

Marin Local Agency Formation Commission

Municipal Service Review

West Marin Region

FINAL

June 2022

10.0 MUIR BEACH COMMUNITY SERVICES DISTRICT

10.1 OVERVIEW

The Muir Beach Community Services District (MBCSD) was established in 1958 as an independent special district under Sections 61600 and 61601 of the California State Government Code. The District is located in the southwest portion of Marin County and its jurisdictional boundary encompasses just over 1.3 square miles. The district serves a population of approximately 448²⁵ persons. The last Municipal Service Review that included the MBCSD (though only reviewing one of its services) was conducted in January of 2016 as part of the Countywide Water Municipal Service Review.

MBCSD's currently activated service powers include potable water, roads, fire protection, and park and recreation. These services are primarily provided to the census-designated place (CDP) of Muir Beach. The District's potable water supplies are collected locally from two groundwater sites within the Redwood Creek watershed and are secured through a permit with the State Water Resources Control Board.

Table 10-1: Muir Beach Community Services District Overview

Muir Beach Community Services District					
Primary Contact:	Mary Halley	Phone:	(415)-297-1831		
Main Office:	19 Seacape Drive, Muir Beach 94965				
Formation Date:	July 29, 1958				
Services Provided:	Potable Water, Roads, Fire Protection, Parks & Recreation				
Service Area: 848 acres Population		Population Served:	448		

10.2 FORMATION AND DEVELOPMENT

The Muir Beach Community Services District formation took place in July of 1958 following the approval of the service area by the Marin County Boundary Change Commission and a majority vote by the residents within the new district boundary. At its inception, the District's boundary encompassed approximately 790 acres. At that time the majority of the area (nearly 85%) was undeveloped or being used for agriculture but had the expectation that it would be developed as the Muir Beach and Seacape neighborhoods expanded. Upon its formation, the MBCSD was only authorized with providing domestic water services. Beginning in 1928, the Muir Beach Water Company provided potable water to the approximately 40-acre Muir Beach Subdivision that was composed primarily of vacation cabins. As development in the area continued and progressed more towards permanent housing and the plans for a second residential subdivision, Seacape Subdivision, were formed, the quality of the water being provided came under scrutiny by the residents in the area. In 1957, landowners in the area submitted a formal petition to the County of Marin Board of Supervisors for the formation of a new community services district to

²⁵ Population served calculated through the means given in California Code of Regulations Section 64412 using 2020 US Census Redistricting Data on housing units.

take over management of the area's water service and in 1958 MBCSD was formed and took over the assets of the Muir Beach Water Company.

The District was authorized to activate the latent service powers of recreation as well as road and access easement maintenance by a vote of its residents in 1969. This was quickly followed by the addition of a second water system through the purchase of the Seacape Mutual Water Company in 1970 by way of a voter-approved tax assessment. The Seacape Subdivision had been developed throughout the 1960s and the developer of the subdivision established the neighborhood's own water supply from a reliable and high-quality well source in the nearby Frank Valley area due to the supply and quality limitations of the water supply of MBCSD during the time of construction.

In 1971 the District was again authorized to activate a latent service power with the addition of fire protection in order to replace the Bello Beach Volunteer Fire Department. MBCSD purchased all of the fire protection equipment from the Bello Beach Volunteer Fire Department and created the Muir Beach Volunteer Fire Department

