



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, October 13, 2022 ▪ 7:00 PM

***** BY VIRTUAL TELECONFERENCE ONLY *****

Pursuant to the provisions of AB 361, this meeting will be held by teleconference only. No physical location will be available for this meeting. However, members of the public will be able to access and participate in the meeting.

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

PUBLIC ACCESS

Members of the public may access and watch a live stream of the meeting on Zoom at <https://us02web.zoom.us/j/4350473750>. Alternatively, the public may listen in to the meeting by **dialing (669) 900-6833** and entering **Meeting ID #4350473750** when prompted.

WRITTEN PUBLIC COMMENTS may be submitted by email to staff@marinlafco.org. Written comments will be distributed to the Commission as quickly as possible. Please note that documents will take some time to be posted to the agenda on the LAFCo website because of clerical processing requirements. Any comments received before noon on the day of the meeting will be distributed to the Commission before the meeting. Comments received after noon will still be shared with the Commission but may not be distributed until after the meeting.

SPOKEN PUBLIC COMMENTS will be accepted through the teleconference webinar meeting. To address the Commission, click on the link <https://us02web.zoom.us/j/4350473750> to access the Zoom-based meeting.

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

CALL TO ORDER BY CHAIR

ROLL CALL BY CLERK

AGENDA REVIEW

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

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 July 27, 2022 Workshop and August 11, 2022 Regular Meeting
2. Commission Ratification of Payments from August 1, 2022, to September 30, 2022
3. Approval of Resolution 22-29 Allowing for Video and Teleconference Meetings during COVID-19 State of Emergency Under AB 361
4. Accept and File GASB 75 Report prepared by MacLeod Watts
5. Addition of the Central Marin Sanitation Agencies to the Current Study Schedule

PUBLIC HEARING

6. Approval of Resolution 22-30, Annexation of 255 Margarita Drive (APN: 016-011-29) to San Rafael Sanitation District (LAFCo File #1367) with Waiver of Notice, Hearing, and Protest Proceedings

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.

EXECUTIVE OFFICER REPORT

- a) Budget Update FY 2022-2023
- b) Current and Pending Proposals
- c) CALAFCO Update.

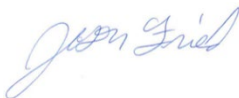
COMMISSIONER ANNOUNCEMENTS AND REQUESTS

CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation
(Government Code section 54956.9(d)(4) – (1 case))

ADJOURNMENT TO NEXT MEETING

December 8th, 2022 | 7:00 P.M.



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.

For those using screen readers, many documents are headed with the disclaimer that they have been set on Marin LAFCo letterhead. Although headers and footers have been marked as artifacts in order to maintain the flow of the documents it is of note that the footer includes contact information for Staff and information regarding the Commission's membership. That information is listed here to maintain accessibility of all information provided by this packet to members of the public:

LAFCo's Commission currently has 11 Commissioners, 7 are regular seats and 4 are alternates. The County commissioners are Supervisors Dennis Rodoni and Judy Arnold as regular seats and Supervisor Damon Connolly as alternate. The city commissioners are Barbara Coler (Vice Chair) from the Town of Fairfax as a regular seat and James Campbell from the City of Belvedere as alternate. The special district commissioners are Lew Kious (Chair) from Almonte Sanitary District (Vice-Chair) and Craig Murray from Las Gallinas Valley Sanitary District as regular seats and Tod Moody from Sanitary District #5 as alternate. The public seat commissioners are Larry Loder as regular seat and Richard Savel as alternate/

Marin LAFCo's Administrative office is managed by Executive Officer Jason Fried our location and contact information are listed below.

Marin LAFCo

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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

October 13, 2022

Item No. 1 (Consent Item)

TO: Local Agency Formation Commission

FROM: Stephanie Pratt, Clerk/Junior Analyst

SUBJECT: Approval of Minutes for July 27, 2022 Workshop and August 11, 2022, 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 July 27, 2022 workshop and August 11, 2022 regular meetings accurately and reflect the Commission's actions as recorded by staff. A video recording of each meeting is also available online for viewing at <https://www.marinlafco.org/meetings>

Staff Recommendation for Action

1. Staff recommendation – Approve the draft minutes prepared for the August 11, 2022 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 July 27, 2022
- 2) Draft Minutes for August 11, 2022

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Judy Arnold, Regular
County of Marin

Dennis Rodoni, Regular
County of Marin

Damon Connolly, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Vacant
City/Town Seat

James Campbell, Alternate
City of Belvedere

Lew Kiou, Chair
Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Valley Sanitary

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

SPECIAL MEETING MINUTES

NOTICE OF SPECIAL MEETING AND AGENDA

Marin Local Agency Formation Commission

Wednesday, July 27, 2022

San Rafael Community Center | Club Rooms 3 and 4 | 618 B Street, San Rafael, California

9:00 A.M. CALL TO ORDER BY CHAIR

ROLL CALL BY EXECUTIVE OFFICER

Regular Present: Sashi McEntee Chair; Lew Kious, Vice-Chair, Commissioners, Barbara Coler, Dennis Rodoni, Craig Murray, Larry Loder
Alternate Present: Tod Moody, Richard Savel,
Regular Absent: Judy Arnold
Alternates Absent: James Campbell, Damon Connolly
Staff Present: Jason Fried, Executive Officer; Jeren Seibold, Deputy Executive Officer

AGENDA REVIEW

The Chair or designee will consider any requests to remove or rearrange items by members. Chair McEntee announced this will be her last meeting as Chair due to her move out of the county. Vice-Chair Kious will start the meeting on August 11, 2022.

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.

AGENDA ITEMS PUBLIC HEARING

1. Discussion of Hours the LAFCo Office Should Be Open to the Public
 - After discussion about the change in how business is now done post pandemic and the challenge in finding a new Clerk/Jr. Analyst, the Commission gave EO Fried the ability to choose at least one day to have lights on and staff in office, with the remaining scheduling up to his judgement with possibility of having no one in the office on other days. The Commission had a desire to revisit this matter in the future.
2. Workshop For Next Round of MSR's for Marin LAFCo
 - a. History, Background and Status Regarding MSRs

Information gathered is intended to deliver a three to five year forecast of comprehensive data and analysis to provide a sphere of influence update, showing the probable physical boundaries and service area of local agencies.

