



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

Thursday, August 8, 2019

Marin Clean Energy | Charles McGlashan Room | 1125 Tamalpais Avenue, San Rafael, California

7:00 PM – CALL TO ORDER BY CHAIR

ROLL CALL BY COMMISSION CLERK

AGENDA REVIEW

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

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 June 13, 2019, Regular Meeting
2. Commission Ratification of Payments from June 1, 2019, to July 31, 2019
3. Approval of Updates to Marin LAFCo Policy Handbook
4. Accept GASB 75 Report and Approval of New Contract with MacLeod Watts to create future GASB 75 Reports
5. Approval for Annual Audit Contract for Fiscal Year End 2019 Audit with RJ Ricciardi

PUBLIC HEARING

6. Municipal Service Review Presentation by Planwest – San Rafael Area Municipal Service Review

BUSINESS ITEMS (discussion and possible action)

Business Items involve administrative, budgetary, legislative or personnel matters and may or may not be subject to public hearings.

7. Request for Time Extension to Complete Approval Terms – Annexation of 276 Mesa Road to Bolinas Community Public Utility District (File #1337)

8. Approval of Resolution 19-04 Approving the Annexation of 2260 Vineyard Road to Novato Sanitary District (File 1343) and finding the Annexation exempt from CEQA
9. Approval of Resolution No. 19-05 regarding the Reorganization of 400 Upper Toyon Road that amends the Sphere of Influence of the Town of Ross and City of San Rafael and making Determinizations and Approving the Reorganization with Waiver of Notice, Hearing, and finding it exempt from CEQA (File 1335)
10. Approvals on Items Related to CALAFCO Conference in October 2019
11. Policy and Personnel Committee Update [Verbal Report Only]
12. Ad Hoc DUC Committee Update
 - a. Approval of New LAFCo Disadvantaged Unincorporated Community Policy
 - b. Ad Hoc DUC Committee Chair Report
13. Approval of Second Amendment to Executive Officer Employment Agreement

EXECUTIVE OFFICER REPORT (discussion and possible action)

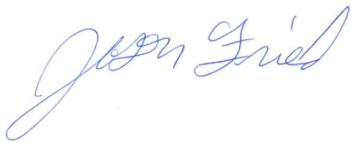
- a) Budget Update FY 2018-2019 and FY 2019-2020
- b) Current and Pending Proposals
- c) Update on MSR(s) [Verbal Report Only]
- d) Correspondences
- e) Strategic Planning Workshop [Verbal Report Only]

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

ADJOURNMENT TO NEXT MEETING

Thursday, October 10, 2019 | 7:00 pm

Marin Clean Energy | Charles McGlashan Room | 1125 Tamalpais Avenue, San Rafael, CA



Attest: Jason Fried
Executive Officer

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
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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 1 (Consent Item)

TO: Local Agency Formation Commission

FROM: Candice Bozzard, Clerk to the Commission

SUBJECT: **Approval of Minutes for June 13, 2019 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 June 13th regular meeting accurately reflect the Commission's actions as recorded by staff. A video recording of the meetings are also available online for viewing at <http://marinlafco.org/AgendaCenter>

Staff Recommendation for Action

1. Staff recommendation – Approve the draft minutes prepared for the June 13, 2019 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 June 13, 2019

Administrative Office
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1401 Los Gatos Drive, Suite 220
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Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
Town of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kiouss, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, 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, June 13, 2019

Marin Clean Energy | Charles McGlashan Room | 1125 Tamalpais Avenue, San Rafael, California

CALL TO ORDER

Chair McEntee called the meeting to order at 7:02 pm.

ROLL CALL BY COMMISSION CLERK

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

Voting Commissioners Present: Sashi McEntee, Chair
Sloan Bailey
Judy Arnold (arrived 7:09 p.m.)
Dennis Rodoni
Lew Kious
Tod Moody
Larry Loder

Staff Present: Jason Fried, Executive Officer
Candice Bozzard, Commission Clerk
Jeren Seibel, Policy Analyst

Counsel Present: Mala Subramanian

Regular Members Absent: Damon Connolly
Craig K. Murray, Vice-Chair

AGENDA REVIEW

Chair McEntee asked for any changes to the agenda.

Approved: M/S by Commissioners Bailey and Rodoni to accept the agenda as written.

Ayes: Commissioners McEntee, Bailey, Rodoni, Kious, Loder

Nays: None

Abstain: None

Absent: Commissioner Damon Connolly

Motion approved unanimously

PUBLIC OPEN TIME

Chair McEntee opened the public comment period, hearing none, closed public open time.

CONSENT CALENDAR ITEMS

1. Approval of Minutes for April 11, 2019 Regular Meeting Minutes
2. Commission Ratification of Payments from April 1, 2019 through May 31, 2019.

Approved; M/S by Commissioners Rodoni and Bailey to accept the consent calendar.

Ayes: Commissioners McEntee, Bailey, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: Commissioner Damon Connolly

Motion approved unanimously

BUSINESS ITEMS

3. Election of Chair and Vice-Chair

Approved; M/S by Commissioners Bailey and Rodoni to nominate Sashi McEntee as Chair and Craig K. Murray as Vice-Chair.

No public comment.

Ayes: Commissioners McEntee, Bailey, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: Commissioner Damon Connolly

Motion approved unanimously

4. Commendation to Jack Baker

Mr. Jack Baker was not present to accept his commendation, however, Chair McEntee acknowledged how extremely helpful Mr. Baker had been throughout the recent staffing changes.

Approved; M/S by Commissioners Kious and Loder to approve the commendation for Mr. Baker.

No public comment.

Ayes: Commissioners McEntee, Bailey, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: Commissioner Damon Connolly

Motion approved unanimously

(Commissioner Arnold arrived)

5. Accept Annual Audit Report for Fiscal Year 2017-2018

Executive Officer Fried noted the areas of improvement outlined by the auditor had since been addressed and rectified. Executive Officer Fried continued it was Marin LAFCo policy to rotate auditors every five years, yet given the recent staffing changes felt one more year was advisable. In addition, the State of California has a rule that the same person should not do the audit for six years. There was discussion about positives and negatives of staying with the same auditor for another year.

No public comment.

Approved; M/S by Commissioners Kious and Loder to accept the annual audit report for FY 2017-2018.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

6. Approval of Resolution 19-01 Establishing a Deferred Compensation Program for LAFCo Employees with the National Association of Counties (NACo)

Executive Officer Fried emphasized there would be no cost to the Commission and requested authorization to establish the deferred compensation program for Marin LAFCo staff. There was some concern regarding underlying administrative costs. Counsel Subramanian assured the Commissioners there was no financial obligation on the part of Marin LAFCo.

No public comment.

Approved; M/S by Commissioners Bailey and Arnold to approve resolution 19-01, to establish the deferred compensation program with the National Association of Counties (NACo)

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

7. Consideration of Vendor for Personnel Policy Revision

Executive Officer Fried indicated the advantages of contracting with Liebert Cassidy Whitmore to update the Personnel Policy.

No public comment.

Approved; M/S by Commissioners Kious and Loder to authorize the Executive Officer to execute the contract with Liebert Cassidy Whitmore to update the personnel policy.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

8. Approval of First Amendment to Executive Officer Employment Agreement

LAFCo Counsel reported on the first amendment to the employment agreement with Jason Fried. The amendment included a raise from \$142,000 to \$150,000 annually, and an extended agreement to June 30, 2020.

Approved; M/S by Commissioners Bailey and Rodoni to authorize Chair McEntee to execute the First Amendment to the Executive Officer Agreement with Jason Fried.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Loder

Nays: None

Abstain: Commissioner Moody

Absent: None

Motion approved by majority vote

9. Municipal Service Review Study Schedule Update

The Executive Officer recommended the Commission approve the revised study schedule. The Executive Officer added, in order to remain on schedule, staff would supplement the Flood Control Zones #6 and #7 in San Rafael and Zone #1 in Novato to the Planwest reports.

No public comment.

Approved; M/S by Commissioners Arnold and Loder to approve the revised Municipal Service Review study schedule.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

10. Election of Special Districts Risk Management Association Board Members

The Executive Officer relayed that even though Vice-Chair Murray was unable to attend the meeting, he made a recommendation via email to elect incumbent Bob Swan, Patrick O'Rourke and incumbent Sandy Seifert-Raffelson to the Special Districts Risk Management Association board. Commissioner Kious concurred.

No public comment.

Approved; M/S by Commissioners Kious and Rodoni to elect incumbent Bob Swan, Patrick O'Rourke and incumbent Sandy Seifert-Raffelson to the Special Districts Risk Management Association board.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

11. Disadvantaged Unincorporated Community Ad-Hoc Committee Report [Verbal Report Only]

Executive Officer Fried informed the Commission that the Ad-Hoc Committee met on May 8, 2019. The meeting included much discussion regarding the policy on definition and management of the Disadvantaged Unincorporated Communities. The Committee scheduled another meeting and will report any progress to the Commissioners at the August 2019 meeting.

PUBLIC HEARING(S)

12. Approval of Resolution 19-02 Adopting a Final Operating Budget for FY 2019-2020

Executive Officer Fried stated, despite having a three-member staff, the member contributions would not increase from last fiscal year. No comments were received from the jurisdictions.

No public comment.

Approved; M/S by Commissioners Bailey and Rodoni to approve Resolution 19-02, adopting the final operating budget for fiscal year 2019-2020.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

13. Approval of Resolution 19-03 Approving the Comprehensive Update to the Adopted Fee Schedule

Executive Officer Fried explained the various adjustments to the fee schedule and recommended approval.

No public comment.

Approved; M/S by Commissioners Arnold and Bailey to approve Resolution 19-03, to adopt the comprehensive update to the Marin LAFCo fee schedule.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

EXECUTIVE OFFICER REPORT (discussion and possible action)

a) Website Update [Verbal Report Only]

New website launched earlier today.

b) Budget Update FY 2018-2019

Current budget on track.

c) Current and Pending Proposals

Majority of proposals in final stages, with possible new applications on the way.

d) Update on MSR(s) [Verbal Report Only]

San Rafael MSR sent out for comment and will be on the August agenda for discussion and public comment.

e) Special Districts Election to LAFCo Seat Update [Verbal Report Only]

Ballots counted April 23, 2019 at 1:00pm with Lew Kious prevailing. Commissioner Kious made note he encouraged special districts to vote.

f) Correspondences

Responding to the request of CALAFCO, letters affecting legislative bills were submitted to the appropriate governmental representatives.

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

Hearing no announcements or requests, the Chair called for adjournment.

Approved; M/S by Commissioners Bailey and Rodoni to adjourn the meeting.

Ayes: Commissioners McEntee, Bailey, Arnold, Rodoni, Kious, Moody, Loder

Nays: None

Abstain: None

Absent: None

Motion approved unanimously

Chair McEntee adjourned the meeting at 8:09 pm.

ADJOURNMENT TO NEXT MEETING

Thursday, August 8, 2019 | 7:00 pm

Marin Clean Energy | Charles McGlashan Room | 1125 Tamalpais Avenue, San Rafael, CA

Attest: Candice Bozzard
Commission Clerk

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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 9, 2019

Item No. 2 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Commission Ratification of Payments from June 1, 2019 to July 31, 2019

Background

Marin LAFCo adopted a Policy Handbook delegating the Executive Officer to make purchases and related procurements necessary in overseeing the day-to-day business of the agency. 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.

This following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between June 1, 2019, and July 31, 2019, totaling \$134,595.73. The payments are detailed in the attachment.

Staff Recommendation for Action

1. Staff Recommendation - Ratify the payments made by the Executive Officer between June 1, 2019, and July 31, 2019, as shown in attachment.
2. Alternate 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 unless otherwise specified by the Commission.

Attachment:

- 1) Payments from June 1, 2019, to July 31, 2019

Administrative Office
Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
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Judy Arnold, Alternate
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Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
Town of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kiou, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Marin Local Agency Formation Commission
Expenses by Vendor Detail
 June through July 2019

08/01/19

Accrual Basis

Type	Date	Num	Memo	Account	Clr	Split	Amount	Balance
ALHAMBRA & SIERRA SPRINGS								
Check	06/10/2019	20192	Invoice # 159...	5220110 · Office Su...		1111300 · 403...	58.49	58.49
Check	07/08/2019	20215	Invoice # 159...	5220110 · Office Su...		1111300 · 403...	58.49	116.98
Total ALHAMBRA & SIERRA SPRINGS							116.98	116.98
ARNOLD, JUDY								
Check	06/17/2019	20200	June 2019 Co...	5211533 · Commissi...		1111300 · 403...	125.00	125.00
Total ARNOLD, JUDY							125.00	125.00
Bailey, Sloan								
Check	06/17/2019	20202	June 2019 Co...	5211533 · Commissi...		1111300 · 403...	125.00	125.00
Total Bailey, Sloan							125.00	125.00
BARBIER SECURITY GROUP								
Check	06/25/2019	20211	Invoice #16147	5210110 · Professio...		1111300 · 403...	160.00	160.00
Total BARBIER SECURITY GROUP							160.00	160.00
BEST BEST & KRIEGER LLP								
Check	06/25/2019	20208	Invoice # 852...	5210131 · Legal Ser...		1111300 · 403...	794.40	794.40
Check	07/18/2019	20222	Invoice # 854...	5210131 · Legal Ser...		1111300 · 403...	2,741.80	3,536.20
Check	07/25/2019	20223	Invoice # 854...	5210131 · Legal Ser...		1111300 · 403...	651.20	4,187.40
Total BEST BEST & KRIEGER LLP							4,187.40	4,187.40
CALAFCO								
Check	06/17/2019	20198		5211340 · Training		1111300 · 403...	195.00	195.00
Check	07/01/2019	10016	Invoice 2019-21	5211330 · Members...		1111200 · 401...	3,261.00	3,456.00
Total CALAFCO							3,456.00	3,456.00
COMCAST								
Check	06/25/2019	20209	Bill Date Jun 12	5210710 · Communi...		1111300 · 403...	219.51	219.51
Check	07/25/2019	20224	Bill Date Jul 12	5210710 · Communi...		1111300 · 403...	77.11	296.62
Total COMCAST							296.62	296.62
COMMUNITY MEDIA CENTER OF MARIN								
Check	06/25/2019	20207	Vender Order ...	5210710 · Communi...		1111300 · 403...	900.00	900.00
Total COMMUNITY MEDIA CENTER OF MARIN							900.00	900.00
COUNTY OF MARIN - DOF PAYROLL								
Check	06/10/2019	20196	Apr 19 invoice	5130525 · Retiree H...		1111300 · 403...	449.02	449.02
Check	07/18/2019	20221	May 19 invoice	5130525 · Retiree H...		1111300 · 403...	449.02	898.04
Total COUNTY OF MARIN - DOF PAYROLL							898.04	898.04
FP MAILING SOLUTIONS								
Check	06/10/2019	20190	Invoice # RI 1...	5210710 · Communi...		1111300 · 403...	147.15	147.15
Total FP MAILING SOLUTIONS							147.15	147.15
Fried, Jason								
Check	06/03/2019	20187	VOID: April a...	5211440 · Travel - ...	X	1111300 · 403...	0.00	0.00
Check	06/04/2019	20189	April and May ...	5211440 · Travel - ...		1111300 · 403...	205.90	205.90
Total Fried, Jason							205.90	205.90
GRAF VAN & STORAGE INC								
Check	06/10/2019	20195	Invoice # 061...	5211215 · Rent - St...		1111300 · 403...	34.44	34.44
Check	07/08/2019	20217	Invoice # 071...	5211215 · Rent - St...		1111300 · 403...	65.84	100.28
Total GRAF VAN & STORAGE INC							100.28	100.28
Indoff Incorporated								
Check	06/10/2019	20193	Invoice #3253...	5220110 · Office Su...		1111300 · 403...	185.98	185.98
Total Indoff Incorporated							185.98	185.98
Jeren Seibel								
Check	07/18/2019	20220	Mileage	5211440 · Travel - ...		1111300 · 403...	104.98	104.98
Total Jeren Seibel							104.98	104.98
KIOUS, LEWIS								
Check	06/17/2019	20204	June 2019 Co...	5211533 · Commissi...		1111300 · 403...	125.00	125.00
Total KIOUS, LEWIS							125.00	125.00

**Marin Local Agency Formation Commission
Expenses by Vendor Detail
June through July 2019**

Type	Date	Num	Memo	Account	Cir	Split	Amount	Balance
LIEBERT CASSIDY WHITMORE								
Credit Card Charge	07/01/2019			5210131 · Legal Ser...		2110340 · Ban...	1,000.00	1,000.00
Total LIEBERT CASSIDY WHITMORE							1,000.00	1,000.00
LODER, LAWRENCE								
Check	06/17/2019	20201	June 2019 Co...	5211533 · Commis...		1111300 · 403...	125.00	125.00
Total LODER, LAWRENCE							125.00	125.00
MacLeod Watts, Inc								
Check	07/08/2019	20216	Invoice # 190...	5210110 · Professio...		1111300 · 403...	1,200.00	1,200.00
Total MacLeod Watts, Inc							1,200.00	1,200.00
MARIN GENERAL SVCS AUTHORITY								
Check	07/01/2019	10017	FY 2019-2020...	5211330 · Members...		1111200 · 401...	10,000.00	10,000.00
Total MARIN GENERAL SVCS AUTHORITY							10,000.00	10,000.00
MARIN INDEPENDENT JOURNAL								
Check	06/10/2019	20191	Invoice # 000...	5211520 · Publicatio...		1111300 · 403...	54.00	54.00
Check	07/08/2019	20218	Invoice # 000...	5211520 · Publicatio...		1111300 · 403...	89.50	143.50
Total MARIN INDEPENDENT JOURNAL							143.50	143.50
MARIN MAC TECH								
Check	06/17/2019	20197	Invoice # 117...	5210710 · Communi...		1111300 · 403...	632.50	632.50
Check	06/25/2019	20210	Invoice # 1217	5210710 · Communi...		1111300 · 403...	285.36	917.86
Check	07/18/2019	20219	Invoice # 128...	5210710 · Communi...		1111300 · 403...	939.61	1,857.47
Total MARIN MAC TECH							1,857.47	1,857.47
McENTEE, SASHI								
Check	06/17/2019	20205	June 2019 Co...	5211533 · Commis...		1111300 · 403...	125.00	125.00
Total McENTEE, SASHI							125.00	125.00
MOODY, TOD								
Check	06/17/2019	20199	June 2019 Co...	5211533 · Commis...		1111300 · 403...	125.00	125.00
Total MOODY, TOD							125.00	125.00
MURRAY, CRAIG K								
Check	06/17/2019	20206	May DUC Co...	5211533 · Commis...		1111300 · 403...	125.00	125.00
Total MURRAY, CRAIG K							125.00	125.00
PAYROLL								
Check	06/14/2019	1321		5110110 · Sal - Reg...		1110110 · Equi...	9,518.65	9,518.65
Check	06/14/2019	1321		5110323 · Sick Leave		1110110 · Equi...	409.45	9,928.10
Check	06/14/2019	1321		5110328 · Personal ...		1110110 · Equi...	0.00	9,928.10
Check	06/14/2019	1321		5110324 · Vacation ...		1110110 · Equi...	0.00	9,928.10
Check	06/14/2019	1321		5110313 · Holiday P...		1110110 · Equi...	1,260.60	11,188.70
Check	06/14/2019	1321		5110335 · Vacation...		1110110 · Equi...	0.00	11,188.70
Check	06/14/2019	1321		5130520 · Co Ret C...		1110110 · Equi...	504.88	11,693.58
Check	06/14/2019	1321		5130521 · Co Ret C...		1110110 · Equi...	640.05	12,333.63
Check	06/14/2019	1321		5130110 · Ben-Med...		1110110 · Equi...	71.20	12,404.83
Check	06/14/2019	1321		5130120 · County of...		1110110 · Equi...	708.66	13,113.49
Check	06/14/2019	1321		5130210 · Dental In...		1110110 · Equi...	117.17	13,230.66
Check	06/14/2019	1321		5130310 · Vision Se...		1110110 · Equi...	12.16	13,242.82
Check	06/14/2019	1321		5130410 · Benefits ...		1110110 · Equi...	10.16	13,252.98
Check	06/14/2019	1321		5140140 · Payroll Tax		1110110 · Equi...	164.18	13,417.16
Check	06/14/2019	1321		5130524 · Benefits ...		1110110 · Equi...	194.49	13,611.65
Check	06/14/2019	1321		5130640 · Unused F...		1110110 · Equi...	110.09	13,721.74
Check	06/28/2019	3735		5110110 · Sal - Reg...		1110110 · Equi...	10,603.17	24,324.91
Check	06/28/2019	3735		5110323 · Sick Leave		1110110 · Equi...	0.00	24,324.91
Check	06/28/2019	3735		5110328 · Personal ...		1110110 · Equi...	585.53	24,910.44
Check	06/28/2019	3735		5110324 · Vacation ...		1110110 · Equi...	0.00	24,910.44
Check	06/28/2019	3735		5110313 · Holiday P...		1110110 · Equi...	0.00	24,910.44
Check	06/28/2019	3735		5110335 · Vacation...		1110110 · Equi...	0.00	24,910.44
Check	06/28/2019	3735		5130520 · Co Ret C...		1110110 · Equi...	504.88	25,415.32
Check	06/28/2019	3735		5130521 · Co Ret C...		1110110 · Equi...	640.05	26,055.37
Check	06/28/2019	3735		5130110 · Ben-Med...		1110110 · Equi...	71.20	26,126.57
Check	06/28/2019	3735		5130120 · County of...		1110110 · Equi...	708.66	26,835.23
Check	06/28/2019	3735		5130210 · Dental In...		1110110 · Equi...	117.17	26,952.40
Check	06/28/2019	3735		5130310 · Vision Se...		1110110 · Equi...	12.16	26,964.56
Check	06/28/2019	3735		5130410 · Benefits ...		1110110 · Equi...	10.16	26,974.72
Check	06/28/2019	3735		5140140 · Payroll Tax		1110110 · Equi...	164.17	27,138.89
Check	06/28/2019	3735		5130524 · Benefits ...		1110110 · Equi...	194.49	27,333.38
Check	06/28/2019	3735		5130640 · Unused F...		1110110 · Equi...	110.09	27,443.47
Check	06/30/2019	4255	7/12/19 payrol...	5110110 · Sal - Reg...		1110110 · Equi...	10,220.45	37,663.92

**Marin Local Agency Formation Commission
Expenses by Vendor Detail
June through July 2019**

Type	Date	Num	Memo	Account	Clr	Split	Amount	Balance
Check	06/30/2019	4255	7/12/19 payrol...	5110323 · Sick Leave		1110110 · Equi...	0.00	37,663.92
Check	06/30/2019	4255	7/12/19 payrol...	5110324 · Vacation ...		1110110 · Equi...	39.37	37,703.29
Check	06/30/2019	4255	7/12/19 payrol...	5110313 · Holiday P...		1110110 · Equi...	334.65	38,037.94
Check	06/30/2019	4255	7/12/19 payrol...	5110328 · Personal ...		1110110 · Equi...	297.12	38,335.06
Check	06/30/2019	4255	7/12/19 payrol...	511350 · Manageme...		1110110 · Equi...	297.12	38,632.18
Check	06/30/2019	4255	7/12/19 payrol...	5110335 · Vacation...		1110110 · Equi...	0.00	38,632.18
Check	06/30/2019	4255	7/12/19 payrol...	5130520 · Co Ret C...		1110110 · Equi...	504.88	39,137.06
Check	06/30/2019	4255	7/12/19 payrol...	5130521 · Co Ret C...		1110110 · Equi...	640.05	39,777.11
Check	06/30/2019	4255	7/12/19 payrol...	5130110 · Ben-Med...		1110110 · Equi...	71.20	39,848.31
Check	06/30/2019	4255	7/12/19 payrol...	5130120 · County of...		1110110 · Equi...	708.66	40,556.97
Check	06/30/2019	4255	7/12/19 payrol...	5130210 · Dental In...		1110110 · Equi...	117.17	40,674.14
Check	06/30/2019	4255	7/12/19 payrol...	5130310 · Vision Se...		1110110 · Equi...	12.16	40,686.30
Check	06/30/2019	4255	7/12/19 payrol...	5130410 · Benefits ...		1110110 · Equi...	10.16	40,696.46
Check	06/30/2019	4255	7/12/19 payrol...	5140140 · Payroll Tax		1110110 · Equi...	164.16	40,860.62
Check	06/30/2019	4255	7/12/19 payrol...	5130524 · Benefits ...		1110110 · Equi...	194.49	41,055.11
Check	06/30/2019	4255	7/12/19 payrol...	5130640 · Unused F...		1110110 · Equi...	110.09	41,165.20
Check	07/26/2019	2135		5110110 · Sal - Reg...		1110110 · Equi...	10,010.54	51,175.74
Check	07/26/2019	2135		5110323 · Sick Leave		1110110 · Equi...	0.00	51,175.74
Check	07/26/2019	2135		5110324 · Vacation ...		1110110 · Equi...	39.37	51,215.11
Check	07/26/2019	2135		5110313 · Holiday P...		1110110 · Equi...	1,149.67	52,364.78
Check	07/26/2019	2135		5110328 · Personal ...		1110110 · Equi...	297.12	52,661.90
Check	07/26/2019	2135		511350 · Manageme...		1110110 · Equi...	0.00	52,661.90
Check	07/26/2019	2135		5110335 · Vacation...		1110110 · Equi...	0.00	52,661.90
Check	07/26/2019	2135		5130520 · Co Ret C...		1110110 · Equi...	504.88	53,166.78
Check	07/26/2019	2135		5130521 · Co Ret C...		1110110 · Equi...	663.42	53,830.20
Check	07/26/2019	2135		5130110 · Ben-Med...		1110110 · Equi...	73.36	53,903.56
Check	07/26/2019	2135		5130120 · County of...		1110110 · Equi...	708.66	54,612.22
Check	07/26/2019	2135		5130210 · Dental In...		1110110 · Equi...	117.17	54,729.39
Check	07/26/2019	2135		5130310 · Vision Se...		1110110 · Equi...	12.16	54,741.55
Check	07/26/2019	2135		5130410 · Benefits ...		1110110 · Equi...	10.16	54,751.71
Check	07/26/2019	2135		5140140 · Payroll Tax		1110110 · Equi...	168.66	54,920.37
Check	07/26/2019	2135		5130524 · Benefits ...		1110110 · Equi...	198.49	55,118.86
Check	07/26/2019	2135		5130640 · Unused F...		1110110 · Equi...	110.09	55,228.95
Total PAYROLL							55,228.95	55,228.95
Planwest Partners, Inc.								
Check	06/03/2019	10015	Invoice #19-2...	5210110 · Professio...		1111200 · 401...	16,910.50	16,910.50
Check	07/08/2019	10019	Invoice #19-2...	5210110 · Professio...		1111200 · 401...	13,203.00	30,113.50
Check	07/18/2019	10020	Invoice #19-2...	5210110 · Professio...		1111200 · 401...	9,632.50	39,746.00
Total Planwest Partners, Inc.							39,746.00	39,746.00
RICCIARDI, R J								
Check	06/10/2019	20194	Invoice # 11252	5210110 · Professio...		1111300 · 403...	1,505.00	1,505.00
Total RICCIARDI, R J							1,505.00	1,505.00
RODONI, DENNIS JAMES								
Check	06/17/2019	20203	May DUC Me...	5211533 · Commissi...		1111300 · 403...	250.00	250.00
Total RODONI, DENNIS JAMES							250.00	250.00
SECURITY MORTGAGE GROUP 2								
Check	06/03/2019	20186	June 2019 Rent	5211270 · Office Le...		1111300 · 403...	2,714.60	2,714.60
Check	07/01/2019	20212	July 2019 Rent	5211270 · Office Le...		1111300 · 403...	2,714.60	5,429.20
Total SECURITY MORTGAGE GROUP 2							5,429.20	5,429.20
SPECIAL DISTRICT RISK MNGMT - ACH								
Check	07/01/2019	20214	Invoice 66099	5210525 · General I...		1111300 · 403...	1,876.74	1,876.74
Check	07/01/2019	10018	Invoice # 66548	5210525 · General I...		1111200 · 401...	4,514.54	6,391.28
Total SPECIAL DISTRICT RISK MNGMT - ACH							6,391.28	6,391.28
Streamline								
Check	06/03/2019	20188	Invoice #1005...	5210710 · Communi...		1111300 · 403...	110.00	110.00
Check	07/01/2019	20213	Invoice #1008...	5210710 · Communi...		1111300 · 403...	100.00	210.00
Total Streamline							210.00	210.00
TOTAL							134,595.73	134,595.73



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 3 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer
(On behalf of the Policy and Personnel Committee – Chair McEntee, Vice-Chair Connolly, and Member Bailey)

SUBJECT: **Approval of Updates to the Marin LAFCo Policy Handbook**

Background

At the July 8th Policy and Personnel Committee Meeting reviewed and recommended staff edits to the LAFCo Policy Handbook. Attached are pages to the current handbook that have suggested revisions. Only pages with committee recommendation for changes are included in this packet. Each change is described below. The page number mentioned for each item is the page number in the Policy Handbook, found bottom right corner of the page, and not the page number in this packet.

Page 10 – This is to help clarify when terms for all seats naturally expire and anybody appointed to replace them will take place. Also, on page 10 is clarification to public member selection needing one member for each type of group that makes up LAFCo based on state government code.

Page 11 - The addition at the bottom of page 11 and going onto page 12 is a way for the Commission to align both of its Public seats that would expire and therefore be appointed at the same time. This seemed to be of interest to some members of the Commission during the selection of the regular public seat the Commission did earlier this year. The process staff has selected to get both seats aligned is to have the alternate seat when it is up next for appointment, in 2021, to have it be a two-year term. This way in 2023 it would be aligned with the regular seat and become a four-year term again.

Page 12 – 13 – All these changes have to do with how the Special District elections work. Normally LAFCos do not run the election process for the Special District seats. There is a Special Districts Council (SDC) that does this and informs LAFCo who they choose to be in the seats. When an SDC is not able to make a quorum, which is what occurs in Marin County, state government code has a process for LAFCos to run the elections of the special district seats. Staff has not been able to find any evidence that in Marin County an SDC has approved any process for the election. The changes to this part are to change the LAFCo process to fit what the State Government code says we should do. There is also a provision to automatically change our process should the SDC meet and approve a different process.

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Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kiou, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Page 19 – While this may fall under LAFCo policy 1.5, which allows staff to make clerical changes without Commission approval, since we are making amendments, staff would suggest we change Auditor to Department of Finance. A few years ago, the County merged several offices into the Department of Finance. Their services mentioned in this part are all done now by the Department of Finance.

Page 23 – As discussed at the June 2019 full Commission meeting, our Policy requires us to change auditors every 5 years. The state requires this change must occur after 6 times of using the same auditor. This change brings us to the same requirements as the state.

Page 25- 26 – The Commission recently passed a new addition to the Policy Handbook around legislation matters occurring in the State Legislative process. This is the first year we have used the policy. Staff realized that a “sponsor” position was missing and how when CALAFCO takes a “sponsor” position, Marin LAFCo may not want to be a “sponsor” but supportive of the bill. This addition simply adds some clarifying language to the policy to address this.

Page 36 – This item was something that was meant to be added in the original update but got missed with all the major changes that got approved. As a reminder, this is simply adding one more item that needs to be presented to staff as part of the process when two or more cities/towns want to join fire services into a JPA process using the exemption in state government code section 56134. This general section was used at the end of last year by both Corte Madera and Larkspur. This new clause would have helped speed up the LAFCo approval process and both City/Town Managers from Corte Madera and Larkspur are fine with this addition.

Recommendation for Action

1. Staff Recommendation – Accept the recommended changes in the attachment.
2. Alternate Option - Take no action today and give staff further instructions.

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) Amended pages of Policy Handbook

CHAPTER 3 LAFCO BUSINESS AND OPERATIONS

3.1 SELECTION OF COMMISSIONERS

Marin LAFCo has seven regular voting Commissioners and four alternate members, consisting of:

- **2 City/Town Councilmembers**, selected as voting Commissioners by the Marin County Council of Mayors and Councilmembers (MCCMC), along with 1 alternate;
- **2 County Board of Supervisors**, selected as voting Commissioners by the Board of Supervisors, along with 1 alternate;
- **2 Special District Board Members**, selected by the special districts as prescribed below 3.1 (B), along with 1 alternate;
- **1 Public Member**, selected by the Commission as prescribed below, along with 1 alternate, for a four-year term.

Alternate members shall be automatically seated in the event of absence or disqualification of the regular member.

[In accordance with Government Code §56334 all terms of commissions shall expire on the first Monday in May in the year the Commission Term expires.](#)

3.1 (A) Procedures for Selection of Public Members

The public member and alternate public member shall be appointed by a majority vote of the regular County, City/Town, and Special District members and must include one positive vote from each group classification.

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- 3.1 (A)(i) Ninety (90) days prior to an appointment, the Executive Officer shall issue a news release announcing the pending vacancy on the Commission and solicitation of applications.
- 3.1 (A)(ii) The news release shall be mailed to the Marin Independent Journal and local newspapers within Marin County. Additionally, the news release shall be mailed to all current regular and alternate members of Marin LAFCo, the clerk or secretary of the Board of all local governments within Marin County and to community organizations including homeowners' associations and civic groups on file with the Marin LAFCo and shall be posted as provided by Government Code §56158.

