   a) If a local funding match is required for a grant, obtain the District Manager approval for the funding source before submitting the grant application.
   b) The Administrative Services Department must be notified upon submission of a grant application within ten (10) business days.
2) Grant Award
   Grant award is the notification that is provided to the applicant upon the acceptance of the grant application. The notification must be in writing and/or it can also be in a grant agreement format.
3) Board Approval
   Each grant must be formally accepted by the District Board before moving to the execution phase. Department staff, along with the District Manager are responsible for preparing the District Board agenda item. The recommended action must include the words "accept and appropriate" in the agenda report to ensure budget appropriation for execution. Some grants may require District Board authorization before a grant application is submitted and, in that case, recommended action may include the language about the acceptance and appropriation of funds upon grant award.
4) Grant Set-Up
   Department staff are responsible for submitting grant documents to the Administrative Services Department within ten (10) business days to be set up in the District's financial system, which may require creating special account strings to fully track the related activity. Required documents are:
   a) Grant Award Letter/Agreement
   b) Approved Board Minutes, and/or Resolutions
   c) Appropriate Grant Funds
5) Grant Execution

It is the Department staff's responsibility to deliver agreed upon deliverables, generate status reports, exercise careful examination of the costs being incurred, and file for reimbursements from the grantor in a timely fashion. The Administrative Services Department assists as needed in terms of setting up account strings, budgets, and preparing monthly reports etc. Department staff shall maintain a comprehensive project file for the records and send all documents to the Administrative Services Department for record keeping in the financial system.

6) Reimbursements/Reporting
   Department staff shall submit reimbursements and other periodic reports in a timely manner depending upon the grantor specified timeline. Many grants are on a reimbursement basis. Therefore, the District covers the expenditures from the cash reserve before the grant funds are reimbursed, which limits the District's ability to fund other operations and District services. It is crucial that the reimbursement requests are submitted to the grantor in a timely manner to alleviate undue burden from the District's cash reserves. Department staff shall communicate and forward documentation for reimbursement requests to the Administrative Services Department at the time of submission to the grantor.
7) Close-Out
   Department staff are responsible for following the specified close out procedure provided by the grantor. Grant funded project files and records are required to be maintained per the District Retention policy or the Grant Terms whichever is longer. Final close-out reports shall be sent to the Administrative Services Department within ten (10) business days.

M7 Recordkeeping and Reporting

Department staff must maintain all documents (purchasing, bidding, and communications with the grantor) even after the grant completion. Department staff shall also forward all documents to the Administrative Services Department for saving and retention in the financial system to ensure Districtwide availability as needed. This is primarily for audit purposes.

Appropriate audit facilitator is determined depending on the nature of the audit including the Annual Single Audit. The Finance department facilitates all financial audits and may reach out to Department staff for assistance if warranted.

M8 Pass-Through Grants

Pass through grants are those grants that are received by the District to transfer or spend on behalf of a beneficiary recipient. The District may enter into a project development and administration agreement with a third party to administer the grant, however the District remains responsible for ensuring compliance with the terms of the grant. Any third-party administrator assigned to manage a pass-through grant shall be responsible for complying with the requirements outlined in this Chapter. Pass-through grants shall be processed and managed in the same manner as any other District grant covered under this policy. Pass-through grants shall be accounted for in Compliance with GASB Statement No. 24 *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

M9 Roles and Responsibilities

District Board

- Provides policy guidance to District staff to seek grants in certain categories and authorizes staff to apply for grants, and upon grant award, accepts and appropriates funds.

District Manager's Office

- Executes grant agreements and directs/assigns staff to seek and execute grants.

Administrative Services Department

- Provides guidance to Department staff about tracking costs appropriately.
- Sets up account strings in the financial system.
- Assists in day-to-day financial operations.
- Generates periodic reports stating sources and uses of the grant funds.
- Maintains project master in the financial system.
- Maintains the District's general information regarding tax ID and tax-exempt status letter.
- Maintains the District's accounts with federal grant portals such as www.grant.gov, www.sam.gov, etc.
- Maintains the District's CAGE code and Unique Identifier Number, formerly known as DUNS number.
- Generates Schedule of Expenditures of Federal Awards (SEFA) annually after fiscal close.
- Facilitates financial audits.
- Provides training on grant management and financial systems to improve the grants program.