Chair McEntee and EO Fried confirmed that this workshop is a session to discuss what is within staff's capability and for the commission to decide what is most important within these parameters and decisions effecting adjustments warranted. Chair McEntee reiterated that it is the commission's job to give staff clear direction on how to proceed after the next round of discussions.

b. Discussion of MSR Process in Marin LAFCo, What Other LAFCo's Do, and Potential changes to the Process

- Island annexation: Continue current policy of moving forward only with the support of the island and agency to be annexed into. Identify opportunities for commission discussion on a case-by-case basis. Chair McEntee and Commissioner Coler request further discussion at next session regarding sufficiency of services and Public Safety Mutual Aid, while islands may be unwilling to annex in, along with the expected benefit for all parties.
- Shared services: Identify the potential benefit to the agencies (may not just be cost-cutting,) as well as the expected issues around implementation (e.g., staffing changes, costs, service delivery, transition). Leave it to the agencies to implement any changes while LAFCo's is to make recommendations.
- Identifying post-MSR issues to address: Chair McEntee reprised that the role of staff is to continue to proactively identify post-MSR issues and use the neutral convening power of LAFCo to facilitate discussion among agencies. Staff should manage resources and work plans and check in with the commission to rebalance priorities as needed.
- Approach to next round: Commission supports an update report using the same regional format, with the previous report as a reference or appendix, over an approximately 5-7 year study schedule. Update report should include evaluation of, and financial analysis required for SOI determination, as well as status of previous MSR recommendations. Commission supports making the MSRs as useful and succinct as possible and covering all determinations required in Government Code, while ensuring all impacts from previous reports are considered. Make sure all the 7 agencies done in 2017 are covered within this round.
- Other potential sections:
 - Sustainability - include as appropriate to the agency type
 - Transparency - continue to identify whether agency makes important information available on their websites.
- Cybersecurity - we don't have the capability to analyze this
- Flood Districts: one report for the whole district rather than the zones.
- Agencies Excluded – being added to a future Commission Consent Calendar to expand current round of MSRs, three will be added so all agencies get same consideration.

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

No announcements nor requests were made.

ADJOURNMENT TO NEXT MEETING – 11:54am

August 11, 2022 | 7:00 P.M.

Attest: Stephanie Pratt
 Clerk/Jr. Analyst

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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

NOTICE OF REGULAR MEETING MINUTES

Marin Local Agency Formation Commission

Thursday, August 11, 2022, 7:00 PM

CALL TO ORDER

Vice-Chair Kious called the meeting to order at 7:03 P.M. as Chair McEntee will be stepping down.

ROLL CALL BY EXECUTIVE OFFICER

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

Commissioners Present:

Lew Kious, Vice-Chair

Judy Arnold

Barbara Coler

Craig Murray

Larry Loder

Alternate Commissioners Present:

James Campbell

Tod Moody

Damon Connolly - Joined 7:07 pm

Richard Savel

Marin LAFCo Staff Present:

Jason Fried, Executive Officer

Jeren Seibel, Deputy Executive Officer

Marin LAFCo Counsel Present:

Mala Subramanian

Commissioners Absent:

Larry Loder, Dennis Rodoni

Alternate Members Absent:

None

AGENDA REVIEW

EO suggested to move original Agenda Item 7 to the top of the agenda and Vice-Chair Kious agreed.

Approved: M/S by Commissioners Coler and Murray to approve the move of the item.

Ayes: Commissioners Campbell, Kious, Coler, Murray, Savel, Connolly

Nays: None

Abstain: None

Absent: Arnold (stepped away from meeting momentarily),

Motion approved unanimously.

PUBLIC OPEN TIME

Vice Chair Kious opened the public open time period. Seeing no comment, the Vice-Chair closed public open time.

7. Approval of Commendation for Former Commissioner Sashi McEntee

Vice-Chair Kious thanked Ms. McEntee for her service and dedication. Commissioner Coler read the commendation aloud praising her for her knowledge and exemplary service. Ms. McEntee thanked the commission for the opportunity to serve and for taking the time to make the commendation.

Vice-Chair Kious requested to approve the commendation after confirming proper procedure with Legal Counsel Subramanian.

Vice Chair Kious opened public comment on this item; hearing none, he closed public comment.

Approved: M/S by Commissioners Arnold and Campbell to approve the commendation to a roll call vote.

Ayes: Commissioners Campbell, Arnold, Kious, Connolly, Coler, Murray, Savel
Nays: None
Abstain: None
Absent: None
Motion approved unanimously.

CONSENT CALENDAR ITEMS

1. Approval of Minutes for June 9, 2022, Regular Meeting
2. Commission Ratification of Payments from June 1, 2022, to July 31, 2022
3. Approval of Resolution 22-27 Allowing for Video and Teleconference Meetings during COVID-19 State of Emergency Under AB 361
4. Approval of Resolution 22-28 on the Biannual Review and Amendment of Marin LAFCo Conflict of Interest Code

Vice-Chair Kious opened public comment on this item; hearing none, he closed public comment.

Approved M/S by Commissioners Campbell and Coler to approve the Consent

Ayes: Commissioners Kious, Campbell, Arnold, Connolly, Coler, Murray, Savel
Nays: None
Abstain: None
Absent: None
Motion approved unanimously.

BUSINESS ITEMS

5. Election of Chair and Vice Chair

EO Fried gave a staff report for the election process as there is no current chair with Ms. McEntee's departure. Vice-Chair Kious was nominated for Chair by Commissioners Campbell and Arnold.

Vice Chair Kious opened public comment on this item; hearing none, he closed public comment.