- 3.1 (A)(iii) The application period shall be at least twenty-one (21) days and shall begin upon the date legal notice appears in the Independent Journal, a posting of the notice as provided by Government Code §56158, and notice sent to the clerk or secretary of the Board. Among other things, the notice/news release shall outline the function and purpose of the Commission, indicate the application filing period and invite interested persons to contact the Executive Officer for an application and information concerning the general duties and responsibilities of the public member.
- 3.1 (A)(iv) Interviews for pending vacancies for expiring terms should be held during the month of April prior to the May expiration date of the current member's term of office, if possible. A standard list of questions should be asked to each candidate as agreed to by the Commission. As required by the Ralph Brown Act, interviews shall be conducted in public sessions and formal selection shall be confirmed at a regular public meeting.
- 3.1 (A)(v) With respect to selection and eligibility criteria, and in addition to requirements under Government Code the public member shall be a resident of Marin County and not currently an officer or employee of a local agency subject to Marin LAFCo jurisdiction. The public member shall also not concurrently hold any elected or appointed office with a local government agency that makes or informs land use or municipal service decisions while serving on the Commission. In selecting the public member, the Commission shall consider the candidate's qualifications as described in his or her letter of interest and the reasons listed for wanting to serve as a member of the Commission.
- 3.1 (A)(vi) In the event a vacancy occurs during the public member's term of office, a new appointment shall be made for the unexpired term in a timely manner. The Commission may: (a) Direct the Executive Officer to send out a news release announcing the vacancy and solicit applications for future consideration by the Commission; or (b) Appoint the alternate public member to serve as regular public member until the appointment and qualification of regular public member to fill the vacancy.
- 3.1 (A)(vii) The terms for the Public Seat shall be as follows:
- 3.1 (A)(vii)(1) Regular Public Seat shall be appointed in 2019 and every four years thereafter.
- 3.1 (A)(vii)(2) Alternate Public Seat shall be 2017 and again in 2021. The 2021 seat shall be for 2 years to align the appointment

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[with the Regular Public Seat and then shall be every four years thereafter.](#)

3.1 (B) Procedures for Selection of Special District Members

Government Code §56332(c)(1) provides for selection of regular and alternate special district members by a mail ballot process when the Executive Officer determines that a meeting of the Special District Selection Committee is not feasible. Meetings of the Marin County Special District Selection Committee have previously failed to reach a quorum, indicating the infeasibility of Selection Committee meetings. Accordingly, it is the policy of Marin LAFCo to conduct selection proceedings of regular and alternate special district members by a mail ballot process consistent with the procedures outlined below. [Should the Speical District Selction Committee hold a meeting and approve a different process than stated below, that process shall automatically replace the current process.](#)

- 3.1 (B)(i) The Executive Officer shall initiate the mail ballot selection process for special district members 180 days prior to the pending expiration of the term of a special district member or immediately upon notification the eligibility of a special district member on Marin LAFCo will end prior to the expiration of his or her term.
- 3.1 (B)(ii) The Executive Officer shall initiate the mail ballot process by distributing to each independent special district a call for nominations, including a schedule of the selection process and a copy of this policy. Nominations must be submitted in writing by special district governing boards within 60 days of the date of the call for nominations. The submittal of a nomination must include a statement of the candidate's qualifications. With the prior concurrence of any special district, the Executive Officer may transmit these materials to and receive nominations from that special district by electronic mail.
- 3.1 (B)(iii) Within five working days of the close of the nomination period, the Executive Officer shall distribute by certified mail one ballot to each independent special district. The distribution of ballots shall include a statement of qualifications for each candidate on the ballot.
- 3.1 (B)(iv) Ballots may be submitted by mail or facsimile or electronic mail within 60 days of distribution of the ballots. A majority of

independent special districts must cast ballots to select a special district member.

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3.1 (B)(v) Ballots cast by each special district must bear the signature of the district's presiding officer. If the presiding officer is unavailable, the district board may authorize another member of the board to cast the district's vote. Ballots may be returned to the Marin LAFCo office by mail or by facsimile or electronic mail.

3.1 (B)(vi) All ballots and other records of each selection process shall be retained in the Marin LAFCo office for at least four years and shall be available for public inspection.

3.1 (B)(vii) When more than two candidates are nominated, the ballot form shall provide for selection by ~~plurality~~ of votes cast.

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3.1 (B)(viii) Should a vacancy occur during a special district member's term of office, a new appointment shall be made for the unexpired term of the special district member or alternate member according to the process above.

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<#>In counting the votes by the Executive Officer, all first choice votes are counted. If any candidate receives over 50 percent of the first choice votes, that candidate is selected as special district member. ¶

<#>If no candidate receives a majority, then the candidate with the fewest "1" votes is eliminated. The ballots of the supporters of the eliminated candidate are then transferred to whichever of the remaining candidates they marked for their second choice. This process shall be continued until one candidate receives a majority and is selected as special district member. ¶

3.2 ROLE OF COMMISSIONERS

Commissioners shall independently fulfill their responsibilities while serving on Marin LAFCo in the best interests of the general public, irrespective of interests of their appointing authorities. Alternate Commissioners are encouraged to take an active role in Marin LAFCo to help further inform all related discussions and actions and should attend all meetings if at all possible. Alternate members may not vote, however, unless a regular member, from the same representation category as the alternate, is absent or disqualified from participating in an open meeting of the Commission. An alternate member may participate in a closed session. However, alternate members may not vote or make a motion in closed session when the regular member(s) is (are) present.

3.3 DISQUALIFICATION AND CONFLICT OF INTEREST

Pursuant to Government Code §56336, a commission member or alternate of a city/town or special district shall not be disqualified from acting on a proposal affecting that city, town, or the special district. A regular or alternate Commissioner shall only be disqualified from voting on matters in which the Commissioner has a financial interest, when it is reasonably foreseeable that such interest may be materially affected by the decision, as provided by the Political Reform Act.

3.10 (A) Budget Objectives

In the course of adopting and amending its annual budget, Marin LAFCo will strive to balance effectively and proactively fulfilling its regulatory and planning responsibilities while taking measures to limit new cost-impacts to the funding agencies.

3.10 (B) Procedures

- 3.10 (B)(i) The Budget Committee shall prepare and present a proposed budget and accompanying workplan for adoption by Marin LAFCo no later than May 1st at a noticed public hearing as provided under Government Code §56381.
- 3.10 (B)(ii) Following adoption, Marin LAFCo's proposed budget and workplan will be made available for review by the public, the Board of Supervisors, each city/town, and each independent special district for a minimum of 45 days.
- 3.10 (B)(iii) Staff will provide an opportunity for informal discussion of the adopted proposed budget by the Commission within the 45-day circulation period.
- 3.10 (B)(iv) Marin LAFCo will hold a public hearing for consideration and final action on the budget and accompanying workplan no later than June 15th as provided under Government Code §56381. Following adoption, a certified copy of the adopted final budget shall be transmitted to the Board of Supervisors, the County [Department of Finance](#), each city/town, and to each independent special district.
- 3.10 (B)(v) The County [Department of Finance](#) shall apportion the net costs of Marin LAFCo's budget to the County, cities/towns, and independent special districts under the provisions of Government Code §56381.
- 3.10 (B)(vi) If the County, a city/town or an independent special district does not remit its required payment within 60 days of notice, the Executive Officer shall request that the County [Department of Finance](#) collect an equivalent amount from the property tax, or any fee or eligible revenue owed to that county, city/town or district pursuant to Government Code §56381(c).

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- 3.13 (H)(i) **Capitalization Policy:** Physical assets acquired through purchase or contribution with fair market value in excess of \$1,500.00 are capitalized as fixed assets on the financial statements and accounted for at their historical costs. All fixed assets, with the exception of land, are subject to depreciation over their estimated useful lives.
- 3.13 (H)(ii) **Fixed Assets Inventory:** All capitalized fixed assets shall be recorded in a property log, maintained by the Commission Clerk and including date of acquisition, acquisition type (purchase or contribution), description (color, model, serial number), location, depreciation method, and estimated useful life. The Commission Clerk shall perform a physical inventory of all capitalized assets on an annual basis. This physical inventory shall be reconciled to the property log and adjustments made as necessary with approval by the Executive Officer. If a fixed asset is sold, donated, stolen, or otherwise removed, the inventory will be duly updated.
- 3.13 (H)(iii) **Depreciation Policy:** Fixed assets shall be depreciated over their estimated useful lives as determined by the Executive Officer. Depreciation expense shall be calculated on an annual basis. The following depreciation schedule is suggested:

Fixed Asset	Estimated Useful Life
Furniture and fixtures	10 years
General office equipment	5 years
Computer hardware	5 years
Computer software	3 years
Leased assets	Life of lease

- 3.13 (H)(iv) **Repairs of Fixed Assets:** Expenses to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the item or materially prolong the estimated useful life of the item.

3.13 (I) Financial Reporting & Annual Audit

The Executive Officer shall present financial reports to the Commission at all regular meetings identifying actual year-to-date expenses and revenues relative to adopted budgeted amounts.

Marin LAFCo shall utilize an independent auditor to prepare annual or biennial financial statements. The audit report, including the firm's opinion, shall be presented to the Commission for formal acceptance. Marin LAFCo shall select a different independent auditor no less than every six years. The Commission may waive this requirement upon a majority vote of the membership at a public meeting.

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3.15 LEGISLATIVE MATTERS

3.15 (A) Process

Under ideal circumstances, newly introduced or identified legislation that may directly or indirectly impact Marin LAFCo is to be designated by Executive Officer for further review. Such applicable legislation shall then be presented to and reviewed by the Legislative Committee. Finally, the Legislative Committee shall then offer recommendations to the full Commission for approval. This ideal process may be altered or modified if the legislation is time sensitive situation (3.15 D).

3.15 (B) Formal Position on Legislation

LAFCo shall take one of the following positions:

- 3.15 (B)(i) Sponsor – A position given to bills that the Commission helped draft and believes to be consistent with or would further Marin LAFCo policy positions or implementation of the Cortese-Knox-Hertzberg Act, would benefit Marin LAFCo, or reflects good governance principles as public policy.
- 3.15 (B)(ii) **Support** - A position given to bills that the Commission believes are consistent with or would further Marin LAFCo policy positions or implementation of the Cortese-Knox-Hertzberg Act, would benefit Marin LAFCo, or reflects good governance principles as public policy.
- 3.15 (B)(iii) **Neutral** - A position given to bills that have no direct impact upon Marin LAFCo or have been sufficiently amended to remove Marin LAFCo support or opposition, but for which the sponsor and/or legislative author requests a position from Marin LAFCo.
- 3.15 (B)(iv) **Watch** - A position given to bills that are of interest to Marin LAFCo but do not directly affect Marin LAFCo at that time, including spot bills or two-year bills where the author has indicated that the bill will be amended or the subject area may change to impact Marin LAFCo (also known as gut and amend bills). These bills will be tracked but do not warrant taking a position at that time.
- 3.15 (B)(v) **Oppose** - A position given to bills or propositions that the Commission believes would be detrimental to the policy position or implementation of the Cortese-Knox-Hertzberg Act, or Marin LAFCo, or to good governance principles as public policy.

- 3.15 (B)(vi) **Support/Oppose Unless Amended** - A position given to bills for which a support or oppose position could be taken if amendments were made to address identified concerns of the Commission. This may include changing a previously stated Marin LAFCo position. This position can be changed by the Executive Director if identified amendments are presented and accepted by the legislator. Timeliness is usually important in responding to requests on these types of bills.
- 3.15 (B)(vii) **No Position** - A position given to bills that either are of interest to or have an impact on Marin LAFCo and for which no adopted position is possible and for which there is a clear lack of consensus amongst the Commission on the appropriate position. This may include situations in which a substantive number of Commissioners have divergent positions or policy issues of concern with proposed legislation and no final consensus position is possible.
- 3.15 (B)(viii) **Alignment with CALAFCO** - A position for bills that have little to no impact on Marin LAFCo but where CALAFCO has taken a position and Marin LAFCo wishes to be supportive of other LAFCos across the state. As the legislative process moves forward, the Executive Officer shall send in letters in support of the CALAFCO position as requested by CALAFCO. Should CALAFCO change positions, then Marin LAFCo shall automatically change position to mirror. [In cases where CALAFCO is the "Sponsor" of a bill but Marin LAFCo did not help draft then Marin LAFCo position shall be of "Support".](#)

3.15 (C) Resource Priorities

Given the limited resources of Marin LAFCo, any bill that the Commission takes action on shall be given one of the following priorities:

- 3.15 (C)(i) **Priority 1** - Bills that have highest importance and a direct impact on Marin LAFCo. These bills receive primary attention and comprehensive advocacy by the Executive Officer and Commissioners. Such advocacy may include letters of position, testimony in policy committees, contact with legislators, and grassroots mobilization to members of the legislator. This level requires the greatest resource commitment.
- 3.15 (C)(ii) **Priority 2** - Bills that have a significant impact on or are of interest to Marin LAFCo, may set a policy precedent or have impact relevant to the mission of Marin LAFCo, or have a major importance to a CALAFCO member or group of members or

- 4.10 (C)(v)(7) Sharing of management or other personnel between or among two or more agencies in which the contracts or agreements do not constitute a 25 percent change in employment status as defined.
- 4.10 (C)(v)(8) Sharing or loaning of equipment, facility, or property between or among two or more agencies
- 4.10 (C)(vi) Establishment of joint-power authorities to provide fire protection services in which all of the following criteria is satisfied as verified by the Commission's Executive Officer:
- [4.10 \(C\)\(vi\)\(1\) The jurisdictions wanting to establish the joint-power authority can demonstrate how they qualify for the exemption in Government Code Section 56134.](#)
- 4.10 (C)(vi)(2) The boundaries of the proposed joint-powers authority are entirely coterminous with the member agency boundaries, and therefore services are not extended to previously unserved areas by the agencies.
- 4.10 (C)(vi)(3) The member agencies and the affected represented safety employees' organizations have ratified agreements in support of the proposed joint-powers authority and any changes therein to employment status.
- 4.10 (C)(vi)(4) The proposed joint-powers authority does not create any conflicts with adopted LAFCo policies or recommendations with respect to fire protection services in Marin County.
- 4.10 (C)(vi)(5) The proposed joint-powers authority does not create any conflicts with any active reorganization application on file with LAFCo.
- 4.10 (C)(vi)(6) The total service area for the proposed joint-powers authority does not exceed a resident service population of 50,000.

4.10 (D) Applicability Determination

The County, cities, towns, special districts, and State agencies may request at no-cost a written response from Marin LAFCo as to whether any potential new or extended contract or agreement for fire protection is subject or exempt to these proceedings. The Commission delegates to the Executive Officer the responsibility to determine this applicability. If the inquiry is determined to be not exempt, the jurisdiction



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 4 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Accept GASB 75 Report and Approval of New Contract with MacLeod Watts to Create Future GASB 75 Reports**

Background

LAFCo currently funds its other post-employment benefits (OPEB) obligations through two separate contracts. The first contract entered into by the Commission is with the Marin County Employees Retirement Association (MCERA) from 2013. This contract allows LAFCo to cover its existing OPEB costs for the agency's lone retiree, on a pay-as-you-go basis. The second contract entered into by the Commission is with California Public Employees Retirement System (CalPERS) from 2015. This contract covers all future staff retirees OPEB cost by prefunding them.

Every two years CalPERS requires each participating agency to perform an actuarial valuation. In order to perform this, we must get a Governmental Accounting Standards Board (GASB) 75 report completed. In June 2018, we entered into a contract with MacLeod Watts to perform this review for FYE 17 to comply with a June 2018 deadline with CalPERS. While CalPERS only requires a GASB 75 report be presented to them every two years, as part of our annual audit and to help LAFCo know how much to pay in the non-reporting year to CalPERS for our OPEB, we also got a GASB report done. Attached is that the GASB 75 report for FYE 18 that was just completed. The Commission only needs to accept and file this report.

By the end of this fiscal year, we need to do another GASB 75 report for CalPERS. Staff would like to continue working with MacLeod Watts to do this work since they have been extremely helpful in getting staff up to speed on our needs as LAFCo has been going through its recent transition. While these reports are normally done closer to the end of a fiscal year because they are meant to cover current and retired staff in June of the previous fiscal year we can do it earlier in the year if needed. The next report will cover three new staff whereas the past two reports were just one person in FYE 17 and in FYE 18 LAFCo had zero staff. Given that we will need to properly budget for any possible increases in needed contributions for possible future OPEB needs, it is staff's suggestion that we do the report earlier than LAFCo normally has done this report in the past. The attached contract has MacLeod Watts completing the report by November so staff and the Budget Committee can have proper numbers to include in the upcoming budget to address any OPEB needs we have for the next budget. The attached contract uses the LAFCo template contract as provided by Best, Best, and Krieger, with no changes.

Administrative Office

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Matthew Brown, Alternate
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Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

The new contract with Macleod Watts is for all work to be completed during the two-year duration for a cost not to exceed the amount of \$5,000. This is an increase of \$800 from the current contract which is due to cost of living increases and that they will need to include more staff in the review. This is still half the price another firm staff looked at to do the same work last time we did a cost comparison.

Recommendation for Action

1. Staff Recommendation – Receive and file the GASB 75 actuarial report prepared by MacLeod Watts and authorize staff to sign the attached contract.
2. Alternate Option – Receive and file the GASB 75 actuarial report prepared by MacLeod Watts and instruct staff on how to handle future GASB 75 reports.
3. Alternate Option – Take no action today and give instructions to staff on next steps.

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) GASB 75 Actuarial Report for Fiscal Year Ending June 30, 2019
- 2) Contract with MacLeod Watts

MacLeod Watts

June 24, 2019

Jason Fried
Executive Officer
Marin Local Agency Formation Commission
1401 Los Gamos, Suite 220
San Rafael, CA 94903

Re: GASB 75 Actuarial Report for the Fiscal Year Ending June 30, 2019

Dear Mr. Fried:

We are pleased to enclose our report providing information for the June 30, 2019 accounting of other post-employment benefit (OPEB) liabilities for the Marin Local Agency Formation Commission (the Commission). The report's text describes our analysis and assumptions in detail.

The primary purpose of this report is to provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the Commission's financial statements for the fiscal year ending June 30, 2019. The information included in this report reflects the assumption that the Commission will continue contributing 100% or more of the Actuarially Determined Contributions each year.

The results presented are based on the results of an actuarial valuation prepared as of June 30, 2017 and on the employee data, details on plan benefits and retiree benefit payments reported to us by the Commission for that valuation. As with any analysis, the soundness of the report is dependent on the inputs. Please review our summary of the employee data and employer contributions to be sure it matches your records.

We appreciate the opportunity to work on this analysis. Thank you for your help in providing information and assistance to enable us to prepare this report. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal and Consulting Actuary

Enclosure



Marin Local Agency Formation Commission

GASB 75 Actuarial Report
Measured as of June 30, 2018
For Fiscal Year End June 30, 2019 Financial Reporting

Submitted June 2019

MacLeod Watts

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A. Executive Summary

This report presents the actuarial information for financial reporting of the Marin Local Agency Formation Commission (the Commission) other post-employment benefit (OPEB) programs. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2019.

Important background information regarding the valuation process can be found in Addendum 1. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary discuss the results and present various exhibits appropriate for disclosures under GASB 75. We anticipate that an updated actuarial valuation will be prepared as of June 30, 2019 and first applied to develop the information for the Commission's fiscal year end 2020 financial reporting.

OPEB Obligations of the Commission

The Commission provides continuation of medical and dental coverage to its retiring employees. These benefits create the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. In this program, the Commission contributes a portion of retiree medical and dental premiums for qualifying retirees. These benefits are described in Section 2A.

The Patient Protection and Affordable Care Act (ACA) includes a 40% excise tax on high-cost employer-sponsored health coverage. Any portion of such future excise tax paid by the employer is also a form of explicit subsidy. See Supporting Information Section 2B and Section 3 for further description and assumptions about this potential excise tax.

- **Implicit subsidy liabilities:** An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. It is possible, even likely, that the claims experience of active employees and retirees not covered by Medicare is commingled in setting premium rates for some members which would typically give rise to an implicit subsidy. However, there is currently only one plan member who is a retiree covered by a separately rated Medicare supplement plan. Thus, no implicit subsidy liability exists at the time of this actuarial valuation or as of the current measurement date.

OPEB Funding Policy

The Commission's OPEB funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.



Executive Summary

(Continued)

The Commission has been and continues to prefund its OPEB liability, contributing 100% or more of the Actuarially Determined Contributions each year. Therefore, the discount rate used in this valuation is 5.75%, the Commission's expectation of the long term expected return on trust assets. For details on the development on the assumed return, see Expected Long-term Return on Trust Assets on page 6.

Actuarial Assumptions

At the time the most recent valuation was prepared, there was only one retired member and no active employees covered by this program. As such, the only demographic assumption required to project the liability was expected future mortality. We applied the CalPERS mortality assumption, adjusted to reflect our expectation of future mortality improvement. Other assumptions, such as age-related healthcare claims and healthcare trend, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. These assumptions, and more, impact expected future benefits. Please note that this valuation has been prepared on a closed group basis. *This means that only the one current retiree covered as of the valuation date and on the June 30, 2018 Measurement Date was considered.* We do not consider new or replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this report.

Important Dates Used in the Valuation

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2019
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018
Valuation Date	June 30, 2017

Significant Results and Differences from the Prior Valuation

No benefit changes and no material changes in the covered plan members were reported to MacLeod Watts from those in place at the time the June 2017 valuation was prepared. Because no new actuarial valuation was prepared for this report, no plan experience was recognized, and no assumptions were changed. Investment return during the measurement period was just slightly less than expected; a portion of this loss was recognized this year and the balance deferred to be recognized over the next four years.



Executive Summary

(Concluded)

Impact on Statement of Net Position and OPEB Expense for Fiscal 2019

The accounting impact of the plan as of the Commission’s fiscal year end June 30, 2019 is shown below.

Items	For Reporting At Fiscal Year Ending June 30, 2019
Total OPEB Liability	\$ 60,046
Fiduciary Net Position	59,186
Net OPEB Liability (Asset)	860
Deferred (Outflows) of Resources	(4,646)
Deferred Inflows of Resources	-
Impact on Statement of Net Position	<u>\$ (3,786)</u>
 OPEB Expense, FYE 6/30/2019	 <u><u>\$ 692</u></u>

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior year and/or from assumption changes during the year are recognized over the plan’s Expected Average Remaining Service Life (“EARSL”). The EARSL period is 1 year for deferred resources arising in this fiscal year (i.e., immediate recognition) because there were no active employees covered by this program during this period. Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the Commission’s financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The Commission should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the Commission consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.



B. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year end June 30, 2019. The Commission is classified for GASB 75 purposes as a single employer.

Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2019 <i>Measurement Date is June 30, 2018</i>	Marin Local Agency Formation Commission
Items Impacting Net Position:	
Total OPEB Liability	\$ 60,046
Fiduciary Net Position	59,186
Net OPEB Liability (Asset)	860
<i>Deferred (Outflows) Inflows of Resources Due to:</i>	
Assumption Changes	-
Plan Experience	-
Investment Experience	(94)
Deferred Contributions	(4,552)
Net Deferred (Outflows) Inflows of Resources	(4,646)
Impact on Statement of Net Position, FYE 6/30/2019	\$ (3,786)
Items Impacting OPEB Expense:	
Service Cost	\$ -
Cost of Plan Changes	-
Interest Cost	3,413
Expected Earnings on Assets	(2,810)
Administrative Expenses	22
Other Expenses	54
<i>Recognized Deferred Resource items:</i>	
Assumption Changes	-
Plan Experience	-
Investment Experience	13
OPEB Expense, FYE 6/30/2019	\$ 692



Accounting Information

(Continued)

Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End <i>Measurement Date</i>	6/30/2018	6/30/2019	Change During Period
	<i>6/30/2017</i>	<i>6/30/2018</i>	
Total OPEB Liability	\$ 62,089	\$ 60,046	\$ (2,043)
Fiduciary Net Position	41,103	59,186	18,083
Net OPEB Liability (Asset)	20,986	860	(20,126)
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	-	-	-
Plan Experience	-	-	-
Investment Experience	159	(94)	(253)
Deferred Contributions	(21,071)	(4,552)	16,519
Net Deferred (Outflows) Inflows	(20,912)	(4,646)	16,266
Impact on Statement of Net Position	\$ 74	\$ (3,786)	\$ (3,860)

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2018	\$ 74
OPEB Expense (Income)	692
Employer Contributions During Fiscal Year	(4,552)
Impact on Statement of Net Position, FYE 6/30/2019	<u>\$ (3,786)</u>

OPEB Expense

Employer Contributions During Fiscal Year	\$ 4,552
Deterioration (Improvement) in Net Position	(3,860)
OPEB Expense (Income), FYE 6/30/2019	<u>\$ 692</u>



Accounting Information

(Continued)

Change in Fiduciary Net Position During the Measurement Period

		Marin Local Agency Formation Commission
Fiduciary Net Position at Fiscal Year Ending 6/30/2018	\$	41,103
<i>Measurement Date 6/30/2017</i>		
Changes During the Period:		
Investment Income		2,544
Employer Contributions		21,071
Administrative Expenses		(22)
Other Expenses		(54)
Benefit Payments		(5,456)
		18,083
Net Changes During the Period		18,083
Fiduciary Net Position at Fiscal Year Ending 6/30/2019	\$	59,186
<i>Measurement Date 6/30/2018</i>		

Expected Long-term Return on Trust Assets

The expected long-term return on trust assets was derived from information published by CalPERS. CalPERS expectations for Asset Allocation Strategy 2 are summarized in the chart below.

CERBT Strategy 2		Years 1-10			Years 11+		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-10 Year Expected Real Rate of Return*	Compound Return Yrs 1-10	General Inflation Rate Assumption	11+ Year Expected Real Rate of Return*	Compound Return Years 11+
Global Equity	40%	2.00%	4.80%	6.80%	2.92%	5.98%	8.90%
Fixed Income	43%	2.00%	1.10%	3.10%	2.92%	2.62%	5.54%
Global Real Estate(REITs)	8%	2.00%	3.20%	5.50%	2.92%	5.00%	7.92%
Treasury Inflation Protected Securities	5%	2.00%	0.25%	2.25%	2.92%	1.46%	4.38%
Commodities	4%	2.00%	1.50%	3.50%	2.92%	2.87%	5.79%
Volatility	9.24%		weighted	5.22%		weighted	7.49%

*Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.00%.

Currently, CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the expected return for the Commission, we projected plan benefits in each future year. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return to be 5.75%. Consistent with GASB 75 requirements and the Commission's current OPEB funding policy, this rate was used as the discount rate for liabilities for financial statement reporting.



Accounting Information
 (Continued)

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2019.

Marin Local Agency Formation Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Differences Between Expected and Actual Experience	-	-
Net Difference Between Projected and Actual Earnings on Investments	94	-
Deferred Contributions	4,552	-
Total	\$ 4,646	\$ -

The Commission will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2020	\$ 13
2021	13
2022	14
2023	54
2024	-
Thereafter	-



Accounting Information
 (Continued)

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for the fiscal year end 2019 is 5.75%. Healthcare Cost Trend Rate was assumed to start at 7.5% and grade down to 5% for years 2024 and thereafter. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 4.75%	Current 5.75%	Current + 1% 6.75%
Total OPEB Liability	64,965	60,046	55,745
Increase (Decrease)	4,919		(4,301)
% Increase (Decrease)	8.2%		-7.2%
Net OPEB Liability (Asset)	5,779	860	(3,441)
Increase (Decrease)	4,919		(4,301)
% Increase (Decrease)	572.0%		-500.1%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Total OPEB Liability	59,993	60,046	60,062
Increase (Decrease)	(53)		16
% Increase (Decrease)	-0.1%		0.0%
Net OPEB Liability (Asset)	807	860	876
Increase (Decrease)	(53)		16
% Increase (Decrease)	-6.2%		1.9%

OPEB liabilities are typically more sensitive to changes in healthcare trend than suggested by the results above. In this plan, benefits are limited to a fixed dollar amount per year of service for the Commission. Benefits for the plan’s current retiree are close to the maximum amount and thus changes in healthcare trend have virtually no impact on the Total OPEB Liability.



Accounting Information
 (Continued)

Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since this is the second year of implementation, results for fiscal years 2018 and 2019 are shown in the following table.

Fiscal Year End <i>Measurement Date</i>	6/30/2019	6/30/2018
	6/30/2018	6/30/2017
Total OPEB liability		
Service Cost	\$ -	\$ -
Interest	3,413	3,529
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	(5,456)	(5,615)
Net change in total OPEB liability	(2,043)	(2,086)
Total OPEB liability - beginning	62,089	64,175
Total OPEB liability - ending (a)	<u>\$ 60,046</u>	<u>\$ 62,089</u>
 Plan fiduciary net position		
Contributions - employer	\$ 21,071	\$ 25,102
Net investment income	2,544	1,894
Benefit payments	(5,456)	(5,615)
Administrative Expenses	(22)	(15)
Other Expenses	(54)	-
Net change in plan fiduciary net position	18,083	21,366
Plan fiduciary net position - beginning	41,103	19,737
Plan fiduciary net position - ending (b)	<u>\$ 59,186</u>	<u>\$ 41,103</u>
 Net OPEB liability - ending (a) - (b)	<u>\$ 860</u>	<u>\$ 20,986</u>
 Covered-employee payroll	\$ -	\$ 217,782
 Net OPEB liability as a percentage of covered-employee payroll	N/A	9.64%



Accounting Information
 (Continued)

Schedule of Contributions

Since establishing the OPEB trust, the Commission has contributed 100% of more of the Actuarially Determined Contribution (ADC) each year and confirmed its intention to continue doing so in the future. The ADC amounts for the following years were determined from the June 2017 valuation. This chart shows the contributions for the current and prior fiscal year:

	FYE 2019	FYE 2018
Actuarially Determined Contribution	\$ 1,526	\$ 15,615
Contributions in relation to the actuarially determined contribution	4,552	21,071
Contribution deficiency (excess)	\$ (3,026)	\$ (5,456)
Covered employee payroll		\$ -
Contributions as a percentage of covered employee payroll		N/A

Notes to Schedule

Valuation Date: 6/30/2017 7/1/2015
 The 2017 valuation develops the Actuarially Determined Contributions for the Commission's fiscal years ending June 30, 2019 and June 30, 2020.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Basis	Level % of Payroll
Amortization period	27 year closed	30 year closed
Asset valuation method	Market Value	Market Value
Inflation	2.75%	2.75%
Healthcare cost trend rates	7.50% in 2019, step down .5% per year to 5% by 2024	Ultimate trend rate of 4%
Salary increases	N/A	2%
Investment rate of return	5.75%	6.37%
Retirement age	N/A; all members are retired	Age 64 (or at first subsequent year in which member qualified for benefits)
Mortality	2017 CalPERS Experience Study; Improvement using MW Scale 2017	Based on mortality tables published by the National Center for Health Statistics



Accounting Information
 (Continued)

Detail of Changes to Net Position

The chart below details changes to all components of Net Position.

Marin Local Agency Formation Commission	Total OPEB Liability (a)	Fiduciary Net Position (b)	OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows (Inflows) Due to:				Impact on Statement of Net Position (e) = (c) - (d)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	
Balance at Fiscal Year Ending 6/30/2018 <i>Measurement Date 6/30/2017</i>	\$ 62,089	\$ 41,103	\$ 20,986	\$ -	\$ -	\$ (159)	\$ 21,071	\$ 74
Changes During the Period:								
Service Cost	-	-	-					-
Interest Cost	3,413		3,413					3,413
Expected Investment Income		2,810	(2,810)					(2,810)
Employer Contributions		21,071	(21,071)					(21,071)
Changes of Benefit Terms	-		-					-
Administrative Expenses		(22)	22					22
Other Expenses		(54)	54					54
Benefit Payments	(5,456)	(5,456)	-					-
Assumption Changes	-		-	-				-
Plan Experience	-		-		-			-
Investment Experience		(266)	266			266		-
Recognized Deferred Resources				-	-	(13)	(21,071)	21,084
Employer Contributions in Fiscal Year							4,552	(4,552)
Net Changes in Fiscal Year 2018-2019	(2,043)	18,083	(20,126)	-	-	253	(16,519)	(3,860)
Balance at Fiscal Year Ending 6/30/2019 <i>Measurement Date 6/30/2018</i>	\$ 60,046	\$ 59,186	\$ 860	\$ -	\$ -	\$ 94	\$ 4,552	\$ (3,786)



Accounting Information
 (Continued)

Schedule of Deferred Outflows and Inflows of Resources

A listing of all deferred resource bases used to develop the Net Position and OPEB Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2018

Deferred Resource					Balance as of Jun 30, 2018	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	Cause	Initial Amount	Period (Yrs)	Annual Recognition		2017-18 (FYE 2019)	2018-19 (FYE 2020)	2019-20 (FYE 2021)	2020-21 (FYE 2022)	2021-22 (FYE 2023)	2022-23 (FYE 2024)	Thereafter
Investment Earnings												
6/30/2017	Greater than Expected	\$ (199)	5.00	\$ (40)	\$ (119)	\$ (40)	\$ (40)	\$ (40)	\$ (39)	\$ -	\$ -	\$ -
Investment Earnings												
6/30/2018	Less than Expected	266	5.00	53	213	53	53	53	53	54	-	-

Liability changes due to plan experience that differs from what was assumed in the prior year and/or due to assumption changes during the year are recognized over the Expected Average Remaining Service Life (“EARSL”), though there are no current changes from assumptions or plan experience to be recognized. Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.



Accounting Information

(Continued)

Commission Contributions to the Plan

Commission contributions to the Plan occur as benefits are paid to retirees and/or to the OPEB trust. Benefit payments may occur in the form of direct payments for premiums and taxes (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). For details, see Addendum 1 – Important Background Information.

Benefits and other contributions paid by the Commission during the measurement period and those expected to be made in the year following the measurement period but prior to the end of the fiscal year are shown below.