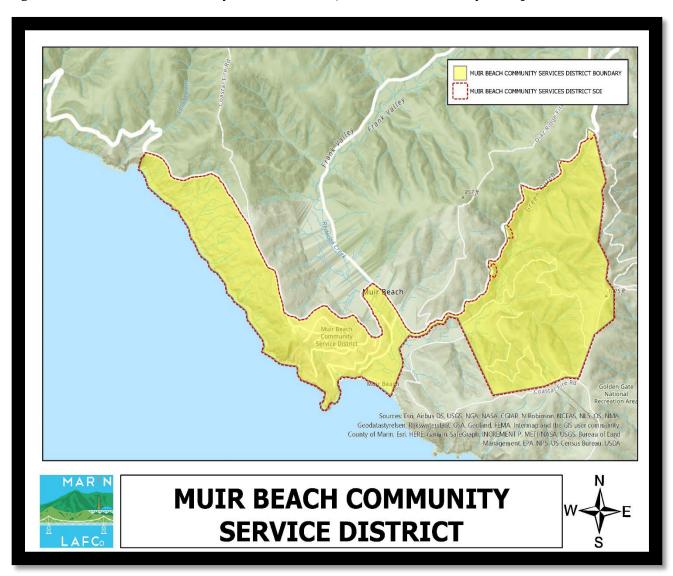
In 1972, the United States Congress established the Golden Gate National Recreation Area (GGNRA). These now public lands covered approximately two-thirds of MBCSD's jurisdictional boundary. The creation of the GGNRA limited land uses both within and immediately surrounding the District's boundary while simultaneously creating a new service dynamic for the District in the form of day-time visitors for the areas of Muir Woods, Muir Beach, and the Muir Beach Overlook. In 1978 the County of Marin adopted the Muir Beach Community Plan which outlined guidelines and a vision for land use for the community in the future. The plan, eventually usurped by the Marin County Local Coastal Program upon its adoption in 2013, explicitly states the intention to "maintain the small-scale character of Muir Beach as a primarily residential community with recreation, small scale visitor, and limited agricultural use".

A formal water service plan was created for the District in 1987 by Harris Consultants. The study concluded that MBCSD's existing water supply of the three ground wells was sufficient to provide the necessary resources for the projected build-out of the District's service area of 175 connections with a per average daily demand of 100 gallons. While the plan confirmed that the supply was adequate, it noted that the District's water storage capabilities were lacking and needed to be addressed, in particular the immediate replacement of a 50,000-gallon tank in the lower pressure zone. In 1988, this capital improvement was completed with the construction of a 100,000-gallon tank. The District invested in a study performed by Henry Hyde and Associates and the Associated Business and Community Consultants in 1996 that provided them with a 20 Year Plan for Water System Capital Improvements (1997-2016). The study laid out a schedule for needed capital improvements for the water system including funding mechanisms for each. The total projected cost of the plan was \$530,000. In November of 2008, the District presented a ballot measure (Measure C) to the voters for a parcel tax that would levy an annual amount of \$3,250 per commercially zoned property and \$300 for all other parcels in order to provide funds for water capital improvements. The measure was adopted and renewed 4 years later (Measure

E). The District would make the major capital improvement of the construction of a new 200,000-gallon tank in 2010.

In 1994, the Muir Beach Volunteer Fireman's Association was established primarily to take over the fundraising and grant-writing responsibilities to fund the volunteer fire department from MBCSD. In 2008 it was agreed that funding supplementation for the fire department was needed and the voters of the District approved Measure B which levied a special tax of \$200 per year on each parcel within the District. The tax measure was reapproved in 2012, and in 2016 it was approved again with an agreed-upon 10-year lifespan instead of the previous 4-year span. In 2019, the District became a member agency of the Marin Wildfire Prevention Authority which became operational when Measure C was enacted by the voters in March 2020.

Figure 10-1: Muir Beach Community Services District Jurisdictional Boundary and Sphere of Influence



10.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Muir Beach Community Services District's jurisdictional boundary is comprised of just over 1.3 square miles and covers 834 acres of unincorporated Marin County. Approximately two-thirds of that acreage (525 acres) is part of the Golden Gate National Recreation Area. In total there are 187 legal parcels encompassed within MBCSD's boundary. Since its creation, the boundary for the District has only been amended two times, with both instances occurring in 1971. Both of the boundary changes were annexations (Marin LAFCo files 71-33 and 71-53) along the coastline that were anticipated as new development properties but were soon after acquired by the United States Government as part of the GGNRA.

