



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### NOTICE OF REGULAR MEETING AND AGENDA Marin Local Agency Formation Commission

**April 11th, 2024, - 6:30 PM**

Marin Wildfire Prevention Authority Meeting Room | Suite 335 | 1600 Los Gamos Drive, San Rafael, CA (Use the Main Lobby (Lobby A) entrance, which is located on the freeway side of the building.)

#### **PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS FOR HYBRID ATTENDEES**

In addition to in-person attendance, as a courtesy, and technology permitting, members of the public may also attend by virtual teleconference. However, LAFCo cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the teleconferencing option. Members of the public may access and watch a live stream of the meeting on Zoom at <https://us02web.zoom.us/j/81565499122>. Alternatively, the public may listen in to the meeting by dialing **+1 669 444 9171** and entering **Meeting ID 815 6549 9122#** when prompted.

#### **SPOKEN PUBLIC COMMENTS FOR HYBRID ATTENDEES:**

Spoken comments will be accepted through the teleconference meeting. To address the Commission, click on the link <https://us02web.zoom.us/j/81565499122> to access the Zoom-based meeting.

1. You will be asked to enter an email address and name. We request that you identify yourself by name, as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Commission calls for the item on which you wish to speak, click on the "raise hand" icon. Speakers will be notified shortly before they are called to speak.
3. When called, please limit your remarks to the time limit allotted (3 minutes).

#### **CALL TO ORDER BY CHAIR**

#### **ROLL CALL BY CLERK**

#### **AGENDA REVIEW**

The Chair or designee will consider any requests to remove or rearrange items by members.

#### **CLOSED SESSION**

Public Employee Performance Evaluation (Gov. Code 54957)

Title: Executive Officer

Conference with Labor Negotiators (Gov. Code 54957.6)

Agency Designated Representative: Chair Coler and Vice Chair Rodoni

Unrepresented employee: Jason Fried

Conference with Labor Negotiators (Gov. Code 54957.6)

Agency Designated Representative: Jason Fried, Executive Officer

Unrepresented employees: All employees except the Executive Officer

#### **PUBLIC OPEN TIME**

This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on the current agenda. All statements that require a response will be referred to staff for reply in writing or will be placed on the Commission's agenda for consideration at a later meeting. Speakers are limited to three minutes.

#### **CONSENT CALENDAR ITEMS (discussion and possible action)**

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair or designee will also consider requests from the Commission to pull an item for discussion.

1. Approval of Minutes for February 8, 2024, Regular Meeting
2. Commission Ratification of Payments from February 1, 2024, to March 31, 2024
3. Approval of Legislative Committee Recommendations Related to CALAFCO Tracked Legislation

#### PUBLIC HEARING

4. Adoption of Proposed Operating Draft Budget for Fiscal Year 2024-2025

#### EXECUTIVE OFFICER REPORT

- a) Budget Update FY 2023-2024
- b) Current and Pending Proposals
- c) Marin LAFCo Workplan
- d) CALAFCO Update (Verbal Report)
- e) Correspondence

#### COMMISSIONER ANNOUNCEMENTS AND REQUESTS

#### ADJOURNMENT TO NEXT MEETING

June 12, 2024, at 6:30 P.M. | Marin Wildfire Prevention Authority

*Claire Devereux*

Attest: Claire Devereux  
Clerk/Jr. Policy Analyst

---

Any writings or documents pertaining to an open session item provided to a majority of the Commission less than 72 hours prior to a regular meeting shall be made available for public inspection at Marin LAFCo Administrative Office, 1401 Los Gamos Drive, Suite 220, San Rafael, CA 94903, during normal business hours.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCo and continues until 3 months after a final decision is rendered by LAFCo. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCo office at least three (3) working days prior to the meeting for any requested arraignments or accommodations.

#### Marin LAFCo

Administrative Office  
1401 Los Gamos Drive, Suite 220  
San Rafael California 94903

T: 415-448-5877  
E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
W: [marinlafco.org](http://marinlafco.org)

---



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

April 11<sup>th</sup>, 2024

Item No. 1 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** Approval of Minutes for February 8, 2024, Regular Meeting

---

### Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and establishes standards and processes therein for the public to attend and participate in meetings of local government bodies as well as those local legislative bodies created by State law; the latter category applying to LAFCos.

### Discussion

The action minutes for the February 8, 2024, regular meeting accurately reflect the Commission's actions as recorded by staff. A video recording of the meeting is also available online for viewing at <https://www.marinlafco.org/2024-02-08-commission-commission-meeting>

### Staff Recommendation for Action

1. Staff recommendation – Approve the draft minutes prepared for the February 8, 2024, meeting with any desired corrections or clarifications.
2. Alternative option – Continue consideration of the item to the next regular meeting and provide direction to staff, as needed.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

### Attachment:

- 1) Draft Minutes for February 8, 2024

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
[www.marinlafco.org](http://www.marinlafco.org)

**Dennis Rodoni, Vice-Chair**  
County of Marin  
**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax  
**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Sanitary District  
**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member  
**Roger Smith, Alternate**  
Public Member



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**DRAFT**

### NOTICE OF REGULAR MEETING MINUTES

#### Marin Local Agency Formation Commission

**Thursday, February 8, 2024**

#### CALL TO ORDER

Chair Coler called the meeting to order at 6:32 P.M.

#### ROLL CALL BY COMMISSION CLERK

Roll was taken and quorum was met. The following were in attendance:

Commissioners Present: Barbara Coler  
Dennis Rodoni  
Lew Kious  
Larry Chu  
Craig Murray  
Eric Lucan (arrived at 6:55)  
Steve Burdo (arrived at 7:15)

Alternate Commissioners Present: Cathryn Hilliard

Marin LAFCo Staff Present: Jason Fried, Executive Officer  
Jeren Seibel, Deputy Executive Officer  
Claire Devereux, Clerk/Jr. Policy Analyst

Marin LAFCo Counsel Present: Malathy Subramanian

Commissioners Absent: N/A

Alternate Members Absent: Roger Smith  
Stephen Burke  
Stephanie-Moulton Peters

#### PUBLIC OPEN TIME

Chair Coler opened public open time. Hearing no request to speak, the Chair closed the public open time.

#### CONSENT CALENDAR ITEMS

- 1) Approval of Minutes for December 14, 2023, Regular Meeting
- 2) Approval of Minutes for January 12, 2024, Strategic Planning Workshop
- 3) Commission Ratification of Payments from December 1, 2023, to January 31, 2024
- 4) Review and File Fiscal Year 2023-2024 GASB 75 Report

Approved: M/S by Commissioners Murray and Kious to approve consent calendar with needed amendments to the minutes.

Ayes: Commissioners Coler, Chu, Rodoni, Murray and Kious

Nays:

Abstain: Kious (abstaining from consent item #2)

Absent: Commissioners Burdo and Lucan

Motion passes

Commissioner Kious stated although he is voting in favor of the consent calendar, he abstains from the minutes for the 2024 strategic workshop as he was not in attendance.

## **PUBLIC HEARING ITEMS**

- 5) Approval of Resolution 24-1, Annexation of two Parcels in the Valley Oaks Project, Novato (APN: 125-580-34 and Pinkston Rd) to the Novato Sanitary District (LAFCo File #1376) with Waiver of Notice, Hearing, and Protest Proceedings.

Clerk/Jr. Policy Analyst gave a brief presentation on the petition.

Chair Coler invited the applicant to come forward and speak.

Micheal Hooper with campus properties spoke on behalf of the applicant Catherin Juchau. He said the two parcels are outside Novato Sanitary District and the parcels were bought in the past two years. He continued by saying that for approximately 25 years they have been trying to get entitlements on the larger thirty acres and in the past five the use has been changed to residential in response to the housing crisis. The project was fully approved one month ago by the City of Novato. In order to be comprehensive, the whole project needs to be inside Novato Sanitary District. He wrapped up by saying the staff were helpful and easy to work with throughout the application process.