Benefit Payments During the Measurement Period, Jul 1, 2017 thru Jun 30, 2018	Marin Local Agency Formation Commission
Benefits Paid by Trust	\$ -
Benefits Paid by Employer (not reimbursed by trust)	5,456
Implicit benefit payments	-
Total Benefit Payments During the Measurement Period	\$ 5,456

Employer Contributions During the Measurement Period, Jul 1, 2017 thru Jun 30, 2018	Marin Local Agency Formation Commission
Employer Contributions to the Trust	\$ 15,615
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	5,456
Implicit contributions	-
Total Employer Contributions During the Measurement Period	\$ 21,071

Employer Contributions During the Fiscal Year, Jul 1, 2018 thru Jun 30, 2019	Marin Local Agency Formation Commission
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	4,552
Implicit contributions	-
Total Employer Contributions During the Fiscal Year	\$ 4,552



Accounting Information
 (Continued)

Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the Commission. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments	
Fiscal Year Ending June 30	Total
2018	\$ 5,456
2019	4,552
2020	5,597
2021	5,508
2022	5,411
2023	5,307
2024	5,196
2025	5,077
2026	4,950
2027	4,814
2028	4,668
2029	4,510
2030	4,339
2031	4,155
2032	3,958

The amounts shown above reflect the expected payment by the Commission toward retiree medical and dental premiums in each of the years shown.



Accounting Information
 (Concluded)

Sample Journal Entries

Beginning Account Balances

As of the fiscal year beginning 7/1/2018

	Debit	Credit
Net OPEB Liability		20,986
Deferred Resource -- Assumption Changes	-	
Deferred Resource -- Plan experience	-	
Deferred Resource -- Investment Experience		159
Deferred Resource -- Contributions	21,071	
Net Position	74	

** The entries above assume nothing is on the books at the beginning of the year. So to the extent that values already exist in, for example, the Net OPEB Liability account, then only the difference should be adjusted. The entries above represent the values assumed to exist at the start of the fiscal year.*

Journal entry to recharacterize retiree benefit payments not reimbursed by a trust, and record cash contributions to the trust during the fiscal year

	Debit	Credit
OPEB Expense	4,552	
Premium Expense		4,552
OPEB Expense	-	
Cash		-

** This entry assumes a prior journal entry was made to record the payment for retiree premiums. This entry assumes the prior entry debited an account called "Premium Expense" and credited Cash. This entry reverses the prior debit to "Premium Expense" and recharacterizes that entry as an "OPEB Expense". Also, the entry for cash contributions to the trust is shown.*

Journal entries to record other account activity during the fiscal year

	Debit	Credit
Net OPEB Liability	20,126	
Deferred Resource -- Assumption Changes	-	
Deferred Resource -- Plan experience	-	
Deferred Resource -- Investment Experience	253	
Deferred Resource -- Contributions		16,519
OPEB Expense		3,860



C. Certification

The purpose of this report is to provide actuarial information in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75) for other postemployment benefits provided by the Marin Local Agency Formation Commission (the Commission). We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein.

In preparing this report we relied without audit on information provided by the Commission. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.


Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75. Plan results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

This report is prepared solely for the use and benefit of the Commission and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions are: The Commission may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and the Commission may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. Both actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: June 24, 2019


Catherine L. MacLeod, FSA, FCA, EA, MAAA


J. Kevin Watts, FSA, FCA, MAAA



D. Supporting Information

Section 1 - Summary of Employee Data

Active employees: While there were 2 active members as of the June 2017 valuation date, neither was vested and neither was expected to retire from the Commission to receive benefits under this plan.¹ We verified that there were still no active employees of the Commission as of the June 30, 2018 measurement date.

Retirees: There is 1 retired employee receiving benefits under this program. This former employee retired about 5 years ago at age 63 with 13 years of service for the Commission.

Section 2A - Summary of Retiree Benefit Provisions

OPEB provided: The Commission provides medical and dental plan coverage for qualifying retirees, with certain limits described further below. It is our understanding that medical and dental plan coverage and the portion of premiums paid by the Commission, if any, are the same as the coverage and benefits provided by Marin County.

Access to coverage: To be eligible for retiree health coverage through the Commission (other than any temporary coverage available through COBRA), an employee must retire from the Commission.

Benefits provided by the Commission: The Commission pays the single-coverage retiree medical and dental premiums up to but not exceeding an annual dollar maximum (cap). The cap is based tied to years of service for the Commission and varies based on the date of employment. Specifically,

- *For employees hired between October 1993 and December 31, 2007*, the dollar cap is currently \$442.65 per year of Commission service, up to a maximum 20 years or a \$8,853 maximum annual benefit.

While the County Board of Supervisors has the option to increase the benefit cap by up to 3% per year, no increases have been adopted since January 2009.

There is only one plan member (the current retiree), who will ever qualify for benefits at this level.

- *For employees hired on or after January 1, 2008*, the dollar cap is currently \$150 per year of Commission service, up to a maximum 20 years or a \$3,000 maximum annual benefit.

There are no current plan members in this benefit category.

¹ In fact, both employees ended their employment with the Commission prior to June 30, 2018 and no new active employees are yet eligible.



Supporting Information

(Continued)

Section 2B - Excise Taxes for High Cost Retiree Coverage

The Patient Protection and Affordable Care Act (ACA) includes a 40% excise tax on high-cost employer-sponsored health coverage. The tax applies to the aggregate annual cost of an employee's applicable coverage that exceeds a dollar limit. Implementation of this tax has been delayed by subsequent legislation to 2022; while there are discussions in Congress of eliminating or again delaying the tax, this report assumes that it will take effect as current law provides.

For those current and future retirees assumed to retain coverage in the Commission's medical program, we determined the excess, if any, of projected annual plan premiums for the retiree and his or her covered dependents over the projected applicable excise tax threshold beginning in 2022. The excise tax burden will ultimately fall on the Commission alone, a combination of the Commission and plan participants, or be entirely borne by the affected retirees. The practicalities of how the tax will be recovered by insurers will likely affect the eventual cost-sharing result.

See Section 3 for assumptions about this excise tax in the valuation. Please note that any assumptions applied in this valuation are not intended to imply any legal obligation as to the Commission's current or future liability to absorb this potential tax.



Supporting Information
 (Continued)

Section 3 - Actuarial Methods and Assumptions

Valuation Date	June 30, 2017
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	5.75% as of June 30, 2018 and June 30, 2017 net of plan investment expenses and including inflation
Discount Rates	5.75% as of June 30, 2018 and June 30, 2017
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation. <i>Note: there are no current actives as of the measurement date.</i>
Salary Increase	Not applicable; there are no active plan members as of the measurement date.
Assumed Wage inflation	Not applicable; amortization payments were developed on a level dollar basis since there is no active payroll for the measurement period.
General Inflation Rate	2.75% per year
Post-retirement Mortality	As published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008, then projected as described below.
Mortality Improvement	MacLeod Watts Scale 2017 applied generationally.
Employee Separation Prior to retirement	Based on age and service information provided to us, we assumed that neither of the 2 employees active on June 30, 2017 would retire from the Commission (0% chance).
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2018	Actual	2022	6.00%
2019	7.50%	2023	5.50%
2020	7.00%	2024	5.00%
2021	6.50%	2025 & later	5.00%

Dental plan premiums are assumed to increase by 3.0% per year.



Supporting Information
 (Continued)

Section 3 - Actuarial Methods and Assumptions

Assumed Increases in Fixed dollar benefit caps We assumed the maximum benefit per year of service would remain level in all future years (0% increases).

Participation Rate *Active employees:* Not currently applicable
Retired participants: Existing medical plan elections are assumed to be continued until the retiree’s death.

Spouse Coverage *Active employees:* Not currently applicable
Retired participants: Existing elections for spouse coverage are assumed to continue until the spouse’s death.

Medicare Eligibility Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.

Excise tax on high-cost plans We assumed the excise tax for high cost plan coverage for retirees will go into effect in the year 2022. Annual threshold amounts under the Affordable Care Act (ACA) are shown below.

2018 Thresholds	Ages 55-64	All Other Ages
Single	11,850	10,200
Other than Single	30,950	27,500

Note: Thresholds for disability retirements are assumed to be set at a level high enough to prevent taxation on disabled retiree benefits.

Actual limits may be higher, depending on cost increases prior to the effective date. The thresholds are scheduled to increase by CPI plus 1% in 2019 and by CPI annually thereafter. A 40% excise tax rate was applied to the portion of premiums projected to exceed the threshold each year. We assumed that 100% of any excise tax liability for high cost retiree coverage will be paid by the Commission.

Development of Age-related Medical Premiums Not currently applicable since the only current plan member is covered by a Medicare supplement plan rated separately from active employees.

Changes reflected during this Measurement Period:

None.



Addendum 1: Important Background Information

General Types of Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. Upcoming excise taxes under the Affordable Care Act for retirees covered by high cost plans is another potential source of explicit subsidies.

In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		<i>Covered by higher active premiums</i>
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.

Under GASB 45, for actuarial valuations dated prior to March 31, 2015, an exception allowed plan employers with a very small membership in a large “community-rated” healthcare program to avoid reporting of implicit subsidy liability. Following a change in Actuarial Standards of Practice and in accordance with GASB 75 requirements, this exception is no longer available.

Valuation Process

The valuation was based on employee census data and benefits provided by the Commission. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the Commission as to its accuracy. The valuation was also based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends



Important Background Information

(Continued)

in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future premium rates;
- A change in the subsidy provided by the Agency toward retiree premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or contribution levels other than were assumed; and/or
- Changes in the discount rate used to value the OPEB liability



Important Background Information

(Continued)

Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition:* Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected
and actual trust earnings:

5 year straight-line recognition

All other amounts:

Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



Important Background Information
 (Continued)

Implicit Subsidy Plan Contributions

An implicit subsidy occurs when expected retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year’s “implicit subsidy”. Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year’s implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year’s premium expense for active employees.



Important Background Information

(Continued)

Discount Rate

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.

Actuarial Funding Method and Assumptions

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.



Addendum 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g. GASB 75) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds, and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



Addendum 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2017** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2016 Report, published in October 2016 and (2) the demographic assumptions used in the 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published June 2016.

MacLeod Watts Scale 2017 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2016 which has two segments – (1) historical improvement rates for the period 1951-2012 and (2) an estimate of future mortality improvement for years 2013-2015 using the Scale MP-2016 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2015 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10 year period 2016-2025. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2025-2039. The SSA's Intermediate Scale has a final step down in 2040 which is reflected in the MacLeod Watts scale for years 2040 and thereafter. Over the ages 100 to 115, the SSA improvement rate is graded to zero.

Scale MP-2016 can be found at the SOA website and the projection scales used in the 2016 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Deferred Contributions – When an employer makes contributions after the measurement date and prior to the fiscal year end, recognition of these contributions is deferred to a subsequent accounting period by creating a deferred resource. We refer to these contributions as Deferred Contributions.

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member’s account are determined and the terms of distribution of the account after separation from employment

Discount Rate - Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual’s projected earnings or service from entry age to the last age at which benefits can be paid

Excise Tax – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds (“Cadillac Plans”). The tax is first effective is 2022.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer’s payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree’s coverage

Fiduciary Net Position –The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board



Glossary
(Continued)

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility



**MARIN LOCAL AGENCY FORMATION COMMISSION
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of [REDACTED], 20[REDACTED] by and between the Marin Local Agency Formation Commission, a public agency organized and operating under the laws of the State of California with its principal place of business at 1401 Los Gamos Drive, San Rafael, CA 94903 ("Commission"), and MACLEOD WATTS, a - CORPORATION with its principal place of business 11300 SE Main Street, Portland, OR 97222 (hereinafter referred to as "Consultant"). Commission and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. Commission is a public agency of the State of California and is in need of professional services for the following **interconnected** projects:

2019 OPEB Actuarial valuation, detmination of OPEB prefunding levels and preparation of two GASB 75 reports for financial reporting of OPEB liability

(hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Commission to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the Commission with the services described in the Scope of Services described as follows:

- a. Prepare an actuarial valuation of OPEB liability as of June 30, 2019
- b. Develop Actuarially Determined Contributions for the Commissions FYEs 2020, 2021 and an estimate for FYE 2022
- c. Prepare actuarial forms required to be submitted to the OPEB trust (CERBT)
- d. Prepare GASB 75 report for the Commission's fiscal year end June 30, 2020
- e. Prepare GASB 75 report for the Commission's fiscal year end June 30, 2021

2. Compensation.

a. Subject to paragraph 2(b) below, the Commission shall pay for such services in accordance with the Schedule of Charges set forth below:

For items 1.a., 1.b., 1.c. and 1.d. above:	\$3,100
For item 1.e. above:	\$1,900

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **\$5,000**. This amount is to cover all printing and related costs, and the Commission will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Commission, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the Commission by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Commission and executed by both Parties before performance of such services, or the Commission will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by Commission.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the Commission to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder [relating to items 1.a., 1.b., 1.c. and 1.d. within 90 days following the date of this agreement. Item 1.e. will completed on or before September 30, 2020.](#) The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither Commission nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the Commission, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Commission, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of Commission. No employee or agent of Consultant shall become an employee of Commission. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from Commission as herein provided.

11. Insurance. Consultant shall not commence work for the Commission until it has provided evidence satisfactory to the Commission it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Commission.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

(1) Bodily Injury and Property Damage

- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give Commission, its officials, officers, employees, agents and Commission designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Commission, and provided that such deductibles shall not apply to the Commission as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Commission.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give Commission, its officials, officers, employees, agents and Commission designated volunteers additional insured status.

(iv) Subject to written approval by the Commission, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the Commission as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the Commission and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the Commission evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-

S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the Commission or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the Commission, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Commission, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the Commission and shall not preclude the Commission from taking such other actions available to the Commission under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Commission, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the

business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement.

(iii) The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the Commission nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of Commission's choosing), indemnify and hold the Commission, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Commission, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under

Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the Commission. Consultant shall defend, indemnify and hold the Commission, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens,

including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Marin, State of California.

16. Termination or Abandonment

a. Commission has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, Commission shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Commission shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Commission and Consultant of the portion of such task completed but not paid prior to said termination. Commission shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Commission only in the event of substantial failure by Commission to perform in accordance with the terms of this Agreement through no fault of Consultant.

17 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the Commission.

18. Organization

Consultant shall assign [Catherine MacLeod](#) as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the Commission.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

COMMISSION:
Marin Local Agency Formation Commission
1401 Los Gamos Drive
San Rafael, CA 94903
Attn: Jason Fried

CONSULTANT:
MacLeod Watts
[11300 SE Main Street](#)
[Portland OR 97222](#)
Attn: Kevin Watts, President

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Commission and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of Commission and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Commission. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. Commission's Right to Employ Other Consultants

Commission reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE MARIN LOCAL AGENCY FORMATION COMMISSION
AND MACLEOD WATTS**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

MARIN LOCAL AGENCY FORMATION
COMMISSION

MacLeod Watts

By: _____
Jason Fried
Excutive Offcier

By: _____
Its: President

Printed Name: Kevin Watts

ATTEST:

By: _____
Board Clerk

EXHIBIT A
Scope of Services

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice Commission on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform Commission regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

EXHIBIT C
Activity Schedule

EXHIBIT D
Federal Requirements



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 5 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Approval for Annual Audit Contract for Fiscal Year End 2019 Audit with RJ Ricciardi

Background

Back at the June 12, 2014 Commission meeting, LAFCo entered into an agreement with R.J. Ricciardi and Associates to prepare an independent audit for a prior fiscal year. The agreement includes providing the Commission with an option to contract for additional audits each year thereafter. The Commission has exercised this option to engage and receive audit reports from R.J. Ricciardi and Associates since.

As discussed at the June 13, 2019 meeting, LAFCo Policy 3.13(I) in part states “Marin LAFCo shall select a different independent auditor no less than every five years. The Commission may waive this requirement upon a majority vote of the membership at a public meeting.” We have now used the same auditor at R.J. Ricciardi for five years. The Commission, at the June 13, 2019 meeting, did seem interested in allowing LAFCo to use the same auditor for a sixth year at R.J. Ricciardi.

State government code section 12410.6(b) indicates that, starting in fiscal year 2013-2014, local agencies will not have a lead audit partner or coordinating audit partner perform the audit for more than six consecutive fiscal years. If the commission approved the extension by one year this would put us in line with state government code section 12410.6(b) of six audits with the same lead auditor.

On a different item on today’s agenda the Policy and Personnel Committee is recommending the five-year rule to become six years to better align with current State of California recommendations.

Recommendation for Action

1. Staff recommendation – Authorize staff to sign the attached agreement with R.J. Ricciardi and to use the same lead auditor for a sixth year.
2. Alternate Option – Take no action today and give instructions to staff on next steps.

Attachment:

- 1) Contract with R.J. Ricciardi

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

Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kiious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

July 9, 2019

Mr. Jason Fried, Executive Officer
Marin Local Agency Formation Commission
1401 Los Gamos, Suite 220
San Rafael, CA 94903

Dear Jason:

We are pleased to confirm our understanding of the services we are to provide Marin Local Agency Formation Commission for the year ended June 30, 2019. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Marin Local Agency Formation Commission as of the year ended June 30, 2019. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Marin Local Agency Formation Commission's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Marin Local Agency Formation Commission's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.
3. Proportionate Share of Net Pension Liability (Asset).
4. Schedule of Contributions.
5. Schedule of Changes in Net Other-Post Employment Benefits Liability and Related Ratios.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Marin Local Agency Formation Commission's financial statements. Our report will be addressed to the Commissioners of Marin Local Agency Formation Commission. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Marin Local Agency Formation Commission's compliance with provisions of applicable laws, regulations, contracts, and agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also prepare OR assist in preparing the financial statements of Marin Local Agency Formation Commission in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. Further, we understand that your employees will prepare all information we request in our Client Participation List in the format requested and send it to us 30 days prior to scheduling the audit field work. If you have insufficient personnel or time to prepare these items we can assist you in this area and we will discuss with you the additional time required and estimated fee for these services.

The audit documentation for this engagement is the property of R. J. Ricciardi, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of R. J. Ricciardi, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation. The designee may intend or decide to distribute the copies or information contained therein to others, including other government agencies.

Michael O'Connor is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our estimated fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our estimated fee, including expenses will be \$6,760 for the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

If additional time is needed for us to assist Marin Local Agency Formation Commission in the resolution or investigation of accounting errors, discrepancies, or reconciliation issues, assistance in the preparation of schedules, or to reflect in our workpapers corrections to the Marin Local Agency Formation Commission's accounting records made after the start of the engagement, we will perform such additional work at our standard hourly rates indicated below:

Director \$180
Manager \$130
Senior accountant \$100-115
Staff accountant \$70-75

Additional time will be needed to test the census data submitted to CALPERS in compliance with GASB 68-75 and related internal controls as well as reviewing the implementation of the required disclosures. The resulting costs of the additional time cannot be determined accurately at this time but will be billed at the hourly rates noted above. We estimate the additional costs should not exceed \$900.

In addition to the estimated fees noted above, we reserve the right to invoice Marin Local Agency Formation Commission at our standard hourly rates for time incurred providing information to successor auditors in compliance with SAS. No. 84. Our invoices and related fees for this service will be payable upon presentation.

We reserve the right to suspend or terminate our work if you have failed to fulfill your responsibilities set forth in this engagement letter, and such failure materially interferes with our work. If our work is suspended or terminated because of your failure to fulfill your responsibilities set forth in this engagement letter, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any damages (including consequential damages) incurred as a result of the suspension or termination of our work.

We appreciate the opportunity to be of service to Marin Local Agency Formation Commission, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Marin Local Agency Formation Commission:

Officer signature: _____

Title: _____

Date: _____



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 6 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Municipal Service Review Presentation by Planwest – San Rafael MSR**

Background

On June 14, 2019, staff released the draft of the San Rafael Municipal Service Review (MSR) for public comment. Upon release, staff sent the draft to staff for all LAFCo jurisdictions and to multiple County staff. I have presented the draft report to both the Marinwood Community Services District Board of Directors and the Finance Committee of the San Rafael City Council. In both cases, members of each body made general comments about high-level issues in the MSR. In addition, the report was sent to 13 individuals who represent citizen groups or coalition of groups across the MSR study area. These people then help get this distributed to others within their group. For example, one of the thirteen people is in the leadership of the Federation of San Rafael Neighborhoods which represents 13 different neighborhoods in San Rafael. Also included on this list is the Point San Pedro Road Coalition which has representation of about 20 HOA groups in its area.

LAFCo is accepting public comment on this draft through the end of August 8 meeting. As of the writing of this staff memo, LAFCo has received official comment from 6 different people/groups (see attachment). Half of the people are agency staff who provided some clarity on language in the draft. The other commentators are from nongovernmental parties. Once all public comment has been submitted, items will be broken down into three different areas. For items that pertain to language in the draft, Planwest and staff have already started to review and make edits to draft in preparation for a final version of the draft. For any items that come up in the public comment period that are more about an agency than the MSR document itself, LAFCo staff has already started discussion with the agency to get answers and determine if more research is needed on that matter. For items that fall outside of the MSR and LAFCo authority, staff will inform the person submitting comments that those items are outside of our ability to adjudicate.

In addition to the three written comments made, two people have talked with LAFCo staff about what is in the draft. Both of those individuals asked questions about the MSR process and indicated they may be submitting official comments at a later date but have yet to do so as of the writing of the staff memo.

During the August meeting we will hear from our consultant, Planwest, about what is in the draft report recommendation of what, if anything, each agency should make an effort to address moving forward. Commissioners will be able to ask questions to Planwest. In addition, the public will be given time to make comments on the draft MSR.

No action is needed for this item at this time.

Attachment:

- 1) Written public comment received as of 8/1/19

Administrative Office

Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
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Damon Connolly, Regular
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Lew Kious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

From Paul Jensen - City of San Rafael
submitted 6/24/19 4:17 PM

Public Works

The Public Works Department's municipal service responsibilities include developing and maintaining city facilities, [parks](#) and infrastructure; street lighting; flood control, and roads. The Department employs 63 full-time equivalents (FTE) positions and maintains over 30 facilities, including parking lots, 173 miles of road, 20 parks, 89 traffic signals, 4,435 street lights, and extensive stormwater drainage systems²⁹. Much of this infrastructure was built in the 1950s and 1960s, and the Department reports that the public facilities, such as community centers, playing fields, and parks are heavily utilized and show significant wear and tear. The City's stormwater and road system are also reported as aging³⁰.

Projected departmental expenditures for 2018-19 are 11.8 million (16% of the General Fund expenditures), a slight increase from 11.5 million in the 2017-18 adopted budget. Projects completed by the Department as a part of their Capital Improvement Program (current cycle: FY 2018-19 to 2020-21) are funded separately from the General Fund. Approximately 13.8 million has been budgeted through the program for the 2019-20 fiscal year.

The City reports that the long-term capital and infrastructure improvement needs for City-owned property far exceeds \$500,000 per year, and stormwater infrastructure needs exceed \$850,000 per year³¹. The City utilizes a Capital Improvement Program (CIP), which is updated every three years to prioritize projects. The Program reports that more projects are identified than funding available, which means the City must defer a considerable number of projects out to future years until additional funding sources can be identified. To address the funding shortfall, the City reports it is actively seeking better long-term funding strategies for these projects, including:

²⁹ City of San Rafael: Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2018. Pg. 170.

³⁰ City of San Rafael Department of Public Works. 3-Year Capital Improvement Program, FY 2018-19 to FY 2020-21. Published June 18, 2018.

³¹ City of San Rafael. San Rafael City Council Agenda Report, Agenda Item 7.d. Final City-Wide Proposed Budget for year 2018-2019 And Legal Spending Limit. June 18, 2018.

Marin LAFCo 29 San Rafael Region Public Review Draft MSR June 2019

- o More aggressive pursuance of grant funding for non-Right of Way capital projects.
- o Ballot measure to raise current per-parcel Stormwater Assessment.
- o Alternative funding mechanisms: assessment districts or public-private partnerships.

Recent projects completed by the Department include:

- o Started Fire Station 52 and completed Station 57 construction.
- o finalized new Public Safety Center design.
- o Completed Downtown San Rafael improvements for SMART including coordinated traffic signals, queue cutters, wider sidewalks, and crosswalk changes.
- o Completed installation of solar on the Boro Community Center and Public Works building.
- o City Hall and Terra Linda Community Center Roof Replacement.
- o Boyd Gate House – Exterior Painting.
- o Mission and E Street Parking Lot Resurfacing (Menzie's).
- o Freitas Las Gallinas Intersection Improvements.
- o Second and Grand Avenue Intersection Improvements
- o 3rd and Irwin Intersection Paving Improvements.
- o G Street Drainage and Roadway Improvements.

Major new projects identified in the FY 2018-19 to FY 2020-21 CIP include:

- o Falkirk Reroof.
- o TL Community Center Floor replacement.
- o Innovative Deployment of Enhanced Arterials (IDEA).
- o Tamalpais West Bike Lane.
- o Fourth Street Seat Wall Improvements.

Parks and Recreation (Community Services Department)

The Community Services Department ~~has oversight of the City's park and recreation facilities. administrates the city's parks and recreation services, including park facilities, community programs, special events, and classes, and child care services.~~ The Community Services Department employs 21 full-time equivalents (FTE) positions and oversees the operations of a range of facilities. The Recreation and Childcare Funds, operated by the Community Services Department have budgeted \$4.9 million (6% of the General Fund expenditures) and \$3.8 million, respectively, for the 2018-19 fiscal year. Fee income covers approximately 63% of the Recreation budget, 100% of the Childcare budget, and 75% of the Preschool program³².

City park facilities include ~~42- 142~~ acres of parks at ~~250~~ park sites, ~~four three~~ community centers, ~~one cultural center~~, a community pool, and ~~many~~ athletic facilities. See Table 3 below. In its 2020 General Plan, the City notes that it has an abundance of citywide, regional park and open space land, however, there are several

³²

-Wide Proposed Budget for

Fiscal Year 2018-2019 And Legal Spending Limit. June 18, 2018.

neighborhoods inadequately served by local recreation facilities³³. The City utilizes several standards to monitor how park and recreation services are meeting community needs, including:

- o Standards
Maintain~~ing~~, and where possible exceed~~ing~~, a recreation standard of three acres of park and recreation facilities per 1,000 residents.
 - Currently, based upon a population estimate of 60,651 and 393 acres of developed parkland in city limits³⁴, there are 6.5 acres of parkland per 1,000 residents.
- o Park Development Criteria
Use the following criteria as a guide to improving the park system:
 - o Neighborhood parks should serve populations of atleast 3,000 within a radius of one-half mle. and have a minimum size of three acres
 - o Community parks should serve a population of 10,2000 to 30,000 within a radius of three - five
 - o Neighborhood Recreational Needs
 - o Serve all neighborhoods with neighborhood and/or community parks that meet the needs of the community. Priority areas should include
 - o Location standards based on the distance from a neighborhood to either a neighborhood or community park
 - o The City has identified the Canal, Dominican, and Montecito neighborhoods_ as priority neighborhoods.
 - o City Recreational Needs
Provide opportunities for recreational activities for boys and girls, teens, and adults through the creation of additional facilities.

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- Conduct a review of San Rafael's recreational, facility and program needs as part of the five-year update of the General Plan, and amend policies as needed. Coordinate park user characteristics with specific types of facilities.
- ▲ The City has identified the need for more public pools south of Puerto Suello Hill in its General Plan.
- Prepare an updated citywide Recreation Needs survey to help provide direction for future park and program development.
- ▲ The city conducts surveys periodically.

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Park facility improvements are planned for and accomplished through the City's CIP, which includes \$3.7 million over the three-year planning period for park infrastructure and facilities including playgrounds, recreation equipment, and restrooms. The program also identifies another \$535,200 in unfunded projects. These projects account for 12% of the total CIP funding. There are no Park Master Plan updates currently scheduled.

Commented [SA1]: Possibly move this paragraph to the Public Works section.

Table 4-3: City of San Rafael Parks and Recreation Components

Component	Count
Recreation class participants (2018)	12,842
City parks	<u>20</u> <u>25</u>
City parks acreage	<u>42</u> <u>142</u>
Playgrounds	14
City trails	20
Community gardens	<u>1</u> <u>2</u>
Community centers	<u>4</u> <u>3</u>
Cultural Center	<u>1</u>
Swimming pools	1
Tennis courts	10
Basketball courts	5
Baseball/softball diamonds	5
Soccer/football fields	2

Source: City of San Rafael: Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2018. Pg. 167-168

³³ City of San Rafael. San Rafael General Plan 2020. Pg. 251.

³⁴ City of San Rafael: Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2018. Pg. VI.

Subject: CSA 6 annexation-clarification to page 48 of the San Rafael MSR
Date: Friday, June 28, 2019 at 3:50:09 PM Pacific Daylight Time
From: Lewis, Liz
To: Jason Fried
CC: Lee, Hannah

Hi Jason,

At our meeting earlier this week, we asked about this sentence on page 48 of the Draft San Rafael MSR for CSA#6:

*In 1988, the 37.6-acre Marin Lagoon development was annexed to the CSA which brought the total area up to 308.4 acres. Increasing the area **allowed** the CSA to obtain a larger portion of the basic property tax that funds activities in the CSA.*

It is my understanding that annexing parcels into a Flood Zone or CSA today would not increase or change the amount of ad-valorem dedicated to a CSA or Flood Zone due to the Special District's Property Tax Exchange Agreements and Prop 218. This is what Zone 7 has been told for years and it did not happen with a Zone 7 boundary amendment that was processed in the early 2000s so we would want to avoid confusing the Zone 6 and 7 residents.

I know you are following up with your consultant-PlanWest but how about adding a sentence like this after the two sentences above?

With Prop 218 and the County's property tax exchange agreements, annexation today would not change the proportion of basic property tax funds assigned to a CSA or other special district.

Have a great weekend!

Thanks,
Liz

Liz Lewis|Water Resources Manager
Marin County Flood Control and Water Conservation District
Department of Public Works
lizlewis@marincounty.org
415.473.7226

Email Disclaimer: <https://www.marincounty.org/main/disclaimers>

Subject: Marinwood CSD problems and solutions

Date: Thursday, July 25, 2019 at 12:51:08 PM Pacific Daylight Time

From: Stephen Nestel

To: Jason Fried

Jason,

Thank you for your July 11th presentation to the Marinwood CSD about the future for this district.

I think you have identified a few important areas for the Marinwood CSD and I agree with your early conclusions.

- 1.) Marinwood CSD needs better capital planning
- 2.) A merger of Marinwood Fire Department with another agency or outsourcing of our fire protection services is necessary.

Both of the above should be implemented as soon as possible for the benefit of the community.

As a long time participant in Marinwood CSD politics as both a Parks and Recreation commissioner, a political candidate and active community volunteer, I am very interested in the long term stewardship of our community.

In addition to the above issues, I have observed many unethical business practices and flagrant abuse of the political process to benefit a small circle of insiders. We have briefly discussed this by phone in June.

- 1.) The Marinwood CSD has TWO sets of accounting books but only one is reported to the Marin County and the public. The second set of books for cash business of the parks and recreation department is "self reported income" and is unaudited. In other words, funds are being skimmed from recreation programs to pay for prizes, special events, cash bonuses, etc.

I believe this is illegal and ALL the CSD Directors know and approve of this "accounting" as a way to reward staff. This has been occurring since the recession when staff salaries were frozen due to budget constraints. The practice continues to this day.

For example, this weekend the Marinwood CSD brewfest will be happening. It is a huge money maker but they hardly ever make money. The CSD sells tickets @ \$20.00 a piece to an hundreds of attendees. (We don't actually know the number since they will not reveal it). Breweries provide the beer for FREE. The CSD somehow never seems to be able to "clear expenses" after costs and makes just a few hundred dollars. The other costs are entertainment, tent rental, contract labor costs, etc.

Brewfests in other communities regularly earn \$25-\$75k and are fundraisers for charity. In Marinwood the revenue is poured back into "the cash fund" that is used to pay for "off budget" items.

Skimming is fraud. I don't know what extent the Marinwood CSD is skimming revenues. Only a forensic audit can determine this. I do know that it has been occurring for years and must stop. Here is a portion of a Q and A with the former CSD Rec Director, Shane DeMarta discussing the brewfest revenue. Note how he dodges questions and the CSD board defends this practice. <https://youtu.be/8IuprIYKs8M>

At the center of much of this activity is former CSD Director Bill Hansell. He manages all of the entertainment events as a "volunteer". Of course he also is the manager for the bands and we assume he is paid a "management fee" from the band aka "kickback"

- 2.) The Marinwood CSD has NEVER properly solicited bids for work as required by law. All of the work goes to "friends" of the CSD board. The recent "Marinwood CSD Maintenance Facility" architect was hired in secret and not

surprisingly, Bill Hansel, former CSD manager was hired for an estimated cost of \$13,000. His current billing is expected to be around \$40,000 despite not completing a satisfactory plan that complies with Marin County Building regulations. The current Marinwood CSD director, Eric Dreikosen was hired by Bill Hansell while he was a CSD director. It is a classic case of conflict of interest. Here is a portion of the meeting <https://youtu.be/8iuprIYKs8M>

Note how the board rushes to quiet up the controversy. This is an "open secret" that the CSD board does not want to address. I do believe Leah Green and the board are complicit in the illegal accounting and contracting practices. Only a full investigation by an outside agency can arrive at the truth.

I have more but this is a good start. I believe that LAFCO has a great opportunity to improve the delivery of government services for the people of Marinwood CSD.

Sincerely,

Stephen Nestel
415.413.4059

Subject: Marinwood CSD-changes for long term financial stability
Date: Thursday, July 25, 2019 at 2:45:11 PM Pacific Daylight Time
From: Stephen Nestel
To: Jason Fried

if Marinwood CSD is to regain financial stability and position itself for the future, it must have accountable business practices, open political process and address long term problems like pensions.

1.) The Marinwood CSD fire department must be merged or outsourced.

The Marinwood Fire department is in a JPA with San Rafael but PAYS for the privilege. Long term statistics show that roughly 70% of our calls are in the City of San Rafael. In addition 80-90% are medical calls.