Approved M/S by Commissioners Campbell and Arnold to elect Vice-Chair Kious as new Chairman

Ayes: Commissioners Campbell, Kious, Arnold, Connolly, Coler, Murray, Savel
Nays: None
Abstain: None
Absent: None
Motion approved unanimously.

EO Fried gave a staff report for the process to elect the now vacant Vice-Chair seat. Commissioner Coler was nominated by Commissioners Campbell with Commissioner Murray seconding the motion. Commissioner Connolly noted that as he was filling in for Commissioner Rodoni, Commissioner Rodoni had expressed interest in being considered for the Vice-Chair role. A second Motion was made by Commissioner Connolly with a second by Commissioner Arnold to nominate Commissioner Rodoni. EO Fried conferred with Counsel Subramanian on proper process for voting. Counsel Subramanian suggested to proceed with motions in the order made. If the first motion is approved, then no vote would be taken on the second motion.

Vice Chair Kious opened public comment on this item; hearing none, he closed public comment.

Commissioner Connolly said he would support the board with either direction they vote to go in, stating both candidates are well qualified. Commissioner Arnold initially voted no for Commissioner Coler with the stipulation that if that is the direction the commission goes, she fully supports Commissioner Coler. Commissioner Connolly stated that if the Commissioner Coler had the majority at this point then perhaps he would vote for Commissioner Coler and give Commissioner Arnold the opportunity to change her vote. With Chair Kious confirming that Commissioner Coler did indeed have the majority, Commissioner

Connolly voted for Commissioner Coler for Vice-Chair and Commissioner Arnold changed her vote to support Commissioner Coler as well.

Approved: M/S by Commissioners Campbell and Murray for Commissioner Coler for Vice-Chair.

Ayes: Commissioners Campbell, Coler, Murray, Savel, Kious, Connolly, Arnold

Nays: None

Abstain: None

Absent: None

6. Approval on items Related to CALAFCO Conference in October 2022

a) Approval of Voting Delegates to CALAFCO Conference

b) Nominations to CALAFCO Board of Directors

c) Nominations for CALAFCO Awards

Chair Kious opened public comment on this item; hearing none, he closed public comment.

Approved: M/S by Commissioner Murray and Campbell to approve the staff recommendation to nominate Vice-Chair Coler as a CALAFCo voting delegate and EO Fried as the alternate and give the chair the authority to make changes if warranted.

Ayes: Commissioners Campbell, Kious, Arnold, Connolly, Coler, Murray, Savel

Nays: None

Abstain: None

Absent: None

Motion approved unanimously.

EXECUTIVE OFFICER REPORT (verbal report only)

a) Budget Update FY 2021-2022 and FY 2022-2023

EO Fried confirmed books will be closed out within the next few months. FY 21-22 came in under budget. Payroll budget is slightly over due to Olivia resigning and cashing out vacation days most likely.

b) Current and Pending Proposals –

EO Fried had nothing new to report.

c) Survey of Other LAFCos Chair/Vice Chair Election Process

EO Fried survey other LAFCos. Half are like us and the other half have a scheduled rotation process. Which process does the commission like. Both Chair Kious and Vice Chair Coler recused themselves from this discussion. After discussion it was decided that the commission policy would continue as is.

d) LAFCo Staff Update

EO Fried introduced Stephanie Pratt as Marin LAFCo's new Clerk/Jr. Analyst and will be starting next week. The new intern from SJSU will also be starting next week and will focus on the remediation project.

e) Update on State Legislation

DEO Seibel reports that both the Omnibus Bill which comes around annually, and SB 938 have now been written into law.

There were no other comments or questions from the Commission.

ADJOURN TO CLOSED SESSION

Legal Counsel Subramanian reported that there was no reportable action from closed session.

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

None to report.

Chair Kious adjourned the meeting at 8:07pm

ADJOURNMENT TO NEXT MEETING

October 13th, 2022 | 7:00 P.M.

Attest: Stephanie Pratt
 Clerk/Junior Analyst

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[Marin LAFCo](#)

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Marin Local Agency Formation Commission

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AGENDA REPORT
October 13, 2022
Item No. 2 (Consent Item)

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
SUBJECT: Commission Ratification of Payments from August 1, 2022 to September 30, 2022

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.

The following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between August 1, 2022, and September 30, 2022, totaling \$93,323.23. The payments are detailed in the attachment. Please note that staff noticed in the attachment that the "Marin County Tax Collector" section is actually income from member contributions and not an expense. Staff is working with the bookkeeper to get this removed from the expense side and added to income in Quickbooks so it should not show up in the future this way. The just over \$93k listed above is the amount expensed when not including \$326,774.31 from the tax collector section.

Staff Recommendation for Action

1. Staff Recommendation - Ratify the payments made by the Executive Officer between August 1, 2022, and September 30, 2022, 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 August 1, 2022, to September 30, 2022

Administrative Office

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Dennis Rodoni, Regular
County of Marin

Judy Arnold, Regular
County of Marin

Damon Connolly, Alternate
County of Marin

Vacant, Chair
City/Town Seat

Barbara Coler, Regular
Town of Fairfax

James Campbell, Alternate
City of Belvedere

Lew Kious, Vice Chair
Almonte Sanitary District

Craig K. Murray, Regular
Las Gallinas Valley Sanitary

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member

Marin Local Agency Formation Commission
Expenses by Vendor Detail
August through September 2022