Commissioner Murray asked if there is any current sanitation in place and will an easement be necessary for Pinkston Road.

Mr. Hooper said that Pinkston Road is a right-of-way, is not paved, and has never really been in use. He added that the road is owned by Valley Oaks.

Chair Coler opened public hearing. Seeing no one wishing to speak Chair Coler closed the public hearing.

Chair Coler expressed gratitude to the applicant for helping to fill the needs of the housing crisis.

Commissioner Murray asked for staff to elaborate on what the approval with conditions were.

EO Fried said the conditions have been met, but essentially that Marin LAFCo was waiting for response and completion of items by the City of Novato.

Approved: M/S by Commissioners Murray and Rodoni to approve Resolution 24-1.

Ayes: Commissioners Coler, Rodoni, Murray, Chu and Kious

Nays:

Abstain:

Absent: Commissioner Lucan and Burdo

Motion passed unanimously.

## **BUSINESS ITEMS**

- 6) Approval of Resolution 24-2 Adopting the Publicly Available Pay Schedule to Update Staff Salary Classifications

EO Fried presented the staff report to the commission. He conveyed that since Marin LAFCo are unrepresented employees' therefore staff has to update classification to stay current. EO did a 5% increase per year as seen in Exhibit 1. Marin LAFCo tries to follow what the county does in regard to pay classifications.

Chair Coler clarified that the 5% increase is not binding to the commission.

EO Fried stated that these classifications are also needed for MCERA.

Commissioner Murray asked for clarification asking if this Pay Schedule is for both classification and compensation.

Counsel Subramanian said that in this case, the classifications are the job titles and associated with it are the salary ranges.

EO Fried clarified that job classification is not being changed just compensation.

Chair Coler opened public comment. Seeing no one wishing to speak public comment was closed.

Approved: M/S by Commissioners Chu and Murray to approve Resolution 24-2 with staff classifications and salary ranges.

Ayes: Commissioners Coler, Kious, Murray, Chu, and Rodoni

Nays:

Abstain:

Absent: Commissioner Burdo and Lucan

Motion approved unanimously.

7) Review the Outline for the Fire Special Study

DEO Seibel presented the staff report saying in summary that the report will be a compilation of each fire agency included in recent studies with more context added.

Commissioner Murray said the outline looked good. Regarding the section on municipal and shared services, Murray said that at the annual conference, there is an in-depth discussion on MOUs, staff, equipment, and expanding on shared services which could be beneficial in this report.

DEO Seibel said that he receives the full agency apparatus schedule that has to be given to the state so that is included in the study.

Commissioner Chu suggested adding visuals that show a comparison and or summary of data.

Vice-Chair Rodoni asked if surveying volunteer fire departments and including them for data could be beneficial. DEO Seibel said there was value in getting good documentation and seeing the scope of how communities are being served.

Chair Coler asked to include recommendations.

DEO Seibel said that because this is unique to an MSR there will not be a verbose determinations section.

Chair Coler stated the purpose of the report was to say we have many fire agencies, can they work together, and is consolidation necessary? So, seeing an executive summary would be helpful.

Chair Coler opened public comment. Seeing no one wishing to speak public comment was closed.

Approved: M/S by Commissioners Kious and Murray to approve the outline with suggested changes.

Ayes: Commissioners Coler, Chu, Kious, Rodoni and Murray

Nays:

Abstain:

Absent: Commissioners Burdo and Lucan

Motion approved unanimously.

8) Review and Discussion on the format of the Marin LAFCo Work Plan

EO Fried presented the staff report and inquired if the format is correct and if any changes are needed.

Commissioner Kious commented that on the work plan "the future of shared staffing for SASM" is a misnomer. He said SASM has nothing to do with shared staffing.

EO Fried asked if in the summary the verbiage "four single service SASM Special Districts" was acceptable.

Commissioner Kious stated SASM has nothing to do with the districts to which EO Fried restated it as "the four single service members that are a part of SASM." Commissioner Kious accepted that change.

Commissioner Hilliard inquired if this will be an item at every meeting.

EO Fried clarified it will be in the EO Report for commissioners to see at every meeting.

Commissioner Murray asked about San Quentin Village and if staff removes it from the work plan will the commission receive updates?

EO Fried stated that there is a stalemate as to what both groups need to make this go through. However, if things change it will be put back on the list.

Commissioner Chu asked if the items could be kept on the spreadsheet but not printed and included in the packet.

EO Fried said that staff are aware that these exist and would not be necessary to keep them on. Commissioner Chu said he would be fine with not keeping those items.

Chair Coler brought up the digitization project and why it is labeled "as time permits."

EO Fried said this will be brought up at the budget committee and once they meet and decide it will be updated. : To which Coler suggested adding that information and considering prospective filing in addition to retroactive filing. Chair Coler inquired if seeing a prioritization of items on the list was possible.

EO Fried stated that Claire (clerk) does remediate older items when time permits. All items on the list are being worked on but there can be a length of time in between items but they are all being worked on.

Chair Coler stated she would like to see the items we are not working on remain on the list as a type of record for a new employee.

EO Fried said they exist in the MSR, but staff can keep them on the list.

Commissioner Rodoni said the work plan looks light and if there was a list of things that could be worked on if staff runs out of items to work on. In addition, Rodoni asked how applications have changed. Are they taking up more staff time? Are we seeing more?

EO Fried stated that there is plenty of work for staff. However, if there was ever a light period staff could aid in MSRs. Regarding applications, in the past fiscal year there has been a far drop off in applications and without more coming in before the end of the fiscal year this will be the lowest in a decade.

A general consensus was reached that keeping the items not currently being worked on would be beneficial.

Chair Coler opened public comment. Seeing no hands raised public comment was closed.

#### **EXECUTIVE OFFICER REPORT** (discussion and action)

a) Budget Update FY 2023-2024

EO reported that we are under budget, but we are low on applications which will affect carry forward also more money was spent this year which affects what is remaining. This may affect dues to member agencies, which will be discussed in the budget committee meeting.

b) Current and Pending Proposals

There are no pending proposals.

c) 2024 Committee Assignments

The Legislative committee will be meeting at some point in March, to get something done before the April meeting but enough time for CALAFCO Review.

The policy committee is currently on hold to meet as the last time we did a review of the Personnel Handbook was three years ago so our legal council needs time to update all the changes in state and federal laws. We are also looking into shorthand policies which will cut back on future review expenses.

Chair Coler asked for a redline of the handbook edited by counsel.

Would the committee prefer a longer meeting or two individual meetings for policy and personnel?

Coler stated she would prefer two separate meetings.

Chu expressed he was fine with either.

d) 2024 Commission Workshop

All workshop slides are included in the agenda packet as well as a video online.

e) CALAFCO Update

CALAFCO newsletter is in the packet.

EO Fried and Clerk/Jr. Policy Analyst Devereux are presenting at the CALAFCO Staff Workshop on ADA Compliance. Separately, there is a panel on how to collaborate with member agencies which asked EO Fried to speak on that too.

#### **COMMISSIONER ANNOUNCEMENTS AND REQUESTS**

Commissioner Murray asked if commissioners could sit in on the CALAFCO Legislation Committee.

EO Fried said they can, and DEO can provide that information.

Vice-Chair Rodoni discussed a per-diem policy and expressed it should be sent to the policy committee.

Chair Coler adjourned the meeting at 7:26 P.M.

#### **ADJOURNMENT TO NEXT MEETING**

Thursday, April 11th, 2024

Marin Wildfire Prevention Authority Meeting Room | Suite 335 | 1600 Los Gamos Drive, San Rafael, CA



Attest: Claire Devereux  
Clerk/Junior Analyst

---

Any writings or documents pertaining to an open session item provided to a majority of the Commission less than 72 hours prior to a regular meeting shall be made available for public inspection at Marin LAFCo Administrative Office, 1401 Los Gamos Drive, Suite 220, San Rafael, CA 94903, during normal business hours.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCo and continues until 3 months after a final decision is rendered by LAFCo. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCo office at least three (3) working days prior to the meeting for any requested arraignments or accommodations.