The District's sphere of influence was established by Marin LAFCo in December of 1984. At that time, the sphere of influence was coterminous with the jurisdictional boundary. Marin LAFCo amended the sphere of influence in 2007 to include one additional .6 acre lot where MBCSD's well-site is located in Frank Valley. The parcel is the only land within MBCSD's sphere of influence that is outside of its jurisdictional boundary.

10.4 GROWTH AND POPULATION

The Muir Beach Community Services District encompasses the developed community of Muir Beach and the surrounding areas that include the Slide Ranch and the Green Gulch Farm and Zen Center. According to 2020 U.S. Census Redistricting Data, the population of the census-designated place (CDP) is 304, which is approximately a 1.9% decrease from the 2010 population number 310²⁶. The most recent census data shows the CDP to have 160 total housing units, with 135 of those units occupied. With the Muir Beach area having numerous weekend and seasonal residents, it is difficult to ascertain the actual full-time population. California Code of Regulations Section 64412 identifies three methods to calculate the number of persons served by a public water system: census data, service connections multiplied by 3.3, or living units multiplied by 2.8. With recent census data giving a housing unit total of 160, it can be calculated that the number of individuals served by MBCSD is approximately 448.

According to the Muir Beach Community Plan, Muir Beach has limited opportunity for future expansion as it is surrounded by both federal and state parklands, as well as agricultural preserves and the Pacific Ocean. As such, all future residential and commercial development will occur within the existing developed area. The current developed area has approximately 90% of the privately-owned parcels that are zoned for residential development having already been developed. As such, there remain few infill opportunities for growth. A map with the current zoning for the area is shown below in Figure 10-2.

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²⁶ 2020 US Census Redistricting Data

Legend astal Single Family Muir Beach Land Use Policy Map C-SF5 2-4 units/acre C-SF3 1 unit/1-5 acres astal Neighborhood Commercial / Mixed Use 1-20 units/acre * * * C-NC F.A.R. = 0.30 TO 0.50 C-OS Coastal Open Space os Open Space Coastal Agricultural C-AG1 1 unit/31-60 acres C-PF Coastal Public Facility Mt. Tamalpais Golden Gate Nationa State Park Recreation Area Community Plan Boundary Coastal Zone Boundary -C-NC +C-AG1 Golden Gate National Recreation Area **PACIFIC** C-SF3 **OCEAN** arce: Marin County Community Development Agency NOT TO SCALE Note: Please also reference the respective Planning Area This map is representational only policies and Community Plan for additional policy guidance Data are not survey accurate.

Figure 10-2: Muir Beach Land Use Policy Map

10.5 MUNICIPAL SERVICES

Potable Water

The Muir Beach Community Services District provides retail potable water services through its own supply, treatment, storage, and distribution facilities. The distribution system spans approximately 2.5 miles and began with the lines that were laid by the Muir Beach Mutual Water Company back in the 1920s. The District's water supplies are locally sourced and obtained from two groundwater sites lying within the approximately 8.8 square miles of the Redwood Creek Watershed. These sources in combination with the District's equipment's pumping capacities provide MBCSD with an estimated maximum available annual yield of 209 acre-feet This figure is significantly reduced, however, to approximately 50 acre-feet based on the current permit allowances afforded to the agency.

The primary potable water source for MBCSD is a groundwater well on District-owned property in the Frank Valley area. This source, typically referred to as the 2002 Well, draws on an underflow from the Redwood Creek. The term "underflow" in California Water Code refers to

water moving through the sands and gravel under or next to a stream channel and is a subcategory of subterranean streams. Underflow is considered to be part of the stream and subject to the same riparian and appropriative rights²⁷ that guide the use of the stream itself. The 2002 Well's right to access the underflow is secured through a post-1914²⁸ appropriative permit²⁹ from the California State Water Resources Control Board. The permit allows MBCSD a maximum daily collection of .14 acre-feet and an annual maximum of 50.6 acre-feet. The pump that is attached to this well has a capacity of 60 gallons per minute which amounts to a possible maximum daily amount pumped of 86,400 gallons, which is nearly double the permitted daily ceiling of 45,000 gallons. This well has a depth of approximately 60 feet.