10/03/22

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
ARNOLD, JUDY						
Check	08/23/2022	20780	Aug 2022 Co...	05 · Commissioner ...	125.00	125.00
Total ARNOLD, JUDY					125.00	125.00
BEST BEST & KRIEGER LLP						
Check	08/17/2022	20775	Invoice #9420...	25 · Legal Services	1,292.30	1,292.30
Total BEST BEST & KRIEGER LLP					1,292.30	1,292.30
Cardmember Services						
Credit Card Charge	08/18/2022		marin ij	35 · Misc Services	10.87	10.87
Credit Card Charge	08/18/2022		adobe	20 · IT & Communic...	103.96	114.83
Credit Card Charge	08/18/2022		costco	50 · Office Supplies ...	71.89	186.72
Credit Card Charge	08/18/2022		safeway	50 · Office Supplies ...	32.47	219.19
Credit Card Charge	08/18/2022		getstreamline	20 · IT & Communic...	100.00	319.19
Credit Card Charge	08/18/2022		zoom	20 · IT & Communic...	14.99	334.18
Credit Card Charge	08/18/2022		verizon	20 · IT & Communic...	122.90	457.08
Credit Card Charge	08/18/2022		marin mac tech	20 · IT & Communic...	953.50	1,410.58
Credit Card Charge	08/18/2022		marin ij	35 · Misc Services	10.87	1,421.45
Credit Card Charge	08/18/2022		city of san raf...	35 · Misc Services	-200.00	1,221.45
Credit Card Charge	09/20/2022		adobe	20 · IT & Communic...	109.99	1,331.44
Credit Card Charge	09/20/2022		getstreamline	20 · IT & Communic...	100.00	1,431.44
Credit Card Charge	09/20/2022		zoom	20 · IT & Communic...	14.99	1,446.43
Credit Card Charge	09/20/2022		verizon	20 · IT & Communic...	123.06	1,569.49
Credit Card Charge	09/20/2022		marin ij	35 · Misc Services	10.87	1,580.36
Total Cardmember Services					1,580.36	1,580.36
Coler, Barbara						
Check	08/23/2022	20783	July Worksho...	05 · Commissioner ...	250.00	250.00
Total Coler, Barbara					250.00	250.00
COMCAST						
Check	08/02/2022	20773	Bill Date Jul 1...	20 · IT & Communic...	106.65	106.65
Check	08/23/2022	20778	Bill Date Aug ...	20 · IT & Communic...	106.65	213.30
Check	09/20/2022	20791	Bill Date Sep ...	20 · IT & Communic...	106.65	319.95
Total COMCAST					319.95	319.95
CONNECT YOUR CARE						
Check	08/16/2022	eft	COBRA ADMIN	126 · Health Insuran...	1.11	1.11
Check	09/16/2022	eft	COBRA ADMIN	126 · Health Insuran...	1.11	2.22
Total CONNECT YOUR CARE					2.22	2.22
Delta Dental of California						
Check	08/24/2022	eft		122 · Dental Insuran...	291.72	291.72
Check	08/30/2022	eft		122 · Dental Insuran...	24.31	316.03
Check	09/21/2022	eft		122 · Dental Insuran...	72.93	388.96
Total Delta Dental of California					388.96	388.96
FP MAILING SOLUTIONS						
Check	09/20/2022	20792	Invoice # RI 1...	50 · Office Supplies ...	170.33	170.33
Total FP MAILING SOLUTIONS					170.33	170.33
Indoff Incorporated						
Check	08/17/2022	20776	Invoice #3589...	50 · Office Supplies ...	149.53	149.53
Total Indoff Incorporated					149.53	149.53
Kaiser Foundation Health Plan						
Check	09/01/2022	20786	Aug 2022 sta...	126 · Health Insuran...	2,755.06	2,755.06
Total Kaiser Foundation Health Plan					2,755.06	2,755.06

Marin Local Agency Formation Commission Expenses by Vendor Detail August through September 2022

10/03/22

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
KIOUS, LEWIS						
Check	08/23/2022	20782	July Worksho...	05 · Commissioner ...	250.00	250.00
Total KIOUS, LEWIS					250.00	250.00
LIEBERT CASSIDY WHITMORE						
Check	08/02/2022	20772	Invoice #2218...	25 · Legal Services	1,651.00	1,651.00
Total LIEBERT CASSIDY WHITMORE					1,651.00	1,651.00
Marin County Tax Collector						
Deposit	08/29/2022		Deposit	400 · Agency Contri...	-326,774.31	-326,774.31
Total Marin County Tax Collector					-326,774.31	-326,774.31
MARIN MAC TECH						
Check	09/21/2022	eft		20 · IT & Communic...	953.50	953.50
Total MARIN MAC TECH					953.50	953.50
McENTEE, SASHI						
Check	08/17/2022	20777	July Workshop	05 · Commissioner ...	125.00	125.00
Total McENTEE, SASHI					125.00	125.00
MOODY, TOD						
Check	08/23/2022	20781	July Worksho...	05 · Commissioner ...	250.00	250.00
Total MOODY, TOD					250.00	250.00
MURRAY, CRAIG K						
Check	09/07/2022	20788	July Worksho...	05 · Commissioner ...	250.00	250.00
Total MURRAY, CRAIG K					250.00	250.00
PAYCHEX						
Check	08/05/2022	eft		35 · Misc Services	59.19	59.19
Check	08/19/2022	eft		35 · Misc Services	59.19	118.38
Check	09/02/2022	eft		35 · Misc Services	61.72	180.10
Check	09/16/2022	eft		35 · Misc Services	59.19	239.29
Check	09/30/2022	eft		35 · Misc Services	59.19	298.48
Total PAYCHEX					298.48	298.48
PAYROLL						
Check	08/05/2022	eft	7/10-7/23/22	105 · Sal - Regular ...	11,697.20	11,697.20
Check	08/05/2022	eft	7/10-7/23/22	124 · Auto Allowance	350.00	12,047.20
Check	08/05/2022	eft	7/10-7/23/22	121 · Life Insurance	-17.40	12,029.80
Check	08/05/2022	eft	7/10-7/23/22	131 · Co Ret Cont Ti...	1,222.87	13,252.67
Check	08/19/2022	eft	7/24-8/6/22	105 · Sal - Regular ...	11,697.20	24,949.87
Check	08/19/2022	eft	7/24-8/6/22	124 · Auto Allowance	0.00	24,949.87
Check	08/19/2022	eft	7/24-8/6/22	121 · Life Insurance	-17.40	24,932.47
Check	08/19/2022	eft	7/24-8/6/22	131 · Co Ret Cont Ti...	1,222.87	26,155.34
Check	09/02/2022	eft	8/7-8/20/22	105 · Sal - Regular ...	11,937.88	38,093.22
Check	09/02/2022	eft	8/7-8/20/22	105 · Sal - Regular ...	1,182.40	39,275.62
Check	09/02/2022	eft	8/7-8/20/22	124 · Auto Allowance	350.00	39,625.62
Check	09/02/2022	eft	8/7-8/20/22	121 · Life Insurance	-17.40	39,608.22
Check	09/02/2022	eft	8/7-8/20/22	131 · Co Ret Cont Ti...	1,388.37	40,996.59
Check	09/16/2022	eft	8/21-9/3/22	105 · Sal - Regular ...	13,360.95	54,357.54
Check	09/16/2022	eft	8/21-9/3/22	124 · Auto Allowance	0.00	54,357.54
Check	09/16/2022	eft	8/21-9/3/22	121 · Life Insurance	-17.40	54,340.14
Check	09/16/2022	eft	8/21-9/3/22	131 · Co Ret Cont Ti...	1,553.88	55,894.02
Check	09/30/2022	eft	9/4-9/17/22	105 · Sal - Regular ...	13,360.95	69,254.97
Check	09/30/2022	eft	9/4-9/17/22	124 · Auto Allowance	0.00	69,254.97
Check	09/30/2022	eft	9/4-9/17/22	121 · Life Insurance	-17.40	69,237.57
Check	09/30/2022	eft	9/4-9/17/22	131 · Co Ret Cont Ti...	1,553.88	70,791.45
Total PAYROLL					70,791.45	70,791.45

