This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 20, 2022

NEW ISSUE—FULL BOOK-ENTRY

RATINGS:
Fitch: "___"
S&P: "__"
See "RATINGS" herein

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Authority and the District with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

$_____*
MARIN MUNICIPAL WATER DISTRICT FINANCING AUTHORITY
(Marin County, California)
Revenue Bonds, Series 2022
(Subordinate Lien)
Green Bonds

Dated: As of Date of Delivery **Due: July 1, as shown below**

The $_____* Marin Municipal Water District Financing Authority (Marin County, California) Revenue Bonds, Series 2021 (Subordinate Lien) (the "Bonds"), are being issued by the Marin Municipal Water District Financing Authority (the "Authority") pursuant to an Indenture of Trust, dated as of February 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are special obligations of the Authority payable from Revenues (as defined herein) consisting primarily of installment payments (the "2022 Installment Payments") payable by the Marin Municipal Water District (the "District") under an installment sale agreement, dated as of February 1, 2022, by and between the Authority, as seller, and the District, as purchaser (the "2022 Installment Sale Agreement").

The Bonds are being issued in integral multiples of $5,000. Interest on the Bonds is payable on January 1 and July 1 of each year, commencing July 1, 2022. See "THE BONDS" herein. The Bonds will be delivered in fully registered form only, and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of, premium, if any, and interest on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS—General" herein and "APPENDIX G—BOOK-ENTRY SYSTEM" herein.

The Bonds are being issued to provide moneys to (a) finance the acquisition and construction of additions, betterments, extensions, improvements and conservation measures within the District's municipal water enterprise (the "Water System"), and (ii) pay the costs of issuing the Bonds. See the "THE 2022 PROJECT" herein.

The District is obligated under the 2022 Installment Sale Agreement to make 2022 Installment Payments from a first and prior lien on the Pledged Net Revenues of the Water System, on a parity with obligations of the District (the "Parity Obligations") hereafter issued or incurred by the District. "Pledged Net Revenues" are the gross revenues of the Water System, less operating and maintenance expenses of the Water System ("Net Revenues"), and less the District's obligations under an installment sale agreement, dated as of June 1, 2012, by and between the Authority, as seller, and the District, as purchaser (the "2012 Installment Sale Agreement"), and the District's obligations under an installment sale agreement, dated as of November 1, 2016, by and between the Authority, as seller, and the District, as purchaser (the "2016 Installment Sale Agreement" and, with the 2012 Instalment Sale Agreement, the "Senior Obligations"). The 2022 Installment Payments are scheduled in an amount sufficient to pay, when due, the principal of and interest on the Bonds. The current Parity Obligation is the District's obligation to make payments under an installment sale agreement, dated as of August 1 2017, by and between the Authority, as seller, and the District, as purchaser.

The District will covenant in the 2022 Installment Sale Agreement to prescribe, revise and collect such charges from the services and facilities of the Water System which will produce gross revenues sufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times the aggregate of debt service obligations of the District with respect to the Senior Obligations, the 2022 Installment Payments and payments with respect to the Parity Obligations in such Fiscal Year. The District will also covenant in the 2022 Installment Sale Agreement that it will not issue any obligations senior to the 2022 Installment Payments and Parity Obligations and, specifically, will not issue or incur any obligations on a parity with the Senior Obligations. **The 2022 Installment Payments are not subject to abatement**.

A debt service reserve fund will *not* be funded for the Bonds.

THE OBLIGATION OF THE DISTRICT TO MAKE THE 2022 INSTALLMENT PAYMENTS ~~DESCRIBED HEREIN~~ IS A LIMITED OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM PLEDGED NET REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT, MARIN COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The Bonds are subject to redemption prior to maturity from optional prepayments of 2022 Installment Payments and from scheduled sinking fund payments, as described herein. See "THE BONDS—Redemption" herein.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY A PLEDGE OF AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS UNDER THE INDENTURE AND THE REVENUES DERIVED FROM THE 2022 INSTALLMENT PAYMENTS MADE BY THE DISTRICT UNDER THE 2022 INSTALLMENT SALE AGREEMENT.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

SEE THE INSIDE COVER

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the Authority and the District by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel. Certain legal matters will be passed on for the Authority and the District by Molly L. MacLean, Esq., General Counsel, and for the Underwriters by Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds, in book entry form, will be available for delivery through the facilities of DTC, on or about February 9, 2022.

Loop Capital **Stifel**

Dated: January __, 2021

*Preliminary, subject to change.

$_____*

MARIN MUNICIPAL WATER DISTRICT FINANCING AUTHORITY
(Marin County, California)
Revenue Bonds, Series 2022
(Subordinate Lien)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*

$_____ Serial Bonds

CUSIP† Prefix: _____

Maturity July 1	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix	Maturity July 1	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix

$_____ _____% Term Bonds due July 1, _____, Price: _____, to yield _____%; CUSIP† _____ __

$_____ _____% Term Bonds due July 1, _____, Price: _____, to yield _____%; CUSIP† _____ __

†Copyright 2022, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the Bonds. None of the Authority, the District or the Underwriters is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds, nor shall there be any sale of the Bonds in any state or other jurisdiction in which it is unlawful to make such offer, solicitation or sale in such state or jurisdiction.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. No dealer, broker, salesperson or other person has been authorized by the Authority, the District or the Underwriters to give any information or to make any representations other than as contained herein in connection with the offering of the Bonds, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the District or the Underwriters.

All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The Underwriters have submitted the following statement for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts. The information set forth herein has been obtained from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Authority or the District. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of any party described herein subsequent to the date as of which such information is presented.

When used in this Official Statement and in any continuing disclosure by the Authority or the District, in any press release and in any oral statement made with the approval of an authorized officer of the Authority or the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, give rise to any implication that there has been no change in the affairs of the Authority or the District since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website. Unless specifically indicated otherwise, the information presented on such website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

MARIN MUNICIPAL WATER DISTRICT FINANCING AUTHORITY
220 Nellen Avenue
Corte Madera, California 94925

BOARD OF DIRECTORS
Larry L. Russell, *Chair*
Monty Schmitt, *Vice Chair*
Larry Bragman, *Boardmember*
John C. Gibson, *Boardmember*
Cynthia Koehler, *Boardmember*

AUTHORITY OFFICIALS
Bennett Horenstein, *Executive Director*
Charles McBride, *Treasurer*
Molly L. MacLean, Esq., *General Counsel*
Terrie Gillen, *Secretary*

MARIN MUNICIPAL WATER DISTRICT
220 Nellen Avenue
Corte Madera, California 94925

BOARD OF DIRECTORS
Larry L. Russell, *President, Division V*
Monty Schmitt, *Vice President, Division II*
Larry Bragman, *Division III*
John C. Gibson, *Division I*
Cynthia Koehler, *Division IV*

DISTRICT OFFICIALS
Bennett Horenstein, *General Manager*
Charles McBride, *Finance Director/Treasurer*
Mikyung Pustelnik, *Finance Manager*
~~Michael Ban, P.E., *Environmental and Engineering Services Division Manager*~~
Crystal Yezman, *Director of Engineering*
Paul Sellier, Director of Operations
Molly L. MacLean, Esq., *General Counsel*
Terrie Gillen, *Secretary to the Board*

SPECIAL SERVICES

Municipal Advisor
Sperry Capital Inc.
Sausalito, California

Bond and Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Trustee
U.S. Bank National Association
San Francisco, California

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MARIN MUNICIPAL WATER DISTRICT BOUNDARY MAP

OFFICIAL STATEMENT

$_____*
MARIN MUNICIPAL WATER DISTRICT FINANCING AUTHORITY
(Marin County, California)
Revenue Bonds, Series 2022
(Subordinate Lien)

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of, and guide to, and is qualified by, more complete and detailed information contained in the remainder of this Official Statement and the documents summarized or described herein. The offering of the above-captioned Bonds to potential investors is made only by means of the entire Official Statement and potential investors should thoroughly review it prior to purchasing such Bonds.

Unless otherwise defined herein, all capitalized terms used in this Official Statement that are defined in the Indenture (defined below) will have the meanings set forth therein, some of which are set forth in APPENDIX D—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.

Issuance of Bonds

The $_____* Marin Municipal Water District Financing Authority (Marin County, California) Revenue Bonds, Series 2022 (Subordinate Lien) (the "Bonds") are being issued by the Marin Municipal Water District Financing Authority (the "Authority") to (a) finance the acquisition and construction of additions, betterments, extensions, improvements and conservation measures (the "2022 Project") to the municipal water system (the "Water System") owned and operated by the Marin Municipal Water District (the "District"), and (b) pay costs incurred in connection with issuance, sale and delivery of the Bonds. See "THE 2022 PROJECT."

The Bonds will be issued pursuant to an Indenture of Trust, dated as of February 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds will be issued under the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6584) of the California Government Code (the "Act"). See "THE BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Security for the Bonds

The Bonds are special limited obligations of the Authority payable from and secured by a pledge of the Revenues, consisting primarily of installment payments (the "2022 Installment Payments") payable by the District under an Installment Sale Agreement, dated as of February 1, 2022, by and between the Authority, as seller, and the District, as purchaser (the "2022 Installment Sale Agreement"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

A debt service reserve fund will *not* be funded for the Bonds.

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* Preliminary, subject to change.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY A PLEDGE OF AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS UNDER THE INDENTURE AND THE REVENUES DERIVED FROM THE 2022 INSTALLMENT PAYMENTS MADE BY THE DISTRICT UNDER THE 2022 INSTALLMENT SALE AGREEMENT. THE BONDS DO NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE DISTRICT, MARIN COUNTY (THE "COUNTY") OR THE STATE OF CALIFORNIA (THE "STATE") OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND THEY DO NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY, THE DISTRICT, THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

2022 Installment Payments

In general, the District is required to pay to the Trustee, as assignee of the Authority, from a first and prior lien on the Pledged Net Revenues the 2022 Installment Payments which are designed to be sufficient in both time and amount to pay, when due, the principal of and interest on the Bonds. "Net Revenues" are the Gross Revenues of the Water System, less Maintenance and Operating Expenses. "Pledged Net Revenues" are Net Revenues less the obligations of the District with respect to the Senior Obligations (hereinafter described).

"Gross Revenues" means all gross income and revenue received or receivable by the District from the ownership or operation of the Water System, determined in accordance with generally accepted accounting principles, including all fees, rates, tolls and charges (including connection fees and standby charges) received by the District for the Water Service and the other services of the Water System and all proceeds of insurance covering business interruption loss relating to the Water System and all other income and revenue howsoever derived by the District from the ownership or operation of the Water System or arising from the Water System, but excluding refundable deposits made to establish credit and advances or contributions in aid of construction and main extension fees.

"Maintenance and Operation Costs" means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the Water System, determined in accordance with Generally Accepted Accounting Principles, including all costs of water purchased by the District for resale through the Water System, and including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Water System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the District, such as compensation, reimbursement and indemnification of the Trustee and fees and expenses of independent certified public accountants; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

"*Water System*" means all land and water facilities used and useful by the District for the production, storage, conveyance, treatment and distribution of water now owned by the District, together with all additions, betterments, extensions or improvements to such facilities or any part thereof hereafter acquired or constructed by the District.

The District has covenanted in the 2022 Installment Sale Agreement to prescribe, revise and collect such charges from the services and facilities of the Water System which will produce gross revenues sufficient in each Fiscal Year to provide ~~Pledged~~ Net Revenues equal to at least 1.25 times the aggregate annual payment requirements with respect to the Senior Obligations, the 2022 Installment Sale Agreement and ~~aggregate annual payment requirements with respect to~~ any Parity Obligations in such Fiscal Year.

The obligation of the District to make payments under the 2022 Installment Sale Agreement will, in all respects, be subordinate, as to payment and security, with the District's obligations with respect to (a) that certain Installment Sale Agreement, dated as of June 1, 2012 (the "2012 Installment Sale Agreement"), by and between the Authority and the District, securing the Marin Municipal Water District Financing Authority (Marin County, California) Water Revenue Bonds, 2012 Series A, which are outstanding in the principal amount of $74,415,000 (the "2012 Bonds"), and (b) that certain Installment Sale Agreement, dated as of November 1, 2016 (the "2016 Installment Sale Agreement" and, with the 2012 Installment Sale Agreement, the "Senior Obligations"), by and between the Authority and the District, securing the Marin Municipal Water District Financing Authority (Marin County, California) Refunding Revenue Bonds, Series 2016, which are outstanding in the principal amount of $31,380,000 (the "2016 Bonds"). See "DISTRICT FINANCES—Outstanding Debt."

The obligation of the District to make payments under the 2022 Installment Sale Agreement will, in all respects, be on a parity, as to payment and security, with the District's obligation to make installment payments (the "2017 Installment Payments") under that certain installment sale agreement, dated as of August 1, 2017, by and between the Authority and the District (the "2017 Installment Sale Agreement"), securing the Authority's outstanding Marin Municipal Water District Financing Authority (Marin County, California) Water Revenue Bonds, 2017 Series A (Subordinate Lien), which are outstanding in the principal amount of $33,500,000 (the "2017 Bonds"). The District expects to issue its $67,505,000 Marin Municipal Water District (Marin County, California) Refunding Revenue Bonds, Series 2022, to refund the 2012 Bonds in April 2022, in accordance with a forward delivery agreement executed in 2020. Upon the refunding of the 2012 Bonds, the 2020 Bonds will be on a parity with the 2017 Installment Sale Agreement and the 2022 Installment Sale Agreement.

The District's obligations with respect to the 2022 Installment Sale Agreement and any additional obligations hereafter issued and incurred on a parity as to payment and security with the 2017 Installment Sale Agreement, the 2022 Installment Payments and any additional parity obligations (the "Parity Obligations") are secured by a first lien on the Pledged Net Revenues. See "DISTRICT FINANCES—Outstanding Debt."

The District has covenanted in the 2022 Installment Sale Agreement that it will not issue any obligations senior to the Parity Obligations and, specifically, that it will not issue or incur any obligations on a parity with the Senior Obligations.

THE OBLIGATION OF THE DISTRICT TO MAKE THE 2022 INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE DISTRICT, THE COUNTY OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY, THE DISTRICT, THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM

OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

The Authority

The Authority is a joint exercise of powers entity duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of April 16, 2010, between the District and the California Municipal Finance Authority, for the primary purpose of providing financial assistance to the District. The Board of Directors of the Authority consists of the Board of Directors of the District (the "Board").

The District

The District is a special district that provides water to residents of the south-eastern portion of the County. The District was formed in 1912 under the authority of the Municipal Water District Act of 1911 (Division 20 of the Water Code of the State) (the "Municipal Water District Law"). The District owns and operate a municipal water system (the "Water System") that currently serves a population of approximately 195,000 through 62,000 service connections. The District serves ten incorporated cities and towns, including San Rafael, Mill Valley, Fairfax, San Anselmo, Ross, Larkspur, Corte Madera, Tiburon, Belvedere and Sausalito, as well as a large unincorporated area of the County. See "THE DISTRICT" and APPENDIX C—GENERAL INFORMATION REGARDING THE COUNTY.

The District is governed by the five-member Board, each Board member representing one of the five District divisions. Each Board member must be a resident of the division from which he or she is elected. Regular elections for Board members are held every two even years for staggered four-year terms. The Board appoints a General Manager who oversees the day-to-day activities of the District and supervises its approximately 240 employees. For further information concerning the District, see "DISTRICT ORGANIZATION AND WATER SYSTEM."

District Finances

The District's fiscal year 2020-21 water revenues totaled $81,632,469. Water sales are the primary source of revenue for the District and, in general, account for approximately 79% of District revenues. Other revenue sources include a watershed management fee, a capital maintenance fee, connection charges, a fire flow service fee and interest income. The District does not receive any property tax revenues.

The District has the power and authority to establish charges for service without the review or approval of any other governmental body. The District's rates and charges are established by ordinance of the Board. The District can refuse or terminate service to delinquent customers and can require full payment of delinquent amounts and reconnection charges to resume service. Due to the COVID-19 Pandemic, however, the right of any agency to terminate water service has been suspended until December 31, 2021. Unpaid charges may become a lien on real property by recordation of a notice thereof.

For further information concerning District finances, see "DISTRICT FINANCES."

The County

The County is located just north of the Golden Gate Bridge and is one of the nine counties making up the San Francisco Bay Area. Geographically, the County forms a large, southward-facing peninsula, with the Pacific Ocean to the west, San Pablo Bay and San Francisco Bay to the east, and – across the Golden Gate –San Francisco to the south. The County's northern border is with Sonoma County. The County is home to approximately 260,000 residents, a majority of whom live within the District's service area. For further information concerning the County, see APPENDIX C—GENERAL INFORMATION CONCERNING THE COUNTY.

Book-Entry System

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC") and ultimate purchasers of Bonds will not receive physical certificates representing their interests in the Bonds. Transfers and exchanges of Bonds will be conducted in accordance with DTC procedures. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners thereof means Cede & Co. as aforesaid, and not the Beneficial Owners (as defined in Appendix G) of the Bonds. See "THE BONDS—General" and APPENDIX G—BOOK-ENTRY SYSTEM.

Continuing Disclosure

The ultimate security for the payments of principal and interest on the Bonds comes from the 2022 Installment Payments to be made by the District, and, therefore, the District, as an obligated person within the meaning of the Rule (defined below), has agreed to undertake the continuing disclosure responsibilities required by the Rule as applicable to the Bonds. The Authority has not undertaken a commitment to provide any continuing disclosure with respect to the Bonds.

The District has covenanted in a continuing disclosure certificate (the "Continuing Disclosure Certificate") to provide, or cause to be provided, certain annual financial information and operating data including, but not limited to, its audited financial statements and, in a timely manner, notice of certain enumerated events for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the "Rule"). See "CONTINUING DISCLOSURE" and APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE for a description of the specific nature of the annual reports and notices of certain enumerated events to be provided by the District, and a description of the terms of the Continuing Disclosure Certificate pursuant to which such reports and notices are to be made.

Tax Matters

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State. See "TAX MATTERS."

Certain Risk Factors

Certain events could affect the ability of the Authority to make payments when due on the Bonds and the ability of the District to make the 2022 Installment Payments when due. See "RISK FACTORS" for a discussion of some of the risk factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

Other Information

There follows in this Official Statement, which includes the cover page, the inside cover page and appendices hereto, a brief description of the Bonds, the Indenture, the 2022 Installment Sale Agreement and other documents, risk factors and certain other information relevant to the issuance of the Bonds. All references herein to the Indenture, the 2022 Installment Sale Agreement and other documents, agreements and statutes, and the description of the Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document, agreement or statute, and to the form of the Bonds included in the Indenture. A summary of certain provisions of the Indenture and the 2022 Installment Sale Agreement is included in APPENDIX D—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS. The audited financial statements of the District for fiscal years 2020 and 2021 are included in APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020.

During the initial offering period for the Bonds, copies of the 2022 Installment Sale Agreement and the Indenture may be obtained, upon written request and payment of the costs of duplication and mailing, from the Authority, c/o Marin Municipal Water District, 220 Nellen Avenue, Corte Madera, CA 94925, Attention: Finance Director/Treasurer. After delivery of the Bonds, copies of such documents may be obtained from the Trustee.

The information set forth herein and in the Appendices hereto has been furnished by the District and the Authority and includes information which has been obtained from other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the District, the Authority or the Underwriters (hereinafter defined).

The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement will, under any circumstances, create any implication that there has been no change in the affairs of the District or the Authority since the date hereof.

All financial and other information presented in this Official Statement has been provided by the District and the Authority from their records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial or other affairs of the District and the Authority. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

THE 2022 PROJECT

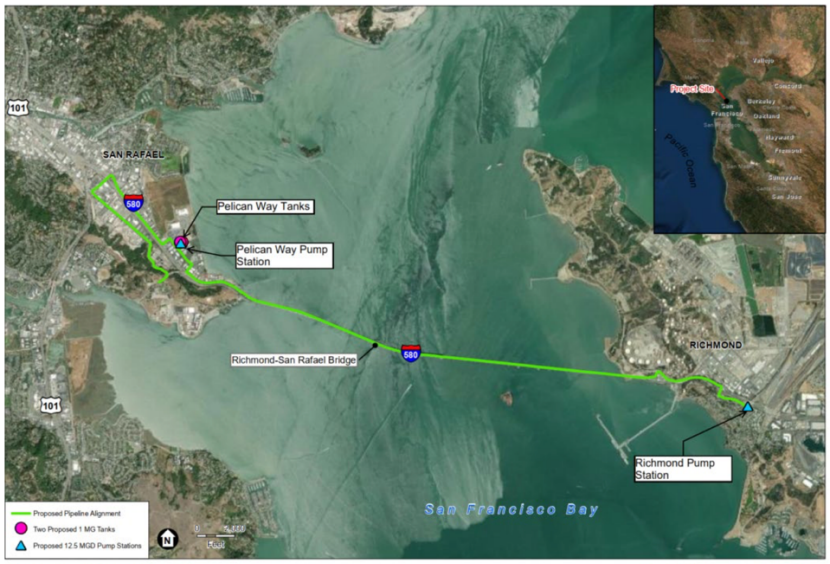
The proceeds of the Bonds will be used to finance the 2022 Project and to pay the costs of issuance of the Bonds.

The 2022 Project consists of the acquisition and construction of additions, betterments, extensions, improvements and conservation measures for the Water System including, but not limited to:

Intertie Pipeline. The 2022 Project includes the construction of an 8-mile intertie pipeline on the underside of Richmond-San Rafael Bridge's top deck. The intertie pipeline will allow the District to geographically diversify its water supply and add redundancy to drought conditions by enabling the District to purchase water from water rights holders in the Sacramento Valley and transport the purchased water to the District's storage facilities. The intertie pipeline is intended to be able to pump in as much as 9,000 acre-feet of water per year, equating to approximately one-third of the District's annual potable water demand.

The intertie pipeline project will include facilities on the Richmond and Marin sides of the Richmond San Rafael Bridge, including the construction of a Richmond pump station and storage tanks and a pump station on the Marin side. The intertie pipeline itself will have three reaches of pipe up to 24 inches in diameter. The following map shows the location of the intertie project and its pump stations.

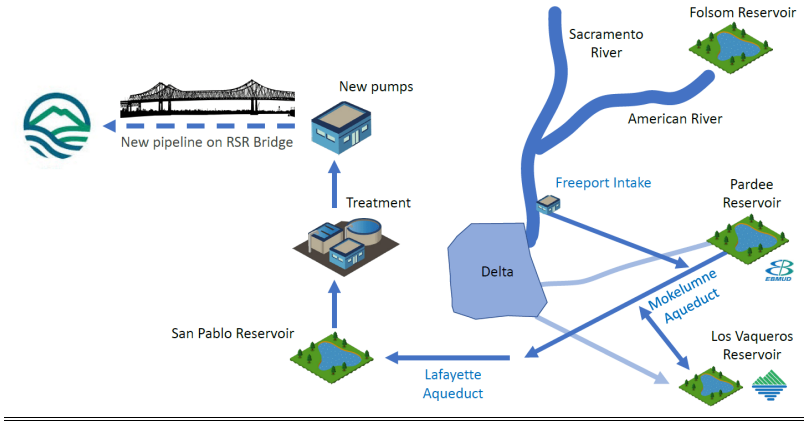
LOACTION OF INTERTIE PIPELINE PROJECT



Source: Marin Municipal Water District

The District's water purchases from Sacramento Valley water rights holders would travel more than 100 miles through a network of canals, aqueducts, reservoirs and water systems controlled by other water agencies, including the Contra Costa Water District ("CCWD") and the East Bay Municipal Utilities District ("EBMUD"). The purchased water would be pumped through the intertie pipeline across the San Francisco Bay and into the District's storage reservoirs for treatment and distribution to the District's customers.