Clearly our Firemen are needed in the city of San Rafael but only the Marinwood CSD pays their salaries and benefits. This is an unsustainable model. We pay MORE per household for fire service than residents in the City of San Rafael and we are subsidizing their fire service.

This is not fair for the residents of Marinwood CSD or the Safety personnel of Marinwood FD. We cannot afford to indefinitely subsidize San Rafael and be expected to pay for their pensions too.

By merging the departments, San Rafael will benefit with the ability to deploy a larger trained fire service across a larger geography. There would have more resources available and the staff will have a greater career opportunities.

2.) The Marinwood CSD general manager needs to be replaced by a business manager with experienced in accounting and management of personnel working closely with the Recreation director.

3.) The Marinwood CSD recreation department is the best in Marin County and potentially a profitable business. It has overflow demand for its programs but seems never to make much money due to the mismanagement of financial resources. A business manager can address this.

4.) The parks department can be merged and/or outsourced to the county or private contractors for a huge cost savings. Land Design has replaced much of the greenery maintenance but the Marinwood CSD staff was reduced modestly. Compared to Marin County parks workers, there is a very small amount of property being maintained. McInnis Park, for example has six workers for 450 acres and many park amenities. Marinwood Park is 14 acres of which half is unmanaged open space and has three workers. They only maintain 6 tennis courts, a pool and a rec center. It is not unusual to see all the parks staff leave by 2 pm everyday despite much deferred maintenance throughout the CSD.

5.) Marinwood CSD must engage in proper government contracting procedures and stop giving contracts to "insiders". Accounting must adhere to ethical business practices.

6.) Marinwood CSD has spent hundreds of thousands in legal fees on unnecessary lawsuits that could be invested back into the community. For example, they spent \$100k to settle a \$10k dispute with the Firefighters. The CSD is now embroiled in a lengthy legal battle with a 90 year old couple who actually wanted to settle amicably when CSD property destroyed their back yard. Such unnecessary legal adventures have cost the Marinwood CSD dearly.

The Marinwood CSD is potentially strong financially. Unethical business practices, abuse of the political process and inexperienced business management is the cause of its current financial woes. Corrective action today will ensure the long term financial stability of the district.

Sincerely

Stephen Nestel
415.413.4059

Subject: Re: Marinwood CSD problems and solutions

Date: Thursday, July 25, 2019 at 1:29:25 PM Pacific Daylight Time

From: Stephen Nestel

To: Jason Fried

The hiring of an architect for \$12k turned out to be Bill Hansell. He has billed at least \$30k so far but as of today does not have an approved plan .

Prefab unit suitable for our park start 10k installed. A ridiculous sum is being spent with Hansell Architects and it needs to stop immediately.

Here is the video, I meant to send you. <https://youtu.be/8qX3dAGjPTw>

Subject: San Rafael MSR Comments from Marin DPW Water Resources
Date: Wednesday, July 31, 2019 at 4:26:17 PM Pacific Daylight Time
From: Lee, Hannah
To: Staff
CC: Lewis, Liz, Leventhal, Roger, Epke, Gerhard, Choo, Chris

Please find below some comments from Roger Leventhal and me regarding the draft MSR for the San Rafael area. We work for the County of Marin Public Works Department Water Resources Division and our primary area of interest with respect to this MSR is CSA 6. Thank you for the opportunity to review the report and for consideration of our comments. Please let me know if you have any questions

Page 48 lists other service districts in the area but doesn't acknowledge Flood Zone 7 – Santa Venetia of the Marin County Flood Control & Water Conservation District.

Page 48, last sentence says annexing Marin Lagoon increased CSA6 basic property tax revenue. We would like the MSR to clarify that annexing more areas into special districts today as opposed to the time of annexation (post Prop 13) would not increase the portion of basic property tax that funds them. Perhaps it would help to explain a property tax exchange agreement would be required or other background information to educate the reader as to how this annexation increased property tax revenue.

Page 51, second to last paragraph says dredging "may begin in 2020". We suggest replacing "in" with "as early as" to temper expectations slightly. At this point it seems unlikely to begin in 2020 when our division has several other construction projects already scheduled.

Page 51 paragraph 2: Last sentence should read as "...should be more self-sustaining over time" (replace "will" with "should")

Page 51 paragraph 2: The report may wish to note the geomorphic dredge approach was developed by Marin Flood Control and is somewhat innovative in nature and as yet not completely proven effective.

Page 52, last sentence of paragraph 2 says the cost decrease by geodredge "would provide funding for a later dredging project" and I suggest replacing this statement with "could reserve funds for a subsequent dredging project"? to clarify the statement.

Page 52 paragraph 3 states the geodredge will decrease the amount of sediment and reduce costs both for construction and over time but doesn't acknowledge (anywhere that I see) that in many cases dredging won't reach docks or achieve the depths and width of the traditional dredge. I feel it is important to note that because otherwise you don't get a sense of the trade-off between a traditional dredge and geodredge. In particular, the proposed depths of the geomorphic dredge approach may limit boat access from prior dredges but with a trade-off that it is much easier and less expensive to permit and should be more sustainable over time.

HANNAH F. LEE, PE, CFM, QSP/QSD
Senior Civil Engineer
County of Marin
Department of Public Works
PO Box 4186



Santa Rosa Office
555 Fifth Street, Suite 300 A
Santa Rosa, CA 95401
(707) 575-3661

August 1, 2019

Jason Fried, Executive Officer
Marin LAFCO
1401 Los Gamos Drive,
San Rafael, CA 94903

VIA EMAIL

Re: San Rafael Regional Municipal Services Review – Greenbelts and Community Separators

Dear Executive Officer Fried and LAFCO Commissioners,

Greenbelt Alliance urges Marin LAFCO to consider adding recommendations on greenbelt protections and community separator designations to the draft San Rafael Regional Municipal Services Review. We urge you to recommend that LAFCO, the County of Marin, Marin County Open Space District and relevant Special Districts to work together to identify and designate appropriate lands within the review area as priority greenbelts and community separators and to protect them from urban development.

Greenbelt Alliance believes that County and City inter-agency jurisdictional coordination is imperative for the implementation of MCOSD strategic plan policies in the County of Marin.

Specifically, Greenbelt Alliance urges you to recommend that:

- St. Vincent's and Silveira lands be prioritized for permanent open space protection
- Upper Sun Valley undeveloped open space be added to open and park lands
- Los Ranchitos community be designated a Community Separator and realigned more closely with the County rather than inside the city's SOI.
- Other lands that are rural and low density and that serve to separate communities in Marin County should also be so designated.
- Community Separators be defined based on existing policy in Sonoma County that prevents intensification of development over existing land use and zoning (attached).

Making such recommendations in the San Rafael Regional MSR for agency collaboration and open space protection aligns with the LAFCO's mission under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to promote and coordinate the efficient delivery of local government services and encourage the preservation of open space and agricultural lands.

Marin County Lands at Risk

While Marin County has far less greenbelt land at risk of development than most other Bay Area counties (11,600 total acres), a total of **2,400 acres are at high risk**, where development is likely in the next 10 years.

Greenbelt Alliance identified the 1,110 acres of the St. Vincent's and Silveira area as the largest greenbelt area at risk of development in Marin County in our current At Risk report (see attached pages).

As described in the draft San Rafael Regional Municipal Services Review, the area serves as a physical and visual separator between the cities of Novato and San Rafael. These lands are currently used by a boys' school and for agriculture.

These incredible grass and tidal lands are no longer in City of San Rafael's Sphere of Influence or destined for annexation. However, County of Marin General Plan provides for urban development of a portion of St. Vincent's/Silveira west of the Northwest Pacific rail line and for continued urban use, which is now within the Marinwood CSD's SOL.

For decades, this has been a contested landscape. While earlier proposals planned to cluster homes and prioritize open space, new discussions include spreading homes out over the site, consuming more natural lands. Though Marin very much needs affordable homes, they would be more appropriate in already-developed areas where residents can be close to services, schools, and jobs.

Identifying these lands for permanent open space protection across relevant agencies and policies is the appropriate way to prevent sprawl development and maintain community separation.

The attached pages from our At Risk report provides an overview of other lands within the San Rafael Region and across Marin County that we hope LAFCO and other relevant agencies will consider for additional protection from development. The Marin Independent Journal article, attached, also provides a summary of the At Risk findings.

Novato Municipal Service Review Update

Greenbelt Alliance is interested in the update of the Novato Municipal Service Review. It appears to be on the calendar for updating but we have not received any notifications to date. Our experience working with the City of Novato in 2017 to renew its voter-approved Urban Growth Boundary brought to light a number of planning and policy issues that need to be addressed by LAFCO in an MSR.

Thank you for your consideration of our views. We look forward to a response and to meeting the new Executive Officer.

Sincerely yours,



Teri Shore, Regional Director, North Bay

Marin Independent Journal (<http://www.marinij.com>)

'Greenbelt' report urges Marin to protect open space

Open space advocacy urges Marin to contain growth within developed areas

By Mark Prado, *Marin Independent Journal*

Tuesday, January 31, 2017



Marin is growing more green and has the highest percentage of land protected from development in the Bay Area, but still faces pressure to build housing, according to a new report by Greenbelt Alliance, a San Francisco-based open space advocacy group.

Marin County has 58 percent of its 333,000 acres protected from development. That is a 2 percent increase since the Greenbelt Alliance's last report in 2012.

The county has 11,600 total acres that could be developed. Of that 2,400 acres are likely to be built on in the next 10 years, according to the report, "At Risk: The Bay Area Greenbelt," released today.

The largest area that could be developed is the Silveira-St. Vincent's property, the 1,200-acre greenway bounded by San Pablo Bay and Highway 101 between San Rafael and Novato.

Marin's Countywide Plan allows for more than 200 units on the site, the report states. While earlier proposals planned to cluster homes and prioritize open space, new discussions include spreading out homes over the site.

"That will not happen immediately, but there is a medium-term risk there," said Teri Shore, the alliance's North Bay regional director. "There is the potential for affordable housing there."

The 2007 Countywide Plan allows for 221 dwelling units for the combined St. Vincent's and Silveira sites, and 100 of those must be priced for low- or very-low-income households. However, the plan does allow for a slightly higher number of units if they are for senior housing that doesn't increase traffic in the area.

The report acknowledges the county needs more affordable housing.

"Marin County's greatest environmental challenge is building homes for workers who cannot afford to live there," the report reads. "The lack of affordable homes close to jobs puts sprawl pressure on outlying areas, and as of 2014, 68,000 people or 62 percent of the workforce, drove in every day."

Those commuters create more than 284,000 tons of carbon dioxide pollution per year. More affordable homes are needed close to jobs and transportation, such as Golden Gate Transit and the new SMART train. But any new housing should not go on open space, the report asserts.

"Though Marin very much needs affordable homes, they would be more appropriate in already developed areas where residents can be close to services, schools and jobs," it says.

Shore said that means building where housing already exists.

“We need development in the right places and we believe there is zoning there to do that,” she said. “We need to work together to make that happen. Once a greenbelt is built on it’s lost forever.”

A ridge in Tiburon on the Easton Point land and property northwest of Novato near Olompali State Historical Park are among the other areas in Marin that could see development, Shore said. The alliance is pushing for a voter-approved renewal of an Urban Growth Boundary passed by Novato voters in 1997. It expires this year.

Bay Area-wide, the report finds 293,100 acres of the Bay Area’s open spaces could be developed within the next 30 years. That equals 458 square miles, almost 10 times the size of San Francisco.

Of those lands, 63,500 acres, or 99 square miles, could see development within the next 10 years.

“We’ve done a comprehensive review of what every city and county in the Bay Area is planning, and where land speculators are proposing new developments,” said Jeremy Madsen, chief executive officer of Greenbelt Alliance. “These development threats are often invisible. By the time you see the bulldozers in the orchard, it’s too late.”

Rick Wells, chief executive officer of the Marin Builders Association, said his organization supports a diverse housing stock in the county.

He cited his group’s policy on a variety of housing: “It helps to create a well-balanced community that can house its own workforce. A locally housed workforce puts less strain on the limited natural resources and less pressure on an overburdened infrastructure.”

URL: <http://www.marinij.com/government-and-politics/20170131/greenbelt-report-urges-marin-to-protect-open-space>

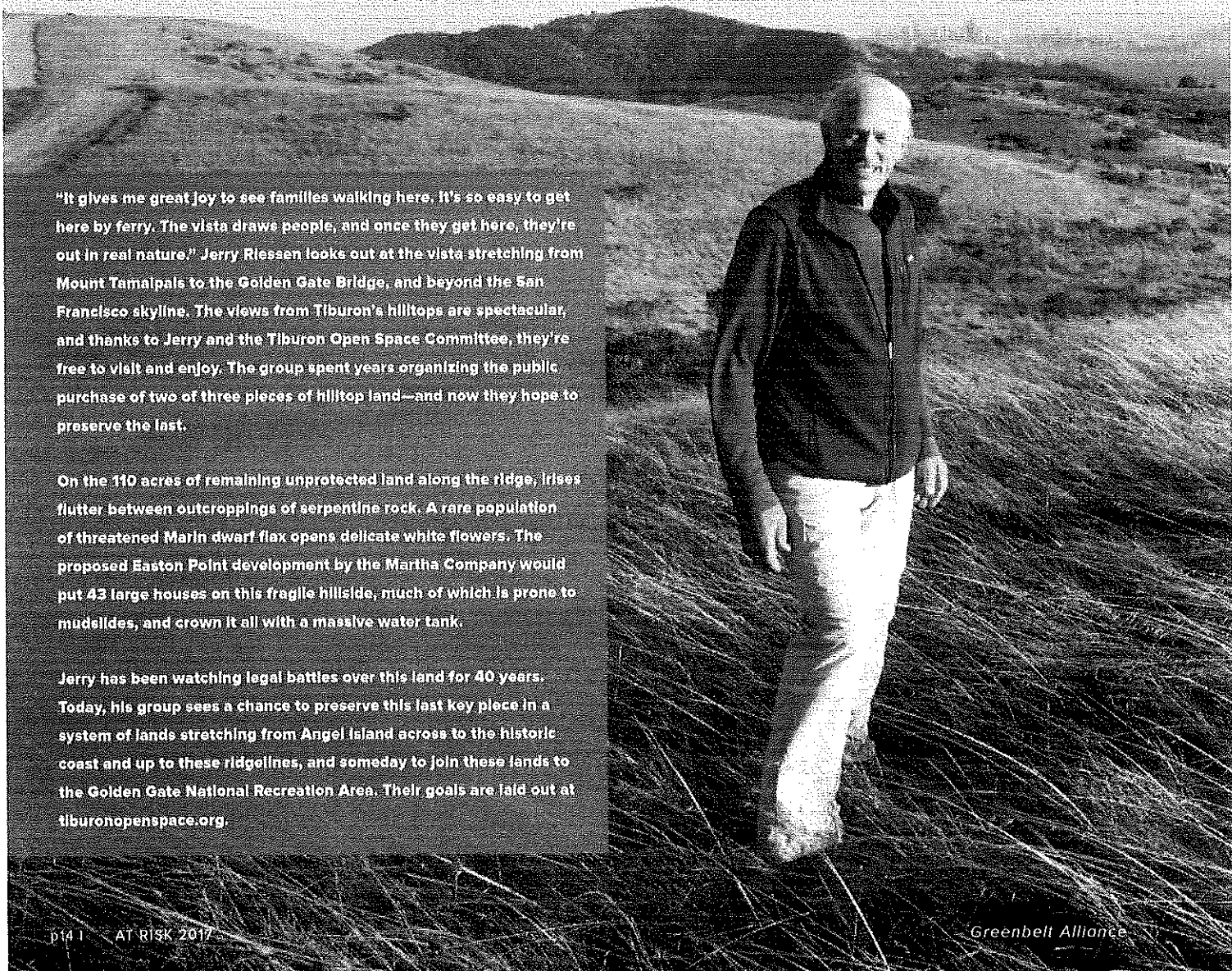
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Marin County has long been a national model of land conservation with 58 percent of the county's natural and agricultural lands permanently protected—more than any other Bay Area county. The county also has less land at risk of development than most other counties—11,600 total acres. Of that, 2,400 acres are at high risk, where development is likely in the next 10 years.

The largest area at risk of development is the Silveira-St.Vincent's property, where a boys' school sits next to ranchland on a rolling grassy expanse of 1,200 acres along San Pablo Bay. For decades, this has been a contested landscape. The land separates Novato and San Rafael, and Marin's Countywide

Plan allows for 221 homes on the site. While earlier proposals planned to cluster homes and prioritize open space, new discussions include spreading homes out over the site, consuming more natural lands. Though Marin very much needs affordable homes, they would be more appropriate in already developed areas where residents can be close to services, schools, and jobs.

Marin County's greatest environmental challenge is building homes for workers who cannot afford to live there. The lack of affordable homes close to jobs puts sprawl pressure on outlying areas, and as of 2014, 68,000 people or 62 percent of the workforce, drove in every day.¹ These long car commutes



"It gives me great joy to see families walking here, it's so easy to get here by ferry. The vista draws people, and once they get here, they're out in real nature." Jerry Riessen looks out at the vista stretching from Mount Tamalpais to the Golden Gate Bridge, and beyond the San Francisco skyline. The views from Tiburon's hilltops are spectacular, and thanks to Jerry and the Tiburon Open Space Committee, they're free to visit and enjoy. The group spent years organizing the public purchase of two of three pieces of hilltop land—and now they hope to preserve the last.

On the 110 acres of remaining unprotected land along the ridge, lilies flutter between outcroppings of serpentine rock. A rare population of threatened Marin dwarf flax opens delicate white flowers. The proposed Easton Point development by the Martha Company would put 43 large houses on this fragile hillside, much of which is prone to mudslides, and crown it all with a massive water tank.

Jerry has been watching legal battles over this land for 40 years. Today, his group sees a chance to preserve this last key place in a system of lands stretching from Angel Island across to the historic coast and up to these ridgelines, and someday to join these lands to the Golden Gate National Recreation Area. Their goals are laid out at tiburonopenspace.org.

create more than 284,000 tons of carbon dioxide pollution per year.² More affordable homes are needed close to jobs and transportation, such as Golden Gate Transit and the new SMART train.

Since the last *At Risk* report in 2012, Marin increased its protected land and, thanks in large part to the Marin Agricultural Land Trust, 47 percent of the county's farmland is now safeguarded. The leadership Marin County has shown in protecting land is needed now to help its communities grow in a way that is truly sustainable.

MARIN COUNTY, A LEADER IN CONSERVATION, STILL HAS OVER 10,000 ACRES AT RISK



Photo: Westlight/istock

2.1 POLICY FOR COMMUNITY SEPARATORS

A characteristic that distinguishes Sonoma County from many parts of the San Francisco Bay Area is the continued existence of separate, identifiable cities and communities. Some land areas need to remain open or retain a rural character in order to avoid corridor-style urbanization. Community Separators are rural open space and agricultural and resource lands that separate cities and other communities, prevent sprawl, protect natural resources, and provide city and community identity by providing visual relief from continuous urbanization. Community Separators enhance the identities of individual cities and communities. As Community Separators are rural areas that have open space characteristics, many of these areas are also scenic. The lands within Community Separators are frequently subject to pressure for development because they are close to developed areas and major roads. The Community Separator designation does not affect underlying land use designations or allowable land uses.

Lands within Community Separators generally meet the following designation criteria:

- (1) Lands shall be located outside an Urban Service Area designated in the General Plan.
- (2) Lands shall have a General Plan land use designation of Timber Production, Resources and Rural Development, Land Intensive Agriculture, Land Extensive Agriculture, Diverse Agriculture, Rural Residential, or Agricultural Residential.
- (3) Lands should logically separate cities or unincorporated communities or extend or complete an existing Community Separator to provide continuity.

Community Separators are designated on the Open Space and Resource Conservation Maps in this Element and briefly described below.

Petaluma/Novato

These lands are designated to retain open space between Petaluma and the Marin County line. Dominant features include rolling hills with trees and farms located along the valley floor. Additional commercial development would detract from this rural atmosphere.

Petaluma/Cotati

This Community Separator between Petaluma, Penngrove and Rohnert Park/Cotati includes Liberty Valley, one of the outstanding views in the County. A substantial amount of land lies within a natural groundwater recharge area in the Petaluma Valley groundwater basin.

Rohnert Park/Santa Rosa

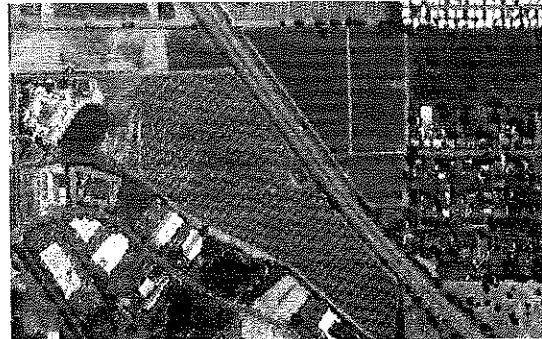
Large parcels along Stony Point Road and Petaluma Hill Road create relief from the urban area and provide views of fields and hills. Rural development now limits the visual separation, but urban development along this corridor would block views of the mountains and create a more intense urban form. Most of this land lies within the Santa Rosa Plain groundwater basin and contains important farmlands.

Santa Rosa/Sebastopol

While some "strip development" exists along the Highway 12 corridor between Santa Rosa and Sebastopol, scenic views of the Laguna de Santa Rosa, oak studded pastures and Mt. St. Helena are available. Retention of the existing oak woodlands and riparian vegetation is critical to the scenic value of this area. Most of this land lies within the Santa Rosa Plain groundwater basin.

Windsor/Larkfield/Santa Rosa

Significant views are available to the west across fields and vineyards to the Mendocino Highlands and to the east over the Mark West Springs Hills to Mt. St. Helena. Most of this land lies within the Santa Rosa Valley groundwater basin and contains important farmlands.



Windsor/Healdsburg

These lands are characterized by permanent crops that take advantage of the prime soils and Santa Rosa Plain groundwater basin. Screening of future development in the rolling hills to the east of the freeway would maintain scenic quality in this area.

Healdsburg/Geyserville/Cloverdale

These lands are characterized by expansive views of the Alexander Valley and the hills to the east and west, interrupted only by the small unincorporated community of Geyserville. Most of this area is located within the Alexander Valley groundwater basin and planted in vineyard.

Northeast Santa Rosa

Included in this area are scattered rural residential development and open oak woodlands. Urban encroachment in the hillside areas and valley floor would detract from the visual quality.

Open Space & Resource Conservation Element

The valley floor lies within the Kenwood Valley groundwater sub-basin and contains important farmlands.

Glen Ellen/Agua Caliente

Highway 12, extending through the Valley of the Moon, provides expansive views of the Sonoma-Napa mountains and vineyard covered hillsides. Intense development along the valley floor and mountainsides would lessen the scenic quality in this area.

- GOAL OSRC-1:** **Preserve the visual identities of communities by maintaining open space areas between cities and communities.**
- Objective OSRC-1.1:** Preserve important open space areas in the Community Separators shown on Figures OSRC-5a through OSRC-5i of the Open Space and Resource Conservation Element.
- Objective OSRC-1.2:** Retain a rural character and promote low intensities of development in Community Separators. Avoid their inclusion in City Urban Growth Boundaries or Spheres of Influence. Avoid their inclusion within Urbans Service Areas for unincorporated communities.
- Objective OSRC-1.3:** Preserve existing groundwater recharge and stormwater detention areas within Community Separators.
- Objective OSRC-1.4:** Preserve existing specimen trees and tree stands within Community Separators.

The following policies, in addition to those in the Land Use Element, shall be used to achieve these objectives:

Policy OSRC-1a: Avoid amendments to increase residential density in Community Separators, since these densities were established based upon the policies set forth in other elements of this plan as well as the open space, separation and visual considerations identified in this section. The integrity of Community Separators cannot be maintained at densities in excess of one unit per ten acres. However, under no circumstances shall this policy be used to justify an increase in density from that designated on the land use map.*

Policy OSRC-1b: Avoid commercial or industrial uses in Community Separators other than those that are permitted by the agricultural or resource land use categories.*

Policy OSRC-1c: Require development within Community Separators to be clustered and limited in scale and intensity.

Footnote: *Mitigating Policy

Open Space & Resource Conservation Element

Policy OSRC-1d: Consider amendments for outdoor recreational uses with a low intensity of structures only in those Community Separators along the Highway 101 Corridor and only where the amendment conforms to the provisions of the voter-approved Community Separators Protection Ordinance.*

Policy OSRC-1e: Apply the Scenic Resources combining district consistent with this Element to all lands located within a Community Separator.*

Policy OSRC-1f: Unless there are existing design guidelines that have been adopted for the affected area, require that new structures within Community Separators meet the following criteria:

- (1) Site and design structures to take maximum advantage of existing topography and vegetation in order to substantially screen them from view from public roads.
- (2) Minimize cuts and fills on hills and ridges.
- (3) Minimize the removal of trees and other mature vegetation; avoid removal of specimen trees, tree groupings, and windbreaks.
- (4) Where existing topography and vegetation would not screen structures from view from public roads, install landscaping consisting of native vegetation in natural groupings that fits with the character of the area in order to substantially screen structures from view. Screening with native, fire retardant plants may be required.
- (5) Design structures to use building materials and color schemes that blend with the natural landscape and vegetation.
- (6) To the extent feasible, cluster structures on each parcel within existing built areas, and near existing natural features such as tree groupings.
- (7) Utilities are underground where economically practical.
- (8) On hills and ridges, avoid structures that project above the silhouette of the hill or ridge against the sky as viewed from public roads, and substantially screen driveways from view where practical.
- (9) Minimize impervious surfaces and encourage groundwater recharge with effective design features and materials that allow stormwater infiltration and detention.

This policy does not apply to farmworker housing or agricultural accessory structures, such as barns, proposed on parcels in the Diverse Agriculture, Land Extensive Agriculture, Land

Open Space & Resource Conservation Element

Intensive Agriculture, and Resources and Rural Development land use categories, and on parcels in the Rural Residential land use category with Agriculture and Residential (AR) Zoning, if their use does not require a use permit in the Zoning Code. If compliance with these standards would make a parcel unbuildable, site structures where minimum visual impacts would result.

Exempt telecommunication facilities if they meet the siting and design criteria of the Scenic Resources (SR) Zoning District.*

Policy OSRC-1g: Use the following standards in addition to those of Policy OSRC-1f for subdivisions in Community Separators:

- (1) Establish building envelopes for structures and consider use of height limitations if necessary to further mitigate visual impacts.
- (2) Use clustering to reduce visual impact where consistent with the Land Use Element.
- (3) Locate building sites and roadways to preserve significant existing tree stands and significant oak trees.
- (4) To the extent allowed by law, require dedication of a permanent scenic or agricultural easement at the time of subdivision.*

Policy OSRC-1h: Place measures on the ballot as needed to extend funding of the Sonoma County Agricultural Preservation and Open Space District for the continuing purpose of acquiring and administering open space lands.*

Policy OSRC-1i: Consider voluntary transfer of development rights (TDR) and purchase of development rights (PDR) programs and make Community Separators eligible with owner consent.*

Policy OSRC-1j: No lands within a Community Separator should be included in a City's Urban Growth Boundary or Sphere of Influence, in an Urban Service Area for an unincorporated community, or annexed to a city unless the lands are first removed from the Community Separator.

Policy OSRC-1k: Until the expiration of Ordinance No. 5145R(2018), the General Plan land use regulations for the lands within the Petaluma/Novato Community Separator shall not be changed so as to increase either the allowed intensity or density of development by changing the land use designations in Figure LU-2h of the Land Use Element without the prior approval of the voters of Sonoma County.*



Los Ranchitos Improvement Association
P.O. Box 4146
San Rafael CA 94913 - 4146

August 1, 2019

Marin LAFCo
1401 Los Gamos, Suite 220
San Rafael, CA 94903

staff@marinlafco.org

Dear Executive Director Fried and Marin LAFCo Commissioners:

Thank you for including and working with the Los Ranchitos Improvement Association (LRIA) to compile and document some institutional history and facts about Los Ranchitos in the current Municipal Services Review (MSR) for the City of San Rafael.

Background

A small committee of the LRIA, representing the landowners in Los Ranchitos, began this project planning process on November 12, 2015 by participating in the Marin LAFCo hearing of that date, commenting on proposed policies during the Commission's policy update. Much of our dialogue with the Commission at that time centered on our concerns about a possible aggressive "island annexation" program being considered and our desire to be removed from San Rafael's sphere of influence to avoid annexation into the City of San Rafael. At that time, we requested that the Commission remove Los Ranchitos from San Rafael's Sphere of Influence (SOI).

Then-Chairman Blanchfield explained that the present hearings pertained only to the Commission's policy update and that San Rafael's upcoming MSR was the correct venue for the Commission to consider making any changes to San Rafael's SOI. *He added that the Commission did act in a prior similar circumstance for Indian Valley, removing Indian Valley from Novato's SOI, which could be used as a precedent and guide in considering our proposal.* He recommended LRIA participate in the San Rafael MSR process, work with staff, and attend the meetings.

In the interim we found Marin LAFCo had an absolute lack of institutional knowledge, memory, or planning records as to the process of how and why Los Ranchitos was ultimately placed in San Rafael's sphere of influence over 50+ years ago, and how Los Ranchitos came to be regarded as an "unincorporated island" within San Rafael's SOI. When San Rafael started annexing portions of the Terra Linda Valley in 1959, well before LAFCo existed, Los Ranchitos was bypassed but later placed within San Rafael's sphere of influence to provide Fire and Paramedic services, to replace County emergency services that were downsizing at that time. From then until now, Los Ranchitos has continually voiced concerns to our elected officials and County staff about remaining within San Rafael's sphere of influence due to this transitional emergency services arrangement eventually being mis-used for purposes of proposing and justifying annexation of the area by San Rafael.

Over time, as a consequence of successive piecemeal annexations by San Rafael, Los Ranchitos's access to our lands by county roads was removed. Our last remaining direct access at the south end of Ranchitos Road onto, and off of, Hwy 101 was removed by CalTrans during the Highway 101 widening project. Subsequently, when Ranchitos Road was connected to Lincoln Avenue, Los Ranchitos became an entirely surrounded island without direct access to our lands by county roads. These incremental changes occurred over time and without any typical public process, i.e., without notice to, comment from, or reasonable consideration of the implications for Los Ranchitos landowners. The cumulative consequence of these successive piecemeal annexations by San Rafael now serve to prejudice our future jurisdictional status and enjoyment of our land as residents of the County of Marin.

San Rafael's MSR

During San Rafael's MSR representatives of the LRIA have had several meetings with LAFCo as well as County Planning, Marin County Open Space District (MCOSD), and Novato Planning staff. After exhaustive research of all available records, we have found that Los Ranchitos is recognized by the 2008 MCOSD plan as being within a priority conservation area and included in many Open Space, Greenbelt and Community Separator policies. The current County General Plan policies are not well coordinated with the MCOSD plan to designate Community Separator areas although the Los Ranchitos hillsides and ridgeline of the *Terra Linda/Sleepy Hollow Divide Preserve* carries the RUG (Ridge and Upland Greenbelt) designation. (NB: at the time of the 2005 San Rafael and 2007 Countywide Plan updates, the 2008 MCOSD plan did not yet exist.)

Two proposals

At this time, to resolve this matter, we request that the Marin LAFCo consider approving one of the following two alternatives based on current Marin LAFCo adopted policies: "*State law requires the Commission to consider the following factors in determining a sphere of influence boundary.*"

"In reviewing city and district spheres of influence, the Commission will exclude lands in agricultural or open space use that function as community separators."

"Sphere-of-influence lines shall act to preserve the community identity of physically distinct unincorporated communities where those communities receive adequate public services from the County and independent special districts."

Proposal (1) On the basis of Chairman Blanchfield's direction to use the example of Indian Valley as a precedent and guide, where the Commission did act in a prior similar circumstance to remove Indian Valley from Novato's SOL, please remove Los Ranchitos from San Rafael's SOL, or

Proposal (2) On the basis of a suggestion from Executive Director Jason Fried, update and use the existing San Rafael sphere of influence to preserve Los Ranchitos for the purpose of fulfilling Open Space policies and goals of the Marin County General Plan and the 2008 MCOSD.* We have researched this perspective further and find the following applicable policies in the Marin County Parks & Open Space Strategic Plan and the Marin Countywide Plan (MCWP):

*2008 Marin County Parks & Open Space Strategic Plan: "**Central Marin Ridgeland — important community separators and ridges of the Terra Linda/Sleepy Hollow Divide, Southern Heights Ridge, and Northridge** areas should continue to be preserved."

Policy OS-2.2 (MCWP EIR page 4.12-14) Continue to acquire or otherwise preserve additional open space throughout the county by targeting greenbelts and community separators in the Baylands and City-Centered Corridor.

Policy OS-2.c (MCWP page 2-126) Acquire and protect lands according to the Open Space District's mission statement. Lands should principally, but not solely, be **within in the City-Centered Corridor**. Within this corridor, and consistent with its mission, strive to acquire or otherwise protect the following: Ridgeland that contribute to the completion of greenbelts and community separators surrounding the cities and towns in eastern Marin.

NOTE: Although the Marin County Open Space District (MCOSD) is a separate legal entity from the County, the MCWP is the tool used to set guidance for open space in Marin County. The MCWP recognizes the number of agencies and non-governmental organizations involved in land management and conservation in Marin. Multi-jurisdictional coordination and management will be necessary during the next decade as ownership is varied between public and private agencies. The emphasis in the MCWP is stewardship and management of open space lands.

We thank the Commission for your attention to this matter and ask that this history be incorporated into LAFCo's archives as an attachment to the SR MSR. We have also appended our suggested augmented text for the MSR itself as well as maps that relate to the history described above.