#### **Marin LAFCo**

Administrative Office  
1401 Los Gamos Drive, Suite 220  
San Rafael California 94903

T: 415-448-5877  
E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
W: [marinlafco.org](http://marinlafco.org)

---





# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

April 11<sup>th</sup>, 2024

Item No. 2 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** **Commission Ratification of Payments from February 1, 2024, to March 31, 2024.**

---

### Background

Marin LAFCo adopted a Policy Handbook delegating the Executive Officer to make purchases and related procurements necessary in overseeing the agency's day-to-day business. The Policy Handbook also directs all payments made by the Executive Officer to be reconciled by LAFCo's contracted bookkeeper. Additionally, all payments are to be reported to the Commission at the next available Commission meeting for formal ratification.

The following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between February 1, 2024, to March 31, 2024, totaling \$111,904.95. The payments are detailed in the attachment.

### Staff Recommendation for Action

1. Staff Recommendation - Ratify the payments made by the Executive Officer between February 1, 2024, to March 31, 2024, as shown in the attachment.
2. Alternate Option - Continue consideration of the item at the next regular meeting and provide directions to staff as needed.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

#### Attachment:

- 1) Payments from February 1 to March 31

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
[www.marinlafco.org](http://www.marinlafco.org)

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

**Stephanie Moulton-Peters, Alternate**  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kiou, Regular**  
Almonte Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

## Marin Local Agency Formation Commission Expenses by Vendor Detail February 1 through March 29, 2024

03/27/24

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
<b>BURDO, STEVE</b>						
Check	02/20/2024	20996	Jan 2024 wor...	05 · Commissioner ...	250.00	250.00
Total BURDO, STEVE					250.00	250.00
<b>CALAFCO</b>						
Check	02/20/2024	21000	Staff Worksho...	10 · Conferences	1,575.00	1,575.00
Total CALAFCO					1,575.00	1,575.00
<b>CALPERS</b>						
Check	03/06/2024	21006	2024 CERBT ...	140 · Retiree Health	2,156.00	2,156.00
Total CALPERS					2,156.00	2,156.00
<b>Cardmember Services</b>						
Credit Card Charge	02/20/2024		adobe	20 · IT & Communic...	71.97	71.97
Credit Card Charge	02/20/2024		mac tech	20 · IT & Communic...	995.70	1,067.67
Credit Card Charge	02/20/2024		marin ij	50 · Office Supplies ...	10.87	1,078.54
Credit Card Charge	02/20/2024		streamline	20 · IT & Communic...	126.00	1,204.54
Credit Card Charge	02/20/2024		zoom	20 · IT & Communic...	15.99	1,220.53
Credit Card Charge	02/20/2024		krieger	25 · Legal Services	2,376.00	3,596.53
Credit Card Charge	02/20/2024		verizon	20 · IT & Communic...	105.81	3,702.34
Credit Card Charge	02/20/2024		comcast	20 · IT & Communic...	130.02	3,832.36
Credit Card Charge	02/20/2024		esri	30 · Memberships &...	200.00	4,032.36
Credit Card Charge	02/20/2024		usps	50 · Office Supplies ...	68.00	4,100.36
Credit Card Charge	02/20/2024		equidox	20 · IT & Communic...	3,000.00	7,100.36
Credit Card Charge	02/20/2024		water service	50 · Office Supplies ...	48.74	7,149.10
Credit Card Charge	02/20/2024		mulberry diner	50 · Office Supplies ...	57.05	7,206.15
Credit Card Charge	02/20/2024		usps	50 · Office Supplies ...	211.50	7,417.65
Credit Card Charge	03/19/2024		adobe	20 · IT & Communic...	71.97	7,489.62
Credit Card Charge	03/19/2024		mac tech	20 · IT & Communic...	995.70	8,485.32
Credit Card Charge	03/19/2024		marin ij	50 · Office Supplies ...	10.87	8,496.19
Credit Card Charge	03/19/2024		streamline	20 · IT & Communic...	126.00	8,622.19
Credit Card Charge	03/19/2024		zoom	20 · IT & Communic...	15.99	8,638.18
Credit Card Charge	03/19/2024		krieger	25 · Legal Services	862.40	9,500.58
Credit Card Charge	03/19/2024		verizon	20 · IT & Communic...	105.81	9,606.39
Credit Card Charge	03/19/2024		comcast	20 · IT & Communic...	130.02	9,736.41
Credit Card Charge	03/19/2024		mac tech unifi...	40 · Office Equipme...	205.70	9,942.11
Credit Card Charge	03/19/2024		claire computer	40 · Office Equipme...	1,744.34	11,686.45
Total Cardmember Services					11,686.45	11,686.45
<b>CHU, LAURENCE</b>						
Check	02/20/2024	20998	Jan 2024 wor...	05 · Commissioner ...	250.00	250.00
Total CHU, LAURENCE					250.00	250.00
<b>Cinquini &amp; Passarino Inc</b>						
Check	02/28/2024	21002	Invoice # 10926	55 · Professional Se...	113.25	113.25
Check	03/26/2024	10050	marinmap sys...	55 · Professional Se...	7,533.50	7,646.75
Total Cinquini & Passarino Inc					7,646.75	7,646.75
<b>Coler, Barbara</b>						
Check	02/20/2024	20993	Jan 2024 wor...	05 · Commissioner ...	250.00	250.00
Total Coler, Barbara					250.00	250.00
<b>CONNECT YOUR CARE</b>						
Check	02/21/2024	eft	COBRA ADMIN	126 · Health Insuran...	1.11	1.11
Check	03/19/2024	eft	COBRA ADMIN	126 · Health Insuran...	1.11	2.22
Total CONNECT YOUR CARE					2.22	2.22

Marin Local Agency Formation Commission

Expenses by Vendor Detail

03/27/24

February 1 through March 29, 2024

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
<b>Delta Dental of California</b>						
Check	02/21/2024	eft		122 · Dental Insuran...	72.63	72.63
Check	02/27/2024	eft		122 · Dental Insuran...	72.63	145.26
Check	03/21/2024	eft		122 · Dental Insuran...	72.63	217.89
Check	03/27/2024	eft		122 · Dental Insuran...	72.63	290.52
Total Delta Dental of California					290.52	290.52
<b>Hilliard, Cathryn</b>						
Check	02/20/2024	20994	Jan 2024 wor...	05 · Commissioner ...	250.00	250.00
Total Hilliard, Cathryn					250.00	250.00
<b>KIOUS, LEWIS</b>						
Check	02/20/2024	20999	Feb 2024 Co...	05 · Commissioner ...	125.00	125.00
Total KIOUS, LEWIS					125.00	125.00
<b>LUCAN, ERIC</b>						
Check	02/20/2024	20997	Jan 2024 wor...	05 · Commissioner ...	250.00	250.00
Total LUCAN, ERIC					250.00	250.00
<b>MURRAY, CRAIG K</b>						
Check	02/20/2024	20995	Jan 2024 wor...	05 · Commissioner ...	250.00	250.00
Total MURRAY, CRAIG K					250.00	250.00
<b>PAYCHEX</b>						
Check	02/02/2024	eft		35 · Misc Services	72.20	72.20
Check	02/16/2024	eft		35 · Misc Services	72.20	144.40
Check	03/01/2024	eft		35 · Misc Services	72.20	216.60
Check	03/15/2024	eft		35 · Misc Services	72.20	288.80
Check	03/29/2024	eft		35 · Misc Services	72.20	361.00
Total PAYCHEX					361.00	361.00
<b>PAYROLL</b>						
Check	02/02/2024	eft	1/7-1/20/24	105 · Sal - Regular ...	13,644.38	13,644.38
Check	02/02/2024	eft	1/7-1/20/24	124 · Auto Allowance	350.00	13,994.38
Check	02/02/2024	eft	1/7-1/20/24	125 · Unused Fringe...	100.00	14,094.38
Check	02/02/2024	eft	1/7-1/20/24	131 · Co Ret Cont Ti...	1,610.04	15,704.42
Check	02/15/2024	eft	1/21-2/3/24	105 · Sal - Regular ...	13,644.38	29,348.80
Check	02/15/2024	eft	1/21-2/3/24	124 · Auto Allowance	0.00	29,348.80
Check	02/15/2024	eft	1/21-2/3/24	125 · Unused Fringe...	100.00	29,448.80
Check	02/15/2024	eft	1/21-2/3/24	131 · Co Ret Cont Ti...	1,610.04	31,058.84
Check	03/01/2024	eft	2/4-2/17/24	105 · Sal - Regular ...	13,644.38	44,703.22
Check	03/01/2024	eft	2/4-2/17/24	124 · Auto Allowance	350.00	45,053.22
Check	03/01/2024	eft	2/4-2/17/24	125 · Unused Fringe...	100.00	45,153.22
Check	03/01/2024	eft	2/4-2/17/24	131 · Co Ret Cont Ti...	1,610.04	46,763.26
Check	03/15/2024	eft	2/18-3/2/24	105 · Sal - Regular ...	13,644.38	60,407.64
Check	03/15/2024	eft	2/18-3/2/24	124 · Auto Allowance	0.00	60,407.64
Check	03/15/2024	eft	2/18-3/2/24	125 · Unused Fringe...	100.00	60,507.64
Check	03/15/2024	eft	2/18-3/2/24	131 · Co Ret Cont Ti...	1,610.04	62,117.68
Check	03/29/2024	eft	3/3-3/16/24	105 · Sal - Regular ...	13,644.38	75,762.06
Check	03/29/2024	eft	3/3-3/16/24	124 · Auto Allowance	0.00	75,762.06
Check	03/29/2024	eft	3/3-3/16/24	125 · Unused Fringe...	100.00	75,862.06
Check	03/29/2024	eft	3/3-3/16/24	131 · Co Ret Cont Ti...	1,610.04	77,472.10
Total PAYROLL					77,472.10	77,472.10