Marin Local Agency Formation Commission
Expenses by Vendor Detail
August through September 2022

10/03/22

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
PAYROLL TAXES						
Check	08/05/2022	eft	7/10-7/23/22	115 · Social Security...	73.31	73.31
Check	08/05/2022	eft	7/10-7/23/22	111 · Medicare Tax	175.24	248.55
Check	08/19/2022	eft	7/24-8/6/22	115 · Social Security...	73.31	321.86
Check	08/19/2022	eft	7/24-8/6/22	111 · Medicare Tax	170.17	492.03
Check	09/02/2022	eft	8/7-8/20/22	115 · Social Security...	73.31	565.34
Check	09/02/2022	eft	8/7-8/20/22	111 · Medicare Tax	195.89	761.23
Check	09/02/2022	eft	8/7-8/20/22	113 · FUTA	8.54	769.77
Check	09/02/2022	eft	8/7-8/20/22	112 · CA SUI	54.08	823.85
Check	09/02/2022	eft	8/7-8/20/22	114 · CA ETT	1.42	825.27
Check	09/16/2022	eft	8/21-9/3/22	111 · Medicare Tax	194.31	1,019.58
Check	09/16/2022	eft	8/21-9/3/22	113 · FUTA	17.08	1,036.66
Check	09/16/2022	eft	8/21-9/3/22	112 · CA SUI	108.15	1,144.81
Check	09/16/2022	eft	8/21-9/3/22	114 · CA ETT	2.85	1,147.66
Check	09/30/2022	eft	9/4-9/17/22	111 · Medicare Tax	194.31	1,341.97
Check	09/30/2022	eft	9/4-9/17/22	113 · FUTA	16.38	1,358.35
Check	09/30/2022	eft	9/4-9/17/22	112 · CA SUI	103.77	1,462.12
Check	09/30/2022	eft	9/4-9/17/22	114 · CA ETT	2.73	1,464.85
Total PAYROLL TAXES					1,464.85	1,464.85
RICOH USA INC						
Check	08/10/2022	20774	Invoice # 506...	50 · Office Supplies ...	89.14	89.14
Total RICOH USA INC					89.14	89.14
RODONI, DENNIS JAMES						
Check	08/23/2022	20784	July Workshop	05 · Commissioner ...	125.00	125.00
Total RODONI, DENNIS JAMES					125.00	125.00
Savel, Richard						
Check	08/23/2022	20779	Aug 2022 Co...	05 · Commissioner ...	125.00	125.00
Total Savel, Richard					125.00	125.00
SCHIFFMANN, ALYSSA						
Check	08/02/2022	20771	Invoice # 175	55 · Professional Se...	1,141.50	1,141.50
Check	09/07/2022	20790	Invoice # 180	55 · Professional Se...	684.00	1,825.50
Total SCHIFFMANN, ALYSSA					1,825.50	1,825.50
SECURITY MORTGAGE GROUP 2						
Check	08/02/2022	20769	Aug 2022 Rent	45 · Office Lease/Rent	2,955.84	2,955.84
Check	09/01/2022	20785	Sept 2022 Rent	45 · Office Lease/Rent	2,955.84	5,911.68
Total SECURITY MORTGAGE GROUP 2					5,911.68	5,911.68
SPECIAL DISTRICT RISK MANAGEMENT AUTHORIT						
Check	09/07/2022	20789	Invoice 72781	15 · General Insuran...	62.29	62.29
Total SPECIAL DISTRICT RISK MANAGEMENT AUTHORIT					62.29	62.29
Teamsters Local 856 Health & Welfare						
Check	08/02/2022	20770	Month Ending...	126 · Health Insuran...	860.40	860.40
Check	09/01/2022	20787	Month Ending...	126 · Health Insuran...	860.40	1,720.80
Total Teamsters Local 856 Health & Welfare					1,720.80	1,720.80
The Hartford						
Check	09/01/2022	eft		121 · Life Insurance	157.74	157.74
Check	09/01/2022	eft		121 · Life Insurance	157.74	315.48
Total The Hartford					315.48	315.48
TOWN OF SAN ANSELMO						
Check	09/20/2022	20793	MCCMC Sept...	35 · Misc Services	55.00	55.00
Total TOWN OF SAN ANSELMO					55.00	55.00

3:13 PM

10/03/22

Accrual Basis

Marin Local Agency Formation Commission
Expenses by Vendor Detail
August through September 2022