Sincerely,

Los Ranchitos Improvement Association (LRIA)
Leyla Hill, President
Judy Schriebman, Treasurer
Rick Savel, Committee member

Attachment 1 LRIA's requested/suggested augmented text for the MSR
Attachment 2 Transcription of part of the LAFCo meeting of November 12, 2015
Attachment 3 Map showing serial annexations in North San Rafael, starting 1959
Attachment 4 Map 2.6 from the 2007 Marin Countywide Plan, showing the RUG overlay for Los Ranchitos
Attachment 5 Map from the County of Marin Gallinas Creek Watershed
Attachment 6 Map from the MCOSD Terra Linda Ridgeline Preserve area (has red hexagon over LR)
Attachment 7 Map filed with the State of California by the County of Marin showing protected Agriculturally Zoned Lands

Attachment 1. MSR Augmented Text

Los Ranchitos is located west of Highway 101 and north of San Rafael Hill. The unincorporated 230-acre Los Ranchitos community features single-family homes on 1-acre minimum lots zoned A2-B4 for agricultural uses including horses and other livestock. The current Marin Countywide Plan (MCWP) allows low-density development, designating the area as single-family residential at 1 unit per 1 to 5 acres and planned residential at 1 unit per 1 to 10 acres. The area is nearly completely built out.

The Marin County Open Space District (MCOSD) identifies the area as a featured part of its Strategic Plan, a designated "Land Conservation Area."* It appears in the Plan as a peninsula continuation of the Terra Linda/Sleepy Hollow Open Space Preserve. The hilly terrain of Los Ranchitos is under the County's Ridge and Upland Greenbelt (RUG) overlay. The Countywide Plan identifies areas with the RUG designation as community separators. Los Ranchitos fulfills this function geographically and topographically, separating the City of San Rafael south of Puerto Suelo Hill, on the one hand, from the Terra Linda Valley on the other.

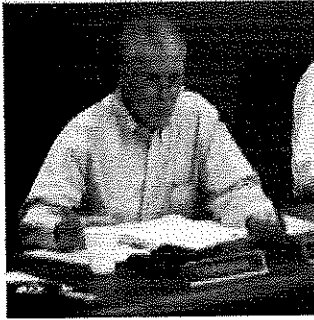
The Los Ranchitos Improvement Association (LRIA), established in 1952, represents the homeowners of the Los Ranchitos community. The LRIA's mission is to maintain the spirit of the neighborhood and to help its residents preserve their very special rural residential way of life. Over the 50 plus years since the area was placed within San Rafael's SOI for paramedic and fire services, the LRIA has consistently conveyed to their County Supervisors the landowners' intention to remain in the County and concerns about possible mis-use of their emergency services agreement as a basis for annexation to the City of San Rafael due to remaining in within San Rafael's SOI.

A 2015 proposal from the LRIA to LAFCo clearly indicates LRIA's objective to maintain Los Ranchitos as an unincorporated community separate from the City of San Rafael. In 2018 as the Commission was approving the start of the San Rafael Area MSR, the LRIA leadership met with LAFCo staff to reiterate their interest in not being annexed into the City of San Rafael. Additionally, the San Rafael General Plan 2020 does not identify any specific future vision for this area.

*2008 Marin County Parks & Open Space Strategic Plan: "Central Marin Ridgeland — important community separators and ridges of the Terra Linda/Sleepy Hollow Divide, Southern Heights Ridge, and Northridge areas should continue to be preserved.

Attachment 2 is a transcription of part of the LAFCo meeting of November 12, 2015

<https://www.youtube.com/watch?v=Pvq3KID0rEc&t=5509s>



Marin LAFCO November 12, 2015

View on www.youtube.com

Preview by Yahoo

Leyla Hill speaks first, that homeowners of Los Ranchitos unincorporated Marin County wish to remain as unincorporated, however, policies and workplaces seem to say something quite different: that Los Ranchitos WILL eventually be annexed to the City of San Rafael. Is there another solution for us? chair asks for policy Language, Leyla Hill introduces Rick Savel for that.

Rick gives precis of his expertise in this area, gives some parallels for Los Ranchitos regarding law suits in Rohnert Park that were analogous and settled in favor of the unincorporated area. This is followed by a discussion of some specific language regarding spheres and planning, as an example of the kind of thing we're concerned about. Then a discussion of whether or not Los Ranchitos is a separate, identifiable area, not a CSD, but a separate area. And why can't we be detached from the sphere and just be in unincorporated Marin County?

1:31:00 on...

Commissioner Judy Arnold: Can we... I have a question I would ask of Keene... Is there a problem with like adding an addendum saying that Los Ranchitos does not want to be in the sphere of influence? ...of San Rafael. [inaudible] doesn't want to be annexed to San Rafael?

Exec. Dir. Keene Simonds: Perhaps not as the commissioners have noted as part of this broad policy document, but one of the suggestions I just shared with Rick a few hours ago so I didn't put it in the staff report. But, when you do sphere updates, there's nothing to stop the commission to create policy statements within a sphere update, whether it's San Rafael or whatnot. And if the commission chose at that time, that would probably be the better avenue at that time to make a statement of that type.

Chairman Jeff Blanchfield: It would seem to me important to have in the file this concern for when we take on this area, working with San Rafael and others, about this issue, and it will come up. It came up in Indian Valley beforehand, and we worked on that. So there's some precedents for us on that. At that time it would be good for you, and whomever the duly elected members of the homeowners association want to participate in that process, we would look forward to that. And so I think this is a good kind of a check on our list of what we have to do when we get to this sphere review...

Commissioner Arnold: Do we have a timeline for when we're going to be looking at this?

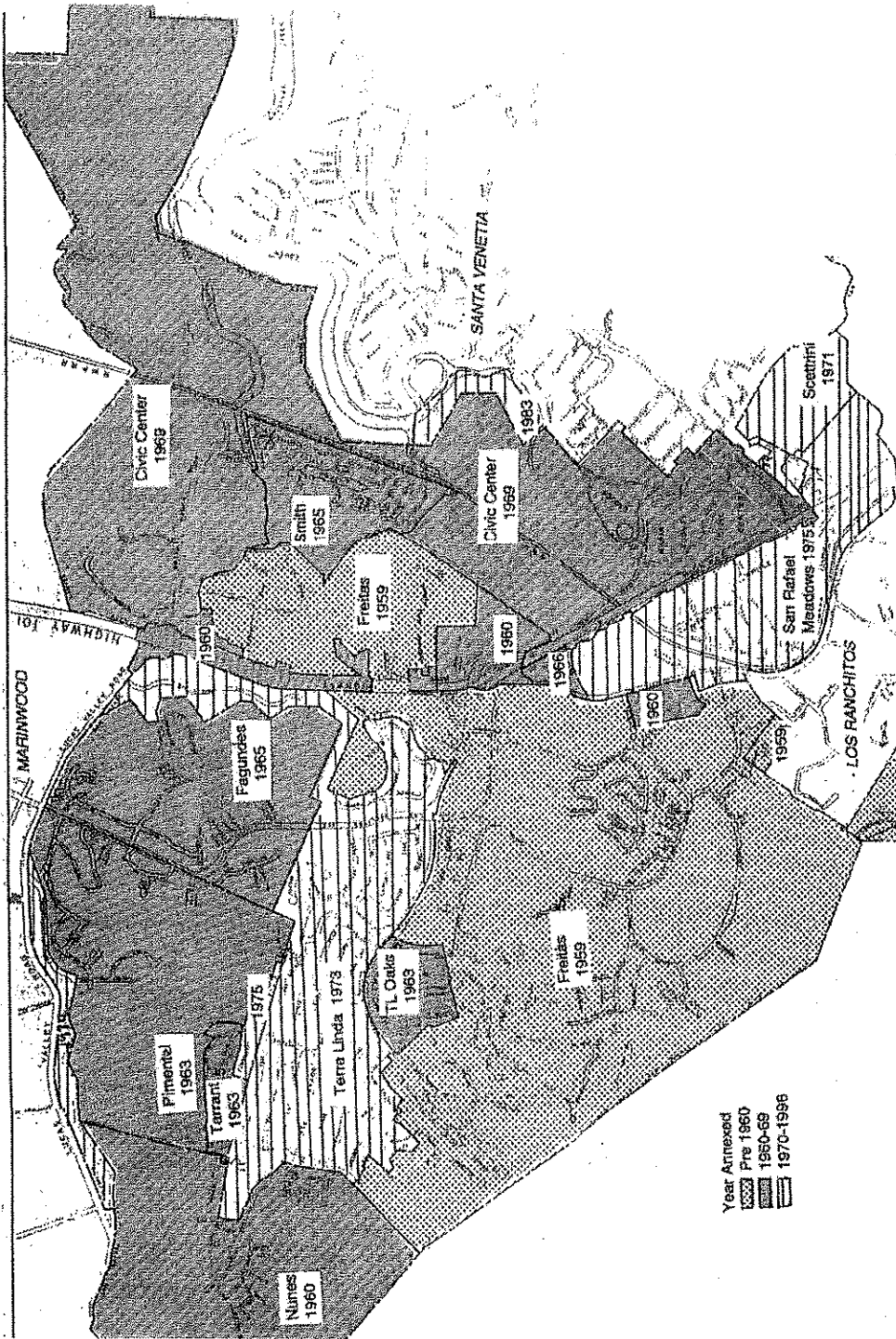
Rick Savel: If I could Mr. Chairman? As I suggested to you, Commissioner Connolly, too, even if it involves, I mean we're talking about San Rafael, but again we need something at the County. We don't vote in San Rafael. This is part of the problem with Rohnert Park. As you know UGBs are voter approved.

Commissioner Arnold: Right.

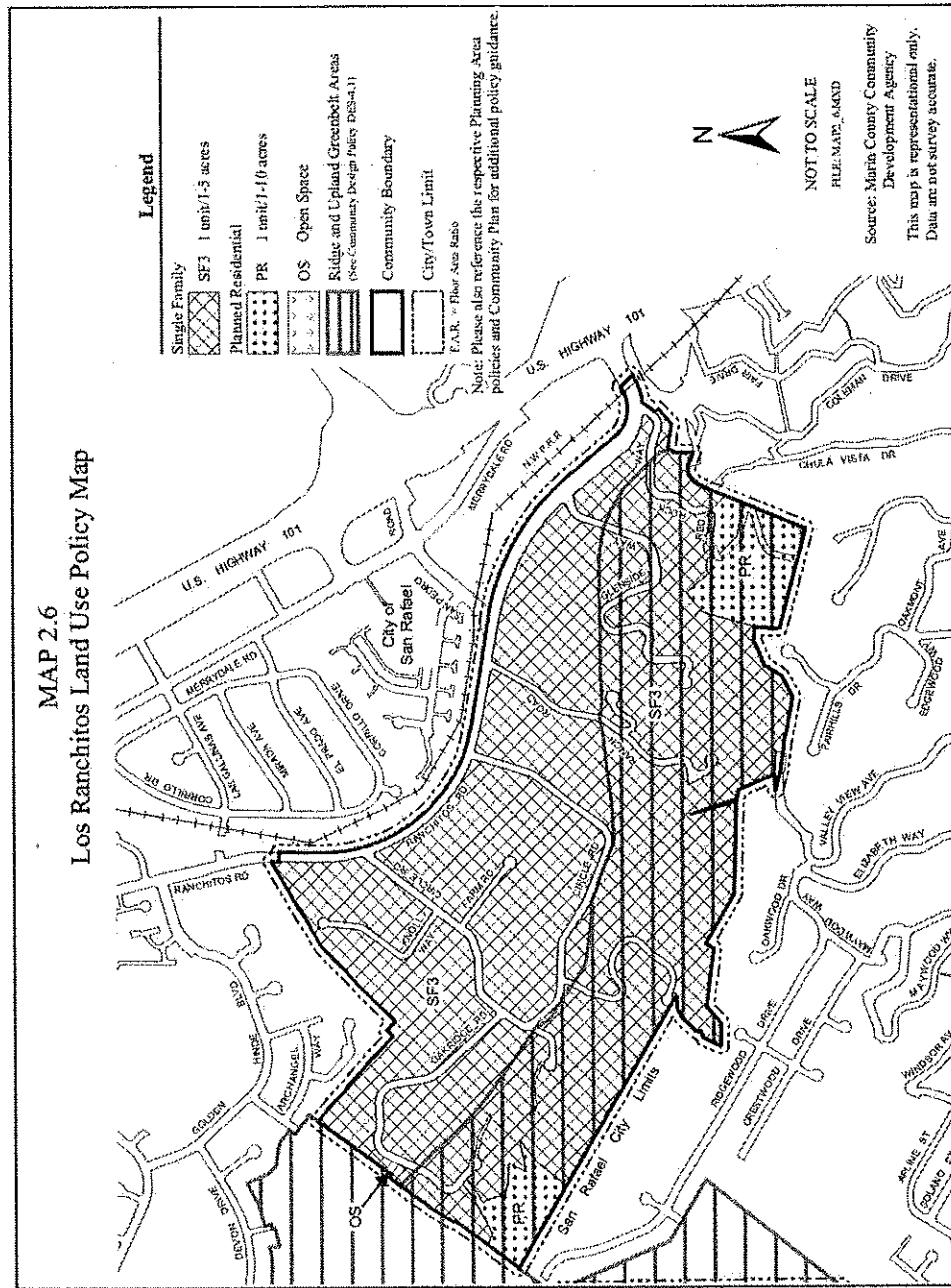
Rick Savel: Penngrove has no vote in Rohnert Park. We have no control over the council members. I mean, we're administered by the County of Marin, so we need something, but I guess my other thing, and I'm impartial, the community, that's a generous offer that you made, and the community may accept that, but I haven't heard a reason yet why we can't be detached if we request it.

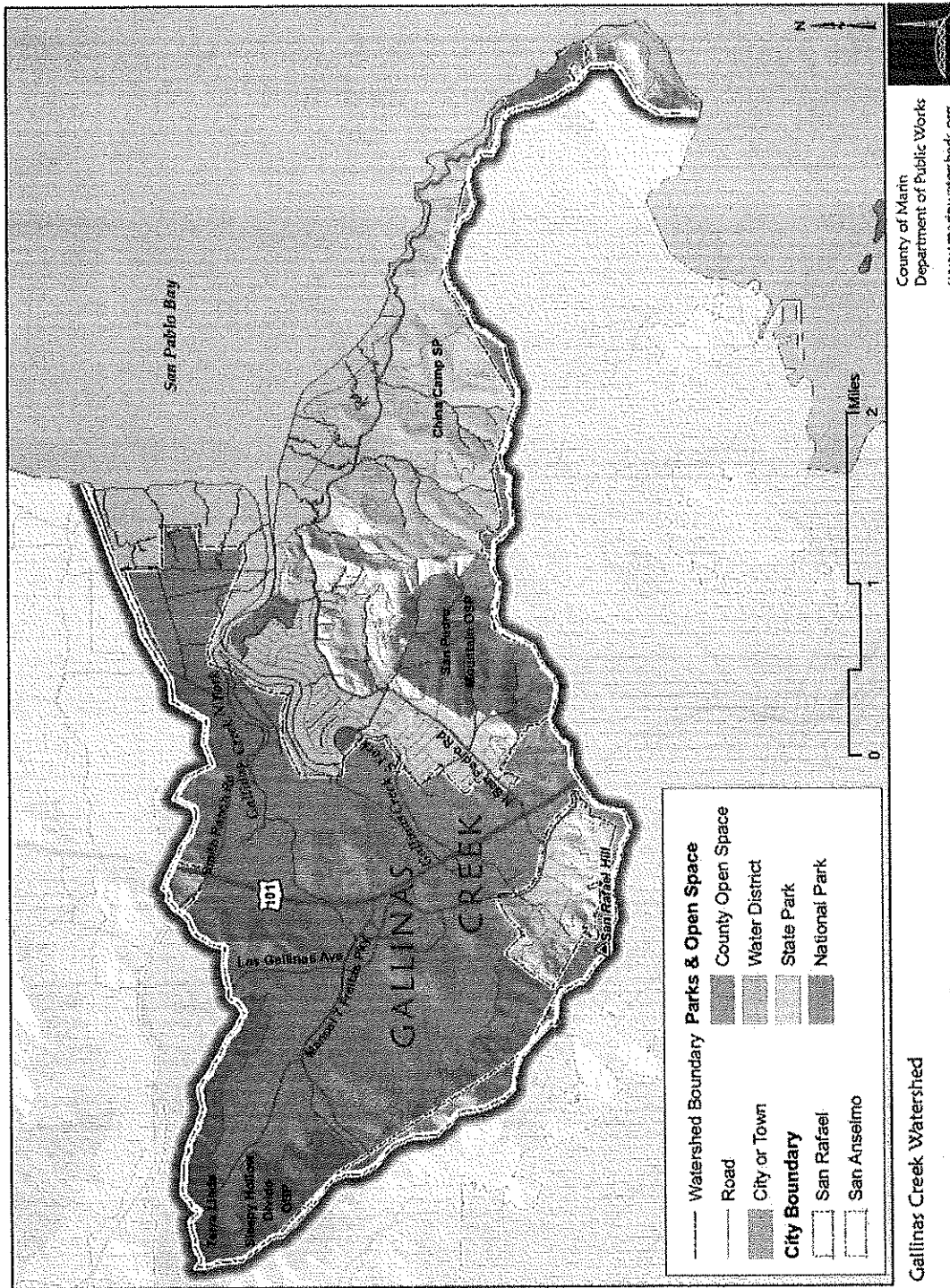
Chairman Blanchfield: Well that would be something we would take up at that time, you know. That's the venue in which to bring this up because then we'll be focused on it.

NORTH SAN RAFAEL ANNEXATIONS

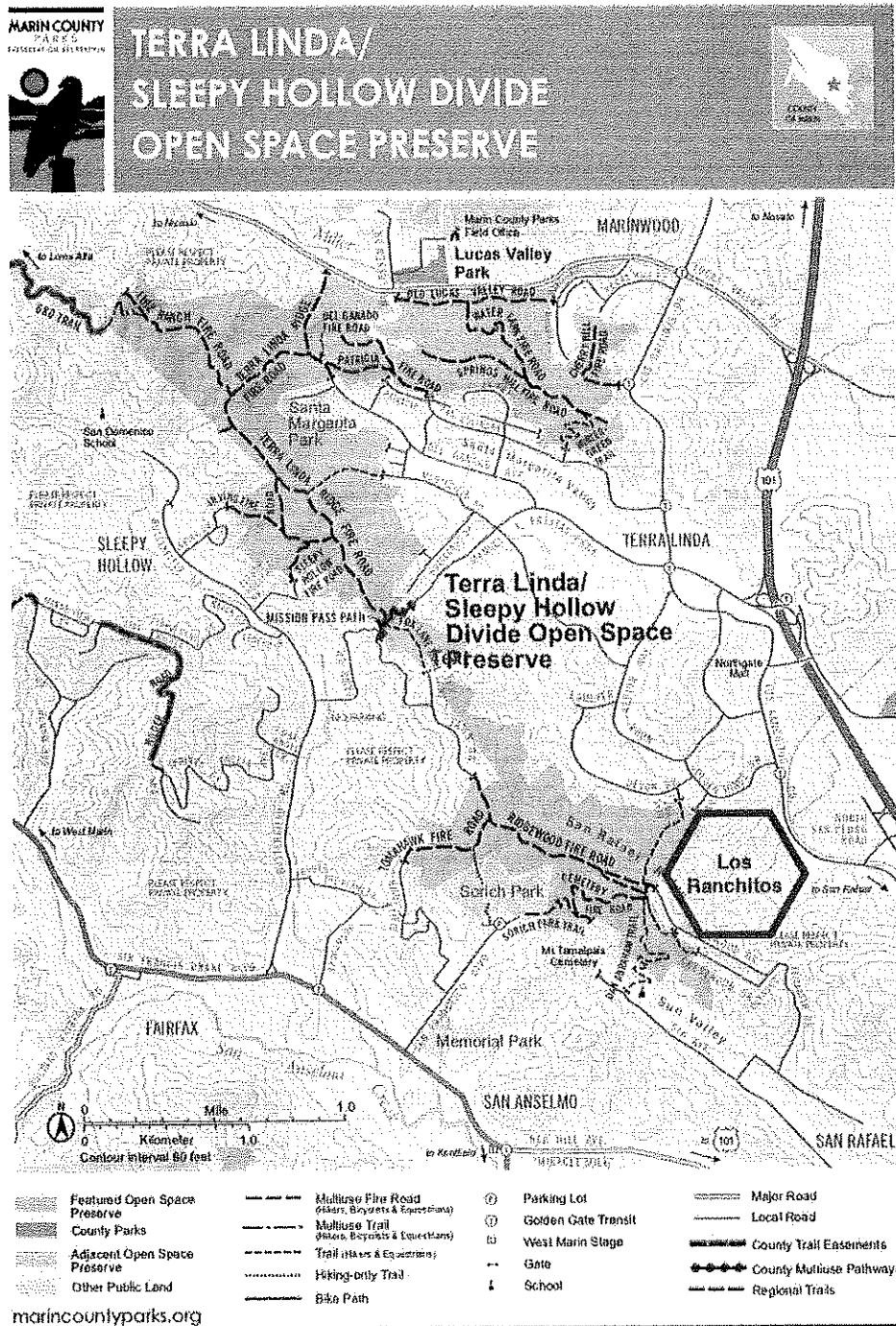


Attachment 3. map showing serial annexations in North San Rafael, starting 1959

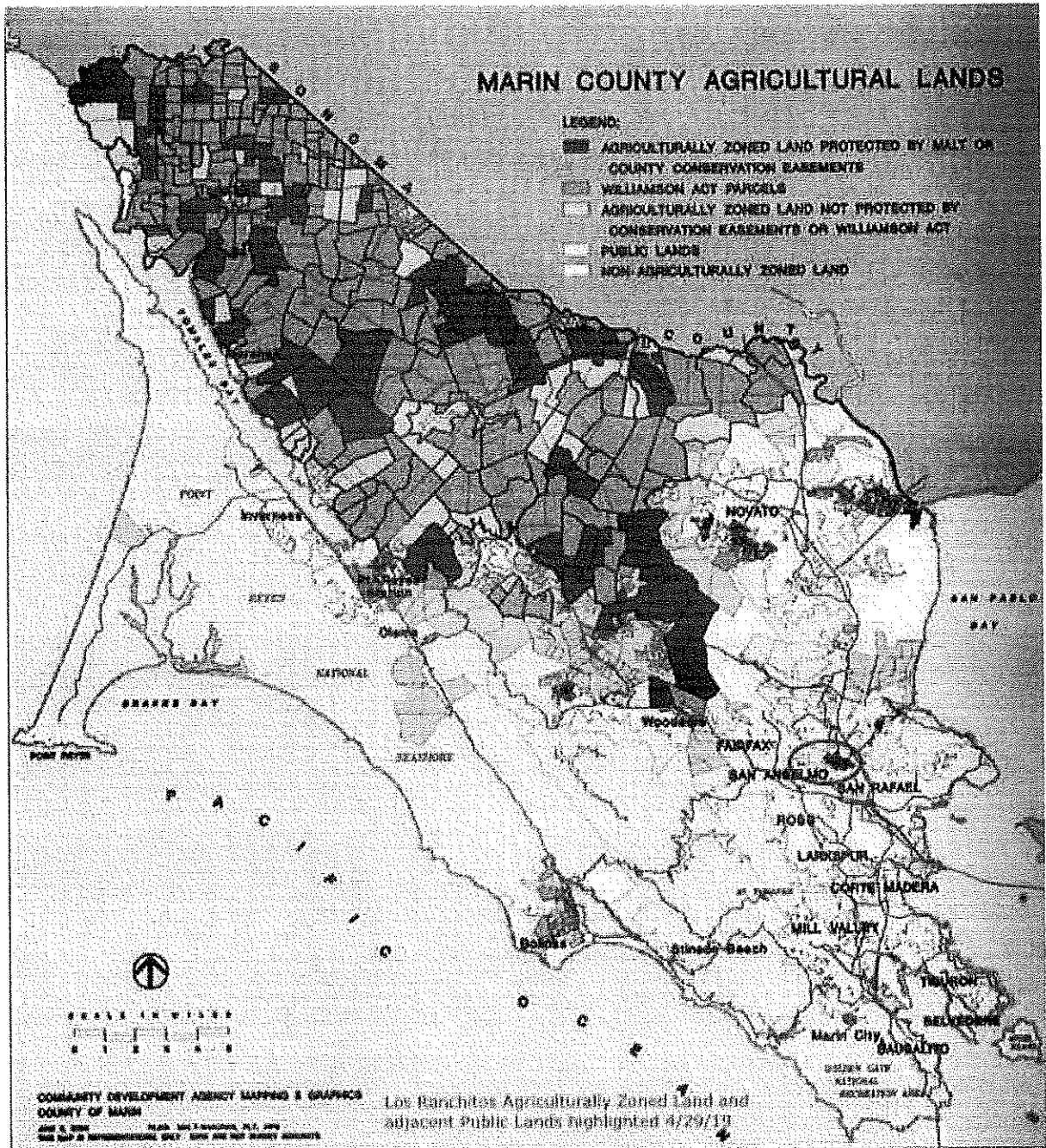




Attachment 5 map from the County of Marin Gallinas Creek Watershed showing how Los Ranchitos can be seen as an extension of the County Open Space



Attachment 7 map from the County of Marin of protected Agriculturally Zoned Lands submitted and filed with the State of California (Los Ranchitos dark green agricultural land highlighted within red circle).



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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 7 (Business Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Request for Time Extension to Complete Approval Terms – Annexation of 276 Mesa Road to Bolinas Community Public Utility District (File #1337)

Background

At the October 12, 2017 regular LAFCo Commission meeting, landowner (Brad Drury) requested annexation approval of approximately 20.6 acres in the Bolinas community to the Bolinas Community Public Utility District (BCPUD). The affected territory as proposed includes one entire legal lot in unincorporated Bolinas identified by the County of Marin Assessor's Office as #188-170-54 and at 276 Mesa Road.

The Commission, with conditional approval, agreed with the landowners request with modifications to include a public right of way, in order to avoid the creation of an island. The conditional approval, in part, was based on a coastal permit application approval by the Marin County Community Development Agency. G.C. Section 57001 specifies that a certificate of completion must be recorded for all change of organization/reorganization proposals within one calendar year of approval or must be automatically terminated unless an extension is granted by Marin LAFCo. The certificate of completion cannot be recorded until all conditions of approval have been satisfied.

Since the Commission's approval, the ownership of the land has been sold to Sam Lessin. Mr. Lessin has been going through the necessary processes to receive a coastal permit, but has not yet finished the process. At the August 9, 2018 Commission meeting, the Commission approved a one-year extension to give the new owners time to complete coastal permitting process. On July 25th, 2019, staff received a letter (see attachment) requesting an extension in order to continue towards working to complete the coastal permit process.

This item is for the Commission to consider a request by the applicant through his authorized representative (LAK Associates) for a time extension necessary to complete the approval terms established for the proposal given the approaching one-year statutory deadline to record a certificate of completion.

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

Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kiou, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Staff Recommendation for Action

1. Staff recommendation – Approve the requested time extension contingent on the applicant submitting the associated fee.
2. Alternate option - Deny the requested time extension. This will terminate the Commission's prior approval assuming the terms remain outstanding will not be completed August 9, 2019.

Attachment:

- 1) Letter from Applicant's Representative Requesting Delay



LAK ASSOCIATES, LLC

PO Box 7043, Corte Madera, CA 94976

tel: (415) 533-2111 sean@lakassociates.com

July 25, 2019

Jason Fried
Marin County Local Agency Formation Commission
1401 Los Gatos, Suite 220
San Rafael, California 94903

RE: Extension Request - Conditional Approval (LAFCO File No. 1337) | Concurrent Sphere of Influence Amendment and Annexation of 276 Mesa Road to Bolinas Community Public Utility District

Jason,

On behalf of Sam Lessin (owner/applicant) of 276 Mesa Road in Bolinas CA, and pursuant to the extension granted on August 2018, we are formally requesting a second extension to the LAFCO annexation Conditions of Approval.

The extension request, pursuant to Order #4 of Resolution 17-10, is as follows (emphasis added):

(4) Approval of the sphere of influence amendments are CONDITIONED on the following terms being satisfied within one calendar year – or October 12, 2018 – *unless a prior written request for a time extension is received and approved by the Commission.*

At this time, the owner/applicant is near completion of a development plan necessary to satisfy a coastal permit application submittal to the Marin County Community Development Agency. The project team is putting the finishing touches on the required materials with the intent to finalize the comprehensive application later this summer and a desired coastal permit approval from the County of Marin by end of 2019 or 1st quarter 2020.

Please do not hesitate to call me at (415) 533-2111 or contact me via email at sean@lakassociates.com if you have questions or comments regarding our extension request.

Sincerely,

Sean Kennings
LAK Associates, LLC

CC: Sam Lessin, owner/applicant
Carl Savitz – project manager/contractor



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 8 (Business Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Approval of Resolution 19-04 Approving the Annexation of 2260 Vineyard Road to Novato Sanitary District (File #1343) and Finding the Annexation Exempt from CEQA**

Background

Marin LAFCo has received an application from Patrick and Erin Sheedy (“applicant”) requesting approval to annex a single-family home, approximately .62 acres (25,552 square feet) to the Novato Sanitary District. The affected territory is in the City of Novato with a situs address of 2260 Vineyard Road (APN 132-311-61). The proposal, as stated by the applicant, is for connection to the sewer district. This is the last parcel on this street to still be on a septic system and they are looking to move from septic to the sewer system.

Staff has requested comments from Novato Sanitary District, along with twelve (12) other interested agencies, that were due on Thursday, July 11, 2019. All impacted or interested agencies were supportive or neutral on this application.

Staff Recommendation for Action

1. Staff recommendation – Approve the requested annexation as described and approved in attached Resolution No. 19-04.
2. Alternative Option 1 – Deny the requested annexation.
3. Alternative Option 2 – Continue consideration of the item to the next regular meeting, and provide direction to staff, as needed.

Attachment:

- 1) Resolution #19-04
- 2) Application Packet – File 1343

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

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County of Marin

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Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 19-04

**RESOLUTION APPROVING THE ANNEXATION OF CERTAIN PROPERTY
TO THE NOVATO SANITARY DISTRICT**

WHEREAS a proposal for annexation into Novato Sanitary District of approximately .62 acres (Assessor Parcel Number 132-311-61) located 2260 Vineyard Road, was heretofore filed with the Marin Local Agency Formation Commission (LAFCo); and

WHEREAS the Executive Officer has reviewed the proposal and prepared a report, including his analysis and recommendations, the proposal and report having been presented to and considered by LAFCo; and

WHEREAS LAFCo has complied with the California Environmental Quality Act (CEQA) incident to its consideration of this request, as described below; and

WHEREAS pursuant to Government Code Section 56662, when a petition is accompanied by written consent signed by all owners of land within the territory proposed to be annexed, this Commission may make determination with respect to said annexation without notice and hearing; and

WHEREAS it has been determined to the satisfaction of LAFCo that all owners of the land included in this proposal consent to the proposal; and

WHEREAS LAFCo has not received a request from any affected local agency for notice, hearing or protest proceeding on the proposal; and

NOW, THEREFORE, LAFCo, does hereby resolve, determine and order as follows:

SECTION 1:

As Responsible Agency under CEQA for the proposed annexation of APN: 132-311-61 to Novato Sanitary District, LAFCo finds that the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319 (a).

SECTION 2:

LAFCo hereby approves the proposed annexation of approximately .62 acres to the Novato Sanitary District, as described and depicted in Exhibits "A" and "B" incorporated herein by reference.

SECTION 3:

LAFCo hereby waives protest proceedings pursuant to Government Code Section 56662(a).

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2019, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Sashi McEntee, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCO Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 19-04

- 1. Exhibit "A" – Legal Description
- 2. Exhibit "B" – Map

**PETITION FOR PROCEEDING
PURSUANT TO
THE CORTESE-KNOX-HERTZBERG
LOCAL GOVERNMENT REORGANIZATION ACT OF 2000**

Save File

Print

Reset Form

The undersigned hereby petition(s) the Marin Local Agency Formation Commission for approval of a proposed change of organization or reorganization and stipulate(s) as follows:

1. This proposal is made pursuant to Part 3, Division 3, and Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000).
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, etc.) is/are: _____
3. The boundaries of the territory(ies) included in the proposal are as described in Exhibit(s) _____ attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are:
 inhabited (12 or more registered voters) or
 uninhabited.
5. This proposal is is not consistent with the sphere(s) of influence of the affected city and/or district(s).
6. The reason(s) for the proposed _____ (annexation, detachment, reorganization, etc.) is/are: _____
7. The proposal is requested to be made subject to the following terms and conditions: _____
8. The persons signing this petition have signed as:
 Registered voters or
 Owners of the land.