Marin Local Agency Formation Commission

Expenses by Vendor Detail

03/27/24

Accrual Basis

February 1 through March 29, 2024

Type	Date	Num	Memo	Account	Amount	Balance
<b>PAYROLL TAXES</b>						
Check	02/02/2024	eft	1/7-1/20/24	111 · Medicare Tax	205.01	205.01
Check	02/02/2024	eft	1/7-1/20/24	114 · CA ETT	2.03	207.04
Check	02/02/2024	eft	1/7-1/20/24	112 · CA SUI	67.02	274.06
Check	02/02/2024	eft	1/7-1/20/24	113 · FUTA	12.18	286.24
Check	02/15/2024	eft	1/21-2/3/24	111 · Medicare Tax	199.93	486.17
Check	03/01/2024	eft	2/4-2/17/24	111 · Medicare Tax	205.01	691.18
Check	03/15/2024	eft	2/18-3/2/24	111 · Medicare Tax	199.93	891.11
Check	03/29/2024	eft	3/3-3/16/24	111 · Medicare Tax	199.93	1,091.04
Total PAYROLL TAXES					1,091.04	1,091.04
<b>RODONI, DENNIS JAMES</b>						
Check	02/20/2024	20992	Dec and Feb ...	05 · Commissioner ...	375.00	375.00
Total RODONI, DENNIS JAMES					375.00	375.00
<b>SCHIFFMANN, ALYSSA</b>						
Check	03/06/2024	21007	Invoice # 243	55 · Professional Se...	448.59	448.59
Total SCHIFFMANN, ALYSSA					448.59	448.59
<b>SECURITY MORTGAGE GROUP 2</b>						
Check	02/01/2024	20987	Feb 2024 Rent	45 · Office Lease/Rent	2,956.00	2,956.00
Check	02/28/2024	21001	March 2024 R...	45 · Office Lease/Rent	2,956.00	5,912.00
Total SECURITY MORTGAGE GROUP 2					5,912.00	5,912.00
<b>Stephen Burke</b>						
Check	02/20/2024	20991	Jan 2024 Wor...	05 · Commissioner ...	125.00	125.00
Total Stephen Burke					125.00	125.00
<b>Teamsters Local 856 Health &amp; Welfare</b>						
Check	02/14/2024	eft		126 · Health Insuran...	944.08	944.08
Total Teamsters Local 856 Health & Welfare					944.08	944.08
<b>The Hartford</b>						
Check	02/16/2024	eft		121 · Life Insurance	89.78	89.78
Check	03/08/2024	eft		121 · Life Insurance	89.78	179.56
Total The Hartford					179.56	179.56
<b>Vision Service Plan</b>						
Check	02/05/2024	eft		123 · Vision Service ...	9.76	9.76
Check	03/05/2024	eft		123 · Vision Service ...	4.88	14.64
Total Vision Service Plan					14.64	14.64
<b>TOTAL</b>					<b>111,904.95</b>	<b>111,904.95</b>



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

April 11<sup>th</sup>, 2024

Item No. 3 (Consent Item)

**TO:** Local Agency Formation Commission

**FROM:** Jeren Seibel, Deputy Executive Officer  
(On behalf of Committee Chair Murray, Commissioners Smith, and Hilliard)

**SUBJECT:** Approval of Legislative Committee Recommendations Related to LAFCo Bills

### Background

On March 28<sup>th</sup>, 2023, the Legislative Committee met to discuss the current pieces of LAFCo-related legislation being tracked by CALAFCO that are making their way through Sacramento right now. Currently, seven bills are being tracked: AB 3277, SB 1209, SB 537, AB 805, AB 817, AB 2302, and SB 2715. This year's annual CALAFCO-sponsored Omnibus Bill (AB 3277) seeks to make one specific change to the Cortese-Knox-Hertzberg Act which governs the work of LAFCos. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 3277 seeks to limit the requirement for a financial analysis of ad valorem taxes during the formation of a district to those instances when a share of the tax is sought. The other bill sponsored by CALAFCO this year, SB 1209, seeks to authorize LAFCos to use indemnification provisions on their applications.

Marin LAFCo Policy section 3.15 gives the Commission the option to take positions and assign priority to any legislation moving through the process in Sacramento. At the March 28<sup>th</sup> meeting, the Legislative Committee approved staff's recommendation of taking the alignment with CALAFCO position at Marin LAFCO's priority 3 level on all of the tracked and reviewed bills as well as approving the transmission of a letter of support for both AB 3277 and SB 1209 at the request of CALAFCO.

### Recommendation

1. Committee Recommendation – Recommend to the Commission to take the position of “alignment with CALAFCO” for all seven bills as Priority 3 per Marin LAFCo's policy regarding legislative matters.
2. Alternative Option - Continue consideration of the item at the next committee meeting and provide directions to staff, as needed.

### Procedures for Consideration

This item has been placed on the agenda as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

#### Attachment:

- 1) CALAFCO Tracked Legislation
- 2) Marin LAFCo Letter of Support for AB 3277
- 3) Marin LAFCo Letter of Support for SB 1209

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kiou, Regular**  
Almonte Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

**Priority 1 Bills - (Major importance & direct, significant impact or policy precedent. Resource intensive.)**

**A. AB 3277 (ALGC) Local agency formation commission: districts: property tax. – CALAFCO sponsored.**

This was an Omnibus bill submission and was moved forward as that. However, it was determined by the ALGC to not meet the technical definition of an Omnibus bill as making technical changes. However, they graciously brought it forward as a stand-alone bill.

This bill would limit the requirement for a financial analysis of ad valorem taxes during the formation of a district to those instances when a share of the tax is sought. This bill has been keyed as fiscal, and is awaiting scheduling in Appropriations, where it will most likely be placed on the Consent agenda. Once through Appropriations, it will be scheduled before the Assembly Local Government Committee for hearing.

A Call for Action went out to the LAFCOs on February 29<sup>th</sup>, and letters of support have begun trickling in. The CALAFCO letter of support can be found attached as 3.A(2).