Department Staff

- Applies for the grant.
- Takes awarded grant to the District Board for approval (Board action must read "Accept and appropriate funds...").
- Prepares budget amendments based on the District Board approval.
- Executes the grant. Delivers the grant deliverables under the terms and conditions.
- Monitors costs and makes sure the costs are allowable and within the grant award.
- Communicates and reports to the grantor/s regarding status, periodic, and close out reports, and any other communication regarding modifications to the scope or changes in timeline.
- Follows the procurement and other District policies in the process of issuing contracts.
- Maintains complete project file during the project and provides completed file to the Administrative Services Manager after project completion to keep according to the document management policy.
- Assists finance/audit coordinator as needed during audits

GLOSSARY OF INVESTMENT TERMS

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government (i.e. Government National Mortgage Association). Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee (i.e. Federal National Mortgage Association).

ASKED PRICE: The price at which securities are offered for sale, also known as offering price.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID PRICE: The price offered by a buyer of securities. (When you are selling securities, you *ask* for a bid.)

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER: Someone who brings buyers and sellers together and is compensated for his/her service.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by a Nationally Recognized Statistical-Rating Organization.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

CURRENT YIELD (CURRENT RETURN): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, by buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DIVERSIFICATION: Dividing investment funds among a variety of security types by sector, maturity and quality ratings offering independent returns.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small-business firms, students, farmers, farm co-operatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits currently up to $250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banks services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., twelve Regional Banks and about 5,700 commercial banks that are members of the system.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): A self-regulatory organization (SRO) responsible for governing business between brokers, dealers and the investing public.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

INTEREST RATE RISK: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

- **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
- **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Chapter 730, Statutes of 1976 of the State of California, established the Local Agency Investment Fund. This fund enables local governmental agencies to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account. Each local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, the State's costs of administering the program are deducted from the earnings.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET RISK: The risk that the value of a security will raise or decline as a result of changes in market conditions.

MARKET VALUE: The current price at which a security is trading and could presumably be purchased or sold at that particular point in time.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of a financial obligation is due and payable.

MONEY MARKET MUTUAL FUND: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

MUTUAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by Securities and Exchange Commission (SEC) disclosure guidelines.

NATIONALLY RECOGNIZED STATISTICAL-RATING ORGANIZATION (NRSRO): Standard and Poor's, Moody's, and Fitch Financial Services are examples of such organizations.

OFFER: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks and a few unregulated firms.

PRINCIPAL: (1) The face amount or par value of a debt instrument. (2) One who acts as a dealer buying and selling for his own account.

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.

REINVESTMENT RISK: The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specific date.

RISK: Degree of uncertainty of return on an asset.

RULE 2A-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar ($1.00).

SAFEKEEPING SERVICE: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection and security.

SECONDARY MARKET: A market is made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES LENDING: An agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises, (FHLB, FNMA, FHLMC, etc.), and Corporations that have imbedded options, (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns), into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SUPRANATIONALS: World Development banks that share the same goal of providing an improved standard of living in their member countries, but each having different mandates. There are three banks (Supranationals) in which California local agencies can invest in their debt obligations: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

SWAP: Trading one asset for another.

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TREASURY BILLS: Short-term U.S. government non-interest bearing discounted debt securities with maturities of no longer than one year and issued in minimum denominations of $10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

TREASURY BOND: A long-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of more than 10 years and issued in minimum denominations of $1,000.

TREASURY NOTE: A medium-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of from one to ten years and issued in denominations ranging from $1,000 to $1 million or more.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission (SEC) Rule 15C3-1 outlining requirements that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the security.

DATE: August 12, 2026

SUBJECT: Approval of the Second Amendment to the District Manager Employment Agreement

BACKGROUND:

The District and District Manager Peter Bonkrude entered into a District Manager Employment Agreement effective February 20, 2024, with a commencement date of April 1, 2024, as amended by the First Amendment effective February 20, 2024 and executed October 14, 2024. Section 2.1 of the Agreement provides for a four-year term expiring at midnight on March 31, 2028, and Section 8.0 provides that the Board of Trustees shall evaluate the District Manager's performance on an annual basis. Section 15.0 permits amendment by a subsequent written agreement negotiated and executed by the Parties and approved by the Board of Trustees.