The District's second well, known simply as 2008 Well, is intermittently utilized as a backup source by MBCSD when necessary. The well sits in the same Frank Valley vicinity as the 2002 Well (approximately 100 feet from it), draws from Redwood Creek underflow, and is also 60 feet deep. The 2008 Well is typically drawn from when the 2002 Well is unavailable due to routine maintenance or repair work. The pump associated with the 2008 Well is rated at 40 gallons per minute which would allow for a maximum daily production of 57,600 gallons.

The District has no other sources of potable water outside of its currently permitted drawing of the underflow from Redwood Creek. If it were to become necessary, the only current viable option for MBCSD for a supplemental source would be trucking in water from outside vendors. Despite recent climate-related precipitation uncertainty, the District is in a uniquely advantageous position with its underflow source lying within a fairly secure watershed that is federally protected from significant future development adding strain to the supply.

All water drawn by MBCSD from both of its wells receives disinfectant treatment by way of metered injection of liquid chlorine (sodium hypochlorite) into its water main at a small service building. The district also injects soluble silica (starting in May of 2006) prior to the injection of chlorine in order to minimize the impact on copper plumbing in residents' homes. The District's treatment capacity is 100 gallons per minute which would allow for a maximum daily total of 144,000 gallons or .44 acre-feet, significantly above the District's daily accessible production of .14 acre-feet.

The distribution system for MBCSD is comprised of approximately 2.5 miles of water mains that supply the District's two pressure zones, upper and lower, that connect a 500-foot range in elevation between service connections. The distribution system is dependent upon gravity pressure for recharge from two storage tanks that have a maximum combined capacity of 300,000 gallons. On a nightly basis, water is pumped from the District's well site, receives treatment, and replenishes the amount used. Due to the reliance on gravity pressure, four

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²⁷ An appropriative water right is water taken for use on non-riparian land or water that would not be there under natural conditions on riparian land. Water right permits and licenses issued by the State Water Board are appropriative rights.

²⁸ Any appropriative water right²⁸ that was acquired after 1914 is called a post-1914 appropriative water right and requires the holder of that right to apply for a water right permit.

²⁹ MBCSD's permit with the State Water Resources Control Board was originally issued in 1988 and marked a transition away from the way the Board viewed the underlying water source from groundwater to underflow.

connections to residences near the top of the water system require private pressure booster systems. The District currently serves 163 active potable water service connections which include 158 residential and five non-residential users. Three of the District's connections lie outside of the District's jurisdictional boundary and include the Mt. Tamalpais State Park Horse Camp, GGNRA's Park Ranger residences, and GGNRA's horse stables. As the service connections were established prior to the 2001 enactment of State Government Code Section 56133, the connections do not require an outside service agreement.

Muir Beach Community Services District collects fees for its water service on a bi-monthly basis based on the capacity and usage of each consumer. The charges are set by a Board of Director's ordinance and are intended to provide full cost-recovery for the daily operation of the water system as well as providing funding for projected capital improvement schedules. The current charges for meter reading are \$8.13. A meter charge for a 5/8" – 1" meter is \$71.60 and a 1.5" meter is \$358.04. The charge for water usage breaks down to \$2.02 per 100 gallons used. The District offers its users the opportunity for discounts for water conservation with users who consume less than 4,500 gallons in a single billing cycle receiving a 50% discount. MBCSD also collects a water connection fee for new customers. The connection fee for a single-family home is \$6,500.