***CURRENT POSITION: Sponsor***

**B. SB 1209 (Cortese) Indemnification – CALAFCO sponsored.**

This bill was proposed at the beginning of 2023, and seeks to authorize LAFCOs to use indemnification provisions on their applications. The proposal/bill is in response to a 2022 Appellate court decision that found that LAFCOs, as delegates of the state legislature, may not

use indemnification provisions on applications because they have not been authorized by the legislature to enter into indemnification agreements. This bill was proposed to correct that oversight. As of this writing, this is scheduled to go before the Senate Local Government Committee for hearing on March 20, 2024.

A Call for Action went out to the LAFCOs on February 29<sup>th</sup>, and letters of support have begun coming in. The CALAFCO letter of support can be found attached as 3.B(2).

Of the sister entities, CSAC has noted that they will be submitting a letter in support, while CSDA has advised of a watch position. However, on March 12<sup>th</sup>, the California Building Industry Association (CBIA) raised concerns with the author's office and proposed changes which would limit indemnifications only to approvals (Attachment B(3).) Such a change would be significant given that the underlying action out of San Luis Obispo, which was the impetus for the bill, was due to a commission denial. The effect of this proposed change is seen as limiting indemnifications to actions by third party litigants and only for approvals. The CALAFCO lobbying team conducted a listening session to hear CBIA's concerns on March 13<sup>th</sup> during which the author's office indicated its willingness to work with CBIA to address its concerns.

***CURRENT POSITION: Sponsor***

**Priority 2 Bills – (Direct impact, or set policy precedent. Letter & testimony.)**

None.

**Priority 3 Bills – (Of interest, may have substantive effect, but low priority as to time & effort. Letter.)**

**C. AB 805 (Arambula) Sewer service: disadvantaged communities**

This bill originally sought to amend Health and Safety Code to add language to provide a mechanism allowing the State Board to order a consolidation of sewer services at the same time that it ordered consolidation of drinking water systems, the latter of which being an existing authority. It was gutted and amended on 1/22/2024 to instead add language to the Water Code to authorize the State Water Resources Control Board to provide technical, administrative, managerial, legal, or financial aid to designated sewer systems in disadvantaged communities. The bill also carries an urgency clause which would cause it to take effect immediately upon chaptering, if passed.

At the Legislative Committee meeting of February 16, 2024, the committee approved a Support, if Amended position, if language was included that would require LAFCOs to be consulted by the state board prior to it making a determination that a sewer system is a designated sewer system entitled to the assistance outlined by the bill.

Ahead of the last meeting, an email was sent to the author's Legislative Director inquiring if the author would open to such an amendment. However, a response was never received. Given the committee's position approval, a formal letter to that effect (Attachment 3.C(2)) was submitted to the legislative portal on March 8, 2024. However, since no policy hearing has been scheduled, the letter went only to the author. At this writing, no response has been received from the author, and the bill still sits in Senate Rules waiting for committee assignment.

***CURRENT POSITION: Support, If Amended***

**BROWN ACT BILLS:**

**D. AB 817 (Pacheco) Open meetings: teleconferencing: subsidiary body. – BROWN ACT**

This bill began as a spot holder but was amended on 3/16/2023 to speak to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site-providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

The bill received a minor amendment on 1/17/2024, when a sunset date of January 1, 2026 was added. Bill status is unchanged from last month as it still sits in the Senate Rules Committee waiting for assignment.

***CURRENT POSITION: Watch***

**E. NEW: AB 2302 (Addis) Open meetings: local agencies: teleconferences.**

Introduced on 2/12/2024, this bill would enact changes to Brown Act provisions that allow members of legislative bodies to teleconference for meetings. Currently, the law limits teleconferencing to no more than 3 consecutive months, 20% of the regular meetings in a calendar year, or 2 meetings for bodies that meet less than 10 times in a calendar year. This bill redefines those limits into new tiers based on the meeting frequency. As proposed, the limits would be recast as 2 meetings per year for bodies meeting monthly or less; 5 meetings per year for those meeting twice per month; or 7 meetings per year if the body meets three times or more per month.

This bill has been referred to the Assembly Local Government Committee, but no hearing date has yet been scheduled.

***Recommendation: Watch.***

**F. NEW: AB 2715 (Boerner) Ralph M. Brown Act: closed sessions.**

As introduced on 2/14/2024, would make minor grammatical changes to the Brown Act. Monitoring.

This bill has been referred to the Assembly Local Government Committee, but no hearing date has yet been scheduled.

***Recommendation: Watch.***

**G. SB 537 (Becker) Open meetings: multijurisdictional, cross-county agencies: teleconferences. – BROWN ACT**

This bill is sponsored by Peninsula Clean Energy, and seeks to add teleconferencing provisions allowing legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross



county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity. Peninsula Clean Energy is a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

The bill passed out of the Assembly Local Government Committee on July 12, 2023. It was then amended on August 14, 2023, to require eligible legislative bodies that receive compensation to participate from a physical location that is open to the public.

On September 14, 2023, the bill was moved into the inactive file where it remains.

***CURRENT POSITION: Watch***



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

April 12, 2024

Honorable Juan Carrillo, Chair  
Assembly Local Government Committee  
1020 N St.  
Rm. 157  
Sacramento, CA 95814

RE: **SUPPORT of AB 3277, Local agency formation commission: districts: property tax**

Dear Senator Carillo,

The Marin Local Agency Formation Commission (LAFCo) is pleased to **Support Assembly Bill 3277**, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes a clarifying change to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

Under existing statutes, a commission must perform a financial analysis of ad valorem property taxes when a proposal is received that includes the incorporation of a city and the formation of a district. The only purpose of the analysis is to determine how best to apportion the property taxes between the agencies. However, occasionally, an application is received in which the district waives any portion of the ad valorem taxes. In those situations, no analysis is needed for the process, yet it remains required by statute.

This bill will add language that clarifies that the performance of the financial analysis in that situation only needs to be performed in those instances where a portion of the ad valorem property taxes is being sought.

By making this minor change, **AB 3277** will apply this time-consuming process only to those applications that require it.

For the reasons noted above, Marin LAFCo **Supports AB 3277**.

Please do not hesitate to reach out with questions or concerns about our position.

Yours sincerely,

Jason Fried  
Executive Officer  
Marin Local Agency Formation Commission

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin  
**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax  
**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Sanitary District  
**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member  
**Roger Smith, Alternate**  
Public Member



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

April 12, 2024

Honorable David Cortese  
California State Senate  
1021 O Street, Suite 6630  
Sacramento, CA 95814

RE: **SB 1209 (Cortese): Local agency formation commission: indemnification – SUPPORT  
Awaiting hearing – Senate Local Government Committee**

Dear Senator Cortese:

The Marin Local Agency Formation Commission (LAFCo) is pleased to support Senate Bill 1209, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). SB 1209 would add a new section into Government Code authorizing LAFCos to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCos with the same authority.

This bill addresses a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to require indemnification. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within a county - the costs to defend litigation must be absorbed by all of LAFCos funding agencies.

Consequently, **SB 1209** will:

- Provide LAFCos with the ability to use a tool already in use by counties and cities;
- Prevent costs to defend litigation from being shifted to a county, its cities, and its special districts; and
- Remove the possibility that an applicant threatens litigation to coerce a desirable LAFCO determination.

Thus, for the above reasons, Marin LAFCo is in strong **support of SB 1209**

Sincerely,

Jason Fried  
Executive Officer  
Marin Local Agency Formation Commission

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin  
**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax  
**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kiou, Regular**  
Almonte Sanitary District  
**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member  
**Roger Smith, Alternate**  
Public Member



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
April 11<sup>th</sup>, 2024  
Item No. 4 (Public Hearing)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer  
(On behalf of Budget and Work Plan Chair Rodoni and members Burdo and Kious)

**SUBJECT:** Review and Approval of Proposed Budget for Fiscal Year 2024-2025

---

## Background

At the February 26, 2024, Budget and Work Plan Committee meeting, the Fiscal Year 24-25 budget and work plan was discussed. For the proposed budget in the expenditures section, staff presented to the committee what I think is the highest amount needed for each line item. Then to fund that we look to both agency contribution and carry forward amount. Finally, when we get closer to the June Commission meeting, staff will revisit all numbers in the proposed budget to make sure they are the best numbers available as part of the final approval.