The Parties have negotiated a proposed Second Amendment that makes three changes to the Agreement. First, it amends Section 2.1 to revise the term from four years to three years, so that the term expires at midnight on March 31, 2027, unless renewed by majority vote of the Board. Second, it amends Section 8.0 to establish November as the recurring annual window for the District Manager's performance evaluation, beginning in November 2027 under any renewed or successor agreement, in order to align the evaluation with a more suitable point in the District's operating and budget cycle. Third, it adds a new Section 2.3 providing that, if the Agreement expires while the District Manager continues to serve with the mutual consent of the Parties, employment continues on a month-to-month basis under the same terms and conditions until a new or successor agreement, a written renewal or extension, termination for cause, dismissal by the Board, or resignation occurs.

Except as expressly amended, all other terms and conditions of the Agreement remain in full force and effect, and the amendment does not alter the at-will or for-cause nature of the employment relationship. The proposed Second Amendment has been reviewed by General Counsel and by the Board's Executive Committee.

STAFF RECOMMENDATION:

Staff recommends that the Board of Trustees approve the Second Amendment to the District Manager Employment Agreement and authorize the President of the Board to execute the amendment on behalf of the District.

FISCAL IMPACT:

None. The Second Amendment revises the term and the timing of the annual performance evaluation and provides for month-to-month continuation upon expiration. It does not change the District Manager's compensation or benefits, and has no direct fiscal impact on the District.

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT
SECOND AMENDMENT TO DISTRICT MANAGER EMPLOYMENT AGREEMENT

This Second Amendment ("Amendment") is entered into at Cotati, California, effective as of _______________, 2026 (the "Second Amendment Effective Date"), by and between the **MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT**, a public agency (the "DISTRICT"), and **Peter Bonkrude**, an individual ("Bonkrude"). The DISTRICT and Bonkrude are referred to collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain District Manager Employment Agreement, effective February 20, 2024, with a commencement date of April 1, 2024, as amended by the First Amendment effective February 20, 2024 and executed October 14, 2024, which amended Section 6.0 (Terms and Conditions of Employment) (collectively, the "Agreement"); and

WHEREAS, Section 2.1 of the Agreement provides for a four (4) year term expiring at midnight on March 31, 2028; and

WHEREAS, Section 8.0 of the Agreement provides that the Board of Trustees shall evaluate Bonkrude's performance on an annual basis; and

WHEREAS, the Parties desire to amend the term of the Agreement and to establish a fixed annual timing for the District Manager's performance evaluation in order to align the evaluation with a more suitable point in the DISTRICT's operating and budget cycle; and

WHEREAS, Section 15.0 of the Agreement permits amendment by a subsequent written agreement negotiated and executed by the Parties and approved by the DISTRICT's Board of Trustees;

WHEREAS, the Parties further desire to provide for the continuation of the Agreement's terms and conditions on a month-to-month basis in the event Bonkrude's employment as District Manager continues beyond the expiration of the term with the mutual consent of the Parties, until such time as a new agreement, renewal, extension, or separation occurs;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1.0 AMENDMENT TO TERM

Section 2.1 (Commencement and Term) of the Agreement is hereby amended in its entirety to read as follows:

2.1 Commencement and Term: Bonkrude accepts employment and appointment as District Manager of the DISTRICT and agrees to serve as such, commencing at 12:01 a.m. On April 1, 2024. The term of this Employment Agreement will be three (3) years, expiring at midnight on

March 31, 2027, unless renewed by majority vote of the Board of Trustees, and subject to the provisions of this Employment Agreement.

2.0 AMENDMENT TO EVALUATION TIMING

Section 8.0 (Evaluation) of the Agreement is hereby amended in its entirety to read as follows:

8.0 EVALUATION The Board of Trustees Executive Committee shall establish a list of annual performance goals for Bonkrude. The Board shall evaluate Bonkrude's performance on an annual basis. In order to reset the recurring annual evaluation window to a more suitable point in the DISTRICT's operating and budget cycle, the Parties agree that, in the event the Agreement is renewed or Bonkrude's employment as District Manager continues under a renewed or successor agreement, the annual performance evaluation shall be conducted in **November 2027**, and in each November thereafter during the term of any such renewed or successor agreement, thereby establishing November of each year as the recurring annual evaluation window.