Fire Protection

The Muir Beach Community Services District provides fire protection, emergency medical aid, and disaster preparedness by way of a vote to activate the District's latent power in 1971 to aid the private organization of the Muir Beach Volunteer Fire Department (MBVFD). The Muir Beach Volunteer Fireman's Association (MBVFA), a private non-profit 501(c)3 entity, is responsible for generating and managing funding for MBVFD and has a separate eight-member Board of Directors from the MBCSD Board. The funds that are generated by MBVFA from its fundraising efforts and grants are transferred to MBCSD by way of a 1994 agreement to provide a proportional share of the costs of the District's Manager, worker's compensation insurance, general liability and vehicle liability insurance. The Fire Chief began receiving an annual stipend (paid monthly) in 202 by way of the 2018 Transient Occupancy Tax (Measure W) funds. MBCSD receives an 8% allocation of Measure W funding. MBCSD holds title to all assets of MBVFD. MBCSD does not allocate ad-valorem property tax revenue for emergency services in the Muir Beach Community. Supplemental funding for MBVFD operations is provided by an MBCSD parcel tax of \$200 per parcel annually that was originally adopted in 2008 (Measure B) and most recently reapproved for \$213 per parcel in 2016 (Measure L) with a ten-year lifespan. In 2019, MBCSD became a member agency of the Marin Wildfire Prevention Authority (MWPA) which became operational when Measure C was enacted by the voters in March of 2020. MWPA's 17 member agencies throughout Marin County receive funding for fuel removal projects, defensible space evaluations, and other helpful resources by way of a voter-approved parcel tax. MBCSD is allocated .15% of MWPA's total annual funding.

The Muir Beach Volunteer Fire Department is a fully volunteer operation with ten firefighters that supplement services provided to the community by Marin County Fire (CSA #31) from the station at Throckmorton Ridge. Due to the geographical distance and travel time from this

station to the Muir Beach community and the added seasonal necessity for emergency services related to visitors to the coastal region, MBVFD response aid is a critical component for the area. Marin County Fire Department (MCFD) is the agency officially responsible for structure and wildland fire in the area. All emergency (911) calls in the Muir Beach Area are routed by the Marin County Sheriff's dispatch center. Both MCFD and MBVFD are dispatched for calls in the area and incidents are managed under the unifying command.

The general response area for MBVFD includes Muir Beach, Green Gulch Farm, Slide Ranch, Muir Woods National Monument, and Mount Tamalpais State Park. MBVFD receives an average of 78 calls for service annually (2015-2020) with the majority of the calls being for Emergency Medical Service for Basic Life Support. During the calendar year of 2020, the MBVFD responded to 67 calls for service, of which 23 were for Emergency Medical Service for Basic Life Support. Each of the firefighters maintains, at a minimum, an Emergency Medical Responder (EMR) certification. There are also two members who are Emergency Medical Technician (EMT) certified and one licensed medical physician.

Effective January 25, 2016, Marin County Fire Department (the chief agency responsible for fire services within Muir Beach Community Services jurisdictional boundary) was given a Class 3/3x Public Protection Classification (PPC) rating by the Insurance Services Office (ISO), an organization that independently evaluates municipal fire-protection efforts throughout the United States. Ratings range on a scale of 1 to 10. Class 1 generally represents superior property fire protection, and class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria. 30 While many communities receive a single number classification, many smaller and more rural communities receive a split classification to reflect the risk of loss more precisely. In the case of a split classification, the first number refers to the classification of properties within 5 road miles of a fire station and within 1,000 feet of a creditable water supply. The second number, with either the X or Y designation, applies to properties within 5 road miles of a fire station but beyond 1,000 feet of a creditable water supply (i.e. fire hydrant). ISO generally assigns Class 10 to properties beyond 5 road miles. The majority of insurance agencies throughout the country use the PPC classification for underwriting and calculating premiums on residential, commercial, and industrial properties. MCFD's rating of 3/3x puts the department in the top 14% of fire protection agencies in the country. Figures 10-3 and 10-4 below show the breakdown of PPC rating data throughout both the United States and California.