The following diagram demonstrates the path of purchased water from the water rights holders on the Sacramento and American Rivers through the facilities of CCWD and EBMUD to the intertie pipeline to the District. On the Marin side, the piped water would be discharged to two one-million-gallon storage tanks to be located on District property. The water from these tanks would be drawn by a new pump station at the District's Pelican Way facility and transferred to the Marin Transmission Pipeline.



Source: Marin Municipal Water District

The intertie pipeline requires permits and approvals from a variety of federal, state and local agencies including the U.S. Bureau of Reclamation, the state Water Resources Control Board, the Federal Highway Administration, the cities of Richmond and San Rafael, Caltrans and the East Bay Municipal Utility District. Environmental analysis is being conducted even though the project is moving forward under an emergency exemption from CEQA. Environmental analysis and mitigation measures include review of biological resources, air quality, noise, and hazardous materials. Environmental protections will be in place during construction.

The District built a similar, temporary intertie pipeline during a drought in 1977. This intertie pipeline is intended to be permanent, unlike the temporary 1977 pipeline.

[OTHER 2022 PROJECT COMPONENTS?]

Sources and Uses of Bond Proceeds

The sources and uses of proceeds to be received from the sale of the Bonds are as follows:

SOURCES AND USES OF BOND PROCEEDS

Sources of Funds	
Principal Amount of Bonds	
Plus: Original Issue Premium	
Total Sources	
Uses of Funds	
Deposit to Project Fund (1)	
Cost of Issuance (2)	
Total Uses	

(1) The amount deposited in the Project Fund will be used to fund the 2022 Project. See "THE 2022 Project."
(2) This amount includes the Underwriters' discount, the fees and expenses of Bond Counsel, Disclosure Counsel, the Trustee, the District's municipal advisor and the rating agencies, costs of printing this Official Statement and other costs incurred in connection with the issuance of the Bonds.

Debt Service Schedule

The following table sets forth the scheduled debt service due on the Bonds, assuming no redemption of Bonds (other than mandatory sinking payment redemption) prior to maturity.

Year Ending July 1	Principal (1)	Interest	Total
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
TOTAL			

(1) Includes mandatory sinking fund installments.

Pursuant to the 2022 Installment Sale Agreement, the District is required to make 2022 Installment Payments which have been calculated to be sufficient to fund the scheduled interest and principal payments due on the Bonds. The 2022 Installment Payments are due on the fifteenth calendar day of the month preceding each Interest Payment Date. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2022 Installment Payments."

THE BONDS

General

The Bonds will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. The Bonds will mature on July 1 in each of the years and in the amounts and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the inside cover page hereof.

Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing July 1, 2022 (each, an "Interest Payment Date"), to the persons whose names appear on the Registration Books as the Owners thereof as of the 15th calendar day of the month immediately preceding each such Interest Payment Date (each, a "Record Date"), such interest to be paid by check of the Trustee mailed by first-class mail to the Owners at the respective addresses of such Owners as they appear on the Registration Books; provided, however, that payment of interest may be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of $1,000,000 or more who furnishes written wire instructions to the Trustee at least five days before the applicable Record Date. Principal of any Bond and any premium upon redemption will be paid by check of the Trustee upon presentation and surrender thereof at the corporate trust office of the Trustee, except as provided in APPENDIX G—BOOK-ENTRY SYSTEM. Principal of and interest and premium (if any) on the Bonds will be payable in lawful money of the United States of America.

Each Bond will be dated as of its date of authentication and will bear interest from the Interest Payment Date next preceding such date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (b) it is authenticated on or before June 15, 2022, in which event it will bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC," and together with any successor securities depository, the "Securities Depository"). DTC will act as Securities Depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or the Owners of the Bonds means Cede & Co. as aforesaid, and not the Beneficial Owners (as defined in Appendix G) of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G—BOOK-ENTRY SYSTEM.

Designation as Green Bonds

The District is designating the Bonds as "green bonds" due to the environmental benefits of the capital improvements to the Water System financed with the proceeds of the Bonds. see "THE 2022 PROJECT."

The purpose of designating the Bonds as "green bonds" is to allow owners of the Bonds to invest directly in bonds which finance environmentally beneficial projects. The District does not make any representation as to the sustainability of the Bonds to fulfill any particular environmental or sustainability criteria. The Bonds may not be a suitable investment for all investors seeking exposure to green or sustainable assets. There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable" and therefore no assurance can be provided to investors that the capital improvements to the Water System financed with the proceeds of the Bonds will continue to meet investor expectations regarding sustainability performance.

The term "green bonds" is not defined in the Indenture, the 2022 Installment Sale Agreement or other legal documents executed by the Authority of the District in connection with the issuance of the Bonds. The term "green bonds" is solely for identification purposes and is not intended to provide or imply that the owners of the Bonds are entitled to any security other than that described under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Transfer and Exchange of Bonds

Any Bond may, in accordance with its terms, be transferred on the Registration Books maintained by the Trustee by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Bond will not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to the Indenture. Whenever any Bond or Bonds are required to be surrendered for transfer, the Authority will execute and the Trustee will authenticate and will deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond will not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption. The Trustee may require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

Redemption

Optional Redemption. The Bonds are subject to ~~mandatory~~ redemption as a whole or in part from the determination of the District to optionally prepay the 2022 Installment Payments, on any date on or after July 1, _____, from any available source of funds of the District, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. Any such redemption shall be in such order of maturity as the District shall designate (and, if no specific order of redemption is designated by the District, in inverse order of maturity).

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, _____, are subject to redemption from Mandatory Sinking Fund Payments in part on July 1, _____, and on each July 1 thereafter to and including July 1, _____, to the extent of the sinking fund payment made by the Authority, derived from 2022 Installment Payments by the District, with respect to each such redemption date, at a redemption

price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Account Redemption Date (July 1)	Principal Amount to be Redeemed or Purchased

†Maturity

The Bonds maturing on July 1, _____, are subject to redemption from Mandatory Sinking Fund Payments in part on July 1, _____, and on each July 1 thereafter to and including July 1, _____, to the extent of the sinking fund payment made by the Authority, derived from 2022 Installment Payments by the District, with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium, as follows:

Sinking Account Redemption Date (July 1)	Principal Amount to be Redeemed or Purchased

†Maturity

In the event that the Trustee redeems Bonds maturing on July 1, _____, or July 1, _____, in part but not in whole pursuant to the other redemption provisions of the Indenture, the amount of the Bonds maturing on July 1, _____, or July 1, _____, to be redeemed in each subsequent year as described above will be reduced in such order as shall be determined by the District.

Special Optional Redemption. The Bonds maturing on July 1, _____, are subject to optional redemption as a whole or in part on any date on or after July 1, _____, from the receipt by the District of State or federal grant funds received with respect to the 2022 Project, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Partial Redemption; Selection. All or a portion of any Bond may be redeemed, but only by lot and in a principal amount equal to an authorized denomination. In the event that less than all of the Bonds Outstanding of a particular maturity are to be redeemed, the Trustee will select the Bonds to be redeemed from all of the Bonds of such maturity or portion thereof not previously called for redemption by lot in any manner which the Trustee, in its discretion, shall deem appropriate and fair. Upon surrender of any Bond for redemption in part, the Trustee will authenticate and deliver to the Owner thereof, at the expense of the

Authority, a new Bond or Bonds of authorized denominations of the same maturity and in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Purchase In Lieu of Redemption. In lieu of redemption of Bonds as described above, amounts held by the Trustee for such redemption received from the District may also be used on any Interest Payment Date, upon receipt by the Trustee at least 75 days prior to the next scheduled Interest Payment Date of the written request of an Authorized Representative of the Authority, for the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the District may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption pursuant to the foregoing provisions of the Indenture shall not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Remaining moneys, if any, will be transferred to the District.

Notice of Redemption. Prior Notice of any such redemption will be given by the Trustee on behalf and at the expense of the District by mailing a copy of a redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to each Owner of the Bond or Bonds to be redeemed at the address shown on the Registration Books and to the Securities Depositories and to the Information Services; *provided, however*, that neither the failure to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for the redemption of the Bonds or the cessation of accrual of interest from and after the redemption date.

All notices of redemption will state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed and, if such redemption is made pursuant to the provisions of the Indenture for mandatory redemption from optional payments of 2022 Installment Payments, that such redemption is conditioned upon receipt by the Trustee of sufficient funds to ensure the payment of the redemption price, including principal, interest and redemption premium, if any. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

So long as the book-entry system is used for the Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered Owners of Bonds only to DTC. Any failure of DTC to advise any Participant (as herein defined), or of any Participant to notify the Beneficial Owner (as herein defined), of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on such notice. Beneficial Owners may desire to make arrangements with a Participant so that all notices of redemption or other communications to DTC which affect such Beneficial Owners, and notification of all interest payments, will be forwarded in writing by such Participant. See APPENDIX G—BOOK-ENTRY SYSTEM.

Effect of Redemption. The Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date interest with respect to such Bonds or portions of Bonds will cease to accrue and be payable. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Trustee at the

redemption price. Installments of interest due on or prior to the redemption date will be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there will be prepared for the Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

All Bonds paid at maturity or prepaid prior to maturity pursuant to the provisions of the Indenture will be cancelled upon surrender thereof and destroyed.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special limited obligations of the Authority payable solely from and secured solely by the Revenues pledged therefor under and as such term is defined in the Indenture, together with amounts on deposit from time to time in the funds and accounts held by the Trustee under the Indenture.

Under the Indenture, the Authority assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the rights of the Authority in the 2022 Installment Sale Agreement (except for certain rights to indemnification set forth therein). The Trustee is entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority are required to be held, and to have been collected or received, by the Authority as the agent of the Trustee and must be paid by the Authority to the Trustee.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY A PLEDGE OF AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS UNDER THE INDENTURE AND THE REVENUES DERIVED FROM THE 2022 INSTALLMENT PAYMENTS MADE BY THE DISTRICT UNDER THE 2022 INSTALLMENT SALE AGREEMENT. THE BONDS DO NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE DISTRICT, THE COUNTY OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND THEY DO NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY, THE DISTRICT, THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

Revenues

"Revenues" are defined in the Indenture as (a) all 2022 Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source) and prepayments thereof, and (b) subject to the provisions of the Indenture, all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture.

2022 Installment Sale Agreement

Special Obligation. The District's obligation to pay the 2022 Installment Payments will be a special obligation limited solely to Pledged Net Revenues. Under no circumstances will the District be required to advance any moneys derived from any source of income other than the Pledged Net Revenues and other

sources specifically identified in the 2022 Installment Sale Agreement for the payment of the 2022 Installment Payments, nor will any other funds or property of the District be liable for the payment of the 2022 Installment Payments.

The obligations of the District to make the 2022 Installment Payments from Pledged Net Revenues and to perform and observe the other agreements contained in the 2022 Installment Sale Agreement will be absolute and unconditional and will not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the District, the Authority or the Trustee of any obligation to the District or otherwise with respect to the Project, whether under the 2022 Installment Sale Agreement or otherwise, or out of indebtedness or liability at any time owing to the District by the Authority or the Trustee. Until such time as all of the 2022 Installment Payments will have been fully paid or prepaid, the District (a) will not suspend, abate, or discontinue any payments provided for in the 2022 Installment Sale Agreement, (b) will perform and observe all other agreements contained in the 2022 Installment Sale Agreement, and (c) will not terminate the 2022 Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the 2022 Project, the taking by eminent domain of title to or temporary use of any or all of the 2022 Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or the 2022 Installment Sale Agreement.

Pledge of Pledged Net Revenues. The District agrees that the payment of the 2022 Installment Payments shall be secured by a pledge, charge and first and prior lien upon Pledged Net Revenues, and Pledged Net Revenues sufficient to pay the 2022 Installment Payments as they become due and payable are pledged, charged, assigned, transferred and set over by the District to the Authority and its assigns for the purpose of securing payment of the 2022 Installment Payments. The Pledged Net Revenues shall constitute a trust fund for the security and payment of the 2022 Installment Payments.

Deposit to Revenue Fund; Transfer to Pay Installment Payments. All of the Gross Revenues shall be deposited by the District immediately upon receipt in the Revenue Fund.

The District shall withdraw from the Revenue Fund such amounts at such times as shall be required to pay all Maintenance and Operation Costs as they come due and payable, and for the payment of its obligations with respect to the Senior Obligations.

The District covenants and agrees that all Gross Revenues will be held by the District in the Revenue Fund in trust for the benefit of the Trustee (as assignee of the rights of the Authority under the 2022 Installment Sale Agreement), the Owners, the owners of any Parity Obligations and the owners of any Subordinate Obligations.

On or before each Installment Payment Date, the District shall withdraw from the Revenue Fund and transfer to the Trustee, for deposit in the Bond Fund, an amount which, together with the balance then on deposit in the Bond Fund (other than amounts resulting from the prepayment of the 2022 Installment Payments and other than amounts required for payment of the principal of or interest on any Bonds which have matured or been called for redemption but which have not been presented for payment), is equal to the aggregate amount of the 2022 Installment Payment coming due and payable on the next succeeding Interest Payment Date.

In addition, the District shall withdraw from the Revenue Fund such amounts at such times as shall be required to pay (i) the principal of and interest on any Parity Obligations and otherwise comply with the provisions of the instruments authorizing the issuance of any Parity Obligations; and (ii) pay all other amounts when and as due and payable under the 2022 Installment Sale Agreement.

Release from Lien. Following the transfer with respect to a July 1 Interest Payment Date, Pledged Net Revenues in excess of amounts required for the payment of 2022 Installment Payments and any Parity Obligations in that year shall be released from the lien of the 2022 Installment Sale Agreement and shall be available for any lawful purpose of the District.

Rates, Fees and Charges. The District will, at all times while any of the Senior Obligations, the 2022 Installment Payments, any Parity Obligations and any Subordinate Obligations remain Outstanding, fix, prescribe and collect rates, fees and charges for the Water Service for each Fiscal Year so as to yield Gross Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts during such Fiscal Year in the order below set forth:

(1) All current Maintenance and Operation Costs.

(2) Payments required with respect to the Senior Obligations.

(3) The 2022 Installment Payments and all payments required with respect to any Parity Obligations.

(4) Payments required with respect to any Subordinate Obligations.

(5) All payments to meet any other obligations of the District which are charges, liens or encumbrances upon, or payable from, the Gross Revenues.

(6) Any other lawful purposes of the District, including, but not limited to, deposits to the Rate Stabilization Fund in accordance with the Installment Sale Agreement.

In addition, the District shall fix, prescribe and collect rates, fees and charges for the Water Service during each Fiscal Year which are sufficient to yield Net Revenues at least equal to one hundred twenty-five percent (125%) of the amounts payable under the preceding paragraphs (2) and (3) above in such Fiscal Year.

No Obligations Superior to Installment Payments. In order to protect further the availability of the Pledged Net Revenues and the security for the 2022 Installment Payments and any Parity Obligations, the District agrees that the District shall not, so long as any 2022 Installment Payments or any Parity Obligations are outstanding, issue or incur any obligations payable from Gross Revenues superior to the 2022 Installment Payments or any Parity Obligations and specifically agrees that it will not issue or incur any obligations secured on a parity with the Senior Obligations.

Incurrence of Parity Obligations. Additional obligations may be issued on a parity with the 2022 Installment Sale Agreement and any then existing Parity Obligations subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Obligations, except that the District need not comply with subparagraph (ii) if the proposed Parity

Obligations are incurred to prepay or post a security deposit for the payment of the 2022 Installment Sale Agreement or Parity Obligations:

(i) The District shall be in compliance with all covenants set forth in the 2022 Installment Sale Agreement and with all covenants set forth in the agreements relating to then existing Parity Obligations.

(ii) The Net Revenues, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District, as shown by the books of the District, plus, at the option of the District, either or both of the items hereinafter in this covenant designated (A) and (B), shall at least equal one hundred twenty percent-five (125%) of Maximum Annual Debt Service immediately subsequent to the issuance of such Parity Obligations. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Obligations hereunder are the following:

(A) An allowance for Net Revenues from any additions to or improvements or extensions of the Water System to be made with the proceeds of such Parity Obligations, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such twelve (12) month period, were not in service, all in an amount equal to seventy percent (70%) of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first thirty-six (36) month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Financial Consultant engaged by the District.

(B) An allowance for earnings arising from any increase in the charges made for service from the Water System which has become effective prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such twelve (12) month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or such twelve (12) month period, all as shown in the written report of an Independent Financial Consultant engaged by the District.

(iii) The instrument providing for the issuance of such Parity Obligations shall provide that:

(A) The proceeds of such Parity Obligations shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Water System, or otherwise for facilities, improvements or property which the District determines are of benefit to the Water System, or for the purpose of refunding any Parity Obligations in whole or in part, including all costs (including costs of issuing such Parity Obligations and including capitalized interest on such Parity Obligations during any period which the District deems necessary or advisable) relating thereto;

(B) Interest on such Parity Obligations shall be payable on January 1 and July 1 in each year of the term of such Parity Obligations except the first year, during which year interest may be payable on any January 1 or July 1; and

(C) The principal of such Parity Obligations shall be payable on July 1 in any year in which principal is payable.

(iv) A reserve fund may, but shall not be required to, be established for such Parity Obligations.

Subordinate Obligations. The District further covenants that the District shall not issue or incur any Subordinate Obligations unless Net Revenues, calculated in the same manner as described in above with respect to additional Parity Obligations, are equal to at least 100% of Maximum Annual Debt Service and maximum annual debt service on all Subordinate Obligations outstanding immediately subsequent to the incurring of such Subordinate Obligations.

Additional Payments. In addition to the 2022 Installment Payments, the District will pay, from Pledged Net Revenues, when due all costs and expenses incurred by the Authority to comply with the provisions of the Indenture and the 2022 Installment Sale Agreement, including, without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), compensation due to the Trustee for its fees, costs and expenses incurred under the Indenture, compensation due to the Authority for its fees, costs and expenses incurred under the Indenture and all costs and expenses of attorneys, auditors, engineers and accountants.

2022 Installment Payments. 2022 Installment Payments are required to be made by the District under the 2022 Installment Sale Agreement on the 15th day of each June and December (each a "Due Date"). The Trustee will apply such amounts as are necessary to make principal and interest payments due with respect to the Bonds on January 1 and July 1 of each year sufficient to meet the Bond amortization schedule.

Rate Stabilization Fund. A "Rate Stabilization Fund" was created in 2012 and is held and maintained by the District. From time to time, the District may deposit in the Rate Stabilization Fund from Gross Revenues such amounts as the District may determine, provided that deposits for each Fiscal Year may be made until (but not after) 180 days following the end of such Fiscal Year. Such deposits are deducted from Gross Revenues for purposes of complying with the rate covenant. The District may withdraw amounts from the Rate Stabilization Fund (i) for transfer to the Revenue Fund for inclusion in Gross Revenues for any Fiscal Year, such withdrawals to be made until (but not after) 180 days after the end of such Fiscal Year, or (ii) for any other lawful purpose of the District. Such deposits are deducted from Gross Revenues for purposes of complying with the rate covenant. All interest or other earnings on deposit in the Rate Stabilization Fund will be withdrawn and accounted for as Gross Revenues. No deposit of Gross Revenues to the Rate Stabilization Fund may be made to the extent that such Gross Revenues were included in the calculations of the additional bonds test hereof and withdrawal of the Gross Revenues to be deposited in the Rate Stabilization Fund from Gross Revenues that would cause noncompliance with the rate covenant. The Rate Stabilization Fund is not pledged to secure the 2022 Installment Payments, the payments with respect to any Parity Obligations or the payments with respect to any Subordinate Debt. As of December 31, 2021, there is a balance in the Rate Stabilization Fund of $2,750,000. The Rate Stabilization Fund has been used to fund emergency capital projects for drought.

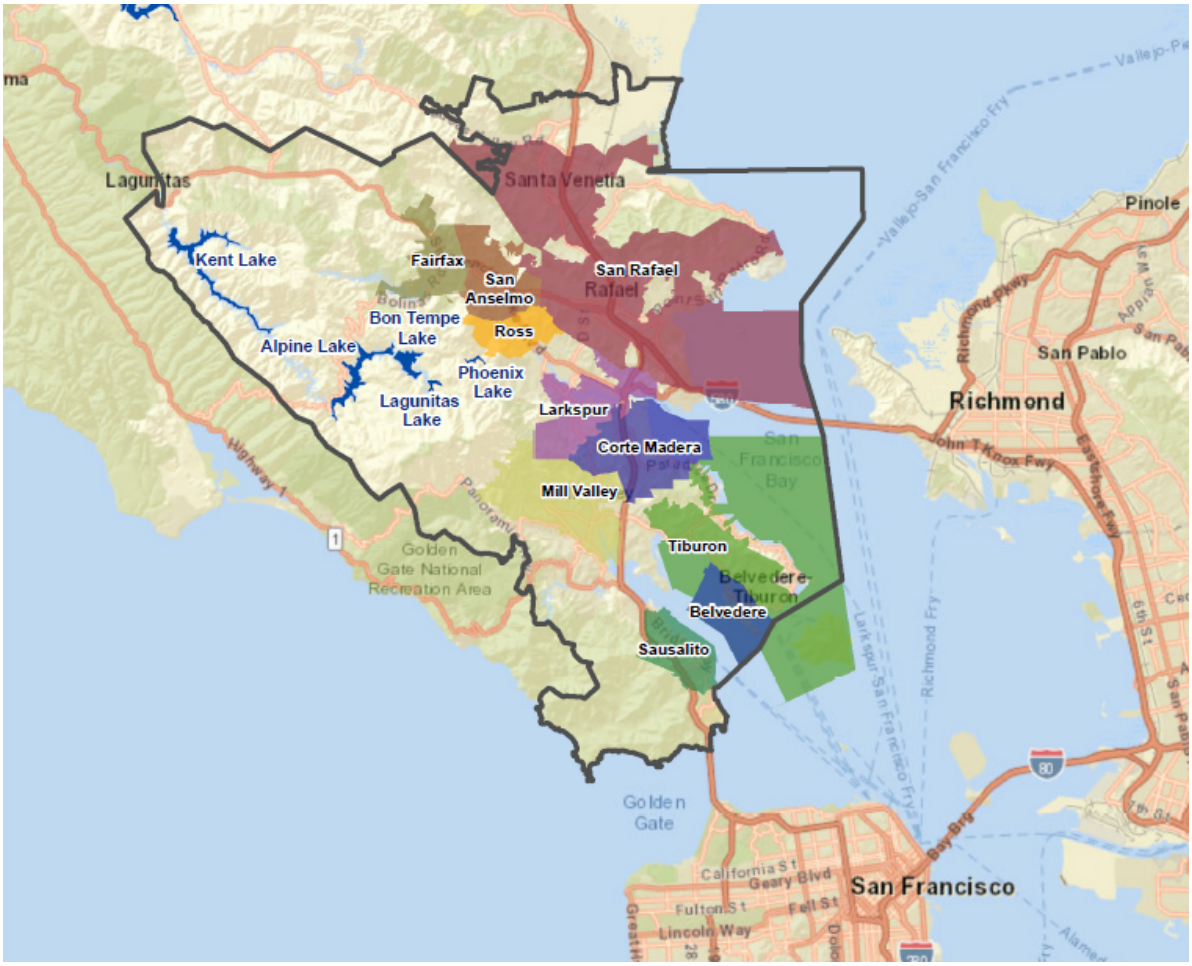
DISTRICT ORGANIZATION AND WATER SYSTEM

Introduction

The District was formed in 1912 for the purpose of developing a domestic water supply within its boundaries. It was the first water district in the State to be organized under the Municipal Water District Law.