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Account</u>	<u>Amount</u>	<u>Balance</u>
VSP						
Check	08/08/2022	eft		123 · Vision Service ...	15.21	15.21
Check	09/06/2022	eft		123 · Vision Service ...	10.14	25.35
Total VSP					25.35	25.35
TOTAL					-233,451.08	-233,451.08



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

October 13, 2022

Item No. 3 – (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer
Mala Subramanian, Legal Counsel

SUBJECT: **Approval of Resolution 22-29 Allowing for Video and Teleconference Meetings During COVID-19 State of Emergency Under AB 361**

Background and Discussion

AB 361 was passed by the State Legislature and signed by Governor Newsom. It went into effect immediately. AB 361 continues many of the provisions related to the Brown Act that were in place under Executive Orders, which expired September 30, 2021, that allowed for video and teleconferencing during the state of emergency. Since AB 361 has been signed into law, the Commission can continue to meet virtually until such time as the Governor declares the State of Emergency due to COVID-19 over and measures to promote social distancing are no longer recommended or could return to in-person meetings sooner if desired.

On September 22, 2021, the Marin County Director of Health & Human Services recommended social distancing to enhance safety at public meetings. On October 19, 2021, February 15, 2022, and March 22, 2022 Marin County's Director of Health & Human Services reaffirmed its recommendation. There has been no change since in the Director's recommendations.

In order to continue to hold video and teleconference meetings, the Commission will need to review and make findings every thirty days or thereafter that the state of emergency continues to directly impact the ability of the members to meet safely in person and that state or local officials continue to impose or recommend measures to promote social distancing. The proposed resolution provides the Commission with the option to continue to hold video and teleconference meetings while the state of emergency is still in effect and social distancing is recommended.

Recommendation

1. Approval of Resolution 22-29 allowing for video and teleconference meetings during the COVID-19 state of emergency under AB 361.

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. Resolution 22-29 Allowing for Video and Teleconference Meetings during the COVID-19 State of Emergency Under AB 361

Administrative Office

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

Dennis Rodoni, Regular
County of Marin

Judy Arnold, Regular
County of Marin

Damon Connolly, Alternate
County of Marin

Barbara Coler, Vice Chair
Town of Fairfax

James Campbell, Regular
City of Belvedere
Vacant, Alternate
City/Town Seat

Lew Kious, Chair
Almonte Sanitary District

Craig K. Murray, Regular
Las Gallinas Valley Sanitary
District #5
Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 22-29

RESOLUTION ALLOWING FOR VIDEO AND TELECONFERENCE MEETINGS DURING THE COVID-19 STATE OF EMERGENCY UNDER AB 361

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency for COVID-19; and

WHEREAS, AB 361 was recently passed by the State Legislature and signed by Governor Newsom and went into effect immediately and allows the Commission to continue to meet virtually until such time as the Governor declares the State of Emergency due to COVID-19 over and measures to promote social distancing are no longer recommended; and

WHEREAS, the Marin County Director of Health & Human Services has recommended social distancing to enhance safety at public meetings; and

WHEREAS, in light of this recommendation, the Commission desires for itself and for all other Commission legislative bodies that are subject to the Brown Act to continue to meet via video and/or teleconference; and

WHEREAS, pursuant to AB 361 the Commission will review the findings required to be made every 30 days or thereafter and shall not meet without making those continued findings.

NOW THEREFORE, the Marin Local Agency Formation **DOES HEREBY RESOLVE** finds on behalf of itself and all other Commission legislative bodies: (1) a state of emergency has been proclaimed by the Governor; (2) the state of emergency continues to directly impact the ability of the Commission’s legislative bodies to meet safely in person; and (3) local officials continue to recommend measures to promote social distancing.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on October 13, 2022 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

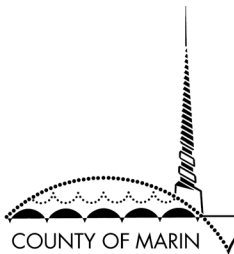
_ Lew Kious, Chair

ATTEST:

APPROVED AS TO FORM:

Jason Fried, Executive Officer

Malathy Subramanian, LAFCo Counsel



OFFICE OF THE
COUNTY ADMINISTRATOR

March 22, 2022

Matthew H. Hymel
COUNTY ADMINISTRATOR

Daniel Eilerman
ASSISTANT COUNTY
ADMINISTRATOR

Angela Nicholson
ASSISTANT COUNTY
ADMINISTRATOR

Marin County Civic Center
3501 Civic Center Drive
Suite 325
San Rafael, CA 94903
415 473 6358 T
415 473 4104 F
CRS Dial 711
www.marincounty.org/cao

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Resolution Regarding Tele/Video-Conference Meetings During the COVID-19 State of Emergency

Dear Supervisors:

RECOMMENDATION: Adopt a resolution allowing continued use of Tele/Video-conferencing for County public meetings.

SUMMARY: In September of 2021, Governor Newsom signed [AB-361](#). The legislation provides that local government bodies subject to the Brown Act can continue to use video and/or teleconferencing through December 31, 2023 in the manner that Governor Newsom's executive orders authorized during the COVID-19 pandemic. A public entity can use AB 361's provisions under certain conditions, including when state or local officials have recommended social distancing during a proclaimed state of emergency.

The Director of Health & Human Services has recommended that the County continue to employ social distancing to enhance safety at public meetings. Updated March 1, 2022 CDPH guidance continues to strongly recommend face coverings for all individuals in most indoor settings. Given unpredictable new COVID-19 variants, staff recommends that any anticipated large gatherings that may exceed indoor room capacity remain remote, necessitating consideration of the attached resolution to preserve the option of remote meetings in such instances.