MBVFD currently uses a U.S. National Park Services (USNPS) structure at 1760 Shoreline Highway in Muir Beach as its firehouse and operations hub. Plans are in place and fundraising is ongoing for the construction of a new firehouse. MBVFD has two vehicles for responding to calls for service. Squad 660 is a 2011 Ford 550 brush truck and Engine 676 is a 1989 International Type 3 engine.

³⁰ How the PPC Program Works

Figure 10-3: PPC Rating Distribution by Class Throughout California

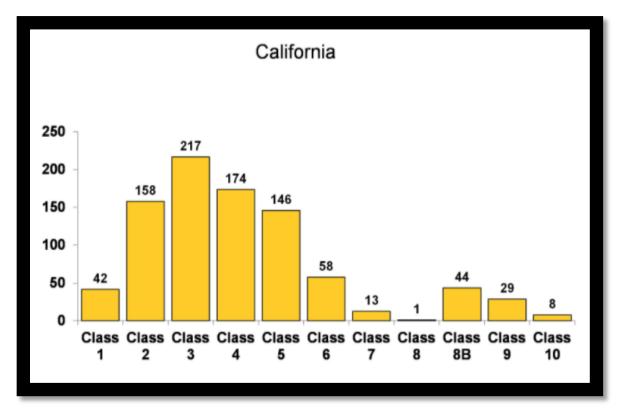
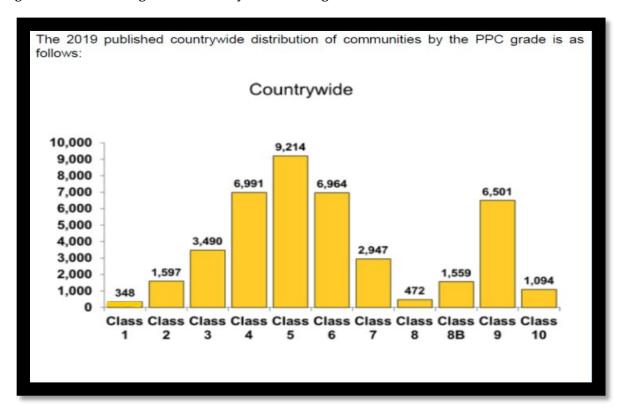


Figure 10-4: PPC Rating Distribution by Class Throughout the United States



Recreation

MBCSD's Community Center is the central hub for the District's recreational programming offerings. The District offers the opportunity for local volunteers and independent contractors to utilize the space for programming activities such as tai chi, yoga, and other programs. The Community Center offers users a meeting hall, children's playground, kitchen, and a small library space. The facility is offered for private party rentals and is also utilized for District hosted community events. Other recreational facilities offered by the District include a volleyball court and barbecue grounds located on the District's property on Frank Valley Road.

The District's recreational endeavors also include an inventory of the public trails that run throughout the Muir Beach community. An ad-hoc Trails Committee was formed in order to identify maintenance and safety enhancements for local trails as well as setting the goal of creating a map of public trails and easements throughout the area.

Road Maintenance

The District's activated service power of roads and access easement maintenance grants MBCSD authority over private roadways, pedestrian easements, utility easements, and drainage easements within the District's jurisdictional boundary. The public roadways within the District are maintained by the County of Marin and the California Department of Transportation. The private roadways within the District's purview include the following:

- Charlotte's Way
- Cove Lane
- Lagoon Drive
- Pacific Way
- Sunset Way
- Starbuck Extension
- White Way

In 1982, the District adopted the policy stating that it would complete minor maintenance work to keep roads safe for emergency vehicle use and that residents could continue with additional repairs at their own cost. The policy stated "General tax revenues shall only be used for the minor work necessary to keep the roads safe for the passage of emergency vehicles. Residents who wish improvements beyond such minor repairs may join other residents adjoining their road to cooperatively finance and undertake the improvements, with the advice and supervision of MBCSD if desired, but no funding." The District has the current stated policy intention of keeping the roads and pedestrian easements open and in good repair for the mutual use and benefit of the community and public at large.