Chief Petitioners (not to exceed three):

<u>DATE</u>	<u>PRINTED NAME</u>	<u>SIGNATURE</u>	<u>RESIDENCE ADDRESS</u>
6/6/19			

MARIN LAFCO
APPLICATION QUESTIONNAIRE

Save Form

Print

Reset Form

In accordance with requirements set forth in the California Government Code, the Commission must review specific factors in its consideration of this proposal. In order to facilitate the Commission's review, please respond to the following questions:

I. GENERAL INFORMATION

1. Please check the method by which this application was initiated:

- Resolution of Application
 Petition

2. Does the application possess 100% written consent of each property owner in the subject territory? Yes No

3. A. Application is submitted for the following boundary change:
(BE SPECIFIC; i.e., "annexation," "reorganization".)

Annexation to Septic to Novato Sanitation

B. The reason the proposed action(s) has been requested:

(BE SPECIFIC; i.e., "annexation to sewer district for construction of three homes")

Annexation to Novato Sanitation for existing home currently on septic

4. State general location of proposal:

22100 Vineyard Rd
Novato

5. Is the proposal within a city's boundaries?

Yes . Which city? NOVATO
No . If the proposal is adjacent to a city, provide city name: _____

6. Is the subject territory located within an island of unincorporated territory? Yes No
Indicate city, if applicable: _____

7. Would this proposal create an island of unincorporated territory? Yes No . If yes, please justify proposed boundary change: _____

8. Provide the following information regarding the area proposed for annexation: (Attach list if necessary.)

A. Assessor's Parcel Number(s)	Site Address(es)
<u>132-311-61</u>	<u>2260 Vineyard Rd</u>
_____	<u>Novato, Ca 94947</u>
_____	_____

B. Total number of parcels: 1.

9. Total land area: 25,522.

II. LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns: Failure of Septic

2. Indicate current land use: (i.e., number of dwellings, permits currently held, etc.)
1 single family home

3. Indicate the current zoning (either city or county) title and densities permitted:
residential

4. Has the area been rezoned? No N/A Yes
What is the rezoning classification, title and densities permitted? _____

5. Describe the specific development potential of the property. (Number of units allowed in zoning.)
low density residential R1-20

III. ENVIRONMENT

1. Is the site presently zoned or, designated for, or engaged in agricultural use?

Yes No

If yes, explain: _____

2. Will the proposal result in a reduction of public or private open space?

Yes No

If yes, explain: _____

3. Will service extension accomplished by this proposal induce growth in:

A. This site?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	N/A <input type="radio"/>
B. Adjacent sites?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	N/A <input type="radio"/>
C. Unincorporated?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	
D. Incorporated?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	

4. State general description of site topography: Flat land

5. Indicated Lead Agency for this project: Novato Sanitation Dept.

6. Indicate Environmental Determination by Lead Agency: Categorical Exemption
with respect to (indicate project) Section 15302 (c)
dated _____.

(COPY OF ENVIRONMENTAL DOCUMENTS MUST BE SUBMITTED WITH APPLICATION.)

PLAN FOR PROVIDING SERVICES

To be completed by a city or district representative for all **applications initiated by resolution or as required by Executive Officer.**

1. Enumerate and describe services to be extended to the affected territory:

Police: Novato Police Dept
Fire: Novato Fire Dept
Sewer: Novato Sanitary Department
Water: Novato WATER Dept
Other: _____

2. Advise whether any of the affected agencies serving or expected to serve this site are current operating at or near capacity: _____

3. Describe the level and range of services:

Connect one Single Family home 240056 A
to Novato Sanitary Dept

4. Indicate when services can/will be extended to the affected territory:

Ready to service now

5. Note any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions required within the affected territory: N/A

6. Describe financial arrangements for construction and operation of services extended to the affected territory. Will the territory be subject to any special taxes, charges or fees? (If so, please specify.) N/A

This section completed by:

Patrick Sheehy
(Name)

Home Owner
(Position)

(Agency)

(Phone #)

Exhibit A

**Annexation of the Lands of Sheedy
To the
Novato Sanitary District**

**File No. xxx
Mapping No. xx**

Beginning at a point on the existing boundary of the Novato Sanitary District, distant thereon North 05° 19' East 5.00 feet from the southeasterly corner of Novato Sanitary District Annexation No. 1972-4, said point being the southwesterly corner of that certain parcel of land granted to Patrick M. Sheedy et ux by Grant Deed recorded October 11, 2013 as Recorder's Document No. 2013-65037, Marin County Records;

- 1) Thence, along the westerly line of said parcel and said annexation boundary, North 05° 19' East 105.27 feet;
- 2) Thence North 14° 15' East 70.12 feet;
- 3) Thence, leaving said annexation boundary, along the northerly line of said parcel, South 85° 08' East 168.34 feet to a point on the boundary of the Novato Sanitary District Annexation No. 1996-2;
- 4) Thence, along the easterly line of said parcel and along said annexation boundary, South 14° 15' West 132.35 feet;
- 5) Thence, leaving said annexation boundary along the southeasterly line of said parcel, South 60° 52' West 79.75 feet;
- 6) Thence along the southerly line of said parcel, North 84° 41' West 92.91 feet to the point of beginning.

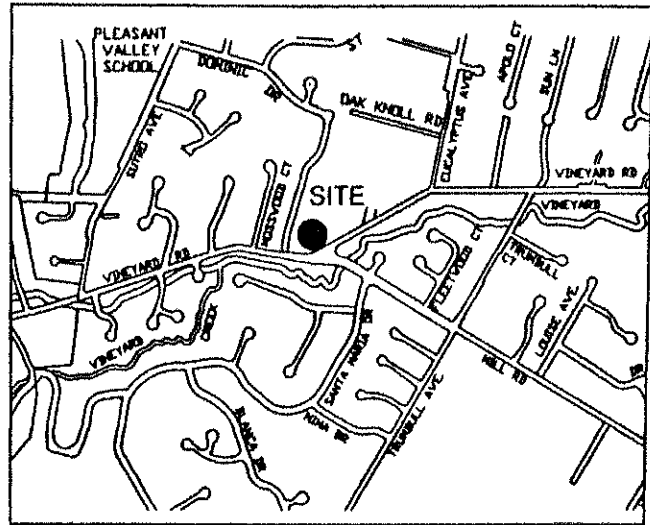
This annexation contains approximately 27,183 square feet which equals 0.62 acres.

This parcel lies within the Rancho de Novato, Marin County, California.

Annexation Parcel Information

Legal Description: That certain parcel of land conveyed to Patrick M. Sheedy et ux by RDN 2013-65037, Marin County Records.

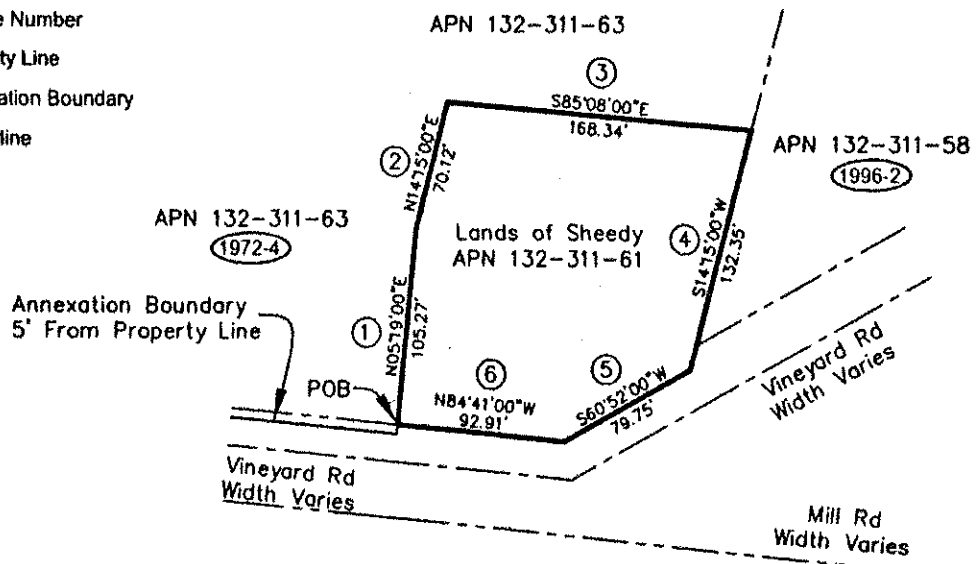
Said Parcel lies within the Rancho de Novato.
 Address: 2260 Vineyard Road, Novato, CA
 Assessor's Parcel No. 132-311-61.



Vicinity Map
No Scale

Legend

- 2002-4 Existing Sewer District Annexation
- Proposed Annexation
- 2 Course Number
- Property Line
- Annexation Boundary
- Centerline



Annexation Plat
Scale: 1" = 100'

Abbreviations

- APN Assessor's Parcel No.
- POB Point of Beginning
- RDN Recorder's Document No.

White & Prescott
 Engineering & Surveying
 1400 Grant Avenue
 Novato, CA 94945

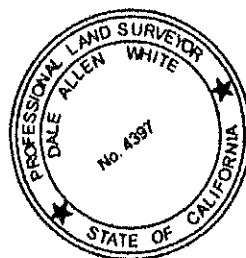


Exhibit B
 Mapping No. xx-xx

Annexation of the Lands of Sheedy
 To The
 Novato Sanitary District



P.O. Box 3415 ♦ San Rafael, California 94912-3415
Telephone (415) 898-2700 ♦ Fax (415) 898-6074
www.rotorooter.com
License # 288461
facebook.com/marinrotorooter
twitter.com/marinrotorooter
www.yelp.com/biz/roto-rooter-plumbers-novato
www.linkedin.com/in/mendycategari

September 19, 2013

Frank Howard Allen

d.

Re: Septic System Report and finding for your septic tank and leach line load test
2260 Vineyard Rd
Novato, CA 94947

Dear Megan:

Roto Rooter Plumbers thanks you for selecting us to provide an observation and report for the property at 2260 Vineyard Rd, Novato, CA 94947.

The Septic system at the property appears to consist of a serial distribution type drain filed which was unable to be located and a 1, 200 gallon concrete septic tank. No diversion valve could be located and therefore the system is believed to have only a single drain line. No plans could be located at the Marin county environmental health services that indicate a permit for the system.

We checked the effluent level in the tank levels in the tank were about 6" higher than normal 2" above the 4" 90 bend. The leach lines appear to be in a failing mode at this time of the inspection.

The hydraulic load test consisted of adding approximately 100 gallons of water into the secondary chamber of the septic tank. In one hour the water rose to the top of the tank. Test was stopped at this time. The water dropped 6" over a 20 minute period. There was not water surfacing over leach line area front or back yards. This test indicates the leach lines are failing on this date 9-19-13.

The 1,200 gallon concrete septic tank was pumped and found to be extremely full of sludge as if the tank hadn't been pumped in a long time or it was pumped and a very poor job was done, taking mostly water and no sludge. Roots have infiltrated at the bottom of the tank.

Septic tanks are designed to provide filtering of solids by allowing lighter than water wastes (scum-consisting of soap, oils, fecal matters, etc.) to float above the outlet of the primary chamber, and for heavier than water wastes (Sludge-bio-degraded scum etc.) to settle to the bottom of the tank. Between these two normal occurring layers is a layer of 'clear water' portion of the primary chamber flow through a mid-tank baffle into the secondary chamber of the septic tank. Normal pump should be conducted before the sludge and scum layer reach a thickness of 12 inches in order to insure that solids are contained in the primary chamber and not passed to the secondary chamber and in extreme situations passed to the drain field. The passage of the solids to drain field can cause drain field failure by diminishing the permeability of the soil surrounding the drain field trenches.

Please feel free to call me with any questions that you might have at 415-898-2700.

Sincerely,

A handwritten signature in cursive script, appearing to read "Clyde Klyse".

Clyde Klyse
Service Manager

CK:jg



P.O. Box 3415 ♦ San Rafael, California 94912-3415
 Telephone (415) 898-2700 ♦ Fax (415) 898-6074
 www.rotorooter.com
 License # 280461

Proposal

Date	Estimator	Bid #
09/19/13	CLYDE	

Bill to: Phone Fax	Name Contact Job Site Job City EMail
-------------------------------------	--

Job Description

We hereby propose to furnish all the materials and perform all the labor necessary for the completion of:

- TRY AND CLEAR THE LEACH LINE. THERE IS NO GUARANTEE THAT THE LEACH LINES CAN BE CLEARED. MANY TIMES THE SLUDGE FROM THE TANK PASSES THROUGH THE TANK AND INTO THE LEACH LINES AS STATED IN MY REPORT.
- THE PRICE COULD BE ANY WHERE FROM \$500.00 UP TO \$3,000.00 OR \$4,000.00 DEPENDING IF WE HAVE TO EXCAVATE SOME OF THE LINE FOR ACCESS.
- AS I STATED, THERE'S NO GUARANTEE THAT THEY CAN BE CLEARED. YOU COULD SPEND THIS MONEY WITH NO RESULTS. MY RECOMMENDATION IS TO INSTALL NEW SEWER TO THE STREET AND ABANDON YOUR TANK.

1. Balance of the cost upon completion of the job. If payment is not made on time, interest will accrue on the unpaid balance at the highest rate permissible by law.
2. All material is guaranteed to be as specified above. All work will be completed according to standard practice and in a good, workmanlike manner.
3. Unless specifically stated otherwise above, repair of streets, sidewalks and the like shall not be the responsibility of Roto-Rooter. In the event excavation is required, the excavated area will be graded to ground level and mounded to allow for settlement All landscaping required following completion of the job shall be the responsibility of customer.
4. In the event circumstances arise in the course of performance which necessitate a deviation from the work described above or if customer requests that additional or different work be performed, an additional charge shall be agreed upon before the different or additional work is undertaken and a new written work description shall be executed.
5. This proposal constitutes our entire agreement and may be withdrawn by us if not accepted within 10 days.
6. No modifications of this agreement shall be valid unless in writing and signed by both parties.

Respectfully submitted by CLYDE KLYSE Date 09/19/13

The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted:

 Signature _____ Date _____



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 9 (Business Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Approval of Resolution No. 19-05 Regarding the Reorganization of 400 Upper Toyon Road that Amends the Sphere of Influence of the Town of Ross and the City of San Rafael and Making Determinations and Approving the Reorganization with Waiver of Notice, Hearing, and Finding It Exempt from CEQA (File 1335)**

Background

Marin LAFCo received an application from Raphael De Balmann (“applicant”) requesting approval to annex a single-family home, approximately 2.5 acres, to the Town of Ross. The affected territory is currently in the City of San Rafael with a situs address of 400 Upper Toyon Road (APN 012-121-28). The proposal, as stated by the applicant, is for detachment from the City of San Rafael and annexation to the Town of Ross to “reflect economic and social ties”. Since no Master Tax Exchange agreement exists between Ross and San Rafael, LAFCo has been waiting for a tax exchange agreement between them to occur. They have now come to an agreement.

While this application has been going through this process staff realized that with the change in boundaries that three Marin Municipal Water District (MMWD) parcels (APN 012-121-04, 012-121-05, and 012-121-22) are between 400 Upper Toyon Road and the current Ross jurisdictional line. As the application was presented to LAFCo this would mean we would be creating a small island of San Rafael inside of Ross. Staff reached out to MMWD to see if they would have any objections to having those three parcels moved from San Rafael to Ross. MMWD staff response was they would not object as long as they did not lose the tax-exempt status of the three parcels and MMWD incurred no costs for this change. Given the three MMWD parcels are government-owned and ownership is not changing, the tax-exempt status does not change on those parcels. There would be a cost to transfer these parcels if done as an individual application, therefore, LAFCo staff asked if the applicant would amend the application to include these three parcels. The applicant has agreed to include these three parcels in their application and, in addition, has agreed to cover the cost to provide a legal description and map that includes the three MMWD parcels so no cost will be occurred by MMWD for the boundary change. At the time of the writing of this staff report the applicant was still working with a private firm to create the legal description and map that includes all parcels in this application. Should staff not receive the map and legal description prior to the Commission meeting it would be staff’s suggestion that the Commission give a conditional approval for this application. The one condition that should be added to the approval would be the submittal of legal description and map that includes the MMWD parcels on it.

Staff has requested comments from the City of San Rafael and the Town of Ross, along with the other interested agencies. Agencies that responded were supportive or neutral on this application.

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

Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Staff Recommendation for Action

1. Staff recommendation – Approve the requested reorganization as described and outlined in attached Resolution No. 19-05 with the condition that the applicant submit a proper legal description and map that includes the MMWD parcels on it.
2. Alternative Option 1 – Deny the requested reorganization.
3. Alternative Option 2 – Continue consideration of the item to the next regular meeting, and provide direction to staff, as needed.

Attachment:

- 1) Resolution #19-05
- 2) Application Packet – File 1335
- 3) Tax Agreement

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 19-05

RESOLUTION AMENDING THE SPHERE OF INFLUENCE OF THE TOWN OF ROSS AND THE CITY OF SAN RAFAEL AND MAKING DETERMINATIONS AND APPROVING REORGANIZATION WITH WAIVER OF NOTICE, HEARING AND ELECTION

“Reorganization of 400 Upper Toyon Road, Including Detachment from the City of San Rafael and Annexation to the Town of Ross (File 1335)”

WHEREAS a proposal for the reorganization including detachment of certain territory from the City of San Rafael and annexation of the same territory to Town of Ross in the County of Marin has been filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS said proposal was made in the form of a petition filed by the property owners; and

WHEREAS pursuant to Government Code Section 56663, when a petition is accompanied by written consent signed by all owners of land within the territory proposed to be annexed, this Commission may make determination with respect to said annexation without notice and hearing; and

WHEREAS pursuant to Government Code Section 56663(c), the affected territory is uninhabited; all the owners of land within the affected territory have given their written consent; and the affected local agency that will gain territory, Town of Ross, has consented in writing to a waiver of conducting authority proceedings, this Commission may make determination with respect to said application with waiver of conducting authority proceedings; and

WHEREAS the Executive Officer has reviewed the proposal and prepared a report, including a recommendation thereon, the proposal and report having been presented to and considered by this Commission.

NOW THEREFORE, the Marin Local Agency Formation **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. As Lead Agency under CEQA for reorganization including detachment of Assessor’s Parcel 012-121-28, 012-121-04, 012-121-05, 012-232-22 from the City of San Rafael and annexation of the same territory to the Town of Ross, LAFCo finds the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(b).

Section 2. The boundaries, as set forth in the proposal, are hereby approved as submitted and are as described in Exhibits "A" and "B" attached hereto are subject to the following condition:

A. Approved map and legal description to be provided by the applicant.

Section 3. The territory includes 2.5 acre, is found to be uninhabited, and is assigned the following distinctive short form designation: "Reorganization of 400 Upper Toyon Road, Including Detachment for the City of San Rafael and Annexation to the Town of Ross (File 1335)".

Section 4. The proposal is consistent with the adopted sphere of influence for the Town of Ross and City of San Rafael as amended.

Section 5. The Executive Officer is hereby authorized to complete the reorganization proceedings in the manner prescribed by Section 57000 of the Government Code.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2019, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Sashi McEntee, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

- Attachments to Resolution 19-05
1. Exhibit "A" – Legal Description
2. Exhibit "B" – Map

MARIN LAFCO
APPLICATION QUESTIONNAIRE

Save Form

Print

Reset Form

In accordance with requirements set forth in the California Government Code, the Commission must review specific factors in its consideration of this proposal. In order to facilitate the Commission's review, please respond to the following questions:

I. GENERAL INFORMATION

1. Please check the method by which this application was initiated:

- Resolution of Application
 Petition

2. Does the application possess 100% written consent of each property owner in the subject territory? Yes No

3. A. Application is submitted for the following boundary change:
(BE SPECIFIC; i.e., "annexation," "reorganization".)

Reorganize property to reflect social & economic
ties to Ross

B. The reason the proposed action(s) has been requested:

(BE SPECIFIC; i.e., "annexation to sewer district for construction of three homes")

See above

4. State general location of proposal:

400 Upper Toyon Drive

5. Is the proposal within a city's boundaries?

Yes . Which city? In San Rafael; seeking annexation to Ross
No . If the proposal is adjacent to a city, provide city name: _____

6. Is the subject territory located within an island of unincorporated territory? Yes No
Indicate city, if applicable: _____

7. Would this proposal create an island of unincorporated territory? Yes No . If yes, please justify proposed boundary change: _____

8. Provide the following information regarding the area proposed for annexation: (Attach list if necessary.)

A. Assessor's Parcel Number(s)	Site Address(es)
<u>AP # 012 121 28</u>	<u>400 Upper Toyon Drive</u>

B. Total number of parcels: 1.

9. Total land area: 2.5 ac.

II. LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns: None

2. Indicate current land use: (i.e., number of dwellings, permits currently held, etc.)
Existing single family home with four bedrooms

3. Indicate the current zoning (either city or county) title and densities permitted:
San Rafael R2a-H

4. Has the area been rezoned? No N/A Yes
What is the rezoning classification, title and densities permitted?
Rezoning application to be filed with Ross
Adjacent Ross land zoned R-1 B-SA

5. Describe the specific development potential of the property: (Number of units allowed in zoning.)
As is

III. ENVIRONMENT

1. Is the site presently zoned or, designated for, or engaged in agricultural use?

Yes No

If yes, explain: _____

2. Will the proposal result in a reduction of public or private open space?

Yes No

If yes, explain: _____

3. Will service extension accomplished by this proposal induce growth in:

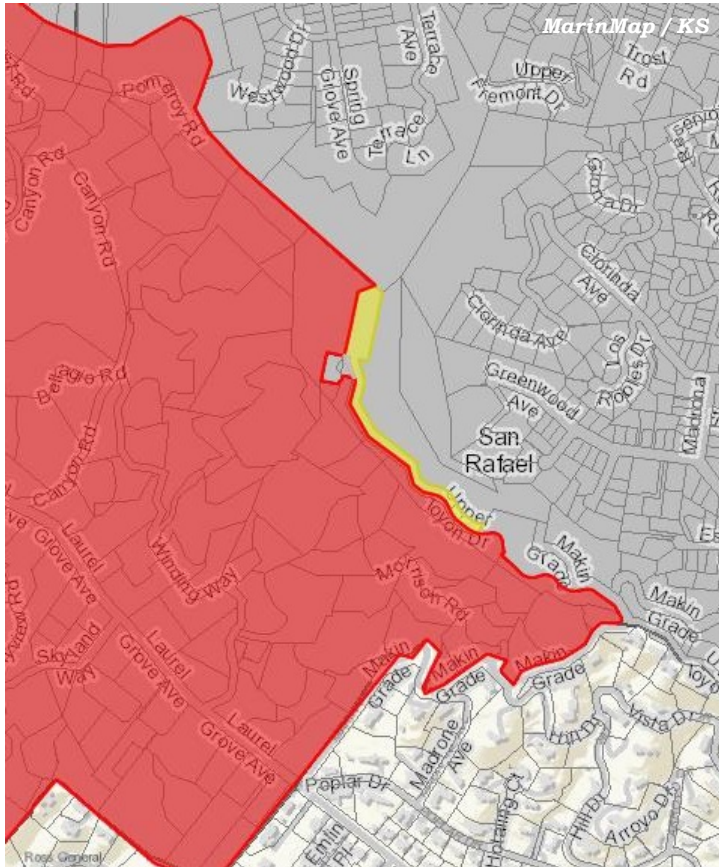
A. This site?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	N/A <input type="radio"/>
B. Adjacent sites?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	N/A <input type="radio"/>
C. Unincorporated?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	
D. Incorporated?	Yes <input type="radio"/>	No <input checked="" type="radio"/>	

4. State general description of site topography: Hillside ridge at 480'

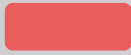
5. Indicated Lead Agency for this project: LAFCO

6. Indicate Environmental Determination by Lead Agency: TBD
with respect to (indicate project) _____
dated _____.

(COPY OF ENVIRONMENTAL DOCUMENTS MUST BE SUBMITTED WITH APPLICATION.)

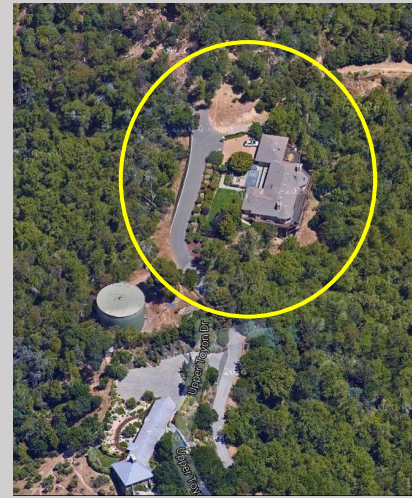


LEGEND

Town of Ross 

City of San Rafael 

Affected Territory 



TAX EXCHANGE AGREEMENT

BETWEEN THE CITY OF SAN RAFAEL AND THE TOWN OF ROSS RELATING TO THE APPLICATION TO LAFCO FOR DETACHMENT OF 400 UPPER TOYON DRIVE FROM THE CITY OF SAN RAFAEL AND ITS ANNEXATION TO THE TOWN OF ROSS

(Assessor's Parcel NOS. 012-121-28, 012-121-04, 012-121-05, 012-121-22)

THIS TAX EXCHANGE AGREEMENT ("Agreement") is made and executed in duplicate this 1 day of August, 2019 by and between the CITY OF SAN RAFAEL, a California charter city ("SAN RAFAEL"), and the TOWN OF ROSS, a California municipal corporation ("ROSS").

RECITALS

- A. Raphael de Balmann, the owner of the real property situated within the city limits of SAN RAFAEL commonly known as 400 Upper Toyon Drive, Kentfield, California, and bearing Assessor's Parcel No. 012-121-28 (the "PROPERTY") has filed an application with the Marin Local Agency Formation Commission requesting its approval of the detachment of the PROPERTY from SAN RAFAEL and its annexation to ROSS (hereafter, the "Reorganization").
- B. The PROPERTY is more particularly described in Exhibit A attached hereto and shown on the map attached as Exhibit B hereto, improved with a single-family residence, which is situated on the border between SAN RAFAEL and ROSS and is served by Upper Toyon Drive, a SAN RAFAEL public street.
- C. Between the Property and ROSS Town Limits, there are three exempt parcels identified as Assessor's Parcels Nos. 012-121-04, 012-121-05, 012-121-22, currently owned by the Marin Municipal Water District ("MMWD Properties"). The MMWD Properties will need to be annexed to ROSS as part of annexation of the Property to ROSS. Currently, the MMWD Properties are exempt from ad valorem real property taxes being assessed. However, should the MMWD Properties be subject to any ad valorem real property taxes in the future, this Agreement shall govern the allocation of any sharing of the real property ad valorem taxes.
- D. On June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on property by local taxing agencies having such property within their territorial jurisdiction to one percent (1%) of full cash value.
- E. Subsequently, the California Legislature added Section 99 to the California Revenue and Taxation Code, which requires a city seeking to annex property to its incorporated territory and a city from which such property will be detached to agree upon an exchange of property taxes derived from such property and available to each city following the reorganization.
- F. In order to support the request of the PROPERTY's owner, SAN RAFAEL and ROSS wish to work together to develop a fair and equitable approach to the sharing of real property ad valorem taxes imposed and collected as authorized by the Revenue and Taxation Code in order to encourage sound urban development and economic growth.

COPY

G. Close cooperation between SAN RAFAEL and ROSS is necessary to maintain and improve the quality of life throughout both cities and the County of Marin and deliver needed or desirable services in the most timely and cost-efficient manner to all SAN RAFAEL and ROSS residents.

H. SAN RAFAEL and ROSS have, after negotiations, reached an understanding as to a rate of exchange of property tax revenues to be made pursuant to Section 99 of the California Revenue and Taxation Code.

I. This Agreement memorializes the understanding between SAN RAFAEL and ROSS and constitutes an enforceable property tax transfer agreement, under Section 99 of the California Revenue and Taxation Code.

NOW, THEREFORE, in consideration of the exchange of tax revenue, as provided for in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged by the parties, SAN RAFAEL and ROSS agree as follows:

AGREEMENT

Section 1. Definitions.

For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Property Tax Revenue" shall mean revenue in the form of "ad valorem real property taxes on real property", as said term is used in Section 1 of Article XIII A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from the PROPERTY and the MMWD Properties and is available for allocation to SAN RAFAEL and/or ROSS.

(b) "Reorganization Date" shall mean the date specified by the Marin Local Agency Formation Commission consistent with the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code § 56000 et seq.) as the effective date of the detachment of the PROPERTY and the MMWD Properties from SAN RAFAEL and its annexation to ROSS.

Section 2. General Purpose of Agreement.

The general purpose of this Agreement is to devise an equitable exchange between SAN RAFAEL and ROSS of the Property Tax Revenue derived from the PROPERTY and MMWD Properties, as required by Section 99 of the Revenue and Taxation Code.

Section 3. Exchange of Tax Revenues.

On and after the Annexation Date, SAN RAFAEL and ROSS shall share the current allocated SAN RAFAEL Property Tax Revenue collected from the PROPERTY and MMWD Properties in perpetuity as follows:

ROSS share = 75%

SAN RAFAEL share = 25%

Section 4. Exchange by County Auditor.

SAN RAFAEL and ROSS further agree that all of the exchanges of Property Tax Revenue from the PROPERTY and MMWD Properties required by this Agreement shall be made by the County Department of Finance, and both SAN RAFAEL and ROSS agree to mutually work with the County to effectuate the allocation agreed to herein.

Section 5. No Opposition.

In consideration of the exchange of tax revenue provided for in this Agreement, as well as the pre-detachment agreement between SAN RAFAEL and the PROPERTY owner, SAN RAFAEL and ROSS agree not to oppose the PROPERTY owner's application before the Marin Local Agency Formation Commission to detach the PROPERTY and the MMWD Properties from SAN RAFAEL and to annex it to ROSS.

Section 6. Dispute Resolution.

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith to promptly resolve the dispute mutually between themselves. If the dispute cannot be resolved within 30 calendar days of initiating such negotiations or such other time period as may be mutually agreed to by the parties in writing, either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California.

Section 7. Third-party Beneficiary.

There are no third-party beneficiaries to this Agreement, and no third-party will have any right to enforce any provision of this Agreement.

Section 8. Modification.

This Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both SAN RAFAEL and ROSS.

Section 9. Reformation.

SAN RAFAEL and ROSS understand and agree that this Agreement is based upon existing law, and that such law may be substantially amended in the future. In the event of an amendment of state law which renders this Agreement invalid or inoperable or which denies any party thereto the full benefit of this Agreement as set forth herein, in whole or in part, then SAN RAFAEL and ROSS agree to renegotiate the Agreement in good faith.

Section 11. Effect of Tax Exchange Agreement.

This Agreement shall be applicable solely to the PROPERTY and MMWD Properties and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other reorganization of the boundaries of either SAN RAFAEL or ROSS.

Section 12. Entire Agreement.

With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between SAN RAFAEL and ROSS except as otherwise provided herein.

Section 13. Notices.

All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

TO SAN RAFAEL: Jim Schutz, City Manager
 1400 Fifth Avenue
 San Rafael, CA 94901

TO ROSS: Joe Chinn, Town Manager
 P.O. Box 320
 31 Sir Francis Drake Boulevard
 Ross, CA 94957

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

Section 14. Approval, Consent, and Agreement.

Wherever this Agreement requires a party's approval, consent, or agreement, the party shall make its decision to give or withhold such approval, consent or agreement in good faith, and shall not withhold such approval, consent or agreement unreasonably or without good cause.

Section 15. Construction of Captions.

Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

Section 16. Incorporation by Reference.

Exhibits A and B, attached hereto, are incorporated into this Agreement by this reference.

Section 17. Authority.

The undersigned acknowledge that they are duly authorized to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth above.

CITY OF SAN RAFAEL

TOWN OF ROSS

By: 
JIM SCHUTZ, City Manager

By: 
JOE CHINN, Town Manager

ATTEST:


LINDSAY LARA, City Clerk

ATTEST:


LINDA LOPEZ, Town Clerk

APPROVED AS TO FORM:


ROBERT F. EPSTEIN, City Attorney


BENJAMIN L. STOCK, Town Attorney

Attachments: Exhibit A-Legal Description of Property
Exhibit B - Map of Property

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 012-121-28

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN RAFAEL, COUNTY OF MARIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

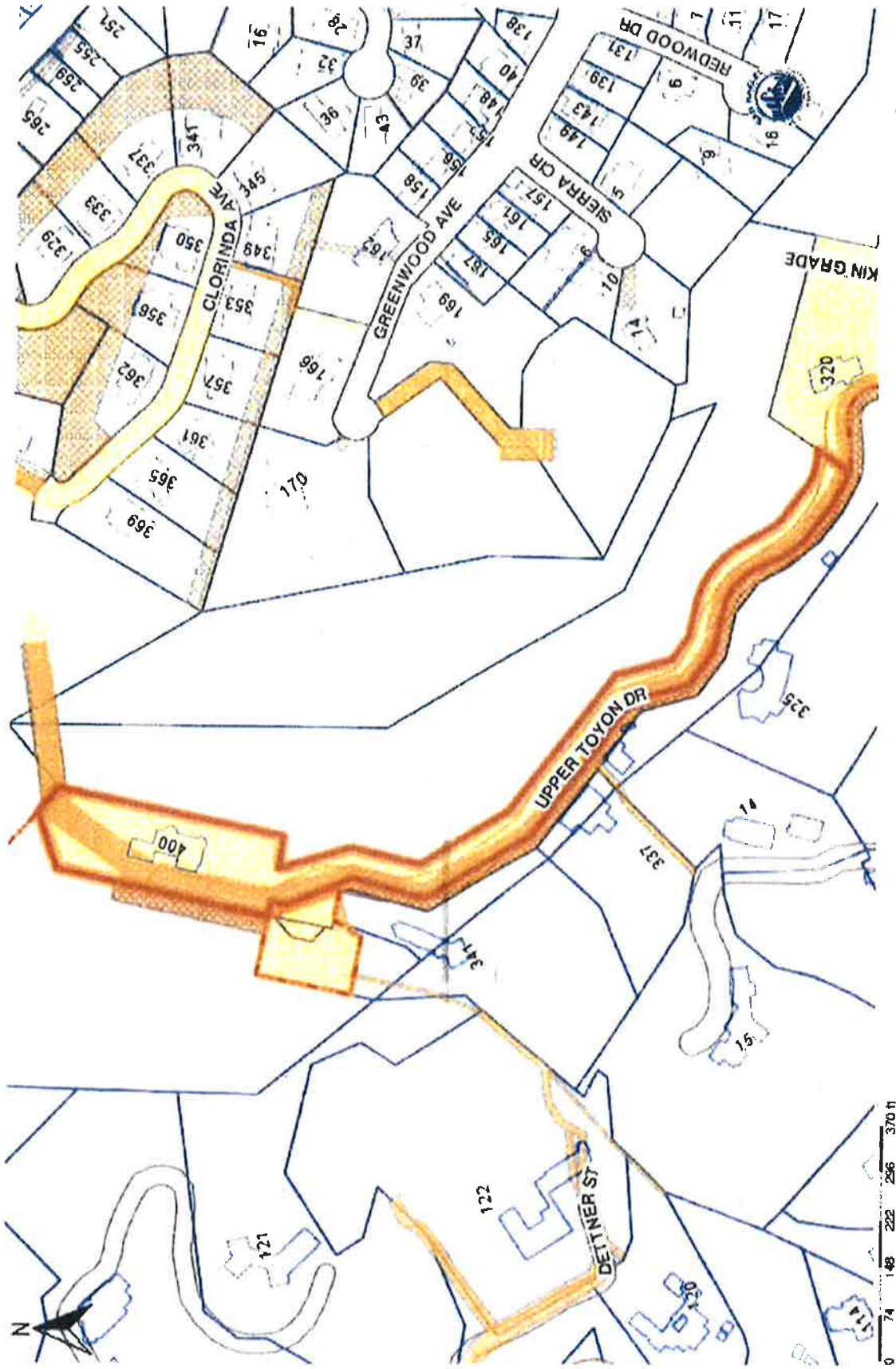
LOT 24, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "MAP OF OAKWOOD UNIT NO. 3", FILED FOR RECORD ON APRIL 11, 1984 IN VOLUME 19 OF MAPS, AT PAGE 12, MARIN COUNTY RECORDS.