The District's service area is home to approximately 195,000 residents within approximately 147 square miles along the eastern corridor of Marin County from the Golden Gate Bridge northward. The District serves approximately 62,000 customer connections. The District serves ten incorporated cities and towns, including San Rafael, Mill Valley, Fairfax, San Anselmo, Ross, Larkspur, Corte Madera, Tiburon, Belvedere and Sausalito, as well as a large unincorporated area of the County. The following map shows the District's Service Area.

MARIN MUNICIPAL WATER DISTRICT SERVICE AREA



Source: Marin Municipal Water District 2020 Urban Water Management Plan.

Residential growth in the County boomed during the period following World War II up to the early years of the 1970s. Growth during the last three decades has averaged less than 1% per year. The District's

service area is generally considered to be built-out, and ~~very~~ low population growth is expected within the area. Land use within the District is primarily residential but also includes agricultural, industrial, commercial, and recreational land uses.

Approximately 75% of the District's water supply comes from a network of seven local, rain-fed reservoirs. This supply is supplemented with purchased water from the Sonoma County Water Agency ("SCWA"), which provides surface water from the Russian River and to a lesser extent groundwater from the Santa Rosa Plain Subbasin of the Santa Rosa Valley Basin. The District ~~also makes use of~~provides recycled water for non-potable uses such as landscape irrigation, cooling towers, car washes, and toilet flushing.

The District is ~~also~~ responsible for the supervision of more than 21,600 acres of watershed land on Mt. Tamalpais and in the western portion of the County. Over 1.8 million visitors use the 150 miles of watershed roads and trails each year. The District's watershed responsibilities include protecting resources, managing fire risks, assisting visitors, monitoring plants and animal populations, restoring natural habitats, and maintaining access roads and trails.

Board of Directors

The five-member Board governs the District. Each Board member represents one of the five District divisions of approximately equal population. Each Board member must be a resident of the division from which he or she is elected. Regular elections for Board members are held every two even years for staggered four-year terms. The Board annually selects a president and vice president from among its members. The current Board members are:

- **Larry L. Russell**, *President* (Division V), has been on the Board since 2005. He is a licensed Civil, Chemical and Corrosion Engineer, and is an expert in applied environmental chemistry and engineering with special emphasis on water quality, taste and odor control, corrosion control and materials selection and performance, ground water quality management, storm water runoff, water source selection and chemical usage in water and wastewater treatment. He ~~has served one year~~currently serves as ~~President~~chair of the ~~Board and has chaired the District~~ Operations Committee ~~for several years~~.

- **Monty Schmitt**, *Vice President* (Division II) was elected to the Board in 2020. He is the water project director with the Nature Conservancy. He is a water resources scientist and is currently a senior project director with The Nature Conservancy's Water Program in San Francisco. With over two decades of experience, his focus is on integrating water resource management and healthy riverine ecosystems. Mr. Schmitt also serves as the Vice Chair of the Operation Committee and Watershed Committee.

- **John C. (Jack) Gibson** (Division I), was elected to the board in 1994. He has been a practicing lawyer for over 30 years. Mr. Gibson is a lawyer specializing in trust and estates, real estate and business law. He currently or previously has served on the boards of directors for seven non-profit agencies and two for-profit organizations. He currently serves as vice-chair for both the Communications & Water Efficiency Committee and the Finance & Administration Committee.

- **Larry Bragman** (Division III), was elected to the Board in 2014. Previously he served on the Fairfax Town Council for three terms, including two years as Mayor. In addition to his duties as a council

member, he served as the Fairfax representative to the Marin Telecommunications Agency, Transportation Authority of Marin, Ross Valley Paramedic Authority and the Community Media Center of Marin. Director Bragman has been a practicing attorney in Marin County for over thirty years and maintains an office in San Rafael. He currently serves as chair of the Watershed Committee.

- **Cynthia Koehler** (Division IV), was first elected to the Board in 2004. She has been a public interest attorney and environmental advocate in the Bay Area for over 25 years. She is the co-founder and Executive Director of WaterNow Alliance, a nonprofit organization. She was the California Water Legislative Director for the Environmental Defense Fund and an Adjunct Professor at Golden Gate University School of Law. She currently serves as chair for both the Communications & Water Efficiency Committee and the Finance & Administration Committee.

District Management

The Board appoints a General Manager, General Counsel, Finance Director/Treasurer, and Board secretary. The General Manager oversees the day-to-day activities of the District and reports to the Board.

The District's staff is organized into divisions, each with its own area of responsibility, as follows: (1) Operations, (2) Administrative Services, and (3) ~~Facilities and Watershed, and (4) Environment &~~ Engineering ~~Services~~. The office of the General Manager oversees the District's three divisions with advice from the General Counsel. The District's staff consists of approximately 240 full-time employees. The District's current management includes:

- **Bennett Horenstein,** *General Manager*. Mr. Horenstein has more than 30 years of experience in the water industry, including serving as the director of water for City of Santa Rosa, and director of the wastewater and recycling department at East Bay Municipal Utility District. Mr. Horenstein has a Bachelor of Science degree in environmental engineering from the University of Florida and he pursued graduate work in environmental studies from Loyola Marymount University and Vermont Law School. He is a registered Professional Engineer in California and is a certified Water and Wastewater Operator.

- **Charles McBride,** *Administrative Services Division Manager/Treasurer*. Mr. McBride was appointed to his current position in March 2020. He previously served as Assistant City Manager in Santa Rosa, California and as the Administrative Services Director for the City of Carlsbad, California. Mr. McBride received a Bachelor's of Science degree in Economics from the University of California, Davis and a Master of Business Administration degree from the University of Southern California. He also is a licensed Certified Public Accountant in the state of California. He has worked in finance and accounting for almost two decades in the public and private sectors.

- **Paul Sellier,** *Operations Director*. Mr. Sellier has over 20 years experience in the water industry, working for San Jose Water Company prior to joining the District in 2002. In addition to working on a range of water resource projects including the District's desalination pilot program and planning the expansion of the District's recycled water program, he has also developed and implemented a variety of treatment plant projects, ensured compliance with water quality and environmental regulatory issues. He is a registered professional engineer and holds a Bachelor of Science degree in chemical engineering from UC Berkeley.

- **Crystal Yezman, P.E.**, *Director of Engineering*. Ms. Yezman has been with the District since 2014. She received a Bachelor of Science degree in environmental science and Master of Science degree in civil and environmental engineering from the University of California, Berkeley in 1999. She is a licensed Civil Engineer in California and Oregon and has managed operations and maintenance for some of the largest water agencies in the Pacific Northwest, including Portland Water Bureau and Santa Clara Valley Water District.

- **Molly L. MacLean,** *General Counsel*. Ms. MacLean has been the District's General Counsel since October 2020. She served as an Assistant City Attorney for the City of Santa Rosa from January 2006 to October 2020. She worked on a broad range of matters with multiple City departments during her time with the City, including real property acquisition for public projects, serving as general counsel for the Housing Authority, as well as counsel for the City's Planning Commission and as counsel for the City's Board of Public Utilities and Santa Rosa Water. Prior to joining the City, she was a partner at Clement, Fitzpatrick & Kenworthy in Santa Rosa. Ms. MacLean obtained her BA from UC Riverside in 1994 and her JD from UCLA School of Law in 1997, after this she clerked for Judge Arthur Alarcón at the Ninth Circuit Court of Appeals and then worked at the Los Angeles branch of Arnold & Porter before relocating to Santa Rosa in 1999.

- **Terrie Gillen,** *Board Secretary***.** Ms. Gillen has served as Board Secretary for over a year. She has worked for and with city councils throughout the bay area for almost 10 years. For almost five years, she had worked for state and federal elected officials, representing their positions and addressing constituents' issues of concern. One of the issues she managed was the environment, particularly the Delta's water supply and ecosystem. She is a certified municipal clerk.

Water System and Treatment Facilities

The District owns and operates water production, storage, treatment and distribution facilities to serve customers within its boundaries. The District's water system consists of 22,450 acres of watershed lands, seven reservoirs with a storage capacity of 79,566 acre-feet (one acre-foot is equal to 325,851 gallons, enough water to cover one acre to a depth of one foot), 908 miles of pipeline, 130 storage tanks, 97 pumping stations, and three potable water treatment facilities~~, and one water recycling facility~~. Five of the seven District-owned reservoirs (Alpine, Bon Tempe, Kent, Lagunitas, and Phoenix Lake) are located on the north slopes of Mt. Tamalpais in the County. The other two (Nicasio and Soulajule) are located outside the District's service area in the western portion of the County. Presented below are summary descriptions of the District's reservoirs:

1. **Alpine Lake** was built in 1919 and has an arched concrete dam. The dam was raised in 1923 and 1941 to its present height and has a total storage capacity of 8,891 acre-feet.

2. **Bon Tempe Lake** has an earth-fill dam and was built in 1948 with a capacity of 4,017 acre-feet.

3. **Kent Lake** has an earth-fill dam and was built in 1953. The structure was enlarged in 1982 to accommodate a total capacity of 32,895 acre-feet.

4. **Lake Lagunitas**, the oldest facility, is an earth-fill dam built in 1872. Lake Lagunitas still maintains its original capacity of 350 acre-feet.

5. **Phoenix Lake** has an earth-fill dam, was constructed in 1905 and was significantly modified in 1968 and 1985. The last modification reduced the lake's capacity to 411 acre-feet. It now serves primarily as a scenic resource for the community and is used as a water supply source only in very dry years.

6. **Nicasio Reservoir** has an earth-fill dam and was built in 1960, with a capacity of 22,430 acre-feet.

7. **Soulajule Reservoir** is impounded by an earth-fill dam built in 1979 with a capacity of 10,572 acre-feet.

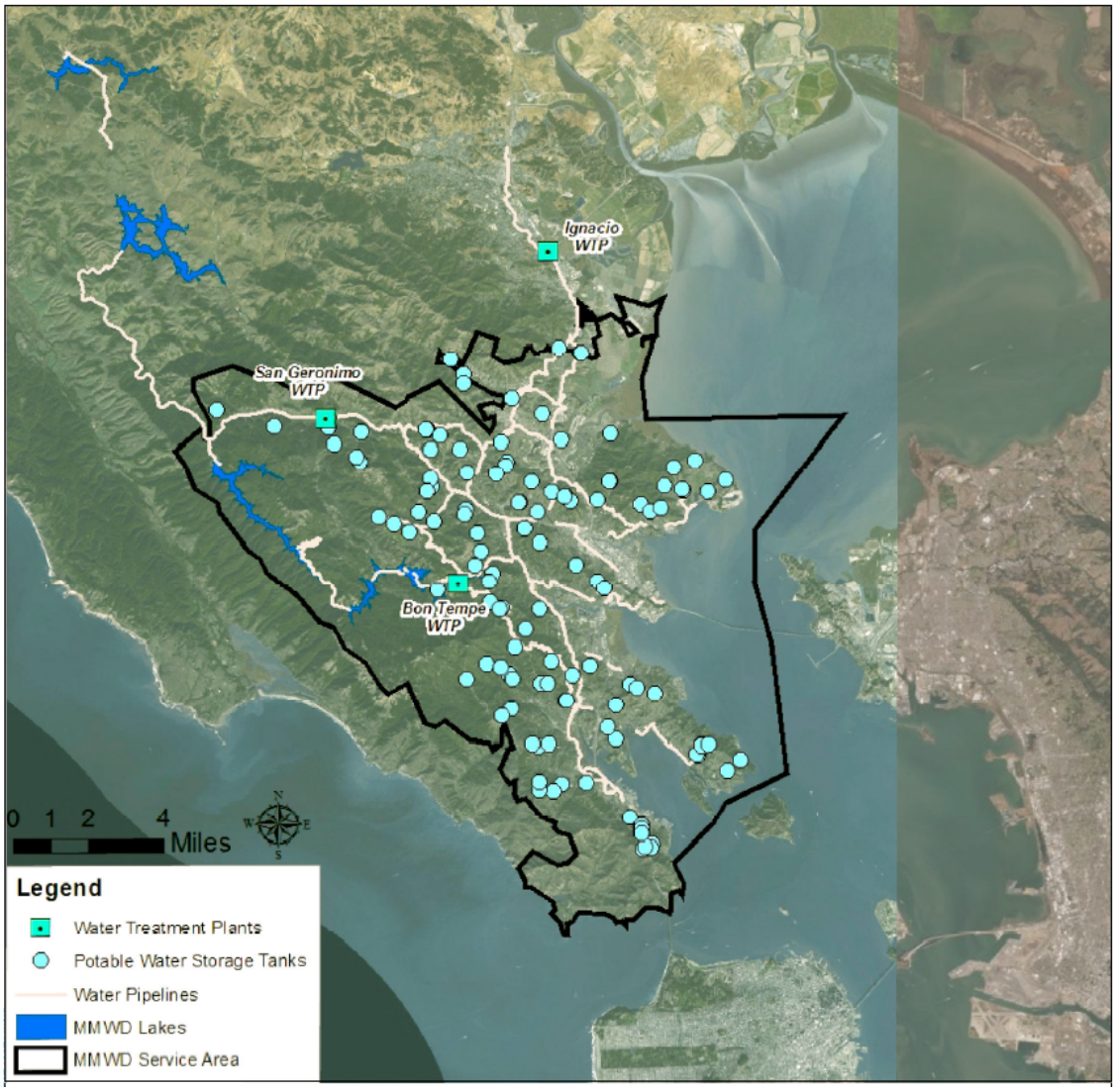
The District's seven reservoirs, when full, collectively hold approximately two years of water supply based on the District's historical consumptions levels and environmental release obligations.

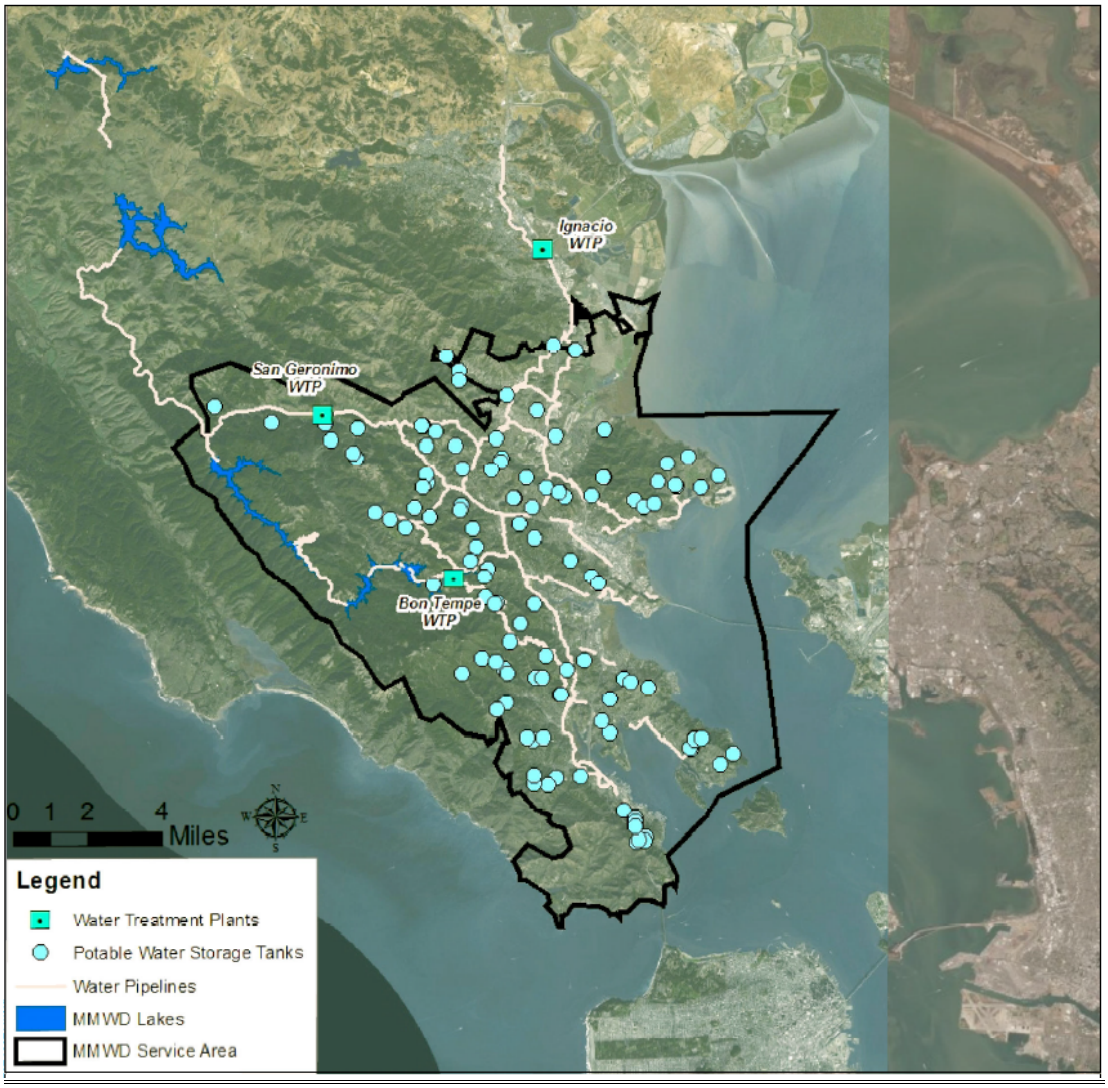
The District operates three potable water treatment facilities, the San Geronimo Treatment Plant, the Bon Tempe Treatment Plant and the Ignacio Pump Station. The San Geronimo and Bon Tempe Treatment Plants, with 35 million gallons per day ("mgd") and 20 mgd maximum capacity, respectively, treat water originating from District reservoirs. The Ignacio Pump Station, with 16 mgd maximum capacity, performs chemical treatment in a "polishing" operation on water received from the SCWA via the North Marin Intertie Pipeline. Together, these facilities have a combined design capacity of 71 million gallons per day (mgd). Observed high flows have reached 45 mgd in July 2006; however, the average daily maximum flow is approximately 22.4 mgd over the last 10 years.

~~The District also operates a water recycling facility, the Las Gallinas Valley Water Recycling Plant. The Las Gallinas Valley Water Recycling Plant, with a two mgd maximum capacity, performs tertiary treatment of wastewater effluent and distributes recycled water used mainly for irrigation to more than 350 service connections through more than 25 miles of pipeline.~~

The following map shows the locations of the District's water system facilities.

MARIN MUNICIPAL WATER DISTRICT
WATER SYSTEM FACILITIES MAP

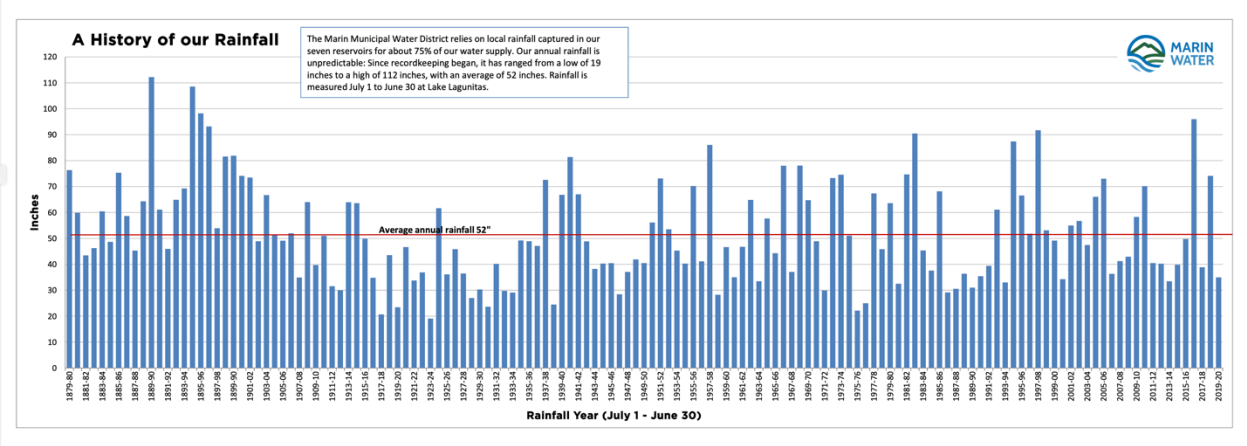




Source: Marin Municipal Water District 2020 Urban Water Management Plan.