10.6 ORGANIZATION STRUCTURE

Board of Directors

The Muir Beach Community Services District has a five-member board that is elected to staggered four-year terms. All directors are required to live within the District's jurisdictional

boundary. The Board of Directors meets regularly on the 4th Wednesday of each month at 7:00 p.m. at the Muir Beach Community Center located at 19 Seacape Drive in Muir Beach.

Table 10-2: Muir Beach Community Services District Board of Directors

Member	Position	Term Expiration
Steve Shaffer	President	December 2022
David Taylor	Vice-President	December 2024
Leighton Hills	Director	December 2022
Lisa Eigsti	Director	December 2022
Paul Jeschke	Director	December 2024

Administration

The Board of Directors of MBCSD appoints a General Manager who serves on an at-will basis to oversee all District activities and is exclusively responsible for the implementation of policies established by the Board of Directors. The General Manager oversees five part-time employees that include a Water System Operator, two Water Team Assistants, a Community Center Maintenance Manager, and one Janitorial Custodian.

10.7 ACCOUNTABILITY AND TRANSPARENCY

The Muir Beach Community Services District makes a concerted effort to maintain high accountability and transparency with all its activities. The MBCSD website (www.muirbeachcsd.com) provides extensive documentation and information on Board meetings, financial reports, services, history, resolutions, and more. At this time the District is meeting all of the requirements by the State of California for a public agency website.

Meeting and Agendas

The MBCSD Board of Directors meets regularly on the 4th Wednesday of each month at 7:00 p.m. at the Muir Beach Community Center located at 19 Seacape Drive in Muir Beach. Special meetings are held as needed to go over specific topics such as the annual budget. Meeting agendas and minutes can be found on the MBCSD website (www.muirbeachcsd.com/meetings).

Annual Budget Review

The District's budget, adopted no later than the July Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The District's budget is broken down into five separate financial categories of fire, water, roads, recreation, and general in order to maintain proper controls. The District Manager presents financial reports to the Board every month to assure budgetary compliance.

10.8 FINANCIAL OVERVIEW

MBCSD has maintained positive revenue to expense differences in four of the five fiscal years covered in the financial actuals for FY 2016-17 to 2020-21. Average total annual revenues for the District over the 5-year period were \$591,522. Revenue (as well as expense) sources for MBCSD are split into 5 main categories: general, fire, water, roads, and recreation. The general

revenues category accounts for approximately 33% of annual revenues and is mainly comprised of ad-valorem property tax as well as Educational Revenue Augmentation Fund (ERAF) funding. The fire revenues category accounts for approximately 12% of annual revenues and consists of the District's parcel tax for fire, Measure C and Measure W monies, as well as grants and donations. The water revenues category accounts for approximately 32% of annual revenues and is made up of charges for service and meter charges. The roads revenues category accounts for a slightly skewed percentage of total revenues within this 5-year study window as the category typically only accrues a small amount of grant funding revenues, however, in this study window the loan from Marin County in the amount of \$300,000 as well as a grant of \$60,000 was included in the totals. Lastly, the recreation revenues category accounts for approximately 10% of annual revenues and consists of Measure A funds, program charges, rental fees, and donations/grants. The projected revenue for the District for fiscal year 2021-22 is \$554,554. A breakdown of the past 5 years of revenues and expenses can be seen below in Table 10-3.