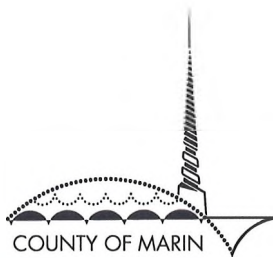
The proposed resolution would provide the Board of Supervisors, and all subsidiary County boards and commissions, with the option to continue to use video- and/or teleconferencing when appropriate while the state proclamation of emergency remains in place. The proposed resolution does not require that Your Board (or any other County board/commission) continue holding teleconference meetings.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "MHymel".

Matthew Hymel
County Administrator

cc: Brian E. Washington, County Counsel
Benita McLarin, Director, Health & Human Services



DEPARTMENT OF
HEALTH AND HUMAN SERVICES

Promoting and protecting health, well-being, self-sufficiency, and safety of all in Marin County.



Benita McLarin, FACHE
DIRECTOR

20 North San Pedro Road
Suite 2002
San Rafael, CA 94903
415 473 6924 T
415 473 3344 TTY
www.marincounty.org/hhs

March 22, 2022

Kathryn Rice
President, Board of Supervisors
3501 Civic Center Drive, 3rd Floor
San Rafael, CA 94903

Re: Public Meetings/Social Distancing

Dear President Rice:

I am writing to confirm that my recommendations in the attached February 15, 2022 letter will remain in place.

Respectfully,

Benita McLarin
Director, Health & Human Services

cc: Matthew H. Hymel, CAO
Brian E. Washington, County Counsel

Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
October 13, 2022
Item No. 4 (Consent Calendar)

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
SUBJECT: Accept and File GASB 75 Report prepared by MacLeod Watts

Background

In April 2022 MacLeod Watts presented our GASB 75 report which had an estimate for our salary for FY 21-22. Attached is the final report which has our final salary information for FY 21-22. While the salary information was updated no real practical changes to our position with OPEB funding occurred with this update.

Staff Recommendation for Action

1. Staff recommendation – Accept and file the attached report.
2. Alternate Option 1 –Advise staff on how to proceed.

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 Report prepared by MacLeod Watts

August 17, 2022

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

Re: Actuarial Valuation as of June 30, 2021, and GASB 75 Report for Fiscal Year Ending June 30, 2022

Dear Mr. Fried:

We are pleased to enclose the results of our June 30, 2021, actuarial valuation and other relevant information regarding the other post-employment benefit (OPEB) liability of the Marin Local Agency Formation Commission. The primary purposes of this report are to:

- 1) Remeasure plan liabilities as of June 30, 2021, in accordance with GASB 75's biennial valuation requirement,
- 2) Develop Actuarially Determined Contribution (ADC) levels for prefunding plan benefits,
- 3) Provide information to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust, and
- 4) 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, 2022.

The OPEB liability and expense for accounting purposes were developed on a basis consistent with the Commission's stated OPEB funding policy of contributing 100% or more of the Actuarially Determined Contribution. The long-term expected rate of return on trust assets is 5.75%. We believe this reflects GASB guidance in choosing a discount rate for measuring the OPEB liability.

We based the valuation on the employee data, details on plan benefits and retiree benefit payments reported to us by the Commission. As with any analysis, the soundness of the report is dependent on the inputs. Please review our summary of this information to be comfortable that it matches your records.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of the Commission employees who provided valuable time and information to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,

Catherine L. MacLeod

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



Marin Local Agency Formation Commission

Actuarial Valuation of Other
Post-Employment Benefit Programs
As of June 30, 2021

Development of OPEB Prefunding Levels
& GASB 75 Report for the FYE June 20, 2022

Updated August 2022

MacLeod Watts

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A. Executive Summary

This report presents the results of the June 30, 2021, actuarial valuation of the other post-employment benefit (OPEB) program of the Marin Local Agency Formation Commission (the Commission). The purposes of this valuation are to: 1) summarize the results of the valuation; 2) develop Actuarially Determined Contribution (ADC) levels for prefunding plan benefits; 3) provide information required by the California Employers' Retiree Benefit Trust (CERBT); and 4) provide disclosure information required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for fiscal year ending June 30, 2022.

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 present various exhibits and other relevant information appropriate for financial reporting and plan funding.

Absent material changes to this program, the results of the June 30, 2021, valuation will also be applied to prepare the Commission's GASB 75 report for the fiscal year ending June 30, 2023. If there are any significant changes in the employee population or plan benefits an earlier valuation might be required.

OPEB Obligations of the Commission

The Commission provides continuation of medical and dental coverage to its retiring employees. This coverage may create one or more of 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 pays a portion of medical and dental premiums for qualifying retirees. See Supporting Information Section 2 for details.
- **Implicit subsidy liabilities:** As is the nature of group premium rate structures, at some ages, retirees may be expected to experience higher claims than the premiums they pay, where at other ages, the reverse may be true. An "implicit subsidy" exists when premiums are developed using blended active and retiree claims experience. When this occurs, premiums charged for active employees frequently cover a portion of retiree claims and are said to "implicitly subsidize" retirees.

Commission employees and retirees are offered coverage through Marin County. In this program, the claims experience is blended the same monthly premiums are charged for active employees and for pre-Medicare retirees. We determine the implicit rate subsidy for pre-Medicare retirees as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process see Section 3 and Addendum 2: MacLeod Watts Age Rating Methodology. We assumed no implicit subsidy exists for retiree dental coverage.

- **Other subsidy liabilities:** In pooled plans that do not blend active and retiree claims experience to develop premiums, such as the County's plans offered to Medicare retirees, there may be some cross-subsidy between retirees and other employers within the pool. An Actuarial Practice note clarifies that pool subsidies between employers and retirees should be quantified and included in plan liabilities.¹ We determined there is no pool subsidy required to be included for this plan.

¹ Exceptions exist for 1) Medicare Advantage Plans, treated as if their premiums are age-based due to the nature of the Federal subsidies paid to these plans, and 2) when employer explicit subsidies to Medicare-covered retirees are low and no part of any potential pool subsidy is expected to be paid by the employer.

Executive Summary

(Continued)

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.