~~History of Water Supply~~

~~Historically, the District has relied on rainfall runoff collected in the western portion of the County for its water supply. Based upon District studies, the water supply potential of the western County basins has been developed to the maximum reasonable extent. The District's heavy reliance upon rainfall runoff for its water supply and its water storage capacity, limited by environmental concerns, has made the District very vulnerable to water shortages arising from changes in hydrological conditions.~~



~~To mitigate this situation, the District originally negotiated a contract with SCWA for delivery of up to 4,300 acre-feet of water per year ("AFY") in 1975. Such deliveries were to occur only in the winter months, when water demand was lowest, and only when SCWA had water surplus to meet its needs. In addition, the District developed and implemented a project to provide additional treatment to treated wastewater such that the produced water could be used to replace some selected potable water use.~~

~~Nevertheless, severe drought conditions occurred in 1976-77 and reoccurred in 1987-92. In each case, such drought conditions compelled the District to impose water rationing and substantially increase water rates. See "—Water Supply—Water Consumption," "Drought," and "—Water Rates and Charges" below.~~

~~Faced with limited water resources and storage capacity and increasing demand for water, the District, in 1989, completed a Water Supply Master Plan (the "WSMP") to identify the appropriate method of securing an adequate water supply. The WSMP recommended that the District secure an additional water supply of up to 10,000 AFY, to meet existing dry year supply shortfalls and projected growth through 2025.~~

~~Consequently, the District negotiated improvements to the terms of its existing contract with SCWA and signed a new contract in 1991 with SCWA allowing delivery of up to an additional 10,000 AFY. Subsequently, in 1992, the District's electorate approved Measure V, authorizing issuance of up to $37.5 million of revenue bonds to fund a variety of water system improvements, including improvements to import additional water supply from SCWA, water reclamation, conservation/efficiency projects, water quality improvements and other general projects. In 1993, the District issued $39 million in revenue bonds to fund approximately $17 million of the $37.5 million for projects authorized under Measure V and refund prior debt. Approximately $11.8 million was to be used to fund improvements needed to import additional water supply from SCWA. The cost of a 13-mile pipeline and other facilities needed to import additional supply from SCWA was estimated at $62 million, and was not funded by the 1993 revenue bonds. The additional $62 million needed to fund the pipeline was to be included in a future debt issuance which will not require voter approval. The District has not pursued this project due to costs and a diminished need for additional water given reductions in water demand. Therefore, the District does not intend to pursue this project at this time. While the District's contractual entitlements from SCWA are now 14,300 AFY, the District has been able to meet customer demands for the last eight years by importing less than 8,000 AFY. SCWA's prices are subject to annual changes. On or before April 30 of each fiscal year, SCWA is required by contract to establish its charges for the ensuing fiscal year. Section 53756 of the California Government Code authorizes water suppliers, such as the District, to adjust their rates in response to changes in pass-through costs. Because the District has no control over SCWA's wholesale water rate, the District's policy~~

~~is to adjust its rates as needed in response to wholesale price adjustments to pass through the additional costs or savings to its customers.~~

~~*Water Rights*~~

~~The District holds five appropriative water rights, one water license, and three pre-1914 water rights to operate its local reservoir system. Rights to divert water were granted to the District by the California State Water Resources Control Board ("SWRCB") and allow diversion of over 86,000 AFY. District water supply can be obtained from Lagunitas Creek, Walker Creek, Ross Creek and Nicasio Creek in the County, via the District's water rights, and, through water rights of the SCWA, the Russian River in Sonoma County.~~

~~With respect to the Russian River, the District purchases Russian River water from SCWA. SCWA has rights to re-divert up to 75,000 AFY. SCWA currently provides 46,000 AFY of water to all of its customers, including the District. See Table 1 for a history of the District's imports from SCWA.~~

~~SCWA has entered into certain continuing disclosure agreements pursuant to which SCWA is contractually obligated for the benefit of owners of certain of their outstanding obligations, to file certain annual reports, notices of certain material events as defined under the Rule and annual audited financial statements (the "SCWA Information") with certain information repositories (a current listing of such repositories is maintained on the Internet at http://emma.msrb.org). SCWA HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE AUTHORITY, THE DISTRICT, THE TRUSTEE OR THE OWNERS OF THE BONDS TO PROVIDE SCWA INFORMATION TO THE AUTHORITY, THE DISTRICT OR THE OWNERS OF THE BONDS.~~

~~SCWA HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO SCWA. SCWA IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE AUTHORITY, THE DISTRICT OR THE OWNERS OF THE BONDS UNDER RULE 15c2-12.~~

~~*Environmental Flow Requirements.* The District releases water from the Kent and Soulajule Lakes to meet environmental flow requirements that benefit silver salmon and steelhead populations in Walker Creek and Lagunitas Creek.~~

~~The District made an agreement with the California Department of Fish and Game in 1976, with an amendment in 1985, to release a volume of water from Soulajule reservoir that maintains a constant streamflow in Walker Creek of 20 cubic feet per second ("cfs") during the winter and spring months. The amount of water released is decreased in the summer and fall months and when the reservoir level is low.~~

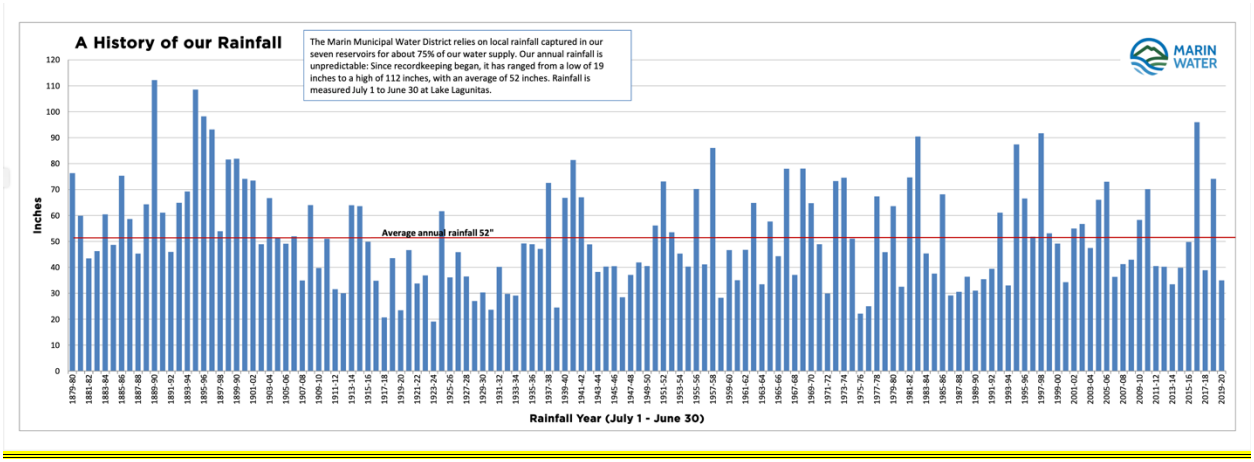
~~The District releases water from Kent reservoir in accordance with the 1995 SWRCB Order 95-17 to maintain the streamflow in Lagunitas Creek of 20 to 25 cfs during winter months in wet years, with decreased flows during the summer and during dry years. Increased upstream migration flows are released from Kent for four three day periods between November and February to provide for the upstream migration of anadromous fish.~~

Water Supply

Surface Water/Runoff. ~~Historically, the~~Approximately 75% District's water supply ~~has come primarily~~comes from rainfall runoff captured on the north slope of Mt. Tamalpais in the westerly slopes of the California coastal range. District facilities, constructed in stages during the twentieth century, diverted approximately two-thirds of the flow of Lagunitas Creek above Kent Lake and more than one-third of the flow of Nicasio Creek to the developed areas of the eastern portion of the County. The District's watershed system has four units: Lagunitas Creek above Kent Lake, Nicasio Creek above Nicasio Dam, Ross Creek above Phoenix Lake and Walker Creek above Soulajule Reservoir. The District and its predecessor agencies have maintained rainfall records for a period of over 130 years. Average annual precipitation varies across the drainage basins above the reservoirs from about 60 inches above Kent Lake to 28 inches on Walker Creek. Average annual net runoff (total runoff less losses) on the District's watershed lands is more than 75,000 acre-feet. However, year-to-year net runoff figures vary significantly from a high net runoff in fiscal year 1982-83 of approximately 213,000 acre-feet to a low of approximately 3,000 acre-feet in fiscal year 1976-77, the baseline drought year. See Table 1 for a history of the ~~potable water used by District customers comes from the local~~District's reservoir ~~system.~~ levels.

~~On average, the District has an average annual runoff of 83,000 AF (10-year average). The range of annual runoff received into the District's reservoirs ranges widely from a low of 4,000 AF in 1977 to over 212,000 AF in 2017.~~ The following chart illustrates the history of rainfall in the District since 1879.

MARIN MUNICIPAL WATER DISTRICT HISTORICAL RAINFALL



Source: Marin Municipal Water District

Surface water from the Mt. Tamalpais watershed is aerated seasonally in the reservoirs to maintain adequate dissolved oxygen concentration. From the reservoirs, the water is conveyed to either the Bon Tempe Treatment Plant near Ross or the San Geronimo Treatment Plant in Woodacre. Suspended matter is removed in clarifiers, microscopic particles are removed in deep-bed, multi-media filters, and bacteria and pathogens are inactivated by disinfectants. The water is then treated for control corrosion. The District has been fluoridating its water since 1973 as required by a voter approved ballot measure in 1972.

~~The District has responsibility for the aquatic species that reside in the streams below its reservoirs. In particular, the District must release water from its reservoirs to help sustain downstream fisheries. To~~

~~meet the terms included in the District's water rights, an average of about 12,500 AFY of raw water is released for that purpose.~~

The District's reliance upon rainfall runoff for a majority of its water supply has made the District vulnerable to water shortages arising from changes in hydrological conditions. The District is currently experiencing drought conditions. For a discussion of the drought conditions and the District's response, see "Drought" herein.

Purchased Water. ~~In addition to the above-described local water sources, since~~Since 1975 the District has contracted to purchase imported ~~delivery~~water from SCWA. The purchased water from SCWA currently accounts for approximately 25% of the District's annual water supply. See Table 1 for a history of the District's imports from SCWA.

The District's latest contract with SCWA, executed in July 2015, allows the District to take delivery of up to 14,300 AFY, including a 5,300 cubic feet "take or pay" component. However, the District's ability to accept this volume is currently limited by infrastructure constraints that restrict conveyance capacity to about 10,000 AFY. The contract remains in effect until June 30, 2025, cannot be terminated prior to expiration, and can be extended at the District's option for a term not to exceed the term of SCWA's Restructured Agreement for Water Supply with its water contractors, which is 2040.

The District receives its supplemental water supply from SCWA's transmission system, which provides treated water purchased from SCWA's Russian River Project. The Russian River flows are augmented by Pacific Gas and Electric's (PG&E's) Potter Valley Project, which diverts a portion of the Eel River flows to the East Fork of the Russian River. Water is diverted and extracted from the stretch of the Russian River located just upstream of Wohler Bridge via six radial wells known as "Ranney collectors." The diverted river water percolates through sand and gravel and only needs the addition of chlorine to meet drinking water quality standards. The SCWA supply also includes a relatively small amount of groundwater from groundwater supply wells located in the central Santa Rosa Plain subbasin.

The District receives water purchased from the SCWA through the District's 8-mile-long aqueduct, ~~which is a 30, 36, and 42-inch diameter~~ a steel transmission main that varies in diameter between 30 and 42-inches and runs from the SCWA's Petaluma Aqueduct near Kastania Tank in south Petaluma to a connection located at the northern end of the District's pipeline facilities in Novato. The purchased water then enters the District's Ignacio Water Quality and Pumping Station, where water quality is monitored continually and adjusted as needed.

~~Purchases from SCWA are assumed to increase in dry years, in order to supplement available local surface water supplies. In normal years, SCWA purchases are assumed to be 5,300 AF, but could increase during single and the early dry years of a drought, as long as the District's full allocation is available from SCWA. The District's current contract with SCWA allows for the District to purchase up to 14,300 AF; however, the District's ability to accept this volume is currently limited by infrastructure constraints. Capital improvements will be needed to increase conveyance capacity beyond 10,000 AFY.~~

SCWA currently provides 46,000 AFY of water to its wholesale customers, including the District. SCWA's contracts with their wholesale water customers allow SCWA to scale back water deliveries depending once SCWA's total reservoir capacity drops below 100k AF. If SCWA's storage capacity drops below that threshold SCWA will institute a 30% mandatory restriction in deliveries for their wholesale customers, including for the District.

Recycled Water. The District started water recycling during the drought of 1976-77 when a pilot plant was commissioned for drought relief. In 1981, a 1.0 mgd direct filtration plant was completed and ~~served~~provided 60 AFY to nearby McInnis Park and to highway landscaping. In 1989, the ~~District upgraded the~~ recycled water facility was upgraded from direct filtration to full conventional treatment and increased capacity to 2.0 mgd. The District's recycled water system currently ~~serves~~provides about 748 AF of recycled water per year through 333 service connections. The system is located in the northern part of the District's service area from the Marin County Civic Center through Marinwood. All customers on the system are served recycled water from the ~~District's~~ Las Gallinas Valley RWTF, operated in conjunction with the LGVSD. During 2020, the Las Gallinas RWTF was offline temporarily due to infrastructure upgrades and all demands by the recycled water system were met by potable water. ~~Potable water is not anticipated to be needed to supplement the recycled water system going forward, following plant~~The upgrades to the Las Gallinas Valley RWTF were completed in ~~April~~ 2021 and recycled water production has resumed.

Water Rights. The District holds five appropriative water rights, one water license, and three pre-1914 water rights to operate its local reservoir system. Rights to divert water were granted to the District by the California State Water Resources Control Board ("SWRCB") and allow diversion of over 86,000 AFY. District water supply can be obtained from Lagunitas Creek, Walker Creek, Ross Creek and Nicasio Creek in the County, via the District's water rights, and, through water rights of the SCWA, the Russian River in Sonoma County.

Alternative Sources of Water Supply. The District does not pump groundwater ~~and does not plan to use groundwater as a supply source in the future~~from within its service area. Studies that have been conducted by the District over the last 40 years have determined that groundwater within the boundaries of the District's service area is very limited as it is either found in fractures in the Franciscan Formation (bedrock) or in shallow alluvial deposits in valleys.

While the District has, in the past, explored desalination as a potential supply option, the District does not intend to pursue desalination to augment water supplies at this time. During August of 2010, the District adopted Ordinance 420, which states that the District shall not approve construction, or financing for construction, of a desalination facility unless such construction is approved by a majority of District voters voting in an election held within the District's service area for that purpose.

~~During the drought of the 1970s, the District made use of water transfers to augment its supplies. In addition to the connection to the SCWA, an emergency pipeline connection was made to the East Bay Municipal Utility District ("EBMUD") water system. Water was delivered to the District from the State Water Project through the EBMUD system. The temporary connection with EBMUD was installed in the emergency pull-out lane of the Richmond-San Rafael Bridge. It was removed from the bridge in the early 1980s when traffic increased making the pipeline a safety hazard. EBMUD serves about 1.4 million customers in Alameda and Contra Costa counties.~~

Sufficiency of Current Water Sources. Based on comparison of demands and available supplies, the District's water supply is expected to be sufficient to support the District's projected water demand through 2045 during normal hydrologic years. The District's current water supplies can serve a commitment of approximately 28,000 AFY of potable water deliveries based on the District's estimate of the yield of all supplies available to the District. Such estimate of yield includes about 20,000 AFY from the District's reservoirs and reclaimed water projects and about 8,000 AFA of water from the SCWA. However, the

District is currently experiencing historical drought conditions. For additional information about the current drought conditions, see "Drought."

Water Production and Consumption

Water production is the total amount of potable water treated by the District for distribution throughout its system. The amount of water produced by the District is always larger than metered consumption by customers because of system losses and other non-metered uses. Table 1 below shows historical water production, water purchases and reservoir storage data for the period from fiscal year 1999-2000 through fiscal year 2020-21.

TABLE 1
ANNUAL POTABLE WATER PRODUCTION AND STORAGE
(in acre-feet)

Fiscal Year Ending June 30,	Treated Water Production	Imported from SCWA(1)	Total Production	Reservoir Storage	Percent of Capacity (~~1~~2)
2000	22,631	7,820	30,451	77,072	96.87%
2001	23,541	8,183	31,724	64,326	80.85
2002	22,926	8,412	31,338	75,062	94.34
2003	22,456	8,198	30,654	78,436	98.58
2004	24,026	7,785	31,811	72,428	91.03
2005	21,113	7,848	28,961	79,419	99.82
2006	22,164	7,115	29,279	77,676	97.62
2007	22,645	7,502	30,147	64,704	81.32
2008	22,165	7,568	29,733	67,367	84.67
2009	19,989	7,847	27,836	63,654	80.00
2010	18,529	6,702	25,231	78,491	98.65
2011	19,994	5,378	25,372	77,591	97.52
2012	20,163	5,907	26,070	77,274	97.12
2013	21,187	5,873	27,060	68,170	85.68
2014	18,473	8,236	26,709	59,906	75.29
2015	16,547	7,000	23,547	67,212	84.47
2016	17,154	5,300	22,454	76,342	95.95
2017	17,708	5,299	23,007	78,097	98.15
2018	19,876	5,299	25,175	76,129	95.68
2019	19,289	5,299	24,588	67,307	84.59
2020	21,203	5,626	26,829	66,633	83.75
2021	18,473	7,723	26,196	35,209	44.25

Source: Marin Municipal Water District.
(1) The District has contractual entitlement to 14,300 acre-feet of water from SCWA. Upon expiration on June 30, 2025, the District's contract with SCWA can be extended at the District's option.
(2) Total reservoir capacity is 79,566 acre feet.

~~*Water Consumption.*~~ The District posts up-to-date reservoir storage levels on its website. For current reservoir storage levels, see https://www.marinwater.org/water-watch. Such website is not incorporated herein by this reference.

Water use within the District's service area is predominantly associated with residential use. Table 2 summarizes metered water consumption by customer class for the five most recent fiscal years. Unmetered water uses include firefighting, evaporation, District usage for backwashing and line flushing, leaks/breaks and other system losses.

TABLE 2
METERED WATER USE BY CUSTOMER CLASS
(in acre-feet by fiscal year [(1)(2)])

Customer Class	Fiscal Year Ending June 30, 2017	2018	2019	2020	2021
Residential: Single-family & multi-family dwelling units, apartments, condominiums, mobile homes	15,269	17,045	16,420	17,754	18,481
Institutional: San Quentin Prison, hospitals, hotels, fire stations	1,303	1,402	1,348	1,381	1,300
Business Establishments: Office buildings, restaurants, industrial, manufacturing, retail stores, schools, churches, and other service-oriented businesses	2,566	2,701	2,626	2,509	2,203
Irrigation: Parks, golf courses, nurseries	2,087	2,436	2,237	2,434	1,709
Total Metered Water Use	21,226	23,585	22,632	24,078	23,693
Total Water Production[(2)]	23,737	26,061	25,244	27,010	26,196
Unmetered Water Uses[(3)]	2,511	2,476	2,612	2,932	2,503
Percentage of Unmetered Water Use	10.6%	9.5%	10.3%	10.9%	9.6%

Source: Marin Municipal Water District.
(1) One acre-foot equals 435.6 hundred cubic feet (ccf).
(2) Total water production includes potable and recycled water.
(3) Includes water used for firefighting, evaporation, District usage for backwashing and line flushing, and system losses.

Environmental Flow Requirements. The District has responsibility for the aquatic species that reside in the streams below its reservoirs. In particular, the District must release water from its reservoirs to help sustain downstream fisheries. To meet the terms included in the District's water rights, an average of about 12,500 AFY of raw water is released for that purpose.

The District releases water from the Kent and Soulajule Lakes to meet environmental flow requirements that benefit silver salmon and steelhead populations in Walker Creek and Lagunitas Creek.

The District made an agreement with the California Department of Fish and Game ("CDFG") in 1976, with an amendment in 1985, to release a volume of water from Soulajule reservoir that maintains a constant streamflow in Walker Creek of 20 cubic feet per second ("cfs") during the winter and spring months. The amount of water released is decreased in the summer and fall months and when the reservoir level is low.

The District releases water from Kent reservoir in accordance with the 1995 SWRCB Order 95-17 to maintain the streamflow in Lagunitas Creek of 20 to 25 cfs during winter months in wet years, with

decreased flows during the summer and during dry years. Increased upstream migration flows are released from Kent for four three-day periods between November and February to provide for the upstream migration of anadromous fish.

~~Table 3 summarizes the percentage contribution by customer class to water sale revenues for the five most recent fiscal years~~

~~TABLE 3~~
~~PERCENTAGE CONTRIBUTION TO WATER SALES REVENUES BY CLASS OF USER~~
~~For FISCAL YEARS 2016-17 THROUGH 2020-21~~

	~~Fiscal Year Ending June 30,~~				
~~Customer Class~~	~~2017~~	~~2018~~	~~2019~~	~~2020~~	~~2021~~
~~Residential(1)~~	~~71.94%~~	~~72.27%~~	~~72.55%~~	~~73.74%~~	
~~Non-Residential~~	~~28.06~~	~~27.73~~	~~27.45~~	~~26.26~~	
~~Total~~	~~100.00~~	~~100.00~~	~~100.00~~	~~100.00~~	~~100.00~~

~~Source: Marin Municipal Water District.~~
~~(1) Includes single family and multifamily residential.~~

The District has begun the process of curtailing environmental releases on an emergency basis due to the present drought conditions. The District's agreements with the SWRCB allow for emergency reduced releases until the emergency drought conditions subside. The District has filed an emergency petition with CDFG for a temporary order to curtail releases until drought conditions subside.

Drought

The District is storage-limited and has experienced changes in storage very quickly during droughts. For example, from December 2012 to January 2014, the District experienced a period of low precipitation, and its reservoir storage declined to levels that nearly triggered significant mandatory reductions. Water supply circumstances then changed in early February 2014 when the District received 15 inches of rain, more than the total rain during the prior 400 days combined.

The District experienced the most severe drought conditions in its history in 1977. The District made use of extensive water transfers to augment its supplies. In addition to the construction of the connection to SCWA, the District constructed an emergency intertie pipeline connection over the Richmond San Rafael Bridge to connect the District to the East Bay Municipal Utility District ("EBMUD") water system. The District was able to acquire water from the State Water Project which was then transported to the District's emergency intertie with the EBMUD system. The pipeline connecting to EBMUD was installed in the emergency pull-out lane of the Richmond-San Rafael Bridge. It was removed from the bridge in the early 1980s when traffic increased, making the pipeline a safety hazard.

In response to the 1977 drought the District also constructed its seventh reservoir (Soulajule) and raised Kent Lake Dam to add additional storage.

From 1980 to 2020 the District has been able to meet demands during prior periods of extreme drought with rationing, conservation and increased purchases from SCWA. ~~Given that the District is storage-limited, it can and has experienced changes in storage very quickly. For example, from December 2012 to January 2014, the District experienced a period of very low precipitation, and its reservoirs reached~~

~~significantly low storage conditions that nearly triggered significant mandatory reductions. Water supply circumstances then changed in early February 2014 when the district received 15 inches of rain, more than the total rain during the prior 400 days combined.~~

2021 Drought ~~Conditions~~. On May 10, 2021, the Governor of the State (the "Governor") issued a Drought Proclamation (the "Drought Proclamation") that covered 41 counties in the State under a targeted State of Emergency due to drought. On July 8, 2021, the Governor expanded the Drought Proclamation to include the County and eight additional counties and called on all Californians to voluntarily reduce their water use by 15 percent.

The District is currently experiencing a historic drought. Until recent storms in October and November of 2021, rainfall levels the past two years had been the lowest the District has on record in more than 140 years~~. The District's reservoir storage capacity is the lowest it has been in more than 40 years, falling below 40% of total capacity~~.

The District has been regularly communicating to its customers regarding the drought. The District's response to the drought includes all of the following resolutions and ordinances listed below. In sum, restrictions include: a complete prohibition against outdoor irrigation other than hand-watering, covers for all pools and spas and a prohibition against the refilling of drained pools and the initial filling of newly constructed pools, prohibitions against new potable water service connections, and prohibitions against power washing homes, businesses, and sidewalks. The District has also instituted water use penalties for customer usage exceeding certain specified water limits or otherwise wasting water. Recycled water for irrigation is exempt from the water use restrictions.

Resolution 8630 and Ordinance No. 449. On April 20, 2021, the Board approved Resolution 8630, which declared a water shortage emergency pursuant to Water Code sections 350 *et seq*. and 71640 *et seq*. On the same day, the Board also enacted Ordinance No. 449, which included a comprehensive set of mandatory water conservation measures intended to reduce the consumption of water by 40% during the drought. Mandatory water use prohibitions in Ordinance No. 449 include prohibitions against washing of vehicles; use of private fire taps for purposes other than providing water for fire protection; power washing of buildings and homes; and the use of potable water for dust control, compaction, sewer flushing, street cleaning, or any other use that can be met with recycled water.

Ordinance No. 450. On May 4, 2021, the Board adopted Ordinance No. 450, requiring further mandatory conservation measures. The measures instituted by Ordinance No. 450 include limiting outdoor sprinkler irrigation system to two days per week and requiring all recreation pools and spas to be covered when not in use to reduce water lost through evaporation.