On the expenditure side, there are some line-item changes from last year to this year based on better understanding and looking at the needs of LAFCo in FY 23-24. Some key line-item changes include:

- Salary –Our budget increase is to allow for a COLA as well as step increases for staff that have earned it. This will be helpful in the retention of the staff and would benefit LAFCo overall. The number given during the proposed budget process has normally been higher than what is in the final budget. When the June meeting comes this number will likely be lower given all staff reviews will have been completed and the Commission has negotiated any change in the salary for the Executive Officer position, so a more accurate number gets presented with final approvals.
- Benefits – Next year’s benefit costs are not known so we always have a slight increase to allow benefit costs to go up.
- Pension –Similar to the salary line item, this will likely be lowered prior to the final budget once actual staff salaries are known. This line item is also much larger of a percent increase due to both increases in salaries, but the majority is from MCERA increase of employer contribution rate of 11.80% for FY 23-24 to 14.17% for FY 24-25.
- Conferences (Line Item 10) – This line item had remained flat during COVID but CALAFCO has already warned us that future conferences are going to be more expensive based on attempts to get new contracts plus this past year we had more interest in attendance from the Commission to go to the conference than we have had in the past so want to make sure we have enough in this account to allow those wishing to attend the conference the ability to do so.
- Membership and Dues (Line Item 30) – Similar to general insurance we have not gotten all our costs for next year's FY membership so a slight increase was added, and this may be adjusted once those costs are known.
- Office Lease/Rent (Line Item 45) – Our office lease is under contract, so this is the increase in that line item for the increase in costs for next year based on our contract.
- Professional Services (Line Item 55) – Due to inflation over the past couple of years most professional services providers have had to increase costs. Right now, it is looking like we will be close to spending our full budget amount for the year by year's end, so staff increased this line item by \$5,000 for next year to help cover future increases we are likely to see.

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin  
**Eric Lucan, Regular**  
County of Marin  
Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax  
**Steve Burdo, Regular**  
Town of San Anselmo  
**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Sanitary District  
**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District  
**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member  
**Roger Smith, Alternate**  
Public Member

---

On the income side, we have two main line items, the agency contribution, and the carryforward fund balance. The carryforward fund right now is made up of three parts, with \$16,500 from previous years' unspent funds, \$12,950 from interest and application fees collected so far this year, and an estimated \$40,000 in unspent funds from our current year. The second two numbers are simply a placeholder until we get closer to the end of the year and can put in an updated number for what is expected to be left over from this year's unspent fund and how much we have collected in application fees and interest. The total carry-forward amount is about 25% less than we had for the current FY. This is due to two main reasons. First, as mentioned in recent meetings, we are seeing the lowest number of applications in over a decade submitted. Second our unspent funds from the current FY are currently estimated to be less at this point than last year. This is due to cost estimates based on a high-level perspective in January of this FY year we spent just over \$308,000 compared to last FY where we spent just over \$291,000 for the same time frame.

Overall, for the base proposed budget without adding the additional part-time staff, the total estimated expenditure for FY 24-25 is a 6.14% increase. The 6.14% increase is with the understanding that once salary and other items are better known that number should decrease a little in the final budget. With the high estimate for the budget line items, we see the agency contribution being \$605,777 which is a 9.80% increase. In comparison, the FY 23-24 increase in the draft was a 7.88% increase. Staff would anticipate the increase will be decreased by a little bit when we get to the final budget.

While the increase may seem higher than normal staff does want to remind the Commission and our member agencies that in FY 2019-2020 the agency contribution was \$559,522. When doing the budget for FY 20-21 LAFCo recognized the uncertain fiscal future of our member agencies that was emerging due to COVID, so we were able to do a 10% reduction in requests to our member agencies. We held that for 3 fiscal years. Last year we started to increase the agency contribution back to a pre-COVID budget and this year is a continuation of that. If you compare this year's request to our pre-COVID amount the request is about a 7.5% increase in request. This would mean we have over the past 5 years only seen a 7.5% increase, which will be lower when approving the June budget given this is the high amount and likely to go down by the June budget.

In addition to reviewing the budget staff would like to have the Commission address the following question:

1. Every year we need to determine what percent increase we should implement for COLA to employees. The budget committee is recommending 3%, which is the same amount as for the County. Does the Commission agree with this, or does it want to give a different amount?

### **Staff Recommendation for Action**

1. Staff Recommendation – Approve the proposed budget presented in today's meeting with any needed amendments and establish the COLA increase for FY 24-25.
2. Alternate Option - Continue consideration of the item at a future commission meeting and provide directions to staff, as needed.

Attachment:

1. Proposed Budget FY 24-25

Line Items	Final FY 24-25	Draft FY 24-25	Final FY 23-24	% Change FY 23-24 to FY Draft 24-25
<b>Expense</b>				
5110110 · Salary		\$393,000.00	\$373,000.00	5.09%
5130120 · Benefits		\$38,000.00	\$36,500.00	3.95%
5130500 · Pension		\$54,000.00	\$44,000.00	18.52%
5130525 · Retiree Health		\$6,000.00	\$6,000.00	0.00%
05 · Commissioner Per Diems		\$10,000.00	\$10,000.00	0.00%
10 · Conferences		\$11,000.00	\$10,000.00	9.09%
15 · General Insurance		\$6,500.00	\$6,500.00	0.00%
20 · IT & Communications Services		\$23,000.00	\$23,000.00	0.00%
25 · Legal Services		\$37,500.00	\$37,500.00	0.00%
30 · Memberships & Dues		\$8,500.00	\$8,000.00	5.88%
35 · Misc Services		\$3,000.00	\$3,000.00	0.00%
40 · Office Equipment Purchases		\$4,139.00	\$4,139.00	0.00%
45 · Office Lease/Rent		\$36,888.00	\$35,472.00	3.84%
50 · Office Supplies and Postage		\$4,000.00	\$4,000.00	0.00%
55 · Professional Services		\$32,000.00	\$27,000.00	15.63%
60 · Publications/Notices		\$2,000.00	\$2,000.00	0.00%
70 · Training		\$1,700.00	\$1,700.00	0.00%
75 · Travel		\$3,500.00	\$1,500.00	57.14%
<b>Total Expense</b>	<b>\$0.00</b>	<b>\$674,727.00</b>	<b>\$633,311.00</b>	<b>6.14%</b>
<b>Income</b>				
Carry Forward Balance		\$69,450.00	\$87,360.91	-25.79%
4710510 · Agency Contributions	\$0.00	\$605,277.00	\$545,950.09	9.80%
<b>Total Income</b>	<b>\$0.00</b>	<b>\$674,727.00</b>	<b>\$633,311.00</b>	
	<b>Amount</b>	<b>Notes</b>		
<b>General Reserve Fund</b>	<b>\$168,681.75</b>	<b>25% of total expenses - fully funded</b>		
<b>Consultant Reserve Fund</b>	<b>\$50,000</b>	<b>Per Marin LAFCo policy 3.10(B)(ix) - fully funded</b>		
<b>Technology Replacement Fund</b>	<b>\$9,798</b>	<b>Prior FY unspent funds from line item 40, not to exceed \$20,000 (through FYE 23)</b>		



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

April 11, 2024

Executive Officer Report – Section A

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer

**SUBJECT:** Budget Update for FY 2023-2024

---

### Background

LAFCo adopted a budget for FY 2023-2024 totaling \$631,311.00. From July 1, 2023, through March 31, 2024, LAFCo has spent \$419,736.57. This report covers 9 months, which is about 75% of the year. We have already spent 66.3% of our budget this year. As mentioned at the previous meeting, three-line items are higher than the expected amount for where we are for being nine months into the FY. Two line items, Membership and Dues (30) and General Insurance (15) consist of bills that have large sums that get paid at the start of the fiscal year in the case of line item 15 and are mostly paid for in the case of line item 30. The third item is Conferences (10), which covers costs for the CALAFCO Conference in October and the upcoming CALAFCO Staff Workshop. Two new items have appeared as being above where we should be at for this time of the year. Office Equipment Purchase (40) is over due to the need to buy a new laptop for Claire which has caused us to just go over the 75% mark and this item should be under budget by the year's end. Professional Services (55) is 85%. This is due to work that was recently done by our GIS consultant due in part to several issues Jeren found with our mapping layers while he has been working to complete the Multi-Regional MSR. I think we will remain under budget by the year's end, but it may happen that we go over by a few dollars.