3.0 CONTINUATION OF TERMS UPON EXPIRATION

Section 2.0 **TERM** is hereby amended to add a new Section 2.3 to read as follows:

2.3 Continuation of Terms Upon Expiration: In the event the Agreement expires prior to any dismissal, termination for cause or resignation, and Bonkrude continues to be employed as District Manager with the mutual consent of the Parties, such continued employment shall be on a month-to-month basis and shall be governed by all of the same terms and conditions set forth in the Agreement and its Amendments, which shall remain in full force and effect during any such period as if the Agreement had not expired. This arrangement shall continue until the earliest of: (a) the execution of a new or successor employment agreement by the Parties; (b) a written extension or renewal of the Agreement approved by the DISTRICT's Board of Trustees and Bonkrude; (c) termination for cause of Bonkrude's employment in accordance with Section 4.0 of the Agreement; (d) dismissal or termination of Bonkrude's employment by a majority vote of the Board pursuant to Section 2.2 of the Agreement; or (d) resignation by Bonkrude. Nothing in this Section shall be construed to alter the at-will or for-cause nature of the employment relationship as otherwise provided in the Agreement, nor create any right to continued employment beyond that mutually agreed by the Parties.

4.0 NO OTHER CHANGES; CONTINUING EFFECT

Except as expressly amended by this Second Amendment, all terms and conditions of the Agreement remain in full force and effect. In the event of any conflict between this Second Amendment and the Agreement, this Second Amendment shall govern. Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement and Amendments.

5.0 COUNTERPARTS

This Second Amendment may be signed in counterpart or duplicate copies, including by electronic signature, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the Second Amendment Effective Date.

Peter Bonkrude	**MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT**
By: ______________________ an individual	By: ______________________ President, Board of Trustees
Date: ____________________	Date: ____________________

DATE: August 12, 2026

SUBJECT: Amendment to the Fiscal Year 2025/26 Operating and Capital Budget to Appropriate Funds for Capital Asset purchases and District Construction (Resolution 2026/27-XX)

BACKGROUND:

On June 11, 2025, the Board of Trustees adopted the District's operating and capital budget for Fiscal Year 2025/26 by Resolution 2024/25-09. Board Policy authorizes the Board to amend the budget during the fiscal year.

During Fiscal Year 2025/26, the District acquired an airboat, several service trucks and incurred related construction costs in support of its larval and adult mosquito control operations in aquatic and wetland habitats. The appropriations necessary to record the capital field equipment and construction costs associated with the airboat acquisition exceeded the amounts included in the budget as originally adopted.

The proposed resolution amends the Fiscal Year 2025/26 budget within the Capital Acquisition Fund (Fund 301, Non-Departmental Division 5900) to appropriate and ratify these expenditures. The airboat is capitalized under Field Equipment (Object 6870) and the related construction under the Facility Improvement Project line (Object 6489). This action is consistent with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and with budgetary best management practices published by the California Society of Municipal Finance Officers (CSMFO).

STAFF RECOMMENDATION:

Staff recommend that the Board of Trustees adopt Resolution 2026/27-XX, amending the Fiscal Year 2025/26 operating and capital budget to appropriate Fifty Thousand Dollars ($50,000) for the purchase of an airboat, service trucks and related construction, and ratifying the associated expenditures.

FISCAL IMPACT:

The amendment increases appropriations within the Capital Acquisition Fund (Fund 301) by a total of $50,000, funded by transfers from the General Fund, as follows:
- 301-5900-6489 — Facility Improvement Project (Construction): $610,000 to $620,000, an increase of $10,000.
- 301-5900-6870 — Field Equipment (Airboat/Service Trucks): $72,000 to $112,000, an increase of $40,000.

There is no impact to the District's operating budget. The appropriations are supported by existing capital financing sources.