Ordinance No. 452. On July 6, 2021, Board adopted Ordinance No. 452, mandating more stringent irrigation measures for its customers than those original contained in Ordinance No. 449. Ordinance No. 452 limits overhead sprinkler irrigation systems to one day per week on a day designated by the District and limits drip irrigation to two days per week.

Ordinance No. 453. On July 20, 2021, Board adopted Ordinance No. 453, prohibiting all new water service connections from use of potable water for landscape irrigation, and requiring new water service connections to postpone until after the water shortage emergency the installation of potable water irrigated landscaping.

Ordinance No. 454. On September 21, 2021, Board adopted Ordinance No. 454, establishing water use limits for certain types of water accounts within the District to curtail outdoor water use during the winter and summer service periods and to impose associated penalties that would apply to water use in excess of new water use limits. Ordinance No. 454 establishes a cap on water usage, and water accounts that exceed the cap will be charged a penalty based on each CCF (hundred cubic feet) of water exceeding the cap.

Ordinance No. 455. On October 19, 2021, the Board adopted Ordinance No. 455, prohibiting winter irrigation, prohibiting pool filling, and modifying time periods for enforcement of violations. Ordinance No. 455 prohibits irrigation starting December 1, 2021 continuing through May 31, 2022. Spot-watering by hand is exempt from this prohibition. Ordinance No. 455 also prohibits the refilling of a completely drained swimming pool and initial filling of any swimming pool for which application for a building permit was made after December 1, 2021. Additionally, Ordinance No. 455 modified enforcement periods for violations of water waste by allowing District staff to issue additional fines for repeated violation of the same category of water waste if the violation occurs within one year of the prior violation for which a fine was incurred.

District staff and the Board continue to monitor the drought and the District's reservoir levels and will tighten or relax water use restrictions as supply and demand projections change to ensure the District's ability to provide potable water to its customers.

In addition to the water use restrictions described above, the District offers a wide range of voluntary programs, rebates and water conservation tips to help water customers reduce outdoor and indoor water use including turf replacement incentives, water efficient landscaping classes, and low-flow fixture replacement rebates. ~~The District also adopted a penalty rate structure to discourage excess water use.~~

The District has also adopted a Water Shortage Contingency Plan ("WSCP"). The WSCP will serve as ~~a standalone document to be engaged~~guidance in the case of a water shortage event, such as a drought or supply interruption, and defines specific policies and actions that may be implemented at various shortage level scenarios. The primary objective of the WSCP is to ensure that the District has identified the necessary resources and management responses needed to protect health and human safety, minimize economic disruption, and preserve environmental and community assets during water supply shortages and interruptions. Consistent with CWC §10632, the WSCP includes six levels to address shortage conditions ranging from up to 10% to greater than 50% shortage, identifies a suite of demand mitigation measures for the District to implement at each level, and identifies procedures for the District to annually assess whether or not a water shortage is likely to occur in the coming year, among other things.

Late 2021 Storms. After two large storms in late October and early November of 2021, the District forecasts its current water supplies will last through 2022 if District Customers continue conserving by at least 20%. As of December 1, 2021, the District's reservoir storage capacity is at 58% of total capacity, below the 66% historical average or storage capacity measured each December 1.

If the drought conditions continue more extreme measures may be required, up to and including mandatory rationing requirements. The District faces significant water supply challenges and may be forced to seek additional alternative sources of water. The expenses associated with securing additional sources of water could be substantial.

Water Rates and Charges

The District has the power and authority under California law to establish charges for service without the review or approval of any other government body. The District's rates and charges are established by ordinance of the Board and subject to the requirements of Proposition 218. The District has the right to refuse or terminate water service to delinquent customers and to require full payment of delinquent amounts and reconnection charges to resume service. Unpaid charges may become a lien on property by recordation of a notice thereof. Due to the COVID-19 Pandemic, however, the right of any agency to terminate water service has been suspended until December 31, 2021.

The District most recently performed a rate study in March of 2019. Following the completion of the rate study, the District adopted Ordinance No. 442 on May 28, 2019, which set a five-year rate structure establishing rates, fees and charges beginning on July 1, 2019, and continuing with ~~4%~~ annual cost of service increases of approximately 4% until fiscal year 2022-23.

The District's rate structure includes four components: (1) a *fixed base water use charge*, (2) a *volumetric water use charge*, (3) a *fixed watershed management fee* (the "WMF") that pays for the sustainable management of the Mt. Tamalpais watershed and (4) a fixed *capital maintenance fee* (the "CMF") that funds capital projects, including replacing old pipelines, tanks and other infrastructure, and is available to pay debt service on its obligations. The CMF may automatically be increased or decreased (up to a limit of 4% annually) to keep pace with inflation. The District also charges a separate fixed fee for fire tap service connections. For a component breakdown of the District's FY2020-21 water revenues, see Table 4.

For residential customers, the District uses four tiers for its volumetric Water Use charge, with different allotments (volume ranges) for summer months (June through November) and winter months (December through May). For nonresidential potable water, single-family residential irrigation, recycled, and raw water customers, the District uses three tiers, which do not vary by season. For non-residential customers, the breakpoints of the three tiers are determined using a more site-specific method. Each non-residential customer has a water entitlement and a water budget, and the tiers are scaled relative to the baseline water budget. For a recent historical water revenue percentage contributions of residential and non-residential customers, see Table 5.

~~The tables on the following pages summarize~~Table 3 summarizes the current water rates for residential, non-residential, and raw and recycled water customers. The current rates became effective July 1, 2021, and reflect a 4% increase over the rates that applied to the prior fiscal year.

TABLE 3
SUMMARY OF CURRENT WATER RATES

RESIDENTIAL

	Single-Family			Duplex			Multi-Family		
	Rate per unit*	Dec-May (units)	Jun-Nov (units)	Rate per unit*	Dec-May (units)	Jun-Nov (units)	Rate per unit*	Dec-May (units)	Jun-Nov (units)
Tier 1	$4.54	0 - 21	0 - 26	$4.57	0 - 18	0 - 20	$4.63	0 - 10	0 - 10
Tier 2	$7.87	22 - 48	27 - 59	$7.99	19 - 35	21 - 45	$7.79	11 - 18	11 - 20
Tier 3	$13.25	49 - 80	60 - 99	$13.19	36 - 68	46 - 78	$12.35	19 - 26	21 - 28
Tier 4	$21.29	81+	100+	$20.70	69+	79+	$20.73	27+	29+

*1 unit or CCF (hundred cubic feet) = 748 gallons

Meter Size	Base Water Charge (Bimonthly)	Watershed Management Fee (Bimonthly)	Capital Maintenance Fee (Bimonthly)	Meter Size	Private Fire Tap Service Charge (Bimonthly)
5/8"	$42.90	$11.14	$29.25	**2"**	$39.02
3/4"	$54.89	$13.32	$43.86	**4"**	$97.97
1"	$78.85	$17.64	$73.11	**6"**	$194.54
1 1/2"	$138.75	$28.47	$146.22	**8"**	$319.96
2"	$210.62	$41.46	$233.96	**10"**	$495.55
3"	$438.24	$82.60	$511.79		
4"	$773.68	$143.23	$921.24		
6"	$1,696.12	$309.97	$2,047.20		
8"	$2,894.10	$526.50	$3,509.47		
10"	$4,571.27	$829.65	$5,556.68		

COMMERCIAL, INSTITUTIONAL & IRRIGATION

	Commercial, Institutional & Irrigation		Single-Family Irrigation	
	Rate per unit*	Percent of Baseline (units)	Rate per unit*	Percent of Baseline (units)
Tier 1	$4.44	0 - 85	$5.71	0 - 50
Tier 2	$11.89	86 - 150	$6.82	51 -100
Tier 3	$17.81	Over 150	$11.84	Over 100

*1 unit or CCF (hundred cubic feet) = 748 gallons

Note: Unlike a residential account, whose water bill is determined by using a fixed, four-tiered billing structure, non-residential account bills are based on the meter's annual water budget. If the water use at a site exceeds the annual water budget, the water bill may increase drastically. Please see "Non-Residential Water Bills" for more information.

Meter Size	Base Water Charge (Bimonthly)	Watershed Management Fee (Bimonthly)	Capital Maintenance Fee (Bimonthly)	Meter Size	Private Fire Tap Service Charge (Bimonthly)
5/8"	$42.90	$11.14	$29.25	**2"**	$39.02
3/4"	$54.89	$13.32	$43.86	**4"**	$97.97
1"	$78.85	$17.64	$73.11	**6"**	$194.54
1 1/2"	$138.75	$28.47	$146.22	**8"**	$319.96
2"	$210.62	$41.46	$233.96	**10"**	$495.55
3"	$438.24	$82.60	$511.79		
4"	$773.68	$143.23	$921.24		
6"	$1,696.12	$309.97	$2,047.20		
8"	$2,894.10	$526.50	$3,509.47		
10"	$4,571.27	$829.65	$5,556.68		

RAW & RECYCLED WATER

	Raw Water		Recycled Water	
	Rate per unit*	Percent of Baseline (units)	Rate per unit*	Percent of Baseline (units)
Tier 1	$4.14	0 - 85	$3.55	0 - 100
Tier 2	$4.14	86 - 150	$11.04	101 - 150
Tier 3	$4.14	Over 150	$20.49	Over 150

*1 unit or CCF (hundred cubic feet) = 748 gallons

Meter Size	Base Water Charge (Bimonthly)	Watershed Management Fee (Bimonthly)	Capital Maintenance Fee (Bimonthly)	Meter Size	Private Fire Tap Service Charge (Bimonthly)
5/8"	$42.90	$11.14	$29.25	**2"**	$39.02
3/4"	$54.89	$13.32	$43.86	**4"**	$97.97
1"	$78.85	$17.64	$73.11	**6"**	$194.54
1 1/2"	$138.75	$28.47	$146.22	**8"**	$319.96
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3"	$438.24	$82.60	$511.79		
4"	$773.68	$143.23	$921.24		
6"	$1,696.12	$309.97	$2,047.20		
8"	$2,894.10	$526.50	$3,509.47		
10"	$4,571.27	$829.65	$5,556.68		

Source: Marin Municipal Water District.

Table 4 presents an analysis of the contribution from each component of the District's total water rate revenues for Fiscal Year 20-2021 ($101,713,830):

TABLE 4
COMPONENT ANALYSIS OF FY2020-21 WATER REVENUE

Rate Component	% of FY2020-21 Revenues	FY2020-21 Revenues
Base Water Use Charge	20.2%	$ 20,532,597
Volumetric Water Use Charge	60.1	61,099,872
Watershed Management Fee	4.5	4,572,006
Capital Maintenance Fee	15.2	15,509,355
Total	100.0%	$101,713,830

Source: Marin Municipal Water District.

Table 5 summarizes the percentage contribution by customer class to water sale revenues for the five most recent fiscal years.

TABLE 5
PERCENTAGE CONTRIBUTION TO WATER SALES REVENUES BY CLASS OF USER
FISCAL YEARS 2016-17 THROUGH 2020-21

	Fiscal Year Ending June 30,				
Customer Class	2017	2018	2019	2020	2021
Residential[1]	71.9%	72.3%	72.5%	73.8%	78.0%
Non-Residential	28.1	27.7	27.5	26.2	22.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Marin Municipal Water District.
(1) Includes single family and multifamily residential.

Drought, Penalty Rates. During shortages of demand, the District's costs do not decrease in direct proportion to decreases in water use because ~~typically over~~ a large portion of the District's costs are fixed regardless of how much water is supplied. The District may also incur additional expense securing alternative sources of water. While the District's reserves may be able to cover the revenue shortfall during brief rationing periods, for longer or more severe rationing periods, temporary volumetric rate increases are needed to offset this revenue shortfall in order to maintain service levels and bond-related covenants.

The District has adopted new penalties to curb excessive use in response to current drought conditions. The penalties, adopted ~~in a unanimous vote~~ by the Board in Ordinance No. 454 on September 21, 2021, will charge higher water users $5 to $15 for every CCF (748 gallons of water) used above certain thresholds at different times of the year. The water use penalties in Ordinance No. 454 apply in addition to the District's current volumetric rates to customers who exceed Tier 1 allotments from December to May or who exceed Tier 2 allotments from June to November. The new water use limits and penalties only apply to customers in detached homes. Apartment buildings, businesses and government agencies are exempt unless they have separate irrigation accounts, which are subject to the fines. The District does not plan to start issuing fines until December 2021. The Board has directed District staff to begin sending letters in the intervening months to its highest water users informing them of what penalties their current water use would cause them to incur.

The District also separately levies fines for violations of behavioral rules and drought conservation measures, such as watering a lawn during the winter water cycle. For additional discussion of the 2021 Drought Conditions and the District's responses thereto, including a summary of current water use restrictions and penalties, see "Drought" herein.

Special Assistance Programs. The District offers two discount rate programs for single-family residential customers who qualify: A Service Charge Waiver Program for Low-Income Customers and a Medical Disability Discount. Both programs waive the Fixed Service Charge and the ~~Watershed Management Fee.~~WMF. The Medical Disability Discount also provides an additional 12 CCFs at the Tier 1 rate.

Challenge to the District's Rate Structure (COST v. MMWD). On August 20, 2019, the Coalition of Sensible Taxpayers *et al.* filed a Petition for Writ of Mandate and Complaint for Declaratory Relief and Injunctive Relief against the District and the Board members in their official capacities in Marin County

Superior Court (Civil Case No. CIV1903060). The lawsuit seeks as primary relief a judgment and issuance of a writ of mandate invalidating the District's adoption of the ~~Capital Maintenance Fee ("~~CMF~~")~~ and increased ~~Watershed Management Fee~~WMF and prohibiting the collections of those fees. The petitioner argued that those fees do not comply with Article XIII D of the California Constitution (Proposition 218).

The District has answered the lawsuit and asserted that the CMF and the increase in the ~~Watershed Management Fee~~WMF comply in all respects with Proposition 218 and intends to vigorously oppose this lawsuit. The case will be tried on an administrative record and the District is now meeting and conferring with Petitioner's counsel as to the content of that record. The court has yet to set any dates to pursue the case and Petitioners have not asked it to do so. While the District's special litigation counsel and its ~~interim~~ General Counsel are of the opinion, based upon the judicial precedents in place during the period of these rate increases, that a reviewing court should uphold these fees, neither the District nor its counsel can predict with certainty the outcome of a challenge to these fees. However, if the litigation is determined against the District, it would have a material adverse affect on its Gross Revenues of which the CMF and WMF collectively represented approximately 19.7% in 2021. However, even in the event of a judgment against the District, there is no certainty as to whether the Court would rule for a full refund or partial refund of the CMF and WMF.

Connection Fees. The District charges a connection fee for new connections to the water system or to existing customers who wish to increase their existing allotment. Connection fees for residential service are currently $37,447 per acre-foot of estimated annual consumption. The annual consumption for residential use is based on the area average of the neighborhood in which the unit(s) are to be built.

For all other uses, such as business, industrial, agricultural or institutional, the connections fees are based on consumption estimates formulated from information provided by the applicant. The amount of water purchased at the time of application, based on consumption estimates, becomes the water entitlement for the property to be served.

Billing. The District bills residential customers on a bi-monthly basis. Customer bills are payable online, by phone, by mail, or in person at the District's office. Any bill that is not paid in full by the close of business 30 calendar days after the billing date shown on the bill is deemed delinquent. If full payment is not received by the close of business approximately thirty-six calendar days following the billing date shown on the bill, a late charge of three dollars ($3) per billing period and one percent (1%) of the of the past due amount will be assessed. Delinquencies are unsecured obligations of the District's customers.

The District's policy is to not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 calendar days, however, due to the adoption of SB ~~998 (as discussed below),~~155 the District has temporarily suspended all late fees and liens and will not be terminating service due to non-payment at least through December 31, 2021.

SB 155. The District is in compliance with SB 155, the Water Shutoff Protection Act, regarding policies relating to the discontinuation of water service, which became effective on February 1, 2020, and are effective through December 31, 2021. The District does not believe that the restriction imposed on residential water service for delinquent payments under SB 155, and as adopted by the District, will have a material adverse effect on the District's ability to make the scheduled Installment Payments on the Bonds.

Metering. The District is fully metered and requires that all new connections be metered. The District continues to replace meters as they age. The continued objective of the meter replacement program is to achieve a 20-year life cycle for all meters.

Impacts of COVID-19/Delinquencies. In April, 2020 the Governor issued Executive Order N-42-20, which required that urban and community water systems no longer shut off water service to residences and those businesses which are deemed critical infrastructure by the State Public Health Office for nonpayment in the wake of the COVID-19 Pandemic. The District also suspended late fees for nonpayment at that time. The District has accumulated customer arrearages during this time period. ~~As of September 2021, approximately _____% of the Districts residential and commercial accounts were over 60 days past due.~~

While the District did experience significant increases in delinquencies during the COVID-19 Pandemic, delinquencies have begun to return to historical norms. The District has begun sending notices to delinquent customers. Since the notices have been sent a significant numbers of delinquent accounts have again returned to being current. Beginning in January 2022 the District also will begin implementing repayment plans on delinquent accounts.

On July 22, 2021, the Governor signed into law AB 148, which includes a provision allocating $985 million to the State Water Resources Control Board (State Board) for water arrearages due to COVID-19. The funds will be administered by the State Board and distributed to water systems throughout the State based on arrearages between the COVID-19 relief period of March 4, 2020 through June 15, 2021. ~~As of September 2021, the District has _____ residential customers with a total of $_____ in arrearages and _____ commercial customers with a total of $_____ in arrearages within the COVID-19 relief period.~~ The State announced in late September that sufficient funding exists to reimburse all water arrearages, and the District anticipates that the State funding will be distributed by the end of 2021.

Fire Flow Fee

In December 1996, upon approval of voters in an advisory vote, the District Board of Directors approved the initial 15-year fire flow improvement program. The fire flow program collected $75 per year from each parcel in the District's service area and since its imposition has typically generated ~~funds of~~ $4.5 million annually. The funds were used to improve the available flow to fire hydrants in key locations by replacing 61 miles of fire flow deficient pipelines as well as seismic retrofits of the treatment plants and critical transmission tanks and pump stations. The fire flow fee funded $70 million in fire flow improvements over the 15 year period. The initial fire flow program expired in 2012.

In May 2012, the fire flow improvement program was extended to 2031 by the District Board of Directors, with the fee remaining at $75 per year from each parcel in the District's service area. The District expects that this fee will generate $4.5 million annually, funding $85.5 million in fire flow improvement projects over the next 19 years.

The fire flow fee is specifically dedicated to these purposes and is not considered by the District as part of its Gross Revenues and, therefore, does not constitute security for the Bonds.

Principal Customers

The following table lists the District's ten largest customers for fiscal year 2021. Accounts are listed in alphabetical order, as the Board has adopted a policy of confidentiality with respect to information on

individual water use~~; however, the~~. The ten largest customers shown below collectively accounted for approximately _____% of revenue from water sales. Sales from no one customer exceeds _____% of total water sales revenue.

TABLE 6
PRINCIPAL DISTRICT CUSTOMERS
For Fiscal Year 2020-21

Name	Type of Business
City of Mill Valley	Governmental
City of San Rafael	Governmental
County of Marin	Governmental
California Department of Corrections	Prison
Marin General Hospital	Hospital
Meadow Club	Golf Course
National Park Service	Governmental
Peacock Gap Holdings LLC	Golf Course
San Rafael School District	Schools
Tamalpais Union High School District	Schools

Source: Marin Municipal Water District.

DISTRICT FINANCES

Financial Statements

A copy of the audited financial statements of the District for fiscal year 2020-21 audited by Maze & Associates, Pleasant Hill, California (the "Auditor"), is included in APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020.

The Auditor's letter concludes that the Financial Statements present fairly, in all material respects, the financial position of the District as of June 30, 2020, and the results of its operations and the cash flows of its proprietary fund type for the Fiscal Year then ended in conformity with accounting principles generally accepted in the United States of America. The Financial Statements should be read in their entirety. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District. In addition, the Auditor has not reviewed this Official Statement.

District Budgeting and Accounting

The District operates on a July 1 to June 30 fiscal year. The District adopts biennial budgets and employs long-term planning as the framework for fiscal decisions. The District makes decisions on the efficient use of its resources. The financial plan and biennial budget includes the operating and capital programs, and sets levels of related operating, capital, and debt service expenditures that may be made during the budget period.

The budget is developed to reflect the costs necessary to provide customers with safe and reliable water service over the long term while keeping rate increases as low as possible. The budget not only allocates resources but is also used to develop rates and charges that provide adequate revenues to meet the needs and encourages the efficient use of water.

Decisions on allocating resources and addressing budget needs do not end when the board adopts the budget. Throughout the year, departments are responsible for implementing the budget and monitoring budget performance, responding to unforeseen or emergency circumstances, and participating in long-range financial planning.

~~**District Financial Statements**~~

~~*Statement of Net Position.* The following table present the District's Statement of Net Position from the District's audited financial statements for the four most recent fiscal years.~~

~~**Table 6**~~
~~**HISTORICAL STATEMENTS OF NET POSITION**~~

	Fiscal Year Ending June 30,			
	2018 Audited	2019 Audited	2020 Audited	2021 Audited
ASSETS				
Current assets:				
Cash and investments		$ 22,264,658	$ 27,359,342	$ 30,162,068
Receivables – Customer - Billed		5,649,212	5,594,041	8,795,904
Receivables – Customer - Unbilled		6,617,540	7,375,646	6,058,392
Receivables – Interest and other		1,055,365	675,039	1,641,490
Receivables – Employee computer loans		-	27,495	34,094
Materials and Supplies		1,379,678	2,054,933	2,829,359
Prepaid expenses		187,307	-	190,013
Noncurrent assets:				
Total restricted cash and investments		61,392,543	48,291,060	55,875,258
Capital assets, net		418,830,930	424,772,300	425,142,746
Total Assets		517,377,233	516,149,916	530,729,324
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding		3,235,452	2,998,314	2,761,176
Pension actuarial		11,496,711	5,662,727	3,304,072
OPEB contributions		4,754,000	4,965,000	5,095,199
Pension contributions		6,623,291	7,629,171	8,724,104
Total Deferred Outflows of Resources		26,109,545	21,255,212	19,884,551
LIABILITIES				
Current liabilities:				
Accounts payable		6,142,975	5,416,324	6,175,547
Accrued payroll and payroll expenses		774,274	1,168,487	1,321,493
Compensated absences		3,248,063	3,563,447	3,334,255
Customer and other deposits		441,017	404,424	403,591
Long term debt – due within one year		3,018,614	3,202,570	3,210,852
Accrued interest payable		3,464,326	3,418,776	3,379,726
Agency deposits payable		229,312	273,405	330,112
Customer advances for construction		2,232,353	1,633,066	1,559,406
Claims payable		616,230	478,036	447,948
Noncurrent liabilities:				
Claims payable		4,508,415	4,376,171	8,882,571
Compensated absences		1,624,314	1,118,863	1,420,192
Long term debt – due in more than one year		172,371,477	168,645,080	164,861,422
Net OPEB liability		33,978,000	32,881,000	24,128,077
Net pension liability		92,519,977	91,839,490	97,305,920
Total Liabilities		305,002,183	318,428,139	316,743,112
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB		641,000	691,000	6,641,217
Deferred inflows related to pensions		564,701	1,402,967	1,802,241
Total Deferred Inflows of Resources		1,205,701	2,093,967	8,443,458
NET POSITION				
Net investment in capital assets		275,806,106	272,816,752	265,731,745
Restricted		(1,973,265)	(1,363,318)	2,021,206
Unrestricted		(56,721,202)	(54,570,412)	(42,325,646)
Total Net Position		217,111,639	216,883,022	225,427,305

Source: Marin Municipal Water District Comprehensive Annual Financial Reports for fiscal years 2017-18 through 2020-21.