Attachment:

- 1) FY 2023-2024 Budget Report

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Regular**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

**Stephanie Moulton-Peters, Alternate**  
County of Marin

**Barbara Coler, Vice-Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Chair**  
Almonte Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

## Marin Local Agency Formation Commission

## FY24 BUDGET REPORT

03/27/24

July 2023 through June 2024

Accrual Basis

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
410 · Prior Year Carryover	0.00	97,065.94	-97,065.94	0.0%
400 · Agency Contributions	536,245.06	536,245.06	0.00	100.0%
<b>Total Income</b>	<b>536,245.06</b>	<b>633,311.00</b>	<b>-97,065.94</b>	<b>84.7%</b>
<b>Expense</b>				
<b>Services and Supplies</b>				
05 · Commissioner Per Diems	5,875.00	10,000.00	-4,125.00	58.8%
10 · Conferences	7,794.67	10,000.00	-2,205.33	77.9%
15 · General Insurance	5,745.71	6,500.00	-754.29	88.4%
20 · IT & Communications Services	14,766.49	23,000.00	-8,233.51	64.2%
25 · Legal Services	13,615.75	37,500.00	-23,884.25	36.3%
30 · Memberships & Dues	7,152.00	8,000.00	-848.00	89.4%
35 · Misc Services	1,436.62	3,000.00	-1,563.38	47.9%
40 · Office Equipment Purchases	3,304.19	4,139.00	-834.81	79.8%
45 · Office Lease/Rent	26,604.00	35,472.00	-8,868.00	75.0%
50 · Office Supplies & Postage	2,098.14	4,000.00	-1,901.86	52.5%
55 · Professional Services	22,940.04	27,000.00	-4,059.96	85.0%
60 · Publications/Notices	375.77	2,000.00	-1,624.23	18.8%
70 · Training	959.92	1,700.00	-740.08	56.5%
75 · Travel - Mileage	832.04	1,500.00	-667.96	55.5%
<b>Total Services and Supplies</b>	<b>113,500.34</b>	<b>173,811.00</b>	<b>-60,310.66</b>	<b>65.3%</b>
<b>Salary and Benefit Costs</b>				
100 · Salaries	254,420.75	373,000.00	-118,579.25	68.2%
120 · County of Marin - Group Health	20,261.37	36,500.00	-16,238.63	55.5%
130 · MCERA / Pension	29,398.11	44,000.00	-14,601.89	66.8%
140 · Retiree Health	2,156.00	6,000.00	-3,844.00	35.9%
<b>Total Salary and Benefit Costs</b>	<b>306,236.23</b>	<b>459,500.00</b>	<b>-153,263.77</b>	<b>66.6%</b>
<b>Total Expense</b>	<b>419,736.57</b>	<b>633,311.00</b>	<b>-213,574.43</b>	<b>66.3%</b>
<b>Net Ordinary Income</b>	<b>116,508.49</b>	<b>0.00</b>	<b>116,508.49</b>	<b>100.0%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
900 · Interest Earnings	10,397.56			
910 · Fees for Services	9,669.06			
<b>Total Other Income</b>	<b>20,066.62</b>			
<b>Net Other Income</b>	<b>20,066.62</b>			
<b>Net Income</b>	<b>136,575.11</b>	<b>0.00</b>	<b>136,575.11</b>	<b>100.0%</b>





# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
April 11<sup>th</sup>, 2024  
EO Item B (EO Report)

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** **Current and Pending Proposals**

---

### Background

The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and/or action.

We have no current or pending proposals at this time.

### Attachment

1. Chart of Current and Pending Proposals

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1376	Approved	Annexation of APN: 125-580-34, and the former Pinkston Rd. right-of-way adjacent to APN:125-580-34 into the Novato Sanitary District.	Landowner (Catherine E. Juchau) requesting approval to annex two lots, approximately 2.5 acres, so they can abandon a septic system and connect to the Novato Sanitary District in order to develop the land. Neither property holds a situs address however one parcel has the APN: 125-580-34 and the second parcel is the former Pinkston Rd. right-of-way.	Novato Sanitary District	Approved at Last Meeting
1375	Approved	Annexation of 19 Tanfield Rd., Tiburon into Richardson Bay Sanitary District	Landowners (Kimberly and Stephen Koza) requesting approval to annex a lot, approximately 1.02 acres, so they can abandon a septic system and connect to Richardson Bay Sanitary District. The parcel has a situs address of 19 Tanfield Rd., Tiburon (APN: 039-081-14).	Richardson Bay Sanitary District	Approved on 12/14/23
1374	Approved	Annexation of 45 Stirrup Ln., Novato into Novato Sanitary District	Landowners (Kevin and Mary Needham) requesting approval to annex a lot, approximately .57 acres, so they can abandon a septic system and connect to Novato SD. The parcel has a situs address of 45 Stirrup Ln., Novato (APN 146-020-11).	Novato Sanitary District	Approved on 12/14/23



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**  
April 11<sup>th</sup>, 2024  
EO Item C (EO Report)

**TO:** Local Agency Formation Commission

**FROM:** Jason Fried, Executive Officer  
Jeren Seibel, Deputy Executive Officer  
Claire Devereux, Clerk/Jr. Policy Analyst

**SUBJECT:** **Marin LAFCo Work Plan**

---

### Background

The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and/or action.

Updates from the last meeting are highlighted in Orange.

Two major changes were made to the chart. First, the removal of dredging services from Strawberry Recreation District (SRD) and the creation of a new CSA to take on those tasks is being moved from the monitoring section to staff working on since SRD has now fully completed the dredging services. Second, representatives of the four single service member agencies to SASM discussed the shared services of staff and decided that this is not the time to do this and if they need LAFCo assistance on this in the future they will contact LAFCo to let us know.