APN: 012-121-28

City of San Rafael

While we strive to produce maps with good accuracy and with current accompanying data, the accuracy of the information herein cannot be guaranteed. This map was prepared using programmatic computer aided drafting techniques, and it does not represent legal boundary survey data.

Exhibit "B"





Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 10 (Business Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Approvals on Items Related to CALAFCO Conference in October 2019

Background

The California Association of Local Agency Formation Commissions (CALAFCO) is holding its annual Conference from October 30 – November 1 in Sacramento at the Hyatt Regency.

Each year CALAFCO holds the elections for half of the seats to its Board of Directors. The Board is broken into 4 regions with each region having 4 seats, one representing each type of LAFCo member (County, City/Town, Special District, and Public Member), with 2 of the seats up for election in any given year. Marin LAFCo is part of the Coastal Region which this cycle will be electing Board members who serve as City/Town and Public members. An email was sent out from Santa Clara LAFCo that the person who holds the current Public Seat on CALAFCO Board is not planning to run for reelection to that seat. The Commission can nominate a candidate to serve in one of these seats (see attachment 1 for full details). In order to be included in the nomination of candidate's packet that is sent prior to the conference, the nomination must be submitted by September 30. This will be our only meeting prior to that deadline, so if the Commission wants to make a nomination, the August 8 meeting is the one chance as a group to do so. Nominations can also be made at the conference during the regional breakout session.

During the Conference, CALAFCO presents various awards (see attachment 2) for outstanding work done in the past year. Each LAFCo across the state can make nominations for any of the awards. Nominations must be submitted prior to the September 20 deadline. This will be our only meeting prior to that deadline, so if the Commission wants to make a nomination, the August 8 meeting is the one chance as a group to do so. Nominations are also allowed by individuals, if they so desire. While the Commission has done a lot of good work in the past year staff feels we may be in a better place to win an award next year given our current workplan.

On June 25, staff received an email (see attachment 3) from UNITE HERE! about a boycott of the hotel where CALAFCO is holding the conference. UNITE HERE! is a labor union that represents hotel workers across the country. Because of the boycott all staff at Marin LAFCo will not be attending the conference. Each Commissioner will need to decide if they wish to attend. Should any Commissioner plan to attend, please let staff know so proper reservations can be made on your behalf.

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

Damon Connolly, Regular
County of Marin

Dennis J. Rodoni, Regular
County of Marin

Judy Arnold, Alternate
County of Marin

Sashi McEntee, Chair
City of Mill Valley

Sloan Bailey, Regular
Town of Corte Madera

Matthew Brown, Alternate
City of San Anselmo

Craig K. Murray, Vice Chair
Las Gallinas Valley Sanitary

Lew Kious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Recommendation for Action

1. Option – Staff views these matters a decision for the Commission. Should the Commission wish to make nominations for the CALAFCO Board of Directors, or any of the awards, they should do so tonight. Should any nominations be made then staff will work to make sure all needed forms are filled out and turned in.
2. Alternate Option – Take no action.

Attachment:

- 1) CALAFCO Board of Directors Nomination packet
- 2) CALAFCO Award Nomination packet
- 3) Email from UNITE HERE!

June 25, 2019

To: Local Agency Formation Commission
Members and Alternate Members

From: Shiva Frentzen, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

CALAFCO



RE: Nominations for 2019/2020 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

County Member
District Member

Central Region

City Member
Public Member

Coastal Region

City Member
Public Member

Southern Region

County Member
District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31, 2019 at the Hyatt Regency in Sacramento, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Monday, September 30, 2019*.

Incumbents are eligible to run for another term. Nominations received by September 30 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 16, 2019 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Monday, September 30, 2019. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 28, 2019.**

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, September 30, 2019 at 5:00 p.m. Here is a summary of the deadlines for this year's nomination process:

- **June 26** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 30** – Completed Nomination packet due
- **September 30** – Request for an absentee/electronic ballot due
- **September 30** – Voting delegate name due to CALAFCO
- **October 16** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 16** – Distribution of requested absentee/electronic ballots.
- **October 28** – Absentee ballots due to CALAFCO
- **October 31** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at sfrentzen@calafco.org or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2019/2020 CALAFCO Election Committee are:

Shiva Frentzen, Chair sfrentzen@calafco.org	El Dorado LAFCo (Central Region) 530-621-5390
Josh Susman jsusman@calafco.org	Nevada LAFCo (Northern Region) 530-265-7180
Cheryl Brothers cbrothers@calafco.org	Orange LAFCo (Southern Region) 714-640-5100
Jane Parker jparker@calafco.org	Monterey LAFCo (Coastal Region) 831-883-7570

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.⁸
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.⁸
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.⁸
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.⁸

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:⁸
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."⁸
 - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:⁸

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."⁸
 - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.⁸
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.⁸
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.⁸
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.⁸
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.⁸

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING⁶

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.⁸

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:⁸
 - i. Review the election procedure with the membership.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 1. For city member.
 2. For county member.
 3. For public member.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 1. Name the nominees and offices for which they are nominated.
 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCoS in good standing by written ballot.
 - 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 - 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.⁸
 - 4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
 - 1. The nominee receiving the majority⁶ of votes cast is elected.
 - 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).⁶
 - 3. In case of tie votes⁶:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
 - 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.⁶
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.⁸
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after

election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007¹, 8 February 2008², 13 February 2009³, 12 February 2010⁴, 18 February 2011⁵, 29 April 2011⁶, 11 July 2014⁷ and 27 October 2017⁸. They supersede all previous versions of the policies.

CALAFCO Regions

FOUR REGIONS



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Keene Simonds
San Diego LAFCo
keene.simonds@sdcounty.ca.gov

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

Board of Directors 2019/2020 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Board of Directors 2019/2020 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Date: July 10, 2019

To: LAFCo Commissioners and Staff
CALAFCO Members
Other Interested Organizations

From: CALAFCO Achievement Awards Committee

Subject: **2019 CALAFCO Achievement Award Nominations**

**CALAFCO
2019
AWARDS**



Each year, CALAFCO recognizes outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at the Annual Conference Achievement Awards Ceremony.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go above and beyond in their work to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition. **Please carefully review the nomination instructions and the criteria for each category.**

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization. There is no limit to the number of nominations you can submit.
2. Please use a separate form (attached) for each nomination. Nominations **must be submitted with a completed nomination form**. The form is your opportunity to highlight the most important points of your nomination.
3. Nominations must be **limited to no more than 1500 words or 3 pages in length maximum**. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount will be returned.
4. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. **Limit supporting documentation to no more than 5 pages**. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount will be returned.
5. All nomination materials must be submitted at one time and must be received by the deadline. Electronic submittals are encouraged.
6. **Nominations and supporting materials must be received no later than 5:00 p.m., Friday, September 20, 2019.** Send nominations via e-mail, or U.S. mail to:

Stephen Lucas, CALAFCO Executive Officer
c/o Butte LAFCo
1453 Downer Street, Suite C
Oroville, CA 95965
slucas@calafco.org

Members of the 2019 CALAFCO Board of Directors Awards Committee are:

Mike Kelley, Committee Chair (Imperial LAFCo, Southern Region)
Cheryl Brothers (Orange LAFCo, Southern Region)
Debra Lake (Humboldt LAFCo, Northern Region)
Margie Mohler (Napa LAFCo, Coastal Region)
Daniel Parra (Fresno LAFCo, Central Region)

mkelley@calafco.org
cbrothers@calafco.org
dlake@calafco.org
mmohler@calafco.org
dparra@calafco.org

Please contact Steve Lucas, CALAFCO Executive Officer, at slucas@calafco.org or (530) 538-7784 with any questions. A list of the previous Achievement Award recipients is attached to this announcement.



Nomination Form

NOMINEE - Person or Agency Being Nominated:

Name:

Organization:

Address:

Phone:

E-mail:

NOMINATION CATEGORY (check one – see category criteria on attached sheet)

- Outstanding CALAFCO Member
- Most Effective Commission
- Outstanding Commissioner
- Outstanding LAFCo Professional
- Outstanding LAFCo Clerk
- Outstanding CALAFCO Associate Member
- Project of the Year
- Distinguished Service Award
- Government Leadership Award
- Legislator of the Year (must be approved by the full CALAFCO Board)
- Mike Gotch Courage and Innovation in Local Government Award
- Lifetime Achievement Award

NOMINATION SUBMITTED BY:

Name:

Organization:

Address:

Phone:

E-mail:



2019 Achievement Award Nominations

NOMINATION SUMMARY

In no more than 250 words, summarize why this recipient is the most deserving of this award.

ACHIEVEMENTS

Please indicate the reasons why this person or agency deserves to be recognized (Remember to keep this portion to 1500 words or 3 pages maximum and use additional sheets as needed):



2019 Achievement Award Nominations

CALAFCO ACHIEVEMENT AWARD CATEGORIES

CALAFCO recognizes excellence within the LAFCo community and the full membership by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until **5:00 p.m., Friday, September 20, 2019** in the following categories:

Outstanding CALAFCO Member	Recognizes a CALAFCO Board Member or staff person who has provided exemplary service during the past year.
Distinguished Service Award	Given to a member of the LAFCo community to recognize long-term service by an individual.
Most Effective Commission	Presented to an individual Commission to recognize innovation, streamlining, and/or initiative in implementing LAFCo programs; may also be presented to multiple Commissions for joint efforts.
Outstanding Commissioner	Presented to an individual Commissioner for extraordinary service to his or her Commission.
Outstanding LAFCo Professional	Recognizes an Executive Officer, Staff Analyst, or Legal Counsel for exemplary service during the past year.
Outstanding LAFCo Clerk	Recognizes a LAFCo Clerk for exemplary service during the past year.
Outstanding CALAFCO Associate Member	Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCos by consistently producing distinguished work that upholds the mission and goals of LAFCos, and has helped elevate the roles and mission of LAFCos through its work. Recipient consistently demonstrates a collaborative approach to LAFCo stakeholder engagement.
Project of the Year	Recognition for a project-specific program that involved complex staff analysis, community involvement, or an outstanding solution.
Government Leadership Award	Presented to a decision-making body at the city, county, special district, regional or state level which has furthered good government efforts in California.
Legislator of the Year	Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals. Selected by CALAFCO Board.
Mike Gotch Courage and Innovation in Local Government Award	Presented to an individual who has taken extraordinary steps to improve and innovate local government. This award is named for Mike Gotch: former Assembly Member, LAFCo Executive Officer and CALAFCO Executive Director responsible for much of the foundations of LAFCo law and CALAFCO. He is remembered as a source of great inspiration for staff and legislators from throughout the state.
Lifetime Achievement Award	Recognizes any individual who has made extraordinary contributions to the LAFCo community in terms of longevity of service, exemplary advocacy of LAFCo-related legislation, proven leadership in approaching a particular issue or issues, and/or demonstrated support in innovative and creative ways of the goals of LAFCos throughout California. At a minimum, the individual should be involved in the LAFCo community for at least ten years.

CALAFCO ACHIEVEMENT AWARD RECIPIENTS**2018**

Distinguished Service Award	John Withers , Orange LAFCo
Most Effective Commission	Santa Clara LAFCo
Outstanding Commissioner	Margie Mohler , Napa LAFCo
Outstanding LAFCo Professional	George Williamson , Del Norte LAFCo
Outstanding LAFCo Clerk	Elizabeth Valdez , Riverside LAFCo
Outstanding CALAFCO Associate Member	Best Best & Krieger
Project of the Year	Lake LAFCo , water services consolidation
Government Leadership Award	City of Porterville, County of Tulare, Dept. of Water Resources, State Water Resources Control Board, Governor's Office of Emergency Services, Self Help Enterprises, Community Water Center for East Porterville water supply project
Mike Gotch Courage & Innovation in Local Government Leadership Award	Mike Ott , San Diego LAFCo
Legislator of the Year	Assembly Member Anna Caballero
Lifetime Achievement Award	Pat McCormick , Santa Cruz LAFCo, George Spiliotis , Riverside LAFCo

2017

Most Effective Commission	Los Angeles LAFCo
Outstanding CALAFCO Member	Sblend Sblendorio , Alameda LAFCo
Outstanding Commissioner	John Marchand , Alameda LAFCo
Outstanding LAFCo Professional	Paul Novak , Los Angeles LAFCo
Outstanding LAFCo Clerk	Richelle Beltran , Ventura LAFCo
Outstanding CALAFCO Associate Member	Policy Consulting Associates
Project of the Year	County Services MSR , Butte LAFCo Santa Rosa Annexation , Sonoma LAFCo San Luis Obispo County Public Works Dept.
Government Leadership Award	Kathy Rollings McDonald (San Bernardino)
Lifetime Achievement Award	

2016

Distinguished Service Award	Peter Brundage , Sacramento LAFCo
Most Effective Commission	San Luis Obispo LAFCo
Outstanding CALAFCO Member	John Leopold , Santa Cruz LAFCo
Outstanding Commissioner	Don Tatzin , Contra Costa LAFCo
Outstanding LAFCo Professional	Steve Lucas , Butte LAFCo
Outstanding LAFCo Clerk	Cheryl Carter-Benjamin , Orange LAFCo
Project of the Year	Countywide Water Study , (Marin LAFCo)
Government Leadership Award	Southern Region of CALAFCO
Lifetime Achievement Award	Bob Braitman (retired Executive Officer)



2019 Achievement Award Nominations

2015

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

CALAFCO Associate Member of the Year

Legislators of the Year Award

Lifetime Achievement Award

Yuba County Water Agency

Mary Jane Griego, Yuba LAFCo

Butte LAFCo

Marjorie Blom, formerly of Stanislaus LAFCo

Matthew Beekman, formerly of Stanislaus LAFCo

Sam Martinez, San Bernardino LAFCo

Terri Tuck, Yolo LAFCo

Formation of the Ventura County Waterworks District No. 38 (Ventura LAFCo) and 2015 San Diego County Health Care Services five-year sphere of influence and service review report (San Diego LAFCo)

The Cities of Dublin, Pleasanton, Livermore and San Ramon, the Dublin San Ramon Services District and the Zone 7 Water Agency

Michael Colantuono of Colantuono, Highsmith & Whatley
Assembly member Chad Mayes

Jim Chapman (Lassen LAFCo) and **Chris Tooker** (formerly of Sacramento LAFCo)

2014

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Legislators of the Year Award

Lifetime Achievement Award

David Church, San Luis Obispo LAFCo

Kate McKenna, Monterey LAFCo

Santa Clara LAFCo

Stephen Lucas, Butte LAFCo

Paul Norsell, Nevada LAFCo

Kate McKenna, Monterey LAFCo

Paige Hensley, Yuba LAFCo

LAFCo Procedures Guide: 50th Year Special Edition,
San Diego LAFCo

Orange County Water District, City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District

Assembly member Katcho Achadjian

Susan Wilson, Orange LAFCo

2013

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

LAFCo Outstanding LAFCo Clerk

Project of the Year

Simón Salinas, Commissioner, Monterey LAFCo

Roseanne Chamberlain, Amador LAFCo

Stanislaus LAFCo

Harry Ehrlich, San Diego LAFCo

Jerry Gladbach, Los Angeles LAFCo

Lou Ann Texeira, Contra Costa

Kate Sibley, Contra Costa LAFCo

Plan for Agricultural Preservation, Stanislaus LAFCo



2019 Achievement Award Nominations

Government Leadership Award

Legislators of the Year Award

Lifetime Achievement Award

Orange County LAFCo Community Islands Taskforce,
Orange LAFCo

Senators Bill Emmerson and Richard Roth

H. Peter Faye, Yolo LAFCo; **Henry Pellissier,** Los Angeles LAFCo; **Carl Leverenz,** Butte LAFCo; **Susan Vicklund-Wilson,** Santa Clara LAFCo.

2012

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

LAFCo Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Lifetime Achievement Award

Bill Chiat, CALAFCO Executive Director

Marty McClelland, Commissioner, Humboldt LAFCo

Sonoma LAFCo

Stephen A. Souza, Commissioner, Yolo LAFCo and
CALAFCO Board of Directors

Sherwood Darington, Monterey

Carole Cooper, Sonoma LAFCo

Gwenna MacDonald, Lassen LAFCo

Countywide Service Review & SOI Update, Santa Clara
LAFCo

North Orange County Coalition of Cities, Orange LAFCo

P. Scott Browne, Legal Counsel LAFCos

2011

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

LAFCo Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Martin Tuttle, Deputy Director for Planning, Caltrans

Mike McKeever, Executive Director, SACOG

Carl Leverenz, Commissioner and Chair, Butte

San Bernardino LAFCo

Keene Simonds, Executive Officer, Napa LAFCo

Louis R. Calcagno, Monterey LAFCo

June Savala, Deputy Executive Officer, Los Angeles LAFCo

Debbie Shubert, Ventura LAFCo

Cortese-Knox-Hertzberg Definitions Revision

Bob Braitman, Scott Browne, Clark Alsop, Carole Cooper,
and George Spiliotis

Contra Costa Sanitary District

**Elsinore Water District and Elsinore Valley Municipal Water
District**

2010

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Helen Thompson, Commissioner, Yolo LAFCo

Kathleen Rollings-McDonald, Executive Officer, San
Bernardino LAFCo

Bob Braitman, Executive Officer, Santa Barbara LAFCo

Tulare LAFCo

Roger Anderson, Ph.D., CALAFCO Chair, Santa Cruz LAFCo

George Lange, Ventura LAFCo

Harry Ehrlich, Government Consultant, San Diego LAFCo



2019 Achievement Award Nominations

Outstanding LAFCo Clerk	Candie Fleming , Fresno LAFCo
Project of the Year	Butte LAFCo Sewer Commission - Oroville Region Municipal Service Review
Government Leadership Award	Nipomo Community Services District and the County of San Luis Obispo
Special Achievement	Chris Tooker , Sacramento LAFCo and CALAFCO Board of Directors

2009

Mike Gotch Courage & Innovation in Local Government Leadership Award	Paul Hood , Executive Officer, San Luis Obispo LAFCo
Distinguished Service Award	William Zumwalt , Executive Officer, Kings LAFCo
Most Effective Commission	Napa LAFCo
Outstanding CALAFCO Member	Susan Vicklund Wilson , CALAFCO Vice Chair Jerry Gladbach , CALAFCO Treasurer
Outstanding Commissioner	Larry M. Fortune , Fresno LAFCo
Outstanding LAFCo Professional	Pat McCormick , Santa Cruz LAFCo Executive Officer
Outstanding LAFCo Clerk	Emmanuel Abello , Santa Clara LAFCo
Project of the Year	Orange LAFCo Boundary Report
Government Leadership Award	Cities of Amador City, Jackson, Lone, Plymouth & Sutter Creek; Amador County; Amador Water Agency; Pine Grove CSD – Countywide MSR Project
Legislator of the Year Award	Assembly Member Jim Silva

2008

Distinguished Service Award	Peter M. Detwiler , Senate Local Government Committee Chief Consultant
Most Effective Commission	Yuba LAFCo
Outstanding Commissioner	Dennis Hansberger , San Bernardino LAFCo
Outstanding LAFCo Professional	Michael Ott , San Diego LAFCo Executive Officer Martha Poyatos , San Mateo Executive Officer
Outstanding LAFCo Clerk	Wilda Turner , Los Angeles LAFCo
Project of the Year	Kings LAFCo City and Community District MSR and SOI Update
Government Leadership Award	San Bernardino Board of Supervisors
Legislator of the Year Award	Assembly Member Anna M. Caballero

2007

Outstanding CALAFCO Member	Kathy Long , Board Chair, Ventura LAFCo
Distinguished Service Award	William D. Smith , San Diego Legal
Counsel Most Effective Commission	Santa Clara LAFCo
Outstanding Commissioner	Gayle Uilkema , Contra Costa LAFCo
Outstanding LAFCo Professional	Joyce Crosthwaite , Orange LAFCo Executive Officer
Outstanding LAFCo Clerk	Debby Chamberlin , San Bernardino LAFCo
Project of the Year	San Bernardino LAFCo and City of Fontana Islands Annexation Program



2019 Achievement Award Nominations

Government Leadership Award
Lifetime Achievement

City of Fontana - Islands Annexation Program
John T. "Jack" Knox

2006

Outstanding CALAFCO Member

Everett Millais, CALAFCO Executive Officer and Executive Officer of Ventura LAFCo

Distinguished Service Award

Clark Alsop, CALAFCO Legal Counsel

Most Effective Commission Award

Alameda LAFCo

Outstanding Commissioner Award

Ted Grandsen, Ventura LAFCo

Chris Tooker, Sacramento LAFCo

Outstanding LAFCo Professional Award

Larry Calemine, Los Angeles LAFCo Executive Officer

Outstanding LAFCo Clerk Award

Janice Bryson, San Diego LAFCo

Marilyn Flemmer, Sacramento LAFCo

Project of the Year Award

Sacramento Municipal Utility District Sphere of Influence Amendment and Annexation; Sacramento LAFCo

Outstanding Government Leadership Award

Cities of Porterville, Tulare, and Visalia and Tulare LAFCo Island Annexation Program

Legislator of the Year Award

Senator Christine Kehoe

2005

Outstanding CALAFCO Member

Peter Herzog, CALAFCO Board, Orange LAFCo

Distinguished Service Award

Elizabeth Castro Kemper, Yolo LAFCo

Most Effective Commission Award

Ventura LAFCo

Outstanding Commissioner Award

Art Aseltine, Yuba LAFCo

Henri Pellissier, Los Angeles LAFCo

Outstanding LAFCo Professional Award

Bruce Baracco, San Joaquin LAFCo

Outstanding LAFCo Clerk Award

Danielle Ball, Orange LAFCo

Project of the Year Award

San Diego LAFCo

MSR of Fire Protection and Emergency Medical Services

Outstanding Government Leadership Award

Sacramento Area Council of Governments (SACOG)

2004

Outstanding CALAFCO Member

Scott Harvey, CALAFCO Executive Director

Distinguished Service Award

Julie Howard, Shasta LAFCo

Most Effective Commission Award

San Diego LAFCo

Outstanding Commissioner Award

Edith Johnsen, Monterey LAFCo

Outstanding LAFCo Professional Award

David Kindig, Santa Cruz LAFCo

Project of the Year Award

San Luis Obispo LAFCo

Nipomo CSD SOI Update, MSR, and EIR

2003

Outstanding CALAFCO Member

Michael P. Ryan, CALAFCO Board Member

Distinguished Service Award

Henri F. Pellissier, Los Angeles LAFCo

Most Effective Commission Award

San Luis Obispo LAFCo

Outstanding Commissioner Award

Bob Salazar, El Dorado LAFCo

Outstanding LAFCo Professional Award

Shirley Anderson, San Diego LAFCo

Outstanding LAFCo Clerk Award

Lori Fleck, Siskiyou LAFCo



2019 Achievement Award Nominations

Project of the Year Award

Napa LAFCo
Comprehensive Water Service Study

Special Achievement Award

James M. Roddy

2002

Outstanding CALAFCO Member

Ken Lee, CALAFCo Legislative Committee Chair

Most Effective Commission Award

San Diego LAFCo Outstanding

Commissioner Award

Ed Snively, Imperial LAFCo

Outstanding LAFCo Professional Award

Paul Hood, San Luis Obispo LAFCo

Outstanding LAFCo Clerk Award

Danielle Ball, Orange LAFCo

Project of the Year Award

San Luis Obispo LAFCo

Outstanding Government Leadership Award

Napa LAFCo, Napa County Farm Bureau, Napa Valley Vintners Association, Napa Valley Housing Authority, Napa County Agricultural Commissioner's Office, Napa County Counsel Office, and Assembly Member Patricia Wiggins

2001

Outstanding CALAFCO Member

SR Jones, CALAFCO Executive Officer

Distinguished Service Award

David Martin, Tax Area Services Section, State Board of Equalization

Outstanding Commissioner Award

H. Peter Faye, Yolo LAFCo

Outstanding LAFCo Professional Award

Ingrid Hansen, San Diego LAFCo

Project of the Year Award

Santa Barbara LAFCo

Outstanding Government Leadership Award

Alameda County Board of Supervisors, Livermore City Council, Pleasanton City Council

Legislator of the Year Award

Senator Jack O'Connell

2000

Outstanding CALAFCO Member

Ron Wootton, CALAFCO Board Chair

Distinguished Service Award

Ben Williams, Commission on Local Governance for the 21st Century

Most Effective Commission Award

Yolo LAFCo

Outstanding Commissioner

Rich Gordon, San Mateo LAFCo

Outstanding LAFCo Professional Award

Annamaria Perrella, Contra Costa LAFCo

Outstanding LAFCo Clerk Award

Susan Stahmann, El Dorado LAFCo

Project of the Year Award

San Diego LAFCo

Legislator of the Year Award

Robert Hertzberg, Assembly Member

1999

Distinguished Service Award

Marilyn Ann Flemmer-Rodgers, Sacramento LAFCo

Most Effective Commission Award

Orange LAFCo

Outstanding Executive Officer Award

Don Graff, Alameda LAFCo

Outstanding LAFCo Clerk Award

Dory Adams, Marin LAFCo

Most Creative Solution to a Multi-Jurisdictional Problem

San Diego LAFCo

Outstanding Government Leadership Award

Assembly Member John Longville

Legislator of the Year Award

Assembly Member Robert Hertzberg

1998

Outstanding CALAFCO Member	Dana Smith, Orange LAFCo
Distinguished Service Award	Marvin Panter, Fresno LAFCo
Most Effective Commission Award	San Diego LAFCo
Outstanding Executive Officer Award	George Spiliotis, Riverside LAFCo
Outstanding Staff Analysis	Joe Convery, San Diego LAFCo Joyce Crosthwaite, Orange LAFCo
Outstanding Government Leadership Award	Santa Clara County Planning Department

1997

Most Effective Commission Award	Orange LAFCo
Outstanding Executive Officer Award	George Finney, Tulare LAFCo
Outstanding Staff Analysis	Annamaria Perrella, Contra Costa LAFCo
Outstanding Government Leadership Award	South County Issues Discussion Group
Most Creative Solution to a Multi-Jurisdictional Problem	Alameda LAFCo and Contra Costa LAFCo
Legislator of the Year Award	Assembly Member Tom Torlakson

**Please join us for the
CALAFCO Annual Conference
October 30 – November 1, 2019
Sacramento, California**



Subject: Upcoming CALAFCO Annual Conference

Date: Tuesday, June 25, 2019 at 3:45:28 PM Pacific Daylight Time

From: Rachel Melendes

To: Jason Fried

Dear Jason,

I write today regarding the 2019 CALAFCO Annual Conference being held at the Hyatt Regency Sacramento. Unfortunately, this hotel is under boycott and in an ongoing labor dispute.

Please honor the boycott and do not eat, meet, or sleep at the Hyatt Regency Sacramento.

CALAFCO needs to honor the boycott and shouldn't use a boycotted hotel. There are a number of good hotels you can patronize in Sacramento that treat their workers fairly.

For more information, please contact me at _____ or _____.

In Solidarity,

Rachel Melendes

UNITE HERE!

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United States

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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 12a (Business Item)

TO: Local Agency Formation Commission

FROM: Jeren Seibel, Policy Analyst
(On behalf of the Ad Hoc DUC Committee – Chair Murray, Vice-Chair Rodoni, and Member Skelton)

SUBJECT: Ad Hoc DUC Committee Update

Background

On Monday, July 22nd, the Disadvantaged Unincorporated Communities Committee convened to continue the discussion on Marin LAFCo's stance on DUCs. The Committee was formed to address the legislation of Senate Bill 244. The Impact of SB244 on LAFCos is as follows:

1. City Annexations of Disadvantaged Unincorporated Communities

The law places restrictions on the Commission's authority to approve certain city annexations. The commission may not approve a city annexation greater than 10 acres if a disadvantaged unincorporated community (DUC) is contiguous to the proposed annexation area unless an application to annex the DUC has also been filed (barring an application to previously annex the DUC within the prior 5 years).

2. Municipal Service Reviews

The law also requires that for any Municipal Service Review (MSR) conducted for a city or special district, the Commission must also prepare a written statement of determinations which includes the location and characteristics of any DUCs within or contiguous to the agency's sphere of influence. It also requires determinations on the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the sphere of influence.

3. Sphere of Influence Updates

For an update of sphere of influence to a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the commission shall consider and prepare written determinations regarding the present and probable needs and deficiencies for those public facilities and services for any DUC within the sphere of influence of the city or special district.

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County of Marin

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Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Following the first Disadvantaged Unincorporated Communities Committee Meeting in May, as directed by members of the Committee, staff reached out to Leelee Thomas, Marin County's Housing Planning Manager. Staff met with Ms. Thomas and discussed both the County's current position on DUCs, as well as the possibility of a Marin LAFCo specific DUC policy. Ms. Thomas brought to staff's attention that the current Marin County Housing Element does not recognize any DUCs. She directed staff to speak with the Housing Policy and Planning Research Specialist, and, upon doing so, it was reinforced that Marin County does not currently recognize any DUCs. The specialist did offer the caveat that Marin County pulls all data at the census tract level, which can lead to smaller pockets of lower household incomes going undetected. When questioned as to the reasoning behind pulling data at that level given the possibility of oversight, the researcher explained that the margin for error in the data grows exponentially from the tract level to the block group level. At this time, the adoption of a DUC policy that differs from that which is defined in SB244 would force Marin LAFCo to use data that has a much higher margin for error in its community identification process, as well as seemingly signaling to Marin County that there has been an oversight of identifying these underserved communities in their own Housing Element, whether intentional or unintentional.

The Committee agreed that as staff moves through the MSR process for different regions of Marin County, to take a stance of having an added scrutiny on services being offered to areas that have, if nothing else, anecdotally been identified as disadvantaged (unincorporated or otherwise) to ensure that basic needs are being met in these areas. The Commission could revisit its stance on SB244 after the 2020 Census data is released, and play a more collaborative role with Marin County in the identification of DUC's at that time as the County would then simultaneously be in the process of updating its Housing Element.

The Committee approved a Marin LAFCo DUC policy that upholds the guidelines set forth in SB244 and would offer staff the necessary clarity in future endeavors with DUCs. Staff's proposed language for said policy is as follows: **As set forth in SB 244, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district SOI in statements of written determinations of MSRs. Marin LAFCo will prohibit the approval of city annexations greater than 10 acres that are contiguous to a disadvantaged unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well.**

Recommendation for Action

1. Staff Recommendation – Adopt the recommended policy above.
2. Alternate Option - Take no action today and give staff further instructions.



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 12b (Business Item)

TO: Local Agency Formation Commission

FROM: Ad Hoc Duc Committee Chair Craig Murray

SUBJECT: Ad Hoc DUC Committee Chair Report

Background

As Presiding Officer of the Disadvantaged Unincorporated Communities (DUCs) LAFCo Subcommittee, I recommend that this Subcommittee be closed.

DUC Subcommittee (MURRAY, RODONI, and SKELTON) held two meetings with Staff and both were open to the public. These meetings were held on May 8 and July 22, 2019.

DUC Subcommittee task was to review current LAFCo-specific legislation of SB 244 and determine its level of applicability to Marin.

DUC Subcommittee directed Staff to conduct certain research and found that and found that, while the current county housing element does not recognize any areas in unincorporated Marin as a DUC, Marin City is shown as having a median household income (MHI) of \$42,737 (per the 2013-2017 American Community Survey 5 year Estimates via the US Census Bureau) which would qualify the census-designated place as a DUC by LAFCo standards.