Financial Policies

[UPDATE TO MATCH MMWD]

Reserve Policy. The District's Reserve Policy was most recently updated on _____ _____, 20_____ and sets a goal of _____ months of operating expenditures (minus one-time expenditures) for the Operating Reserve, _____ months of operating expenses for the Emergency Reserve, and a pension reserve fund to mitigate future pension payment impacts and to lower future unfunded liabilities. The District's approved CIP Reserve Policy requires a reserve threshold using the combined sum of the five-year average of previous annual capital improvement expenses and the projection of _____ months' worth of budgeted PAYGo projects. The District currently meets the minimum District reserve policy requirements.

Investment Policy. The investment of funds of the District (except pension and retirement funds) is made in accordance with the District's Investment Policy, most recently approved on _____ _____, 2021 (the "Investment Policy"). The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to ensure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years.

Debt Management Policy. In accordance with section 8855(i) of the California Government Code the District adopted a debt management policy on June 20, 2017 to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the District's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the District.

The total outstanding debt may not exceed the amount of four times total annual operating expenses to limit the magnitude of fixed expenses attributable to debt. In addition, the District shall maintain strict compliance with covenants regarding coverage of annual debt service by net revenues embodied in the terms of debt instruments with a goal to achieve an average debt service coverage ratio of 150%, and to support strong bond credit ratings.

Pension Reserve Fund. On October 15, 2018, the Board authorized to create a Pension Reserve Fund with an initial transfer of $2.0 million to mitigate future pension payment impacts and to lower future unfunded liabilities. The Pension Reserve Fund may also be used for any other lawful purpose of the District. Establishing the Pension Reserve Fund enables the District to offset unexpected fluctuations in the required annual pension contribution. Transfers to the Pension Reserve Fund do not affect the District's debt service coverage ratio.

District Financial Statements

Statement of Net Position. The following table present the District's Statement of Net Position from the District's audited financial statements for the four most recent fiscal years.

Table 7
HISTORICAL STATEMENTS OF NET POSITION

	Fiscal Year Ending June 30,			
	2018 Audited	2019 Audited	2020 Audited	2021 Audited
ASSETS				
Current assets:				
Cash and investments	$ 22,264,658	$ 27,359,342	$ 30,162,068	$ 32,619,471
Receivables – Customer - Billed	5,649,212	5,594,041	8,795,904	8,654,109
Receivables – Customer - Unbilled	6,617,540	7,375,646	6,058,392	7,379,587
Receivables – Interest and other	1,055,365	675,039	1,641,490	349,055
Receivables – Employee computer loans	-	27,495	34,094	8,234
Materials and Supplies	1,379,678	2,054,933	2,829,359	2,094,699
Prepaid expenses	187,307	-	190,013	161,178
Noncurrent assets:				
Total restricted cash and investments	61,392,543	48,291,060	55,875,258	61,573,890
Capital assets, net	418,830,930	424,772,300	425,142,746	434,853,456
Total Assets	517,377,233	516,149,916	530,729,324	547,693,679
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	3,235,452	2,998,314	2,761,176	2,524,038
Pension actuarial	11,496,711	5,662,727	3,304,072	3,330,586
OPEB actuarial	-	-	-	581,687
OPEB contributions	4,754,000	4,965,000	5,095,199	5,415,293
Pension contributions	6,623,291	7,629,171	8,724,104	9,641,185
Total Deferred Outflows of Resources	26,109,545	21,255,212	19,884,551	21,492,789
LIABILITIES				
Current liabilities:				
Accounts payable	6,142,975	5,416,324	6,175,547	10,029,020
Accrued payroll and payroll expenses	774,274	1,168,487	1,321,493	1,214,757
Compensated absences	3,248,063	3,563,447	3,334,255	3,036,005
Customer and other deposits	441,017	404,424	403,591	312,050
Long term debt – due within one year	3,018,614	3,202,570	3,210,852	3,336,684
Accrued interest payable	3,464,326	3,418,776	3,379,726	3,328,882
Agency deposits payable	229,312	273,405	330,112	416,365
Customer advances for construction	2,232,353	1,633,066	1,559,406	2,891,366
Claims payable	616,230	478,036	447,948	1,393,636
Noncurrent liabilities:				
Claims payable	4,508,415	4,376,171	8,882,571	11,078,532
Compensated absences	1,624,314	1,118,863	1,420,192	3,208,925
Long term debt – due in more than one year	172,371,477	168,645,080	164,861,422	160,942,931
Net OPEB liability	33,978,000	32,881,000	24,128,077	23,166,623
Net pension liability	92,519,977	91,839,490	97,305,920	102,725,958
Total Liabilities	305,002,183	318,428,139	316,743,112	327,081,734
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	641,000	691,000	6,641,217	4,715,877
Deferred inflows related to pensions	564,701	1,402,967	1,802,241	115,832
Total Deferred Inflows of Resources	1,205,701	2,093,967	8,443,458	4,831,709
NET POSITION				
Net investment in capital assets	275,806,106	272,816,752	265,731,745	273,097,879
Restricted	(1,973,265)	(1,363,318)	2,021,206	3,139,821
Unrestricted	(56,721,202)	(54,570,412)	(42,325,646)	(38,964,675)
Total Net Position	217,111,639	216,883,022	225,427,305	237,273,025

Source: Marin Municipal Water District Comprehensive Annual Financial Reports for fiscal years 2017-18 through 2020-21.

Historical and Projected Operating Results and Debt Service Coverage

The following table presents the District's Historical Summary of Operating Revenues, Operating Expenses and Debt Service Coverage for the past five fiscal years. Data for fiscal years 2016-17 through 2019-20 are based on figures from the District's Audited Financial Statements. The fiscal year 2020-21 data is based on unaudited actuals provided by the District.

TABLE 8
HISTORICAL REVENUES, EXPENDITURES AND DEBT SERVICE COVERAGE
~~For~~ FISCAL YEARS 2016-17 THROUGH 2020-21

	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Revenues					
Water sales and service charges [1]	$ 66,260,853	$ 76,439,391	$ 75,891,141	$ 81,352,214	
Connection charges	1,214,666	999,336	1,178,784	810,182	
Capital maintenance fee	-	-	-	14,301,460	
Other operating revenues	1,038,399	1,233,561	923,221	807,338	
Interest income	321,992	1,145,072	1,598,276	1,384,318	
Federal, state and other grants	506,886	756,220	12,154	173,811	
Other income [2]	1,619,934	1,475,370	1,566,864	(1,901,106)	
Total Gross Revenues	70,962,730	82,048,950	81,170,440	96,928,217	
Operating Expenses[3]					
Water purchases	5,926,921	6,803,603	6,966,684	7,313,211	
Watershed maintenance	5,628,215	6,089,694	6,167,936	4,905,934	
Water treatment	8,833,395	9,871,182	10,551,829	11,693,750	
Pumping	2,273,533	3,257,344	3,051,386	3,707,450	
Transmission and distribution	19,508,203	21,103,668	22,501,682	25,876,763	
Customer service and meter operation	3,359,021	3,906,115	3,888,932	4,378,528	
Water conservation	2,608,531	2,660,654	2,470,477	1,907,387	
Administrative and general	10,713,742	12,659,776	12,530,404	17,403,359	
Total Maintenance & Operations Costs	58,851,561	66,352,036	68,129,330	77,186,382	
Net Revenues	12,111,169	15,696,914	13,041,110	19,741,835	
Transfer (To)/From Rate Stabilization Fund [4]	(2,300,000)	(1,400,000)	-	-	
Net Revenues Available for Debt Service	9,811,168	14,296,914	13,041,110	19,741,835	
Debt Service					
2012 Installment Payments [5]	5,615,078	5,609,278	5,612,878	5,608,078	
2016 Installment Payments	868,602	1,481,975	1,481,975	1,481,975	
2017 Installment Payments	-	2,293,792	2,295,800	2,292,500	
Total Debt Service	6,483,680	9,385,044	9,390,653	9,382,553	
Debt Service Coverage	1.51x	1.52x	1.39x	2.10x	
Net Revenues after Debt Service	3,327,488	4,911,870	3,650,457	10,359,282	

Source: Marin Municipal Water District.
(1) Includes Watershed Management Fee.
(2) Includes rents & royalties and net gain on sale of assets.
(3) Excludes depreciation and amortization expenses.
(4) On November 3, 2017, the District approved a transfer of $2.3 million to the Rate Stabilization Fund for the fiscal year ended June 30, 2017. On November 16, 2018, the District approved a transfer $1.4 million to the Rate Stabilization Fund for the fiscal year ended June 30, 2018.
(5) The District expects to issue the 2022 District Bonds (hereinafter defined) to refund the 2012 Bonds in April 2022, in accordance with a forward delivery agreement executed in 2020.

The following table presents the District's Projected Summary of Revenues, Expenses and Debt Service Coverage for fiscal years 2021-22 through 2025-26 based upon the District's current the rate structure and certain assumptions which the District believes are reasonable. The District cannot guarantee that its actual results will not differ.

TABLE 9
PROJECTION OF REVENUES, EXPENDITURES AND DEBT SERVICE COVERAGE
FISCAL YEARS 2021-22 THROUGH 2025-26

	2022	2023	2024	2025	2026
Revenues					
Water sales and service charges [1]					
Connection charges					
Capital maintenance fee					
Other operating revenues					
Interest income					
Federal, state and other grants					
Other income [2]					
Total Gross Revenues					
Operating Expenses[3]					
Water purchases					
Watershed maintenance					
Water treatment					
Pumping					
Transmission and distribution					
Customer service and meter operation					
Water conservation					
Administrative and general					
Total Maintenance & Operations Costs					
Net Revenues					
Transfer (To)/From Rate Stabilization Fund [4]					
Net Revenues Available for Debt Service					
Debt Service					
2012 Installment Payments[4]					
2016 Installment Payments					
2017 Installment Payments					
2022 Installment Payments					
Total Debt Service					
Debt Service Coverage					
Net Revenues after Debt Service					

Source: Marin Municipal Water District.
(1) Includes Watershed Management Fee.
(2) Includes rents & royalties and net gain on sale of assets.
(3) Excludes depreciation and amortization expenses.
(4) The 2012 Bonds and the 2022 Installment Sale Agreement will be refunded in 2022 by the 2022 Bonds. See "—Outstanding Debt."

Capital Improvement Plan

As shown in the following table, the District's budgeted expenditures for its Five-Year Capital Improvement Plan for Fiscal Years 2021-22 through 2025-26 are $_____ million in 2021 dollars. The

projects include replacement and upgrade of transmission and distribution system facilities, pump stations, storage tanks, and improvements to the District's water treatment facilities.

The District currently intends to finance its first year of the Capital Improvement Program with a mix of Fire Flow Fee revenue, bond proceeds and connections fees and available revenues on a pay-as-you-go basis.

The following table displays projects planned to be funded during the next five years and the sources of payment for such projects.

TABLE 10
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM SUMMARY
(Dollars in Thousands)

	Fiscal Year Ending June 30,					
Category/Project Title	2022	2023	2024	2025	2026	Total
Transmission & Distribution	$ 7,648	$ 7,886	$ 9,776	$ 12,421		
Treatment Plants	216	506	2,457	681		
Storage Facilities	7,733	8,043	1,462	3,954		
Watershed	3,245	3,318	6,165	3,857		
Communications	3,423	3,588	3,703	3,668		
Fire Flow (1)	4,500	4,500	4,500	4,500		
Total Capital Program	26,765	27,841	28,063	29,081		
Funding Sources						
Fire Flow Fee (1)						
Connection Charges						
Pay-As-You-Go						
Grants						
Reimbursable Project						
SRF - Treatment Plant Seismic and Reliability Upgrades						
Bond Proceeds						
Total Funding						

Source: Marin Municipal Water District.
(1) The District's fire flow improvement program will be funded with proceeds of the Fire Flow Fee. See "DISTRICT ORGANIZATION AND WATER SYSTEM—Fire Flow Fee."

Summaries of certain of the District's major ongoing capital improvement programs are as follows:

Pipelines Program. The District has approximately 900 miles of buried water distribution pipelines. Replacement of worn and/or undersized pipe is accomplished through the District's Fire Flow Improvement Program and its Capital Improvement Program. These two programs support annual replacement of approximately 5 to 7 miles of pipe.

Treatment Plants Upgrade Program. The three water treatment facilities are an essential element in providing water for the District's customers. The oldest facility is the Bon Tempe Treatment Plant constructed 1950s. The Bon Tempe Plant annually provides about 25% of the potable water supply and has a maximum short term capacity of 20 million gallons per day (mgd). The largest facility is the San Geronimo Water Treatment Plant, originally constructed in 1962, and upgraded in 1972. This facility is located in the San Geronimo Valley, has a maximum short

term capacity of 35 mgd, and annually provides over 50 percent of the potable water supply. The District continues to invest in upgrading these vital facilities.

In light of recent wildfire disasters in Northern California, Pacific Gas & Electric Co. (PG&E) has put customers on notice that in the event of a major storm event, PG&E may preemptively shutoff power to sections of their power grid in an effort to prevent wildfire. The District's San Geronimo Treatment Plant does not have an emergency power source, and a prolonged outage of power to the plant could result in the District being unable to meet drinking water demand. In response to the potential power outage, the District is actively pursuing a project to install a permanent 3 MW emergency generator at the SGTP, that will be operational in spring 2022.

Storage Tanks Replacement and Improvement Program. The District has 128 tanks storing the daily water needs of the customers. They contain approximately 82 million gallons of water. These tanks are of vastly different ages and a variety of materials (redwood, welded steel, bolted steel, riveted steel, concrete), all requiring differing maintenance and capital investment. There are eight riveted steel tanks which date before 1930. Most of the tanks are of welded steel construction. In the past 10 years, the Capital Program has aggressively replaced redwood tanks which are nearing the end of their useful life.

Watershed Program. The District owns and manages over 21,600 acres of local watershed land. Watershed programs included $1,000,000 per year to address fire and fuels management across our lands. Additional projects included in this program include the habitat restoration planning along Lagunitas Creek and the restoration of serpentine soils and vegetation assemblages on Azalea Hill. In addition, in response to the increased risk of wildfire due to the climate change, the District added additional funding of $1.1 million to the bi-annual budget for FY2019-20 and FY2020-21 to vegetation management effort.

Outstanding Debt

Obligations Secured by Net Revenues. Table 10 summarizes the District's outstanding debt as of February 1, 2022, which consists of the 2012 Installment Sale Agreement, the 2016 Installment Sale Agreement and the 2017 Installment Sale Agreement, each secured by a pledge of Net Revenues.

TABLE 11
OUTSTANDING DEBT AS OF FEBRUARY 1, 2022

	Issue Date	Original Principal Amount	Final Maturity	Principal Balance as of 2/1/2022
2012 Installment Sale Agreement	6/20/12	$ 85,000,000	7/1/52	$ 74,415,000
2016 Installment Sale Agreement	11/30/16	31,380,000	7/1/40	31,380,000
2017 Installment Sale Agreement	8/1/17	36,120,000	7/1/47	33,500,000
		$152,500,000		$139,295,000

Source: Marin Municipal Water District

2012 Installment Sale Agreement. On June 20, 2012, the Authority issued the 2012 Bonds for the purpose of (a) refunding the District's outstanding Marin Municipal Water District (Marin County, California) Water Revenue Refunding Bonds, Series 2002, (b) refunding a portion of the District's outstanding Certificates of Participation (2004 Financing Project), (c) financing a portion of the costs of capital improvements to the Water System, (d) funding interest on a portion of the 2012 Bonds, and (e) paying certain costs incurred in connection with issuance, sale and delivery of the 2012 Bonds. The 2012 Installment Payments secure the 2012 Bonds.

In February 2020, the District entered into a forward delivery transaction with Morgan Stanley & Co. LLC to issue its $67,505,000 Marin Municipal Water District (Marin County, California) Refunding Revenue Bonds, Series 2022 (Subordinate Lien) (the "2022 District Bonds"), to refund the 2012 Bonds. The issuance and closing of the 2022 District Bonds will occur on April 4, 2022, which is expected to reduce the District's annual debt service payments by $_____ annually. The 2022 District Bonds, when issued, will be on a parity with the 2017 Installment Sale Agreement and the 2022 Installment Sale Agreement.

2016 Installment Sale Agreement. On November 30, 2016, the Authority issued the 2016 Bonds for the purpose of (a) refunding the Authority's outstanding Marin Municipal Water District Financing Authority (Marin County, California) Water Revenue Refunding Bonds, Series 2010, and (b) paying certain costs incurred in connection with issuance, sale and delivery of the 2016 Bonds. The 2016 Installment Payments secure the 2016 Bonds.

2017 Installment Sale Agreement. On August 1, 2017, the Authority issued the 2017 Bonds for the purpose of (a) financing a portion of the costs of capital improvements to the Water System, and (b) paying certain costs incurred in connection with issuance, sale and delivery of the 2017 Bonds. The 2017 Installment Payments secure the 2017 Bonds.

Table 11 summarizes the District's debt service on the 2012 Installment Sale Agreement, the 2016 the Installment Sale Agreement and the 2017 Installment Sale Agreement.

TABLE 12
DEBT SERVICE PAYMENTS SCHEDULE

Year Ending July 1	2012 Installment Sale Agreement[1]	2016 Installment Sale Agreement	2017 Installment Sale Agreement	Total
2022	$ 5,606,190.00	$ 1,481,975.00	$ 2,295,000.00	$ 9,383,165.00
2023	5,602,477.50	1,481,975.00	2,295,750.00	9,380,202.50
2024	5,607,727.50	1,481,975.00	2,294,750.00	9,384,452.50
2025	5,606,977.50	1,481,975.00	2,292,000.00	9,380,952.50
2026	5,605,227.50	1,481,975.00	2,292,500.00	9,379,702.50
2027	5,612,227.50	1,481,975.00	2,291,000.00	9,385,202.50
2028	5,612,227.50	1,481,975.00	2,292,500.00	9,386,702.50
2029	5,610,227.50	1,481,975.00	2,290,900.00	9,383,102.50
2030	2,871,827.50	3,716,975.00	2,292,900.00	8,881,702.50
2031	2,871,787.50	3,720,225.00	2,293,400.00	8,885,412.50
2032	2,871,025.00	3,722,725.00	2,291,400.00	8,885,150.00
2033	2,871,025.00	3,724,225.00	2,292,800.00	8,888,050.00
2034	2,869,775.00	3,722,450.00	2,292,400.00	8,884,625.00
2035	2,872,275.00	3,715,500.00	2,295,200.00	8,882,975.00
2036	2,873,275.00	3,718,375.00	2,291,000.00	8,882,650.00
2037	2,872,775.00	3,720,400.00	2,292,250.00	8,885,425.00
2038	2,870,775.00	3,721,350.00	2,295,250.00	8,887,375.00
2039	2,872,275.00	3,721,000.00	2,294,750.00	8,888,025.00
2040	2,872,025.00	3,722,250.00	2,290,750.00	8,885,025.00
2041	5,105,025.00	—	2,293,250.00	7,398,275.00
2042	5,104,525.00	—	2,291,750.00	7,396,275.00
2043	5,106,525.00	—	2,291,250.00	7,397,775.00
2044	5,105,525.00	—	2,291,500.00	7,397,025.00
2045	5,106,275.00	—	2,292,250.00	7,398,525.00
2046	5,105,725.00	—	2,293,250.00	7,398,975.00
2047	5,108,587.50	—	2,294,250.00	7,402,837.50
2048	5,104,437.50	—	—	5,104,437.50
2049	5,108,275.00	—	—	5,108,275.00
2050	5,104,462.50	—	—	5,104,462.50
2051	5,108,000.00	—	—	5,108,000.00
2052	5,108,250.00	—	—	5,108,250.00
Totals	$137,727,735.00	$52,781,275.00	$59,614,000.00	$250,123,010.00

Source: Marin Municipal Water District.
(1) To be refunded from the proceeds of the 2022 District Bonds.

Obligations Not Secured by Net Revenues. The CREBs, the 2015 Aqueduct Energy Efficient Project Agreement and the 2017 Las Gallinas Recycled Water Agreement (each defined below) which are not secured by a pledge of Net Revenues.

CREBs. On September 29, 2008, the District entered into two installment sale agreements, which constituted Clean Renewable Energy Bonds (the "CREBs"), for the installation of solar panels on the District's administration building and at its corporate yard. The CREBs were structured so that the investor

in the CREBs receives a federal income tax credit in lieu of interest. The amount of the tax credit is set by the U.S. Treasury Department on a daily basis. The total principal amount of the CREBs for both projects was $1,956,000. The net proceeds of the two issues were $1,845,030, less original issue discount of $56,630 and issuance costs of $54,340. The debt service is paid annually over 15 years in the amount of $122,250, principal only. The issues mature on September 30, 2023. The District's obligations with respect to the CREBs are payable on a subordinate basis to its obligations with respect to the 2012 Installment Payments, the 2016 Installment Payments, the 2022 Installment Payments and any future Parity Obligations.

Another $963,000 in CREBs was authorized by the Internal Revenue Service for a solar panel project on the District's watershed but remains unissued.

2015 Aqueduct Energy Efficiency Project Agreement. On February 5, 2015, the District entered into an agreement with the North Marin Water District (the "2015 Aqueduct Energy Efficiency Project Agreement") to pay 51% of the final actual costs, ~~currently estimated at $4,080,000,~~ of the Aqueduct Energy Efficiency Project which upsized the North Marin Aqueduct from Kastania Pump Station to Redwood Landfill road. The District takes delivery of water through a connection to an aqueduct in northern Novato. Part of the aqueduct is being replaced under the Marin-Sonoma Narrows High Occupancy Vehicle Widening project, a joint project between Caltrans and the Federal Highway Administration. The relocation and replacement of the aqueduct is called the Aqueduct Energy Efficiency Project, which includes relocation and replacement of 24,000-feet of aqueduct with a larger diameter pipe. The final costs of the Aqueduct Energy Efficiency Project were be determined to be $7,103,691 exclusive of the ~~Aqueduct Energy Efficiency Project is completed,~~costs paid by Caltrans, of which ~~is expected to occur in 2017. The~~ the District has already paid $1,692,645 and is required to make further annual payments ~~in the amount of $245,000 to the North Marin Water District,~~of $205,320 each July 1st through 2032~~ as fair compensation for the Aqueduct Energy Efficiency Project capital cost~~. The District's obligations with respect to the Aqueduct Energy Efficiency Project are payable on a subordinate basis to its obligations with respect to the 2012 Installment Payments, the 2016 Installment Payments, the 2022 Installment Payments and any future Parity Obligations.