### Attachment

1. Marin LAFCo Work Plan

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

Project	Staff Assigned	Summary	Status
<b>Staff currently working on</b>			
Multi-Regional Services Study	Jeren	MSR for agencies that cover multiple regions	Writing of agency profiles is nearing completion with administrative drafts being sent to agencies for data accuracy reviews. Targeting end of April for completion.
Countywide Fire Study	Jeren/Claire	Perform a phased review of fire services in Marin County.	Based on commission approval staff has now started researching and writing the report
Property Tax Review For Special Districts	Jason/Claire	This is a low level item for staff to work on. Currently when parcels are annexed into a district they get zero of the current ad valorem so staff will research if there are options, without changing the Master Tax Exchange Agreement, for district to get additional revenue to cover the cost of service that they get from current parcels from the 1% ad valorem.	Staff has started some early research on this, based on other items this may get completed in 2024.
Dillon Beach Sewer	Jason	Staff has been invited by both the County and NMWD to advise on the possible creation of a new sewer system for the residents of Dillon Beach Village which would require annexation of the area into NMWD	Early planning meetings are occurring and staff is attending as needed. Receiving additional analysis during multi-regional MSR.
Marin RCD and Stinson Beach Fire boundaries	Jason	As noted in West Marin MSR both agencies want to look at their current boundaries and make some adjustments.	Staff will work with both agencies in helping them with any changes they look to do.
Digital Library	Claire	Staff has learned how to make current documents ADA compliant and is looking to add more information to the website for applications and resolutions to make it easier for the public to access documents from us.	Working on as time permits. Currently working on remediating documents already posted on the website (i.e. minutes, agendas and packets).
OSA Confirmation	Jeren/Jason	Work with Tam CSD to retrieve necessary documentation on parcels within its district receiving service from HVSD and Almonte showing the needed criteria for exemption from an outside service agreement.	Unfortunately the needed documents to simply sign off have not been found so LAFCo staff is working with the agencies to get needed application in place for Commission review.
Strawberry Recreation District Reorganization of Dredging Services	Jason	Staff identified in Tiburon Peninsula MSR that SRD has dredging services that are an activity that State Government Code does not explicitly give to a recreation district. SRD and the County, with LAFCo help, are working to see if a CSA can be created to cover those services.	The dredging work has been completed and SRD is ready to start discussions. Staff is working with the County to find the correct staff to represent the County in this process.
<b>Items being monitored by LAFCo staff but not currently working on or Items waiting for something else to occur first</b>			
Central Marin Wastewater Study	Jeren	MSR for agencies of CMSA	Will be started once multi-regional MSR draft is released
Next Round of MSR	Jeren	The review of what the next round of MSR will look like was started in July 2022 and staff will present a more formal workplan once we get closer to the end of the current round.	Will be presented once CMSA MSR is started
Ross Valley Fire	Jason	As identified in the Upper Ross Valley MSR currently fire services are provided by a JPA in the region. There is a desire to see if there is a different model that would work for the area.	Staff is ready and able to assist if requested by them.
City of Sausalito/Sausalito-Marín City SD Consolidation	Jason	Currently, the City of Sausalito collects wastewater and then transmits that wastewater into SMCS D pipes within the city limits. The city is looking to see if SMCS D can take over this process from them. In areas outside of the City limits SMCS D does what the City is looking to do within the City limits.	Staff will monitor this issue as it moves through review process and will assist as requested.

Flood Zone 10	Jason	When doing the West Marin MSR it was noted that FZ10 was created to deal with an event that occurred in the area. It was given a pot of funds that are mostly spent. As noted in the MSR the zone does not have a funding source so the Flood District, with help from its CAB, should determine if there is work that the local community is willing to fund.	Staff has been asked to attend meeting and help advise on best practices for changing boundaries.
Flood Zone 3	Jason	As noted in Golden Gate MSR there are some issues within the FZ. While not directly LAFCo related staff may be needed to help be a neutral advisor on dealing with these issues.	Staff will monitor this issue as it moves through review process and will assist as requested.
Countywide Police Study	TBD	TBD	Once fire study is complete this will be revisited
Boundary Fixes	Jason/Claire	Staff has been working with SD2 around fixing issues with its boundary where parcels that are receiving services from them but not currently in the district. We should be getting a formal application about this in early 2024. As that process wraps up staff will be reaching out to other agencies to work with them on seeing if they have boundary issues as well.	Will be started mid 2024.
Items that had been worked on where staff has stopped work because they are not likely to happen at this time.			
Paradise Drive	n/a	As identified in the Tiburon Peninsula MSR, Paradise Drive goes through areas that are both incorporated and unincorporated as multiple unincorporated islands exist along it. The road itself does not reflect the parcels around it as far as which jurisdiction it is in.	Not currently working on
SQVSMD consolidation with RVSD	n/a	Based on the Central Marin Wastewater MSR, work with district staff on the possibility of consolidating services with RVSD.	Not currently working on
San Rafael Area Fire Working group	n/a	Based on San Rafael Area MSR the concept of merging fire services was mentioned. This working group will determine if it is possible and in the best interest of the public and all agencies providing services.	Not currently working on
Angel Island Fire Service	n/a	There are two different, but similar, issues around fire services. One is, while Angel Island falls into CSA 31 service area, Tiburon FPD actually provides those services but does not get reimbursed for those services. Second is the Town of Tiburon pays to the State Parks an annual fee to cover fire protection cost but the Town offers no fire protection services.	Not currently working on
Tiburon Fire Protection District OSA with Belvedere	n/a	As identified in the Tiburon Peninsula MSR, the City of Belvedere currently has an OSA with the TFPD to cover services. In the MSR staff suggests that TFPD boundaries should be extended to cover Belvedere.	Not currently working on
Unincorporated Islands	n/a	Work to remove unincorporated islands throughout Marin County	Not currently working on



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### AGENDA REPORT

April 11<sup>th</sup>, 2024

EO Item E

**TO:** Local Agency Formation Commission

**FROM:** Claire Devereux, Clerk/ Jr. Analyst

**SUBJECT:** Commission Correspondence

---

### Background

Attached you will find a letter from our auditor, Davis Farr, that staff distributed to the Commissioners in February about our upcoming audit for FY 22-23.

No other correspondence has been received.

#### Attachment:

1. SAS 114 – Correspondence Letter

**Administrative Office**  
Jason Fried, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

**Dennis Rodoni, Vice-Chair**  
County of Marin

**Eric Lucan, Regular**  
County of Marin

Stephanie Moulton-Peters, Alternate  
County of Marin

**Barbara Coler, Chair**  
Town of Fairfax

**Steve Burdo, Regular**  
Town of San Anselmo

**Stephen Burke, Alternate**  
City of Mill Valley

**Lew Kious, Regular**  
Almonte Sanitary District

**Craig Murray, Regular**  
Las Gallinas Valley Sanitary District

**Cathryn Hilliard, Alternate**  
Southern Marin Fire Protection District

**Larry Chu, Regular**  
Public Member

**Roger Smith, Alternate**  
Public Member

**February 8, 2024**

Marin Local Agency Formation Commission  
San Rafael, California

This letter is provided in connection with our engagement to audit the financial statements of the Marin Local Agency Formation Commission ("LAFCo") as of and for the year ending June 30, 2023. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

### **Our Responsibilities**

As stated in our engagement letter dated September 10, 2023, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with Government Auditing Standards for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or the management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in LAFCo's Annual Report includes only the information identified in our report. We require that we receive the final version of the Annual Report in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to LAFCo's issuance of such information.

### **Planned Scope of the Audit**

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of LAFCo and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of LAFCo's internal control over financial reporting.

However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of LAFCo's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

#### *Timing of Audit*

We plan began the audit examination of LAFCo in February 2024 and plan to finalize the financial statements in March 2024.

#### *Audit Risk Areas*

In addition to our standard audit approach, we have identified significant audit risk areas for LAFCo and plan to modify our audit approach as follows:

- Risk of errors implementing new Subscription Based IT Arrangements accounting standard: We will review LAFCo's inventory of subscription agreements, review a sample of the agreements and test the calculations of the accounting transactions. We will ensure LAFCo's financial statement footnotes are accurate and complete in accordance with the new standard.
- Each year, we are required to incorporate an element of unpredictability into our audit approach. This year, we plan to review vendor contracts.

#### *Fraud Inquiries*

Additionally, as a part of our audit, we inquire with those whose duties include oversight of the financial reporting process (review and acceptance of audit reports, etc.) to ascertain whether or not anyone on the Commission (the "Commission") has knowledge of matters that might have a bearing on the auditor's risk assessment for LAFCo's annual audit.

Example of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of LAFCo are thought by the Commission to be weak
- Known or suspected misstatements in the accounting records of LAFCo
- Known or suspected use of improper accounting practices by LAFCo



- Any awareness of pressure upon LAFCo or LAFCo management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to matters involving amounts that would be significant to the financial statements of LAFCo taken as a whole. If additional time is required to respond to the concerns of the Commission, we will estimate for LAFCo the costs involved.

If any member of the Commission has information relevant to our audit (matters involving amounts that would be significant to the financial statements of LAFCo taken as a whole), please contact the undersigned at 760.298.5872 or sayala@davisfarr.com.

This information is intended solely for the information and use of management of LAFCo and the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



**Shannon Ayala, CPA**  
Partner