DUC Subcommittee and Staff did recognize items that may be related and of future interest that include but not limited to:

- A higher level of United States Census Data (Tract, Block Group, Block) reliability is necessary to further define specific low-income locations within Marin;
- US Census data from 2020 Census should be reviewed as it becomes available and at that time a review of DUC area definition and applicability to Marin;
- Recommendations to Marin Local Agencies to include Census statistics in its documents. LAFCo MSRs, City and County Housing Elements are typical locations for available data as well as the County Community and Area Plans. One good example was the format and detail in the Black and Green Points Area Plans completed in 2016 and how they provided useful Census 2010 statistic summaries. However, other Community and Area Plans were found to be quite aged [Marin City 1992; Tomales Community Plan 1997; Muir Beach 1972; Pt Reyes Station 2001] but these documents in the future could reflect community needs such as affordable housing affects from lack of sanitary sewer systems, faulty or non-reporting mutual water systems and factors for increased cost of transportation (no more than 15% of household income) and housing (no

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Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

- more than 30% of household income), and information related to housing such as rental vacancy rates, average household size and median home values of owner-occupied units;
- Marin low-income maps show areas as Marin City, San Rafael north of the 580 and west of 101 and east of 101 at North San Pedro Road to Novato and Marin's northern boundaries. These low-income maps are also being used, in part, by the State to determine levels of available State funding. State low-income areas show small geographic areas in Marin against many larger areas in central and southern areas of the State;
 - DUC is less than 80% than that of the MHI and a Severely Disadvantaged Community (SDUC) has less than 60% of the statewide MHI. Marin's MHI is \$71,800. And DUC is \$57,444;
 - A recent example of funding made available to designated DUCS, is SB 535 (De Leon) that designates that a minimum of 25% of the California Environmental Protection Agency (CalEPA) Cap-and-Trade funding program be directed to communities designated as disadvantaged. CalEPA developed methodology to determine disadvantaged communities with AB 1550 Low-income Communities maps and Cal EPA Office of Environmental Health Hazard Assessment (OEHHA) CalEnviroScreen 3.0 SB 535 Disadvantaged Communities maps and a layering of both data sets to help determine DUC-funding eligibility.

Many thanks to all three LAFCo Staff and level of assistance provided by Policy Analyst Seibel in both meetings to review SB 244, respond to Commissioner information requests and provide review and data from US Census for this Subcommittee to review Marin DUCs.

Recommendation for Action

1. Committee Chair Recommendation – Dissolve the DUC Ad Hoc Committee.
2. Alternate Option - Take no action today and give the committee and staff further instructions.



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Item No. 13 (Business Item)

TO: Local Agency Formation Commission

FROM: Mala Subramanian, General Counsel

SUBJECT: **Approval of Second Amendment to Executive Officer Employment Agreement**

Background

The Commission approved an Employment Agreement for Executive Officer's Services with Jason Fried effective January 2, 2019. The Employment Agreement provided for an annual salary of \$142,000 and expired on June 30, 2019.

On June 13, 2019 the Commission approved a First Amendment to Employment Agreement for Executive Officer's Services with Jason Fried. The First Amendment provides for an annual salary of \$150,000 and will expire on June 30, 2020. Since that time, the County's payroll department informed us that it will need an even hourly rate.

Discussion

Attached for consideration and approval is a Second Amendment to Employment Agreement for Executive Officer's Services with Jason Fried. The Second Amendment provides for an annual salary of \$150,009.60 effective July 1, 2019, which provides for an even hourly rate that is as close as possible to what the Commission previously approved.

Recommendation

Authorize the Chair to execute the Second Amendment to Executive Officer Employment Agreement with Jason Fried.

Attachments:

- 1) Second Amendment to Executive Officer Employment Agreement
- 2) First Amendment to Executive Officer Employment Agreement
- 3) Executive Officer Employment Agreement

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SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to the Employment Agreement for Executive Officer is made and entered into as of August 8, 2019, by and between the Marin Local Agency Formation Commission, an Agency established by State of California (hereinafter referred to as "Commission"), and Jason Fried (hereinafter referred to as "Employee").

RECITALS

The Commission and Employee entered into an agreement, effective January 2, 2019, to hire and appoint Employee as EXECUTIVE OFFICER ("Agreement").

The Commission and Employee entered into an amendment to the Agreement, effective June 13, 2019 to extend the term of the Agreement and increase compensation ("First Amendment").

The Commission and Employee now desire to amend the Agreement to adjust compensation to address a payroll issue to allow for an even hourly rate.

In consideration of the mutual promises and covenants hereinafter contained, the parties do hereby agree as follows:

1. **Salary.** The first sentence of Section 2 is hereby amended as follows:

"Commission agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$150,009.60 (ONE HUNDRED FIFTY THOUSAND NINE DOLLARS AND SIXTY CENTS), payable in accordance with the Commission's standard payroll practices effective July 1, 2019."

2. Except as amended herein, all provisions of the First Amendment and Agreement shall remain in full force and effect and shall govern the actions of the parties under this Second Amendment.

4. This Second Amendment may be signed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first herein above written.

By: _____
SASHI MCENTEE, CHAIR
MARIN LOCAL AGENCY FORMATION
COMMISSION

By: _____
JASON FRIED, EMPLOYEE

Approved as to form:

MALA SUBRAMANIAN,
COMMISSION COUNSEL

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to the Employment Agreement for Executive Officer is made and entered into as of June 13, 2019, by and between the Marin Local Agency Formation Commission, an Agency established by State of California (hereinafter referred to as "Commission"), and Jason Fried (hereinafter referred to as "Employee").

RECITALS

The Commission and Employee entered into an agreement, effective January 2, 2019, to hire and appoint Employee as EXECUTIVE OFFICER ("Agreement").

The Commission and Employee now desire to amend the Agreement in order to extend the term of the Agreement to June 30, 2020 and increase compensation.

In consideration of the mutual promises and covenants hereinafter contained, the parties do hereby agree as follows:

1. **Salary.** The first sentence of Section 2 is hereby amended as follows:

"Commission agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$150,000 (ONE HUNDRED FIFTY THOUSAND DOLLARS), payable in accordance with the Commission's standard payroll practices."

2. **Term, Termination and Potential Severance.** Section 12A is hereby amended as follows:

"A. This Agreement shall expire on June 30, 2020 unless terminated earlier in accordance with these provisions."

3. Except as amended herein, all provisions of the Agreement shall remain in full force and effect and shall govern the actions of the parties under this First Amendment.

4. This First Amendment may be signed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first herein above written.

AGREEMENT

This Agreement (hereinafter referred to as "Agreement"), made and entered into on the latest date of signature below by and between the Marin Local Agency Formation Commission, an Agency established by the State of California (hereinafter referred to as "Commission") and Jason Fried (hereinafter referred to as "Employee"), to appoint Employee as the duly appointed EXECUTIVE OFFICER of the Commission.

RECITALS

1. Through action of its membership on December 13, 2018, the Commission voted to extend Employee appointment as EXECUTIVE OFFICER of the Commission effective January 2, 2019.
2. It is the desire of the Commission to provide certain benefits, establish certain conditions of employment, and set working conditions of said EXECUTIVE OFFICER.
3. It is the desire of the Commission to (1) retain the services of Employee and to provide inducement for him to continue in such employment; and (2) to provide an equitable means for terminating Employee's services at such time as the Commission in its sole discretion may desire to terminate his employ.
4. In consideration of the mutual promises and covenants hereinafter contained, the parties do hereby agree as follows:

Section 1. Duties.

The powers and duties of the EXECUTIVE OFFICER shall be as those described generally in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 codified at Section 56000 et seq. of the California Government Code, and any local standards, policies, guidelines or procedures adopted by the Commission. In addition the Commission may direct the EXECUTIVE OFFICER to perform other legally permissible and proper duties and functions as the Commission shall from time to time assign to carry out the functions of the Commission.

Section 2. Salary.

Commission agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$142,000 (ONE HUNDRED FORTY-TWO THOUSAND DOLLARS), payable in accordance with the Commission's standard payroll practices. The Commission may otherwise grant Employee cost-of-living salary adjustments as part of the annual performance evaluation.

Section 3. Hours of Work

Employee is expected to generally be working and available during regular business hours (Mon-Fri, 9am to 5pm), as well as at any other time needed to carry out the duties of the position. Employee's schedule of work each day and week may vary in accordance with the work required to be performed and in accordance with any specific direction provided by the Commission. Employee understands and agrees that he is an exempt executive management employee, and that he shall not be entitled to any additional compensation and/or time off as a result of working more than 40 hours in any given week. It is recognized that work in some weeks may exceed 40 hours and, conversely, work in other weeks may be less than 40 hours. Employee is expected to work the hours required to get the job done.

Section 4. Full Energy and Skills; Conflicts

Employee shall faithfully, diligently, and to the best of Employee's abilities, perform all duties that may be required under this Agreement. Employee agrees that Employee has a duty of loyalty and a general fiduciary duty to the Commission. Absent advance written permission from the Commission, Employee shall devote the whole of Employee's working time, skill, experience, knowledge, ability, labor, energy, attention, and best effort exclusively to the Commission's business and affairs.

Employee shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of Employee's duties.

Section 5. Vacation Leave.

Employee shall accrue and have credited to his personal account, vacation which is accrued on a pro rata basis as hours are worked at the following schedule:

1. Commencing on the date of hire - 10 working days (.0385 hourly)
2. After 3 years of service - 15 working days (.0577 hourly)
3. After 10 years of service - 20 working days (.0770 hourly)
4. After 20 years of service - 25 working days (.0962 hourly)
5. After 30 years of service - 30 working days (.1154 hourly)

Employee may accumulate a maximum accrual cap of 300 hours of vacation leave, and Employee may not earn any further vacation leave until some vacation is used and the balance

falls below the cap. The cash value of all accrued, but unused vacation at time of Employee' separation from Commission service, for any reason, shall be paid to Employee in a lump sum payment unless another method of payment is mutually agreed upon.

Section 6. Sick Leave.

Employee shall accrue and have credited to his personal account, sick leave at the rate of 96 hours per year, accrued on a pro rata basis each pay period, and not subject to any accrual cap. Such sick leave is not discretionary leave, but may be used for personal illness/injury or the illness/injury of Employee's family members (in accordance with the Healthy Workplaces, Healthy Families Act of 2014), as well as for such time as is reasonably necessary or during otherwise unpaid medical leaves provided by law. Sick leave shall have no cash or other value at the time of Employee separation from Commission service for any reason.

Section 7. Holidays and Personal Leave.

Employee shall receive ten (10) paid holidays annually, namely July 4, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, December 25, New Year's Day, Martin Luther King Jr. Day, Presidents' Day, and Memorial Day. He will also be allocated FORTY (40) hours of personal leave annually (accrued on a pro rata basis as hours are worked), which may be used in accordance with vacation leave use parameters. Any unused Personal Leave hours remaining at the conclusion of the calendar year will be cashed out with the next regularly scheduled payday. Any such cash payments will not be considered as "compensation earnable" for Marin County Employees' (MCERS or MCERA) Retirement System purposes.

Section 8. Benefits.

The Commission agrees to provide to Employee a benefit package consistent with County of Marin unrepresented employees with a similar classification (bargaining group 21-01) to be used to pay the cost of benefits which include, but are not limited to disability, health, life, vision, and dental plans. Employee recognizes and agrees that Employee contributions to the dental, vision services and basic life insurance plans are mandatory. Health insurance contributions are also mandatory absent Employee providing annual documentation demonstrating qualifying alternative coverage.

Section 9. Pension and Retiree Health Care.

Employee is a mandatory member of the Marin County Employees Retirement System (MCERS or MCERA), in Tier 3 thereof, for the purposes of pension and retiree health care, as the terms and provisions of such Tier 3 exist upon the execution of this Agreement. Notwithstanding the preceding, it is anticipated that the Commission will explore the option of

enrolling Employee in a defined benefit plan administered by CalPERS in lieu of continued participation in MCERS or MCERA.

Section 10. Expenses, Phone and Mileage.

The Commission agrees to reimburse Employee for work-related expenses for purposes including, but not limited to, professional dues and subscriptions, professional development, job related travel and meal expenses and general expenses of a job related and non-personal nature subject to reasonable control and budgetary approval by the Commission. All reimbursements must be based on receipts and similar documentation. Commission shall provide, at its expense, a cell phone and cell phone service package to Employee for Commission business. Commission shall reimburse Employee for his business-related auto mileage at the applicable IRS rate.

Section 11. Performance Evaluation.

A. The Commission shall review and evaluate the performance of the Employee within six months, and thereafter at least once annually. Said review and evaluation shall be in accordance with specific criteria developed jointly by the Commission and Employee, consistent with Commission's adopted Policies, Procedures and Guidelines. Said criteria may be added to or deleted from as the Commission may from time to time determine, in consultation with Employee. Further, the Chair of the Commission shall provide Employee with a written summary statement of findings of the Commission and provide an adequate opportunity for the Employee to discuss his evaluation with the Commission.

B. Annually, the Commission and Employee shall define such goals and performance objectives that they determine necessary for the proper operation of the Commission and shall further establish a relative priority among those various goals and objectives.

Section 12. Term, Termination, and Potential Severance.

A. This Agreement shall expire on June 30, 2019 unless terminated earlier in accordance with this provisions.

B. Employee recognizes and agrees that the position of EXECUTIVE OFFICER to the Commission is "at will," that he serves at the pleasure of the Commission, and that he has no property interest in such employment but rather may be terminated or asked to resign by the Commission at any time, with or without cause, and with or without advance notice. Either party may terminate this Agreement at any time upon two (2) weeks written notice to the other party in the sole discretion of the party seeking to terminate this agreement.

C. Subject to this subsection and subsection D below, should Employee be terminated or should he resign, in lieu of termination, in the first two (2) years of this Agreement he shall receive two (2) pay periods of salary and should Employee be terminated or should he resign, in lieu of termination, beginning in the third year and anytime thereafter of this Agreement he shall receive four (4) pay periods of salary. Any payments provided under this section are expressly conditioned on Employee's written release of any and all claims against the Commission, its Board members, officers and employees. Further, any payments under this section are subject to and must comply with the limitations set forth in Government Code Sections 53260 and 53243-53243.4.

D. If the termination of Employee is the result of gross mismanagement and/or an act or acts of moral turpitude, Employee shall not be eligible for or paid any severance pay. In such an instance, Employee's sole remedy shall be a judicial action in declaratory relief to determine whether there was substantial evidence of gross mismanagement and/or an act or acts of moral turpitude. If the court determines there was not substantial evidence, Employee shall receive the severance pay provided in this Section 12, but no other damages.

Section 13. Indemnification.

In accordance with statutory indemnification applicable to the EXECUTIVE OFFICER through Marin County Code and/or State and Federal statutes, the Commission, shall defend, hold harmless and indemnify Employee against any tort, professional liability claim or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance by Employee of his duties. The Commission may, in its discretion, compromise and settle any such claim or suit, and will pay the amount of any settlement or final judgment rendered against Employee occurring in the performance of his duties as EXECUTIVE OFFICER.

Section 14. Other Terms and Conditions.

The Commission, with the mutual consent of Employee, may fix any such other terms and conditions of employment, as it may determine from time to time, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or any law.

Section 15. Notices.

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, First Class postage prepaid, or by traceable overnight delivery service (FedEx or equivalent), addressed as follows:

A. COMMISSION:

Chair
Marin Local Agency Formation Commission
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903

B. EXECUTIVE OFFICER:

Jason Fried

Alternatively, notices required pursuant to this agreement may be personally served in the same manner as if applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service, or as of the date of deposit of such written notice with the United States Postal Service or overnight delivery service.

Section 16. General Provisions.

A. The text of this Agreement shall constitute the entire agreement between the parties, and it supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties.

B. Employee may not assign this Agreement in whole or in part.

C. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

D. This agreement shall become effective on the latest date of signature below.

E. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Employee and City agree that venue for any dispute shall be in Marin County, California.

F. If any provision or any portion thereof contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement or portion thereof shall be deemed severable, shall not be affected and shall remain in full force and effect.

G. The headings on each of the sections and subsections of this Agreement are for the convenience of the parties only and do not limit or expand the contents of any such section or subsection.

IN WITNESS WHEREOF, the Marin Local Agency Formation Commission has caused this agreement to be signed and executed on its behalf by its Chair.



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 9, 2019

Executive Officer Report – Section A

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Budget Update for FY 2018-2019 and FY 2019-2020**

Background

Marin Local Agency Formation Commission (LAFCo) adopted a budget for FY 2018-2019 totaling \$601,875. This amount represents the total approved operating expenditures for the fiscal year divided between three (3) active expense units: salaries and benefits; administrative activities; and services and supplies. A purposeful operating deficit of (\$10,000) was budgeted leaving the annual revenues at \$591,875 in step with the phasing of corresponding contribution increases among the funding agencies in recent years. Budgeted revenues are divided between three (3) active units: intergovernmental contributions; service charges; and investments.

From July 1, 2018, through June 31, 2019, LAFCo has spent \$524,985.70 or about 87% of the FY 2018 - 2019 budget. As a reminder, given line item adjustments to expenditures and the use of carry fund balance made earlier this fiscal year, the “Budget” column in the “Expense” section looks higher than what we are really budgeted to spend this year.

The first page of the attached is the last budget update that staff will present for FY 2018-2019. The second page of the attachment is for FY 2019-2020. This report is using the new format to go with the more consolidated style of budgeting the Commission approved.

Attachment:

- 1) FY 2018-2019 and FY 2019-2020 Budget Report as of 8/01/19

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Las Gallinas Valley Sanitary

Lew Kious, Regular
Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

**Marin Local Agency Formation Commission
2018/19 BUDGET REPORT**

06/01/19

July 2018 through June 2019

Accrual Basis

	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4710510 · Agency Contributions	559,875.00	559,875.00	0.00	100.0%
Total Income	559,875.00	559,875.00	0.00	100.0%
Expense				
5111000 · Salary and Benefit Costs				
5110109 · Salaries				
5110110 · Sal - Regular Staff	119,517.75	197,737.00	-78,219.25	60.4%
5110313 · Holiday Pay	3,596.46	0.00	3,596.46	100.0%
5110323 · Sick Leave	707.54	0.00	707.54	100.0%
5110324 · Vacation Leave	39.37	0.00	39.37	100.0%
5110328 · Personal Leave	1,159.78	0.00	1,159.78	100.0%
511350 · Management Leave	297.12			
5140140 · Payroll Tax	2,611.79	3,131.00	-519.21	83.4%
Total 5110109 · Salaries	127,929.81	200,868.00	-72,938.19	63.7%
5130120 · County of Marin - Group Health				
5130110 · Ben-Med-GrpLifelnur	748.24	0.00	748.24	100.0%
5130121 · Health Insurance	6,713.45	28,524.00	-21,810.55	23.5%
5130210 · Dental Insurance	1,366.31	3,114.00	-1,747.69	43.9%
5130310 · Vision Service Plan	138.87	345.00	-206.13	40.3%
5130410 · Benefits - Disability Plan	97.25	330.00	-232.75	29.5%
5130524 · Benefits - Fringe Retirement	2,435.95	0.00	2,435.95	100.0%
5130640 · Unused Fringe Ben	1,539.03			
Total 5130120 · County of Marin - Group Health	13,039.10	32,313.00	-19,273.90	40.4%
5130500 · MCERA / Pension				
5130520 · Co Ret Cont Tier III	6,498.52	0.00	6,498.52	100.0%
5130521 · Co Ret Cont Tier IV	6,819.32	0.00	6,819.32	100.0%
5130522 · MCERA Pension	0.00	23,901.00	-23,901.00	0.0%
Total 5130500 · MCERA / Pension	13,317.84	23,901.00	-10,583.16	55.7%
5130625 · Retiree Health	5,012.84	15,615.00	-10,602.16	32.1%
5140115 · Workers Compensation	1,329.33	1,985.00	-655.67	67.7%
5140145 · Unemployment Insurance	0.00	3,713.00	-3,713.00	0.0%
Total 5111000 · Salary and Benefit Costs	160,628.92	278,375.00	-117,746.08	57.7%
5210110 · Professional Services	226,716.91	237,000.00	-10,283.09	95.7%
5210129 · Graphic Design	0.00	11,613.00	-11,613.00	0.0%
5210131 · Legal Services	58,809.67	52,000.00	6,809.67	113.1%
5210230 · Support Services	0.00	6,438.00	-6,438.00	0.0%
5210525 · General Insurance	4,533.74	3,993.00	540.74	113.5%
5210710 · Communications Services	17,917.55	12,000.00	5,917.55	149.3%
5210935 · Office Equipment Purchases	239.74	4,620.00	-4,380.26	5.2%
5211215 · Rent - Storage	447.64	401.00	46.64	111.6%
5211270 · Office Lease/Rent	29,102.80	34,652.00	-5,549.20	84.0%
5211325 · Conferences	5,281.53	2,965.00	2,296.53	177.5%
5211330 · Memberships & Dues	1,377.00	14,734.00	-13,357.00	9.3%
5211340 · Training	195.00	1,500.00	-1,305.00	13.0%
5211440 · Travel - Mileage	413.70	7,239.00	-6,825.30	5.7%
5211510 · Misc Services	0.00	2,045.00	-2,045.00	0.0%
5211520 · Publications/Notices	2,008.93	5,000.00	-2,991.07	40.2%
5211533 · Commissioners Per Diem	12,375.00	13,500.00	-1,125.00	91.7%
5220110 · Office Supplies & Postage	4,957.57	4,300.00	657.57	115.3%
Total Expense	524,985.70	692,375.00	-167,389.30	75.8%
Net Ordinary Income	34,889.30	-132,500.00	167,389.30	-26.3%
Other Income/Expense				
Other Income				
4410125 · Interest Earnings	5,431.69	2,000.00	3,431.69	271.6%
4640333 · Fees for Services	31,068.20	30,000.00	1,068.20	103.6%
Total Other Income	36,499.89	32,000.00	4,499.89	114.1%
Net Other Income	36,499.89	32,000.00	4,499.89	114.1%
Net Income	71,389.19	-100,500.00	171,889.19	-71.0%

Marin Local Agency Formation Commission

2019/20 BUDGET REPORT

08/01/19

July 2019 through June 2020

Accrual Basis

	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4710510 · Agency Contributions	416,857.24	559,522.51	-142,665.27	74.5%
Total Income	416,857.24	559,522.51	-142,665.27	74.5%
Expense				
5111000 · Salary and Benefit Costs				
5110109 · Salaries	11,665.36	305,553.00	-293,887.64	3.8%
5130120 · County of Marin - Group Health	1,230.09	61,110.60	-59,880.51	2.0%
5130500 · MCERA / Pension	1,168.30	56,911.23	-55,742.93	2.1%
5130525 · Retiree Health	449.02	16,000.00	-15,550.98	2.8%
Total 5111000 · Salary and Benefit Costs	14,512.77	439,574.83	-425,062.06	3.3%
5210110 · Professional Services	24,035.50	70,000.00	-45,964.50	34.3%
5210131 · Legal Services	4,393.00	35,000.00	-30,607.00	12.6%
5210525 · General Insurance	6,391.28	4,000.00	2,391.28	159.8%
5210710 · Communications Services	1,203.62	14,000.00	-12,796.38	8.6%
5210935 · Office Equipment Purchases	0.00	4,500.00	-4,500.00	0.0%
5211215 · Rent - Storage	65.84	500.00	-434.16	13.2%
5211270 · Office Lease/Rent	2,714.60	32,652.95	-29,938.35	8.3%
5211325 · Conferences	0.00	4,000.00	-4,000.00	0.0%
5211330 · Memberships & Dues	13,261.00	15,000.00	-1,739.00	88.4%
5211340 · Training	0.00	1,700.00	-1,700.00	0.0%
5211440 · Travel - Mileage	114.98	4,000.00	-3,885.02	2.9%
5211510 · Misc Services	0.00	2,000.00	-2,000.00	0.0%
5211520 · Publications/Notices	89.50	3,500.00	-3,410.50	2.6%
5211533 · Commissioner Per Diems	0.00	13,500.00	-13,500.00	0.0%
5220110 · Office Supplies & Postage	92.58	4,000.00	-3,907.42	2.3%
Total Expense	66,874.67	647,927.78	-581,053.11	10.3%
Net Ordinary Income	349,982.57	-88,405.27	438,387.84	-395.9%
Other Income/Expense				
Other Income				
4410125 · Interest Earnings	0.00	5,000.00	-5,000.00	0.0%
4700000 · Prior Year Carryover	0.00	83,405.27	-83,405.27	0.0%
Total Other Income	0.00	88,405.27	-88,405.27	0.0%
Net Other Income	0.00	88,405.27	-88,405.27	0.0%
Net Income	349,982.57	0.00	349,982.57	100.0%



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Executive Officer Report – Section B

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

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.

On today's agenda File #'s 1335, 1337 and 1343 are being discussed as separate items. Updates on those three items can be found as part of those items' packet on the agenda.

Current Proposals – Under Review and Awaiting Hearing

File #1343 (Reorganization of 4576 Paradise Drive) – The Town of Tiburon raised some concerns to LAFCo staff about this application. LAFCo staff is working with Tiburon staff to see if these items can be addressed and will report back at a future Commission meeting.

Attachment:

- 1) Chart of Current and Pending Proposals

Administrative Office

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Almonte Sanitary District

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1324	Approved by Commission and Awaiting Completion of Terms	Annexation of 1501 Lucas Valley Road	Landowner (Andre Souang) requesting approval to annex approximately 61.3 acres of unincorporated/improved territory (164-280-35) located at 1501 Lucas Valley Road to Marin Municipal Water District (MMWD). The applicant requested annexation to MMWD to provide a reliable source of domestic water service given concerns regarding the continued use of an onsite well. The Commission approved the proposal without amendments and with additional terms at its December 14, 2017 meeting. Terms remain outstanding as of date and therefore the proposal remains active.	Marin Municipal Water District	Terms must be completed by 12/13/19
1337	Approved by Commission and Awaiting Completion of Terms	Reorganization of Mesa Road	Landowner (Brad Drury) requesting annexation approval of 276 Mesa Road (188-170-54) in the unincorporated coastal community of Bolinas to the Bolinas Community Public Utility District. The affected territory is approximately 20.6 acres in size and is currently undeveloped. The stated purpose of the proposal is to provide water service to the affected territory in order for the development of a single-family residence. The Commission approved the proposal with amendments to include the entire public right-of-way extending to 276 Mesa Road on October 12, 2017, with additional terms. Terms remain outstanding as of date and therefore the proposal remains active.	Bolinas Community Public Utility District	Terms must be completed by 8/9/19. On Aug 2019 agenda for time extension request.
1335	Under Review with Hearing 8/9/19	Reorganization of 400 Upper Toyon Road	Landowner (Raphael de Balmann) requesting approval to reorganize one incorporated parcel totaling 2.5 acres located at 400 Upper Toyon Drive (012-121-28) in the City of San Rafael. The proposed reorganization involves the detachment of the affected territory and concurrent annexation therein to the Town of Ross. The affected territory is developed to date with a four-bedroom single family residence and accessible through a privately-owned and maintained road located atop a ridge at approximately 520 feet. The stated purpose of the proposal is to match the affected territory with the applicant's preferred municipality given the communities of interests with Ross. Concurrent sphere of influence amendments would be needed to accommodate the request. The application is currently under administrative review and is deemed incomplete at this time.	City of San Rafael and Town of Ross	On Aug. 2019 agenda for approval

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1341	Emergency OSA and Future application	Emergency OSA and awaiting application to annex into San Rafael Sanitation District	32 Fairway Dr, San Rafael had a failed septic tank which they reported to Marin County Environmental Health Services Division and needs an OSA to connect into SRSD. The applicant also plans to annex permanently into SRSD but first needs to get all needed materials, such as legal description and legal maps produced. They should be submitting application in the near future.	San Rafael Sanitation District	On 3/28/19 SRSD informed LAFCo the basic plans had been approved for OSA.
1342	Under Review and Awaiting Hearing	Reorganization of 4576 Paradise Drive	Sierra Pines Group LLC ("applicant") requesting approval to annex one lot totaling 9.575 acres to the Town of Tiburon and Corte Madera Sanitary District #2. The affected territory is near the Town of Tiburon with a situs address of 4576 Paradise Drive (038-142-02.)	Town of Tiburon and SD#2	Further Discussion needed with Tiburon
1343	Under Review with Hearing 8/9/19	Reorganization of 2260 Vineyard Rd	Patrick and Erin Sheedy ("applicant") requesting approval to annex one lot to Novato Sanitary District. The affected territory is in City of Novato with a situs address of 2260 Vineyard (132-311-61.)	Novato Sanitary District	On Aug. 2019 agenda for approval
	Possible Future Item	San Quentin Village Sewer Maintenance District consolidation with Ross Valley Sanitary District	Based on past action of Marin LAFCo, discussion of possible consolidation between SQVSMD with RVSD has been deemed as seemingly in the best interest of the community of San Quentin Village customers.	SQVSMD and RVSD	Staff is currently reviewing outstanding issues with the staffs from both SQVSMD and RVSD.
	Possible Future Item	Murray Park Sewer Maintenance District consolidation with Ross Valley Sanitary District	Based on past action of Marin LAFCo, discussion of possible consolidation between MPSMD with RVSD has been deemed as seemingly in the best interest of the community of San Quentin Village customers.	MPSMD and RVSD	Public Meeting held on June 5th and process is moving forward

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
	Possible Future Item	Boundary Adjustment	The County Service Area No. 29, which provides dredging for properties located within the District, has conveyed interest on a potential proposal to detach at least six parcels that do not benefit from the municipal service and the addition of one parcel that is currently outside of CSA 29's jurisdictional boundary and does benefit from the dredging. The proposal would essentially match public services to the appropriate service area.	County Service Area No. 29 - Paradise Cay	This item will be looked at as part of its MSR occurring now.
1322	Completed	Annexation of 700 and 726 Sequoia Valley Road	Filed by the Homestead Valley Sanitary District requesting approval to annex approximately 1.1 acres of unincorporated territory. The stated purpose of the proposal is to align HVSD's existing jurisdictional boundary with its existing service area given the affected territory and its two developed residential parcels at 700 (046-231-07) and 726 (046-301-01) Sequoia Valley Road connected to the District through non-conforming connections in the early 1990s. The Commission approved the proposal with amendments to include adjacent portions of the public right-of-way along Sequoia Valley Road and Panoramic Highway on June 9, 2016, with standard terms. The Commission separately approved a one-year extension to complete the terms in June 2017.	Homestead Valley Sanitary District	File reported completed at 8/9/18 meeting
1336	Completed	Reorganization of 238 Summit Drive et al	This proposal was filed by Sanitary District No. 2 (Corte Madera) requesting approval to annex four incorporated parcels in the Town of Corte Madera totaling 4.5 acres to Sanitary District No. 2 and Ross Valley Sanitary District. The proposal's purpose is to formalize and rationalize current public wastewater services provided in the affected territory through earlier actions outside of Marin LAFCO. The Commission approved the proposal with amendments to include an adjacent public right-of-way along Summit Drive on June 8, 2017, with standard terms.	Corte Madera Sanitary District and Ross Valley Sanitary District	File reported completed at 8/9/18 meeting

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1338	Completed	Detachment of 610 Calle de La Mesa	Proposal by the affected landowner, Janice Tate, requesting a boundary line adjustment for the lot located at 610 Calle de La Mesa (160-171-15) in the unincorporated island community of Loma Verde to the County of Marin. The affected territory is approximately 0.18 acres in size and currently developed with a single-family residence. The applicant wishes to de-annex 0.03 acres of land adjoining the affected territory from the City of Novato into the County of Marin. The applicant believed that the proposed annexation territory was included in her lot line, but after requiring to install a fence, was informed that the 0.03 acres of land contiguous to her parcel was in fact within the City of Novato. The application is currently under administrative review and is deemed incomplete at this time.	County of Marin and City of Novato	File reported completed at 2/14/19 meeting
1339	Completed	516 E. Hospital Drive annexation to NSD	Application from Becky McCormick, LPAS, Inc. ("applicant") requesting approval for annexing one of three lots totaling 14.55 acres to Novato Sanitary District (NSD). The affected territory is formerly known as the Hamilton Hospital site with a situs address of 516 E. Hospital Drive (157-690-52.) The proposal, as stated by the applicant, will turn the former Hamilton Hospital into an 80 bed assisted living facility. The parcel was part of a former military base.	Novato Sanitary District	File reported completed at 4/11/19 meeting
1340	Completed	28 Teaberry Lane Annexation into Sanitary District #5	Application from Peter Kiritchenko ("applicant") requesting approval to annex one lot totaling 2.01 acres to Sanitary District Number 5 of Marin. The affected territory is a new residential unit in the incorporated part of Marin County near the Town of Tiburon with a situs address of 28 Teaberry Lane (058-071-01.) The proposal, as stated by the applicant, is to build one new single-family home that can include an accessory dwelling unit.	Sanitary District #5	File reported completed at 4/11/19 meeting

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1328	Deemed Terminated	Annexation of 255 Margarita Drive	<p>Landowner (Paul Thompson) requesting annexation approval of 255 Margarita Drive (016-011-29) in the unincorporated island community of Country Club to the San Rafael Sanitation District. The affected territory is approximately 1.1 acres in size and currently developed with a single-family residence. It has also established service with the SRSD as part of a LAFCo approved outside service extension due to evidence of a failing septic system. The outside service extension was conditioned – among other items – on the applicant applying to LAFCo to annex the affected territory to the San Rafael Sanitation District as a permanent means to public wastewater service. The application remains incomplete at this time and awaits consent determination by SRSD.</p>	San Rafael Sanitation District	<p>Application is now deemed terminated and staff is working to get SRSD to disconnect.</p>



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2019

Executive Officer's Report – Section D

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Correspondences

Attached you will find a letter from Pamela Miller regarding the CALAFCO Staff Workshop 2019. No other correspondence has been received.

Attachment:

- 1) CALAFCO Letter dated June 6, 2019

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Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Chris Skelton, Alternate
Public Member

June 6, 2019

Marin LAFCo
1401 Los Gamos Drive, Ste. 220
San Rafael, CA 94903

Dear Marin LAFCo Commission,

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your Commission for allowing your staff the opportunity to attend the CALAFCO 2019 annual staff workshop, held in San Jose, April 10 through 12.

We appreciate that many of our members have limited resources and understand prioritizing expenditures can be challenging. Ensuring your staff has access to ongoing professional development and specialized educational opportunities allows them the chance to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo staff statewide serves to strengthen their network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

Thank you again for supporting your staff's participation in the CALAFCO 2019 staff workshop. We truly appreciate your membership and involvement in CALAFCO. It remains our mission to provide high quality educational and networking opportunities for you as our valued member.

Yours sincerely,



Pamela Miller
Executive Director

JUN 10 2019