2017 Las Gallinas Recycled Water Agreement. On March 17, 2017, the District entered into a partnership agreement with the Las Gallinas Valley Sanitary District (the "LGVSD") for purchase and sale of recycled water (the "2017 Las Gallinas Recycled Water Agreement"). The agreement is to decommission the District's tertiary recycled water treatment facility, transfer production of recycled water from the District to the LGVSD, and expand the LGVSD's recycled water facility. The LGVSD has constructed additional filtration capacity for the facility in order to provide additional recycled water capacity to meet the District's and LGVSD's needs. The District will pay $2,049,595 as a buy-in cost for the initial construction of the LGVSD facility over 14 years. In addition to the buy-in cost, the District will pay 62.5% of the total cost for construction of the Recycled Water Facility Upgrade Project, which is estimated at $4,301,125, for a total estimated obligation of $6.35 million. The District's obligations with respect to the 2017 Las Gallinas Recycled Water Agreement are payable on a subordinate basis to its obligations with respect to the 2012 Installment Payments, the 2016 Installment Payments, the 2022 Installment Payments and any future Parity Obligations.

Risk Management

The District is exposed to various risks of loss related to workers' compensation and general liability. It is the policy of the District not to purchase commercial insurance for risk of losses to which it is exposed for general and auto liability. Instead, District management believes it is more economical to

manage this risk internally and set aside assets for claim settlements. However, the District carries excess liability insurance for losses in excess of $500,000, not to exceed $5,000,000 on a per occurrence basis. In addition, the District carries $10,000,000 in the 1st additional excess liability and $10,000,000 in the 2nd additional excess liability. Settled claims have never exceeded the District's policy limits in any fiscal year.

The District is self-insured for workers' compensation and has purchased an umbrella policy to cover catastrophic losses. The policy has a self-insured retention of $750,000 per occurrence with a maximum limit of indemnity per occurrence of $1,500,000.

Claim liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. These liabilities are the District's best estimate based on available information. Changes in the reported liabilities for the two most recent fiscal years are shown in the following table.

TABLE 13
CHANGES IN CLAIMS LIABILITIES

	Fiscal Year Ending June 30, 2020			Fiscal Year Ending June 30, 2021		
	Workers Compensation	General Liabilities	Total	Workers Compensation	General Liabilities	Total
Balance at beginning of year	$ 4,722,000	$ 132,207	$ 4,854,207	$ 5,188,000	$ 4,142,519	$ 9,330,519
Current year claims and changes in estimate	679,235	4,810,707	5,489,942	1,502,174	2,617,180	4,119,354
Claims payments	(213,235)	(800,395)	(1,013,630)	(428,617)	(549,088)	(977,705)
Balance at end of year	5,188,000	4,142,519	9,330,519	6,261,557	6,210,611	12,472,168
Due within one year	305,429	142,519	447,948	749,000	644,636	1,393,636

Source: Marin Municipal Water District 2020-21 Comprehensive Annual Financial Report.

Employees' Retirement Plan

The information set forth below regarding the California Public Employees' Retirement System ("CalPERS") program, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriters.

Plan Description. All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Plans (the "Plans"), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits

are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: Basic Death Benefit, 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Employees Covered. The following employees were covered by the benefit terms of the Plans of June 30, 2021: 353 inactive employees or beneficiaries currently receiving benefits, 119 inactive employees entitled to but not yet receiving benefits, and 227 active employees.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. ~~According to the most recent June 30, 2018 CalPERS actuarial study, the Employer Normal Cost Rate will be 10.362% of payroll for Miscellaneous for fiscal year 2020-21.~~

Changes in Net Pension Labiality. The following table summarizes the changes to the net pension liability for the Plans during fiscal year 2020-21.

TABLE 14
CHANGES IN NET PENSION LIABILITY
FY2020-21

Service cost	$ 4,109,768
Interest on total pension liability	18,839,167
Dif. Btw. Actual and expected experience	1,299,133
Contribution – Employer	(8,724,104)
Contribution – Employee	(1,826,135)
Net investment income	(8,517,653)
Administrative expenses	239,862
Net Changes	5,420,038
Net pension liability – beginning of year	97,305,920
Net pension liability – end of year	102,725,958

Source: Marin Municipal Water District 2020-21 Comprehensive Annual Financial Report.

Funded Status. The following table sets forth a historical summary of the funding progress for the Plans for the ~~five~~ most recent actuarial valuation dates.

TABLE 15
HISTORICAL PENSION FUNDING PROGRESS

Date June 30,	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Ratio	Annual Covered Payroll
2016	$ 217,618,360	$ 147,684,465	$ 69,753,895	67.95%	$ 22,791,661
2017	227,158,246	144,817,547	82,340,699	63.75%	23,093,818
2018	248,948,823	156,428,946	82,519,977	62.84%	23,117,501
2019	256,014,989	164,175,499	91,839,490	64.13%	24,500,232
2020	267,450,279	170,144,359	97,305,920	63.62%	23,591,969
2021	277,059,472	174,333,514	102,725,958	62.92%	23,991,638

Source: Marin Municipal Water District 2020-21 Comprehensive Annual Financial Report.

For information concerning the District's pension obligations, including descriptions of the actuarial methods and assumptions, and an explanation of the discount rate used, please see APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020, Note 7.

Other Post-Employment Benefits

Plan Description. The District provides retiree medical insurance and dental benefits to eligible retirees and a dependent in accordance with various labor agreements. Medical insurance benefits are provided under the CalPERS health plan while dental benefits are provided by a private insurance carrier. The District provides medical and dental benefits to employees if they retire from the District on or after age 50 (unless disabled) and are eligible for a CalPERS pension. The medical benefits cover the employee and their one dependent from retirement date for life. The employee and their one dependent receive dental coverage from retirement until the employee reaches age 65. Employees are not obligated to contribute unless plan costs exceed the District's maximum contribution. For health insurance, the District pays the cost for the health insurance premium up to the cost for the retiree plus one dependent. Medicare Supplemental insurance coverage is used when a plan participant reaches age 65. For dental coverage, the District pays the entire cost of the dental insurance until the retiree reaches age 65. The retiree at age 65 may elect to continue coverage for themselves plus a dependent at their own cost.

OPEB Trust. Marin Municipal Water District participates in the California Employer's Retirement Benefit Trust ("CERBT"), an irrevocable trust established to fund postemployment healthcare benefits. The CERBT fund is an agent multiple employer trust that was established by CalPERS and is managed by an appointed governing body not under the control of Marin Municipal Water District. This trust is not considered a component unit of Marin Municipal Water District and has been excluded from these financial statements.

Employees Covered. Membership of the plan consisted of 261 retirees and beneficiaries receiving benefits, 33 inactive members entitled to but not yet receiving benefits and 227 active plan members at June 30, 2021, the date of the latest actuarial valuation.

Funding Policy. The contribution requirement of plan members and the District are established and may be amended by agreement between the District and its collective bargaining units. The District must agree to make a defined monthly payment towards the cost of each retiree's medical and dental coverage. The required contribution is based on an amount established by the District annually.

Changes In Net OPEB Liability. The following table shows the changes in the District's net OPEB obligation to the Plan during fiscal year 2020-21:

TABLE 16
CHANGE IN NET OPEB LIABILITY
FISCAL YEAR 2020-21

Service cost	$ 1,543,163
Interest on OPEB liability	3,760,874
Dif. btw. actual and expected experience	-
Changes of assumptions	-
Employer contributions	(5,095,199)
Net investment income	(1,193,002)
Administrative expense	22,710
Net changes	(961,454)
Net OPEB obligation, beginning of the year	24,128,077
Net OPEB obligation, end of the year	23,166,623

Source: Marin Municipal Water District 2020-21 Comprehensive Annual Financial Report.

The following table shows a 3-year history of the District's outstanding OPEB obligation and covered payroll.

TABLE ~~15~~17
HISTORICAL OPEB LIABILITY AND COVERED PAYROLL

Fiscal Year Ending June 30,	Total OPEB Liability	Net Position	Net OPEB Obligation (UAAL)	Covered Payroll	Ratio of UAAL to Covered Payroll
2018	$58,247,000	$24,269,000	$33,978,000	$26,020,000	130.58%
2019	60,870,000	27,989,000	32,881,000	25,366,000	129.63
2020	55,738,112	31,610,035	24,128,077	26,298,000	91.75
2021	57,912,865	34,746,242	23,166,623	26,865,090	86.23

Source: Marin Municipal Water District 2020-21 Comprehensive Annual Financial Report.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

For information concerning the District's OPEB obligations, including descriptions of the actuarial methods and assumptions, please see APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020, Note 9.

INVESTMENT OF DISTRICT FUNDS

Revenues collected by the District will be held and invested by the District in accordance with the provisions of the Indenture.

Funds held by the District are invested in accordance with the District's Statement of Investment Policy (the "Investment Policy") as authorized by section 53601 of the California Government Code. The Investment Policy is submitted to the Board annually. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to insure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years. The District has never invested in derivatives or reverse repurchase agreements and such investments and instruments are not allowed by District policy.

For more information about the District's investment policy, see APPENDIX B—INVESTMENT POLICY OF THE DISTRICT.

CONSTITUTIONAL LIMITATIONS ON TAXES AND WATER RATES AND CHARGES

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. In the past, the voters have exercised this power from time to time, including through the adoption of Propositions 13 and 218.

From time to time other State and local initiative measures could be adopted, affecting the ability of the District to increase revenues and to increase appropriations.

Articles XIIIC and XIIID

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIIIC and XIIID to the California Constitution and contained a number of interrelated provisions affecting the ability of local governments, including the District, to levy and collect both existing and future taxes, assessments, fees and charges.

Section 1 of Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and Section 2 thereof requires two thirds voter approval for the imposition, extension or increase of special taxes. These voter approval requirements of Article XIIIC reduce the flexibility of the District to raise revenues by the levy of general or special taxes and, given such voter approval requirements, no assurance can be given that the District will be able to enact, impose, extend or increase any such taxes in the future to meet increased expenditure requirements.

Section 3 of Article XIIIC expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed. Section 3 expands the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, the effective date of Proposition 218, and absent other legal authority could result in the reduction in any existing taxes, assessments or fees and charges imposed prior to November 6, 1996.

"Fees" and "charges" are not expressly defined in Article XIIIC or in SB 919, the Proposition 218 Omnibus Implementation Act enacted in 1997 to prescribe specific procedures and parameters for local jurisdictions in complying with Article XIIIC and Article XIIID ("SB 919"). However, on July 24, 2006, the California Supreme Court ruled in *Bighorn-Desert View Water Agency v. Virjil (Kelley)* (the "*Bighorn Decision*") that charges for ongoing water delivery are property-related fees and charges within the meaning of Article XIIID and are also fees or charges within the meaning of Section 3 of Article XIIIC. The California Supreme Court held that such water service charges may, therefore, be reduced or repealed through a local voter initiative pursuant to Section 3 of Article XIIIC.

In the *Bighorn Decision*, the Supreme Court stated that nothing in Section 3 of Article XIIIC authorizes initiative measures that impose voter-approval requirements for future increases in fees or charges for water delivery. The Supreme Court stated that water providers may determine rates and charges upon proper action of the governing body and that the governing body may increase a charge which was not affected by a prior initiative or impose an entirely new charge.

The Supreme Court further stated in the *Bighorn Decision* that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Additionally, SB 919 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after [the effective date of Proposition 218] assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution. No assurance can be given that the voters of the District will not, in the future, approve initiatives which repeal, reduce or prohibit the future imposition or increase of assessments, fees or charges, including the District's water service fees and charges, which are the source of Net Revenues pledged to the payment of debt service on the 2012 Installment Sale Agreement, the 2016 Installment Sale Agreement, the 2022 Installment Sale Agreement and any future Parity Obligations.

Notwithstanding the fact that water service charges may be subject to reduction or repeal by voter initiative undertaken pursuant to Section 3 of Article XIIIC, the District has covenanted to levy and charge rates which meet the requirements of the 2012 Installment Sale, the 2016 Installment Sale Agreement and the 2022 Installment Sale Agreement in accordance with applicable law.

Article XIIID defines a "fee" or "charge" as any levy other than an *ad valorem* tax, special tax, or assessment imposed upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service. A "property-related service" is defined as "a public service having a direct relationship to a property ownership." In the *Bighorn Decision*, the California Supreme Court

held that a public water agency's charges for ongoing water delivery are fees and charges within the meaning of Article XIIID. Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, the local government's ability to increase such fee or charge may be limited by a majority protest.

The District's water ~~charge is~~charges are comprised of a volumetric commodity charge based on the volume of water consumed~~ and~~, a fixed bi-monthly service charge~~ and~~, a watershed management fee, and a capital maintenance fee. The District has ratified prior water rate measures and otherwise complied with the applicable notice and protest procedures of Article XIIID for its current water rates and charges. The District's ~~rate structure in effect between 2010~~Capital Maintenance Fee and ~~2015 was~~Watershed Management Fee have been challenged~~, as has~~ in a petition filed against the ~~District's current rate structure~~District in 2019. See "LITIGATION—District."

In addition, Article XIIID also includes a number of limitations applicable to existing fees and charges including provisions to the effect that (i) revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service; (ii) such revenues shall not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; and (iv) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Article XIIID establishes procedural requirements for the imposition of assessments, which are defined as any charge upon real property for a special benefit conferred upon the real property. Standby charges are classified as assessments. Procedural requirements for assessments under Article XIIID include conducting a public hearing and mailed protest procedure, with notice to the record owner of each parcel subject to the assessment. The assessment may not be imposed if a majority of the ballots returned oppose the assessment, with each ballot weighted according to the proportional financial obligation of the affected parcel.

Existing, new or increased assessments are subject to the procedural provisions of Proposition 218. However, certain assessments existing on November 6, 1996, are classified as exempt from the procedures and approval process of Article XIIID. Expressly exempt assessments include (i) an assessment imposed exclusively to finance capital costs or maintenance and operation expenses for sewers, water, flood control and drainage systems, but subsequent increases are subject to the procedures and approval requirements; (ii) an assessment imposed pursuant to a petition signed by all affected landowners (but subsequent increases are subject to the procedural and approval requirements); (iii) assessments, the proceeds of which are used exclusively to pay bonded indebtedness, where failure to pay would violate the U.S. Constitution's prohibition against the impairment of contracts; and (iv) any assessment which has previously received approval by a majority vote of the voters (but subsequent increases are subject to the procedural and approval requirements).

On July 14, 2008, the California Supreme Court ruled in *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (the "SCCOSA Decision") that the Santa Clara County Open Space Authority's county-wide assessment which was designed to fund the acquisition and maintenance of

unspecified open-space lands in the County was invalid under Proposition 218. The Court held that deference should not be accorded to local agencies when Proposition 218 legislative acts are challenged. Under Proposition 218, courts must make an independent review of whether the assessment and formation of an assessment district meet the "special benefit" and proportionality requirements of Article XIIID. Further, while an assessment will not be invalidated because it confers a benefit upon the public at large, the "special benefit" must affect the assessed property in a distinct and particular manner not shared by other parcels and the public at large. Specifically, in the SCCOSA Decision the assessment did not meet the requirements of a "special benefit" and the assessment was not proportional to the special benefits conferred. Finally, the Court held that the Santa Clara Open Space Authority did not meet the proportionality requirement of Article XIIID because it did not specifically identify the improvements to be financed by the assessment and failed to sufficiently connect any costs of and benefits received from the open space assessment to the specific assessed parcels.

The District believes that current water fees and charges that are subject to Proposition 218 comply with the provisions thereof and that the District will comply with the rate covenant set forth in the 2022 Installment Sale Agreement in conformity with the provisions of Article XIIID of the California State Constitution.

The interpretation and application of Proposition 218 will ultimately be determined by the courts or through implementing legislation with respect to a number of the matters described above, and it is not possible at this time to predict with certainty the outcome of such determination or the nature or scope of any such legislation.

RISK FACTORS

The following section describes certain special considerations and risk factors affecting the risk of nonpayment or the security for the Bonds. The following discussion is not meant to be an exhaustive or definitive description of the risks associated with a purchase of any Bond and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors regarding the Bonds, together with all other information in this Official Statement in order to make an informed investment decision with respect to the Bonds. There can be no assurance that other risk factors are not or will not become material in the future.

General

The ability of the District to comply with its covenants to generate Net Revenues sufficient to pay the 2012 Installment Payments, the 2016 Installment Payments, the 2017 Installment Payments, the 2022 Installment Payments and any future Parity Obligations depends upon the revenues derived from operation of the District's water system. Some of the events which could affect the revenues received by the District are set forth below. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and the order in which the risks are discussed does not necessarily reflect the relative importance of the various risks.

Net Revenues; Rate Covenant

Net Revenues are dependent upon the demand for water sales, which can be affected by population factors, drought restrictions, more stringent drinking water regulations, or problems with the District's treatment facilities. There can be no assurance that water service demand will be consistent with the levels

contemplated in this Official Statement. A decrease in the demand for water could require an increase in rates or charges in order to comply with the rate covenant. The District's ability to meet its rate covenant is dependent upon having sufficient water to sell and its capacity to increase rates without driving down demand to a level insufficient to meet debt service with respect to the 2012 Installment Payments, the 2016 Installment Payments, the 2017 Installment Payments, the 2022 Installment Payments and any future Parity Obligations. Projections shown herein assume rate increases not yet approved. If rates are not increased, the debt service coverages could be lower than presented.

Limitations on Remedies Available to Owners

The ability of the District to comply with its covenants under the 2022 Installment Sale Agreement and to generate Net Revenues sufficient to pay the 2012 Installment Payments, the 2016 Installment Payments, the 2022 Installment Payments and any future Parity Obligations may be adversely affected by actions and events outside of the control of the District, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies available to the Owners upon the occurrence of an event of default under the 2022 Installment Sale Agreement are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Owner remedies contained in the 2012 Installment Sale Agreement, the 2016 Installment Sale Agreement, the 2017 Installment Payments, and the 2022 Installment Sale Agreement, the rights and obligations under the 2012 Installment Sale Agreement, the 2016 Installment Sale Agreement, the 2017 Installment Sale Agreement and the 2022 Installment Sale Agreement may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the State Constitution which affect the ability of local governments to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218, which became effective on November 6, 1996 (although application of some of its provisions was deferred until July 1, 1997) changes, among other things, the procedure for the imposition of new or increased fees or charges. Specifically, Article XIIIC requires that all new local taxes be submitted to the electorate for approval before such taxes become effective. General taxes, imposed for general governmental purposes of the District, require a majority vote, and special taxes, imposed for specific purposes require a two-thirds vote.

As noted above under "CONSTITUTIONAL LIMITATIONS ON TAXES AND WATER RATES AND CHARGES - Article XIIIC and XIIID," the District believes that current water fees and

charges that are subject to Proposition 218 comply with the provisions thereof and that the District will comply with the rate covenant set forth in the 2022 Installment Sale Agreement in conformity with the provisions of Article XIIID of the California State Constitution; however there can be no assurance that the voters of the District will not, in the future, approve an initiative which attempts to reduce the District's water rates or curtail their increase.

Parity Obligations

As described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" above, the 2022 Installment Sale Agreement permits the District to issue or incur Parity Obligations, its obligations under which would be payable on a parity with the 2022 Installment Payments. In the event of a decline in Pledged Net Revenues available to the District, the existence of Parity Obligations could adversely affect the District's ability to pay the 2022 Installment Payments. ~~The District intends to incur additional obligations in 2019 to funds its Capital Improvement Program.~~

District Expenses

There can be no assurance that expenses of the District will be consistent with the levels contemplated in this Official Statement. Changes in technology, changes in quality standards, increases in the cost of operation of the water system, additional costs related to securing additional sources of water, or other expenses could require substantial increases in rates or charges in order to comply with the rate covenant in the 2022 Installment Sale Agreement. Such rate increases could drive down demand for water and related services or otherwise increase the possibility of nonpayment of the 2022 Installment Payments.

Future Land Use Regulations

Development within the District's service area is contingent upon the future construction and acquisition of a number of public improvements such as arterial streets, water distribution facilities, sewage collection and transmission facilities, drainage facilities and street lighting, as well as the necessary local in-tract improvements. The installation of the necessary infrastructure improvements and the construction of the residential development are subject to the receipt of discretionary approvals from a number of public agencies concerning the layout and design of the development, the nature and extent of the improvements, land use, health and safety requirements and other matters. The failure to obtain any such approval could adversely affect the planned land development within the District.

In addition, there can be no assurance that land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development.

Reliance on Purchased Water

The District is currently reliant on purchased water for approximately 25% of its water supply. While the District believes its purchased water allocation will be sufficient to meet its long-term water needs, the District may in the future need to develop alternative water sources to meet the needs of its customers, particularly if the current historic drought conditions continue. The development of such alternative water sources could result in significant expenses, which could in turn require the District to raise rates to cover the increased costs. Such additional expenses and corresponding rate increases could lead to reduced customer demand and could negatively affect the District's finances and the Net Revenues available to pay the 2022 Installment Payments and debt service on any Parity Obligations when due. For additional discussion of the District's water supply, see "Water Supply" and "Drought."

Natural Disasters

Any natural disaster or other physical calamity, including earthquake, may have the effect of reducing Net Revenues through damage to the Water System and/or adversely affecting the economy of the surrounding area. The Installment Sale Agreement requires the District to maintain insurance or self-insurance, but only if and to the extent available from responsible insurers at reasonable rates. In the event of material damage to District facilities, there can be no assurance that insurance proceeds will be adequate to repair or replace such facilities.

Wildfire. In recent years, wildfires have caused extensive damage to cities throughout the State. In some instances, entire neighborhoods have been destroyed. Areas effected by wildfires may be more prone to flooding and mudslides. In addition to the direct impact of wildfires on health and safety and property damage, the smoke from wildfires has negatively impacted the quality of life within the District and may have short-term and future impacts on residential and commercial activity within the District.

The District has certain facilities located within a wildfire severity zone. To mitigate wildfire risks to its facilities, the District has developed a Biodiversity Fire and Fuels Integrated Plan, dated as of October 2019, that addresses the fire prevention work. There can be no assurances that wildfires will not occur within the District or the region or that the District will not be negatively impacted by sustained smoky conditions caused by wildfires, including impacts to the water quality of the water stored in the District's reservoirs. The District's CIP programs include programs to clears vegetation and mitigate fire risks to the District's facilities. Additionally, the District's facilities are primarily water service infrastructure that is not generally vulnerable to fire damage. Nevertheless, damage resulting from a wildfire event could have a material adverse effect on the District's financial condition as well, through unexpected recovery costs, reduced revenues and increased expenses.

Seismic. The District is located in close proximity to several seismically active earthquake faults. The District area has experienced earthquakes with a Richter magnitude of 6.0 or greater and with the epicenter being within the San Francisco Bay Area.

In recognition of the potential hazard, the District's water conveyance facilities are designed, at a minimum, in accordance with the recommendations of the Uniform Building Code and appropriate American Water Works Association Standards.

The District has implemented a risk management and security program, approved by District voters in 1997, to identify risk and fund remedial actions to minimize exposure to damage from, and operational

problems associated with, earthquakes and other disasters. While District does not maintain earthquake insurance coverage for its dams, District staff performs regular, routine inspections and maintenance on its dams. To date, no District facilities have suffered any major earthquake damage.