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
BOARD OF TRUSTEES

RESOLUTION 2026/27-XX

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

AMENDING THE FISCAL YEAR 2025/26 OPERATING AND CAPITAL BUDGET TO APPROPRIATE FUNDS FOR THE PURCHASE OF AN AIRBOAT, SERVICE TRUCKS AND RELATED CONSTRUCTION

WHEREAS, the Board of Trustees ("Board") of the Marin/Sonoma Mosquito and Vector Control District ("District") adopted an operating and capital budget for Fiscal Year 2025/26 by Resolution 2024/25-09 on June 11, 2025; and

WHEREAS, Board Policy authorizes the budget to be amended during the fiscal year by action of the Board of Trustees; and

WHEREAS, during Fiscal Year 2025/26 the District acquired an airboat, service trucks and incurred related construction costs in furtherance of its larval and adult mosquito control operations in aquatic and wetland habitats; and

WHEREAS, the appropriations necessary to record the capital field equipment and construction costs associated with the airboat acquisition exceeded the amounts included in the budget as originally adopted; and

WHEREAS, generally accepted accounting principles ("GAAP") as promulgated by the Governmental Accounting Standards Board ("GASB"), and the budgetary and financial reporting best management practices published by the California Society of Municipal Finance Officers ("CSMFO"), provide that a governing body may amend budgetary appropriations to authorize and ratify expenditures within the fiscal year; and

WHEREAS, sufficient funds are available within the District's capital financing sources, including transfers from the General Fund, to support the appropriations set forth herein; and

WHEREAS, the Board finds it necessary and appropriate to amend the Fiscal Year 2025/26 budget to appropriate and ratify the amounts expended for the airboat acquisition and related construction.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Marin/Sonoma Mosquito and Vector Control District as follows:

<u>1. Recitals.</u>

The recitals set forth above are true and correct and are incorporated herein by this reference.

2. Budget Amendment.

The Fiscal Year 2025/26 operating and capital budget is hereby amended to increase appropriations within Capital Acquisition Fund 301, Non-Departmental Division 5900, as follows:

Fund–Dept–Object	Object	Description	Original	Increase	Amended
301-5900-6489	6489	Other Professional Services — Facility Improvement Project (Construction)	$610,000	$10,000	$620,000
301-5900-6870	6870	Field Equipment — Airboat	$72,000	$40,000	$112,000
TOTAL			**$682,000**	**$50,000**	**$732,000**

The total increase in appropriations authorized by this Resolution is Fifty Thousand Dollars ($50,000).

3. Funding Source.

The appropriations set forth in Section 2 shall be funded by transfers from the General Fund to the Capital Acquisition Fund (Fund 301), consistent with the District's capital financing practices and Board Policy 4100.

4. Ratification.

The Board hereby ratifies, confirms, and approves the expenditures made during Fiscal Year 2025/26 for the airboat acquisition and related construction described herein.

5. Direction to Staff.

The District Manager and the Administrative Services Manager are hereby authorized and directed to record these amendments in the District's financial records and to reflect them in the Fiscal Year 2025/26 financial statements in conformity with GAAP and applicable GASB pronouncements.

6. Severability.

If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected and shall remain in full force and effect.

7. Effective Date.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Trustees of the Marin/Sonoma Mosquito and Vector Control District held on the _____ day of ______________, 2026, by the following roll call vote:

	Yes	*No*	*Abstain*	*Absent*
Bruce Ackerman	❒	❒	❒	❒
Cathy Benediktsson	❒	❒	❒	❒
Gail Bloom	❒	❒	❒	❒
Scott Conrad	❒	❒	❒	❒
Isabel Dawson	❒	❒	❒	❒
Rika Gopinath	❒	❒	❒	❒
Susan Harvey	❒	❒	❒	❒
Susan Hootkins	❒	❒	❒	❒
Evan Kubota	❒	❒	❒	❒
Jake Mackenzie	❒	❒	❒	❒
Alison Marquiss	❒	❒	❒	❒
Shaun McCaffery	❒	❒	❒	❒
Vicki Nichols	❒	❒	❒	❒
Carol Pigoni	❒	❒	❒	❒
Piper Primrose	❒	❒	❒	❒
Richard Snyder	❒	❒	❒	❒
David Witt	❒	❒	❒	❒
Laurie Gallian	❒	❒	❒	❒
Vote Totals:				

ATTEST:

____

Vicki Nichols
Board Secretary

APPROVED:

____

Laurie Gallian
Board President