Table 10-3: Muir Beach Community Services District Financial Audit Summary

Revenue	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Averages
General	\$181,856	\$185,090	\$195,089	\$213,284	\$220,145	\$199,092
Fire	\$46,971	\$71,186	\$44,266	\$92,830	\$112,274	\$73,505
Recreation	\$60,681	\$56,954	\$53,529	\$45,093	\$65,835	\$56,418
Roads	\$0	\$16,551	\$8,462	\$360,000	\$0	\$77,002
Water	\$173,972	\$173,014	\$162,048	\$210,454	\$208,028	\$185,503
Total Revenues	\$463,480	\$502,795	\$463,394	\$921,661	\$606,282	\$591,522

Expenses	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Averages
General	\$170,961	\$184,166	\$137,460	\$136,232	\$150,187	\$155,801
Fire	\$27,292	\$33,159	\$26,834	\$57,041	\$20,989	\$33,063
Recreation	\$44,624	\$59,222	\$80,368	\$74,350	\$61,736	\$64,060
Roads	\$19,849	\$17,186	\$4,854	\$16,616	\$8,301	\$13,361
Water	\$217,747	\$111,655	\$101,122	\$138,526	\$127,283	\$139,266
Total Expenses	\$480,473	\$405,388	\$350,638	\$422,765	\$368,496	\$405,522

Debt

As of June 30, 2020, MBCSD was carrying two main sources of long-term debt. In 2019, the District obtained a loan from the County of Marin in the principal amount of \$300,000. The proceeds from the loan were allocated for road infrastructure improvements within the community. The loan bears interest at 3.5% with three payments due annually on December 5th with the totality of repayment scheduled for 2022.

The second source of long-term debt for the District is in the form of a loan from David Taylor as a representative of the Green Lane homeowners group in the amount of \$16,750. The loan, secured in April of 2020, is non-interest bearing and must be repaid in full by April 30, 2030.

The loan funding was allocated to build the Green Lane Water Main Line and the accompanying fire hydrant installations.

MBCSD does not have any past or present employee pension obligations.

Financial Audit

The Muir Beach Community Services District annually has its financial statements audited and contracts with an outside accounting firm, R.J. Ricciardi, Inc. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2020.

10.9 SUSTAINABILITY

Local agencies such as the Muir Beach Community Service District play a critical role in protecting natural resources and the environment. Extended periods of drought and increasingly unpredictable climate patterns have significantly increased the importance for local agencies to step up their own conservation and long-term planning measures as well as making a concerted effort towards higher levels of public outreach.

With a location that is deeply impacted by the wildland urban interface, being proactive in managing the fire fuel load surrounding the community of Muir Beach is a necessity. The District, by way of the Muir Beach Volunteer Fire Department, has a significant fuel reduction and defensible space program that receives funding aid for operations from both the Marin Wildfire Prevention Authority (Measure C) as well as the local parcel tax. These funding allocations allow the District to target high priority prevention efforts such as hazard tree removal, vegetation removal, a Highway 1 fuel break, and fuel reduction measures along Pacific Way. ³¹

The District is also instrumental in water conservation within the Muir Beach community. The District offers its ratepayers the opportunity for up to a 50% discount based on bi-monthly usage stats showing that users are below a predetermined water conservation threshold. This has helped to guide the District to a point in September of 2021 that saw 73% of all of its metered connections using less than 150 gallons of water per day.

In times of more significant water shortages such as the recent severe drought conditions throughout California, the District has taken measures to restrict non-essential uses of water. A resolution originally passed in 2014 (Resolution 2014-8-28) was recently reaffirmed by the Board of Directors to prohibit what the District deemed non-essential uses. These uses included (but are not limited to) no landscape irrigation between the hours of 11 a.m. and 7 p.m., landscape irrigation limited to no more than twice a week, requiring that garden hoses be outfitted with a shut-off nozzle at the discharge end, and banning the washing of sidewalks/driveways/parking areas and the filling of swimming pools. The District also monitors the water usage of the 20 highest volume consumers in the District after notifying them of their usage levels to ensure that efforts are made to curtail usage levels.

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³¹ Marin Community Wildfire Protection Plan