If there were to be an occurrence of severe seismic activity in the area of the District, there could be an interruption in the service provided by the Water System, resulting in ~~a temporary~~increased expenditures for repair and reduced revenues leading to a reduction in the amount of Net Revenues available to pay the 2022 Installment Payments and debt service on any Parity Obligations when due. ~~The District does not maintain earthquake insurance on its facilities.~~

Hazard Mitigation Plan. The District is in the process of developing a Hazard Mitigation Plan to formally inventory potential hazards that the District is most vulnerable to, assess risks to the District's infrastructure and critical facilities, and develop a comprehensive mitigation strategy to reduce the risk of exposure and allow a swift and organized recovery should a disaster occur. The Hazard Mitigation Plan will address earthquake, drought, fire, climate change, and extreme weather.

The Disaster Mitigation Act of 2000 ("DMA") requires local governments to adopt a federally approved Multi-Hazard Mitigation Plan in order to be eligible and receive pre- and post-disaster mitigation funds from FEMA's Hazard Mitigation Grant Program. Local Hazard Mitigation Plans require updates every five years. The District's current Hazard Mitigation Plan, once approved by FEMA, will remain active until 2026. The most recent draft of the District's Hazard Mitigation Plan can be viewed on the District's website at https://www.marinwater.org/emergency-preparedness. Such website is not included herein by this reference.

Climate Change

The issue of climate change has become an important factor in water resources planning in the State, and is frequently considered in urban water management planning processes, though the extent and precise effects of climate change remain uncertain. There is convincing evidence that increasing concentrations of greenhouse gasses have caused and will continue to cause a rise in temperatures around the world, which will result in a wide range of changes in climate patterns. Moreover, observational data show that a warming trend occurred during the latter part of the 20th century and virtually all projections indicate this will continue through the 21st century. These changes will have a direct effect on water resources in California, and numerous studies have been conducted to determine the potential impacts to water resources. Based on these studies, climate change could result in the following types of water resource impacts, including impacts on the watersheds in the Bay Area:

- Changes in the timing, annual average, intensity and variability of precipitation;
- Long-term changes in watershed vegetation and increased incidence of wildfires that could affect water quality and quantity;
- Sea level rise and an increase in saltwater intrusion;
- Increased water temperatures with accompanying potential adverse effects on some fisheries and water quality;
- Increases in evaporation and concomitant increased irrigation need; and

- Changes in urban and agricultural water demand.

Mitigation Plans. Impacts associated with climate change are further discussed in the Marin County Multi-Jurisdictional Local Hazard Mitigation Plan (an "LHMP"), adopted by the County in 2018. The County LHMP assesses Marin County's vulnerabilities to various hazards and presents mitigation strategies that are planned over the next five years. Risks described in the current County LHMP include flooding, severe storms, wildfires, and landslides that are anticipated to occur due to climate change.

The District is in the process of adopting its own ~~Local Hazard Mitigation Plan. The District's LHMP was developed to inventory potential hazards that the District is most vulnerable to, assess risks to the District's infrastructure and critical facilities, and develop a mitigation strategy to reduce the risk of exposure and allow a swift and organized recovery should a disaster occur. The District's LHMP will address earthquake, drought, fire, climate change, and extreme weather~~Hazard Mitigation Plan. For additional discussion of the District's Hazard Mitigation Plan, see "Natural Disasters – Hazard Mitigation Plan" herein.

Drought. For a comprehensive discussion of drought, see "Water Supply," "Drought," and "Current Rates."

Flooding. As the climate changes, less frequent, more intense storms are expected. These storms have an increased potential to cause flooding, both in areas with historical flooding and in new areas. While the District's facilities are not located within a 200-year floodplain, the District relies on a network of reservoirs to capture runoff from the local watersheds. A change in precipitation patterns will necessitate water management strategies that are able to capture and store the precipitation from these storms while managing flood risk. With less frequent, more intense storms, there will also be extended dry periods and potential mudslides during extended wet periods that may each have significant impact on available water supplies for the District.

Sea Level Rise. Water managers throughout California are beginning to see the effects of a changing climate and recognize the risks associated with these changes. A portion of the District's service area is located along the coast of the San Francisco Bay, which, with a changing climate, could see rising sea levels. Over the last 30 years, mean sea level around the San Francisco Bay area, including the District's service area, has been observed to change between 0 and 3 millimeters per year. There are a number of sensitive habitats, as well as man-made structures, located along this coastline that could be affected by a rise in sea level. The Corte Madera Marsh State Marine Park and Bothin Marsh Preserve, as well as several other marsh lands, are located near the coastline. The towns of Tiburon, Sausalito, and San Rafael have marinas that rely on the protection of breakwaters, and developed areas in San Rafael rely on a levee structure for protection from storm surges.

Risks Related to Cyber Security

The District relies on computers and technology to conduct its operations. The District and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The District has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the District's own administrative regulations. Within the District's operations and

guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the District exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the District's computers and technologies.

While the District routinely maintains its technology systems and continuously implements new information security controls, no assurances can be given that the District's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the District's computer and technology could negatively impact the District's and the Water System's operations, and the costs related to such attacks could be substantial.

Pension Benefit Liability

Many factors influence the amount of the District's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the District, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the District to its pension plans as a result of which the District would be obligated to make additional payments to its pension plans in order to fully fund the District's obligations to its pension plans. It is expected that required contributions to CalPERS will go up in future years.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest with respect to the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were delivered, as a result of future acts or omissions of the District in violation of its covenants in the 2022 Installment Sale Agreement. Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain Outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Bankruptcy

The rights and remedies provided in the 2022 Installment Sale Agreement may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State. The various opinions of counsel to be delivered with respect to the Bonds and the 2022 Installment Sale Agreement, including the opinion of Special Counsel, will be similarly qualified. If the District were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Bonds and the District could be prohibited from taking any steps to enforce their rights under the Installment Sale Agreement.

Environmental Regulation

The kind and degree of water treatment which is effected through the Water System is regulated, to a large extent, by the federal government and the State. Treatment standards set forth in federal and State

law control the operations of the Water System and mandate the technology it must use. In the event that the federal government, acting through the Environmental Protection Agency, or the State, acting through the Department of Health Services, or additional federal or state legislation, should impose stricter water quality standards upon the Water System, the District's expenses could increase accordingly and rates and charges would have to be increased to offset those expenses. It is not possible to predict the direction federal or State regulation will take with respect to drinking water quality standards, although it is likely that both will impose more stringent standards with attendant higher costs.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the State Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the District's revenues and consequently, having an adverse effect on the security for the Bonds.

CONTINUING DISCLOSURE

The ultimate security for the payments of principal of and interest on the Bonds comes from the 2022 Installment Payments to be made by the District and, therefore, the District, as an obligated person within the meaning of the Rule (defined below), has agreed to undertake the disclosure responsibilities required by the Rule with respect to the Bonds by executing separate Continuing Disclosure Certificate. The Authority has not undertaken to provide any continuing disclosure required by the Rule.

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which date would be March 31 following the current end of the District's fiscal year on June 30), commencing with the report for the 2016-17 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the District with the Municipal Securities Rulemaking Board (the "MSRB"). The notices of material events will be filed by the District with the MSRB. The specific nature of the information to be made available and to be contained in the notices of material events is summarized below under the caption APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriters in complying with the Rule.

During the last five years the District has not failed to comply in all material respects with its previous undertakings under the Rule to provide annual reports or notices of material events although the District has not consistently filed notices of the downgrades of the ratings of municipal bond insurer that insured certain of its obligations. [TO BE VERFIED]

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority and the District have covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to compliance by the Authority and the District with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within their respective knowledge and upon the mathematical computation of the yield on the Bonds and the yield on certain investments by the Verification Agent. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the prices set forth, or the price corresponding to the yields set forth, on the inside cover page hereof.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Bonds subsequent to the initial public offering, should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity (the "Reduced Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the

liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "IRS") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the IRS, interest on such tax exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat the Issuer as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX E—FORM OF OPINION OF BOND COUNSEL.

MUNICIPAL ADVISOR

The District has retained Sperry Capital Inc., Sausalito, California, as municipal advisor (the "Municipal Advisor") in connection with the planning, sale and delivery of the Bonds. The fees of the Municipal Advisor are contingent upon the delivery of the Bonds. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities. The Municipal Advisor has read and participated in the drafting of certain portions of this Official Statement. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in the Official Statement, or any other related information available to the District with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

LEGAL MATTERS

The validity of the 2022 Installment Sale Agreement, the Indenture and the Bonds, and certain other legal matters, are subject to the approving opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. A complete copy of the proposed form of Bond Counsel's opinion is contained in APPENDIX E—FORM OF OPINION OF BOND COUNSEL. Quint & Thimmig LLP is also serving as disclosure counsel to the Authority in connection with the Bonds. Certain legal matters will also be passed upon for the Authority and the District by Molly L. MacLean, Esq., General Counsel to the District, and for the Underwriters by Jones Hall, A Professional Law Corporation, San Francisco, California.

Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent upon the execution and delivery of the Bonds.

LITIGATION

District

The District is not aware of any litigation that is pending or threatened concerning the validity of the 2022 Installment Sale Agreement. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to make the 2022 Installment Payments. There are a few lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of liability that the District might incur as a result of adverse decisions in cases not covered under the District's various insurance programs would not materially adversely impact the District's ability to make the 2022 Installment Payments.

~~[UPDATE?] On May 26, 2015, Anne Walker filed a class action lawsuit against the District and asserted that the District's rate structure in effect between 2010 and 2015 did not comply with the provisions of Article XIIID of the California Constitution (Proposition 218) in that the cost of water for the tiered rates was calculated using an arbitrary percentage increase, was not based upon the cost of providing water service, represented a financial penalty intended to force conservation, and was not a fee for service. The case was filed in Marin County Superior Court and the Case Number is CIV 1501914. The District asserts that its rate structure, as challenged by the petitioner, complied in all respects with Proposition 218.~~

~~On April 6, 2017, the District won a favorable decision in the trial court because the plaintiff failed to exhaust her administrative remedies under Proposition 218 by failing to file a rate protest before rates were approved and judgment entered for the District. Shortly thereafter a Court of Appeal decision (*Plantier v. Ramona Municipal Water District*) held that Proposition 218 provided inadequate administrative remedies to rate payers and they need not be exhausted. The Marin Superior Court then vacated the judgment in the District's favor. The District appealed that decision and the California Supreme Court has granted review of Plantier. The Court of Appeal affirmed the grant of new trial and remanded the case shortly before the California Supreme Court decided that exhaustion was not required on the somewhat unique facts of Plantier. The case was retried on briefs filed in 2017 by oral argument, without further evidence, on December 17, 2019. At that hearing, the trial court accepted the District's proposal for supplemental briefing which was completed in February 2020. The matter is now under submission, with decision currently due in May 2020. If the Court accepts the District's arguments, it will enter judgment for the District and Petitioner may appeal. If the Court accepts Petitioner's arguments, a remedies phase of trial will be required before a judgment from which the District can appeal will enter. If Petitioner were to ultimately prevail in all respects after all appeals are exhausted, the District would apply available reserves to satisfy any amounts determined to be owed to rate payers and to their counsel for attorney fees under statutory or common law fee-shifting theories. The District denies liability and is vigorously defending the case.~~

On August 20, 2019, the Coalition of Sensible Taxpayers et al. filed a Petition for Writ of Mandate and Complaint for Declaratory Relief and Injunctive Relief against the District and its Board of Directors in their official capacities in Marin County Superior Court (Civil Case No. CIV1903060). The lawsuit seeks as primary relief a judgment and issuance of a writ of mandate invalidating the District's adoption of the Capital Maintenance Fee (CMF) and increased WMF and prohibiting the collections of those fees. Petitioner argues those fees do not comply with Article XIII D of the California Constitution (Proposition 218).

The District has answered the lawsuit and asserted that the CMF and the increase in the WMF comply in all respects with Proposition 218 and intends to vigorously oppose this lawsuit. The case will be tried on an administrative record and the District is now meeting and conferring with Petitioner's counsel as to the content of that record. The court has yet to set any dates to pursue the case and Petitioners have not asked it to do so. While the District's special litigation counsel and its ~~interim~~ General Counsel are of the opinion, based upon the judicial precedent in place during the period of these rate increases, that a reviewing court should uphold these fees, neither the District nor its counsel can predict with certainty the outcome of a challenge to these fees.

Authority

The Authority is not aware of any litigation that is pending or threatened concerning the validity of the Indenture or the 2022 Installment Sale Agreement or its issuance of the Bonds.

RATINGS

Fitch Ratings ("Fitch") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P'), have assigned the underlying ratings of "____" and "____," respectively, to the Bonds. This ratings reflect only the views of Fitch and S&P and an explanation of the significance of such ratings may be obtained from Fitch and S&P. There is no assurance that such ratings will continue for any

given period of time or that such ratings will not be revised downward or withdrawn entirely by Fitch and/or S&P, if in the judgment of Fitch or S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

AUDITED FINANCIAL STATEMENTS

The District's Comprehensive Annual Financial Report for the years ended June 30, 2021 and 2020 is attached as APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE YEARS ENDED JUNE 30, 2021 AND 2020. The District Comprehensive Annual Financial Report includes the District's audited financial statements for the fiscal year ended June 30, 2021. The Auditor has not been asked to consent to the inclusion of the District Comprehensive Annual Financial Report in this Official Statement and has not reviewed this Official Statement.

As described in "SECURITY FOR THE BONDS—Limited Obligation," the Bonds are payable from and secured by a pledge of Net Revenues and the Bonds are not a debt of the District.

UNDERWRITING

The Bonds will be sold to Loop Capital Markets LLC and Stifel, Nicolaus & Company, Incorporated (the "Underwriters") under a bond purchase agreement among the Authority, the District and the Underwriters. The Underwriters have agreed to purchase the Bonds at a purchase price of $_____, which amount represents the principal amount of the Bonds of $_____, less $_____, representing the Underwriters' discount, plus $_____, representing original issue premium. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the bond purchase agreement relating to the Bonds.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices different from the prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Official Statement nor any

statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the District.

MARIN MUNICIPAL WATER DISTRICT
FINANCING AUTHORITY

By _____
Treasurer

MARIN MUNICIPAL WATER DISTRICT

By _____
Administrative Services Division Manager

APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020.

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APPENDIX B

INVESTMENT POLICY OF THE DISTRICT

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APPENDIX C

GENERAL INFORMATION CONCERNING THE COUNTY

The information in this section of the Official Statement is presented as general background data. The Bonds are payable solely from the Net Revenues of the Water System and other sources as described in the Official Statement.

Although reasonable efforts have been made to include up-to-date information in this Appendix C, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

In addition, as described herein, the COVID-19 pandemic has materially impacted the national, State and local economies. The information in this appendix in part relates to time periods prior to the commencement of the COVID-19 pandemic and may not yet reflect such material impacts.

Introduction

Marin County (the "County"), located in the San Francisco-Oakland metro area, is one of 58 counties in California. One of the nine Bay Area counties, the County is linked to San Francisco by the Golden Gate Bridge and to the East Bay by the Richmond-San Rafael Bridge. The County is bordered on the north and northeast by Sonoma County and on the west by the Pacific Ocean. According to the U.S. Census Bureau, the County has a total area of 828 square miles (2,140 km^2), of which 520 square miles (1,300 km^2) is land and 308 square miles (800 km^2) (37.2%) is water. The County is the fourth-smallest county in California by land area.

Most of the County's population resides in its eastern side, with a string of communities running along San Francisco Bay, from Sausalito to Tiburon to Corte Madera to San Rafael. The interior of the County contains large areas of agricultural and open space. West Marin, through which State Route 1 runs alongside the California coast, contains many small unincorporated communities whose economies depend on agriculture and tourism. West Marin has beaches which are popular destinations for surfers and tourists year-round. Notable features of the County include the Sausalito shoreline, Richardson Bay, the Tiburon Peninsula, Ring Mountain, and Triangle Marsh at Corte Madera.

Population

The table below summarizes population of the County and the State of California (the "State") for the last five years.

MARIN COUNTY and CALIFORNIA
Population

Year	Marin County	State of California
2017	262,695	39,352,398
2018	262,176	39,519,535
2019	261,478	39,605,361
2020	260,388	39,648,938
2021	257,774	39,466,855

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-21, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State, and the United States:

MARIN COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate [1]
2016	Marin County	141,100	136,500	4,600	3.2%
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	Marin County	141,300	137,300	4,000	2.9
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Marin County	141,100	137,700	3,400	2.4
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	Marin County	140,000	136,800	3,200	2.3
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7
2020[2]	Marin County	130,100	121,500	8,700	6.7
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-20, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Industries in the County

The following table lists the top 10 employers within the County as of June 30, 2020.

MARIN COUNTY
Top 10 Employers
as of June 30, 2020

Employer	Employees	% of Total
County of Marin	2,358	1.97%
Kaiser Permanente Medical Center	2,014	1.69
BioMarin	1,801	1.51
San Quentin State Prison	1,614	1.35
Marin General Hospital	1,279	1.07
Novato Unified School District	800	.67
Glassdoor Inc.	700	.59
Marin County Office of Education	664	.56
San Rafael City Schools	645	.54
Marin Community Clinics	540	.45
Total Top 10	12,415	10.39

Source: Marin County Fiscal Year 2019-20 Comprehensive Annual Financial Report. Latest available full-year data.

Construction Activity

The following table reflects the five-year history of building permit valuation for the County:

MARIN COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2016	2017	2018	2019	2020[1]
Permit Valuation:					
New Single-family	$ 62,804	$ 86,748	$ 94,556	$ 115,771	$ 41,430
New Multi-family	7,869	-	23,600	13,650	350
Res. Alterations/Additions	194,742	194,772	180,662	202,353	145,529
Total Residential	265,416	281,520	298,818	331,775	187,310
Total Nonresidential	125,041	126,066	156,050	243,210	50,645
Total All Building	390,458	407,586	454,868	574,986	237,955
New Dwelling Units:					
Single Family	89	104	133	130	97
Multiple Family	17	-	102	86	3
Total	106	104	235	216	100

Source: Construction Industry Research Board: "Building Permit Summary."
Note: Columns may not sum to totals due to independent rounding.
(1) Latest available full year data.

Household Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the County, the State, and the nation for the past five years.

MARIN COUNTY, STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income

	2016	2017	2018	2019	2020
Marin County	$ 80,608	$ 85,923	$ 88,348	$ 94,399	$ 101,513
California	55,681	59,646	62,637	65,870	67,956
United States	48,043	50,735	52,841	55,303	56,790

Source: Nielsen, Inc

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APPENDIX D

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Marin Municipal Water District Financing Authority
220 Nellen Avenue
Corte Madera, California 94925

OPINION: $_____* Marin Municipal Water District Financing Authority (Marin County, California) Revenue Bonds, Series 2022 (Subordinate Lien)

Members of the Authority:

We have acted as bond counsel in connection with the delivery by the Marin Municipal Water District Financing Authority (the "Authority") of $_____* aggregate principal amount of the bonds of the Authority designated the "Marin Municipal Water District Financing Authority (Marin County, California) Revenue Bonds, Series 2022 (Subordinate Lien)" (the "Bonds"), pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Law"), an indenture of trust, dated as of February 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee, and a resolution of the Authority adopted on January 21, 2022. The Bonds are secured by Revenues (as defined in the Indenture), including certain payments made by the Marin Municipal Water District (the "District") under an installment sale agreement, dated as of February 1, 2022 (the "Installment Sale Agreement"), by and between the Authority and the District. The obligation of the District to make payments under the Installment Sale Agreement is, in all respects, on a parity, as to payment and security, with the District's obligations with respect to any parity obligations heretofore or hereafter issued or incurred by the District (collectively, the "Parity Obligations"). We have examined the Law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the District contained in the Indenture and the Installment Sale Agreement, as applicable, and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Authority is a duly constituted joint exercise of powers entity under the laws of the State of California with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds constitute legal, valid and binding special obligations of the Authority enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.

3. The Indenture has been duly approved by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

4. The Indenture establishes a valid first and exclusive lien on and pledge of the Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

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* Preliminary, subject to change.

5. The Installment Sale Agreement has been duly approved by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

6. The District is a municipal water district duly organized and existing under the laws of the State of California, with power to enter into the Installment Sale Agreement and to perform the agreements on its part contained therein.

7. The Installment Sale Agreement has been duly approved by the District and constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms.

8. The Installment Sale Agreement establishes a valid first and exclusive lien on and pledge of the Net Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Installment Sale Agreement and any Parity Obligations, in accordance with the terms of the Installment Sale Agreement.

9. Subject to compliance by the Authority and the District with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

10. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Installment Sale Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

With respect to the opinions expressed herein, the enforceability of the Installment Sale Agreement is subject to the limitations on the imposition of certain fees and charges by the District related to its municipal water system under Articles XIIIC and XIIID of the California Constitution. In addition, the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the Authority, the District and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the MARIN MUNICIPAL WATER DISTRICT (the "District") in connection with the issuance by the Marin Municipal Water District Financing Authority (the "Authority") of its Marin Municipal Water District Financing Authority (Marin County, California) Revenue Bonds, Series 2017 (Subordinate Lien), in the aggregate principal amount of $_____* (the "Bonds"). The Bonds are being issued pursuant to an indenture of trust, dated as of February 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Indenture which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the District's Fiscal Year (currently March 31 based on the District's Fiscal Year end of June 30).

"*Dissemination Agent*" shall mean, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the District and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve–month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve–month period selected and designated by the District as its official Fiscal Year period under a Certificate of the District filed with the Paying Agent.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Participating Underwriter*" means the original underwriters of the Bonds.

"*Rule*" means Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2022, with the report for Fiscal Year 2020-21 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements for the prior Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the Annual Report Date, financial information and operating data with respect to the District for the preceding Fiscal Year, substantially similar to that provided in the Official Statement, as follows:

(i) Table 1—Annual Potable Water Production and Storage;
(ii) Table 2—Metered Water Use by Customer Class;
(iii) Table 3—Percentage Contribution to Water Sales Revenues by Class of User;
(iv) Table 4—Summary of Current Water Rates;
(v) Table 5—Principal District Customers;
(vi) Using format of Table 7, a calculation of Debt Service Coverage; and
(vii) The District's budgeted expenditures for its capital improvement program for the next five years.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of a trustee or paying agent, if material;

(xv) The incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Significant Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event given to holders of affected Bonds.

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event's occurrence is material for purposes of U.S. federal securities law. The District intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Paying Agent thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided

to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The Dissemination acts hereunder solely for the benefit of the District and this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter or the holders or beneficial owners of the Bonds. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

MARIN MUNICIPAL WATER DISTRICT

By _____
General Manager

ACKNOWLEDGED:

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Marin Municipal Water District Financing Authority
Name of Obligor:	Marin Municipal Water District
Name of Issue:	Marin Municipal Water District Financing Authority (Marin County, California) Revenue Bonds, Series 2022 (Subordinate Lien)
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN the Municipal Securities Rulemaking Board that the Marin Municipal Water District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated [Closing Date], executed by the District. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

WILLDAN FINANCIAL SERVICES, as
Dissemination Agent

By _____
Title _____

cc: Trustee

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APPENDIX G

BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

None of the Authority (the "Issuer"), the Trustee (the "Agent") or the District take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 millions of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company of DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners

will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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