The Commission has been and continues to prefund its OPEB liability, contributing 100% or more of the Actuarially Determined Contributions each year. With the Commission's approval, the discount rate used for accounting purposes is 5.75%, reflecting the Commission's expectation of the long term return on trust assets. For more information, see Expected Return on Trust Assets on page 11. Actuarially Determined Contributions for plan funding purposes were also developed using a 5.75% discount rate.

Actuarial Assumptions

The actuarial "demographic" assumptions (i.e., rates of retirement, death after retirement, and termination of employment) used in this report were selected from the CalPERS 2017 experience study. While Commission employees are not covered by this program, we believe that these assumptions should be reasonably representative of future demographic experience in this plan. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All 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 employees and retirees present as of the valuation date are considered. We do not consider 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 valuation.

Important Dates for GASB 75 in this Report

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, 2022
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020, to June 30, 2021
Valuation Date	June 30, 2021



Executive Summary

(Concluded)

Significant Results and Differences from the Prior Valuation

No benefit changes were reported to MacLeod Watts relative to those in place at the time the June 2019 valuation was prepared. We collected new census and premium data and identified the change between the actual and expected liability, referred to as “plan experience. We also reviewed and updated some assumptions used to project the OPEB liability.

Overall, the Total OPEB Liability on the current measurement date is higher than that reported one year ago. Section C. presents the new valuation results and provides additional information on the impact of the new assumptions and plan experience. See *Recognition Period for Deferred Resources* on page 12 for details on how these changes are recognized for accounting purposes.

Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2022

The impact to Net Position will be the difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan’s impact on Net Position on the measurement date can be summarized as follows:

Items	For Reporting At Fiscal Year Ending June 30, 2022
Total OPEB Liability	\$ 66,256
Fiduciary Net Position	79,889
Net OPEB Liability (Asset)	(13,633)
Deferred (Outflows) of Resources	(3,687)
Deferred Inflows of Resources	8,803
Impact on Statement of Net Position	<u>\$ (8,517)</u>
 OPEB Expense, FYE 6/30/2022	 <u><u>\$ 263</u></u>

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.

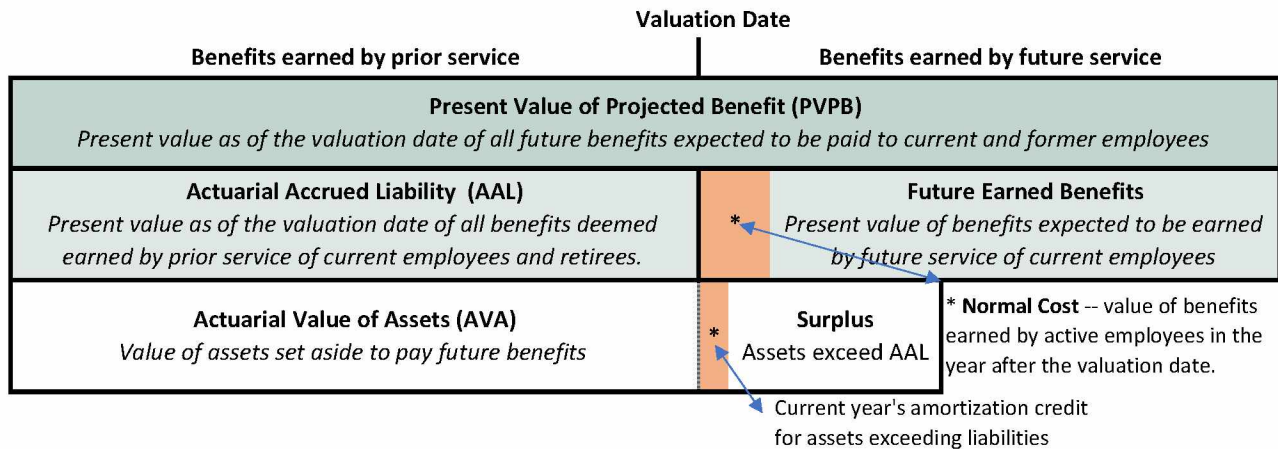


B. Valuation Process

This valuation is based on employee census data and benefits initially submitted to us by the Commission in January 2022 and clarified in various related communications. 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 has been performed in accordance with the process described below using the actuarial methods and assumptions described in Section 3 and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree’s or active employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood the employee will elect coverage for themselves and their dependents are also applied.

We then calculate a present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.



The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an “attribution method” to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most common used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of



Valuation Process

(Concluded)

benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e., $PVPB = AAL + PVFNC$).

To date, the Commission has made recurring contributions to a trust to prefund plan benefits. Trust contributions and earnings accumulate so that the trust can make benefit payments to retirees (or reimburse the Commission for making those payments directly). The difference between the value of trust assets (i.e., the Market Value of Assets), or a smoothed asset value (i.e. the Actuarial Value of Assets), and the Actuarial Accrued Liability yields the **Unfunded Actuarial Accrued Liability (UAAL)**. The UAAL represents, as of the valuation date, the present value of benefits already earned by past service that remain unfunded. A plan is generally considered “fully funded” when the UAAL is zero. The plan sponsor of a fully funded plan will still need to make future contributions for benefits earned by future service of active employees. But in a fully funded plan, the plan sponsor has set aside sufficient assets to pay for benefits that have been earned by past service of current retirees and active employees if all valuation assumptions are realized.

Future contributions by the Commission will fund 1) the remaining part of OPEB benefits earned by past service (the Unfunded Actuarial Accrued Liability) and 2) the value of benefits earned each year by service of active employees. Various strategies might be employed to pay down the UAAL such as longer or shorter amortization payments, and flat or escalating payments depending on the plan sponsors goals and funding philosophy.

Note that projections of future benefits over such long periods (frequently 60 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to substantial revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to the Commission reflected in this report are subject to future revision, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates.

Certain actuarial terms and GASB 75 terms may be used interchangeably. Some are shown below.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	<i>No equivalent term</i>
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	<i>No equivalent term</i>
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

Specific results from this valuation are provided in the following Section C.

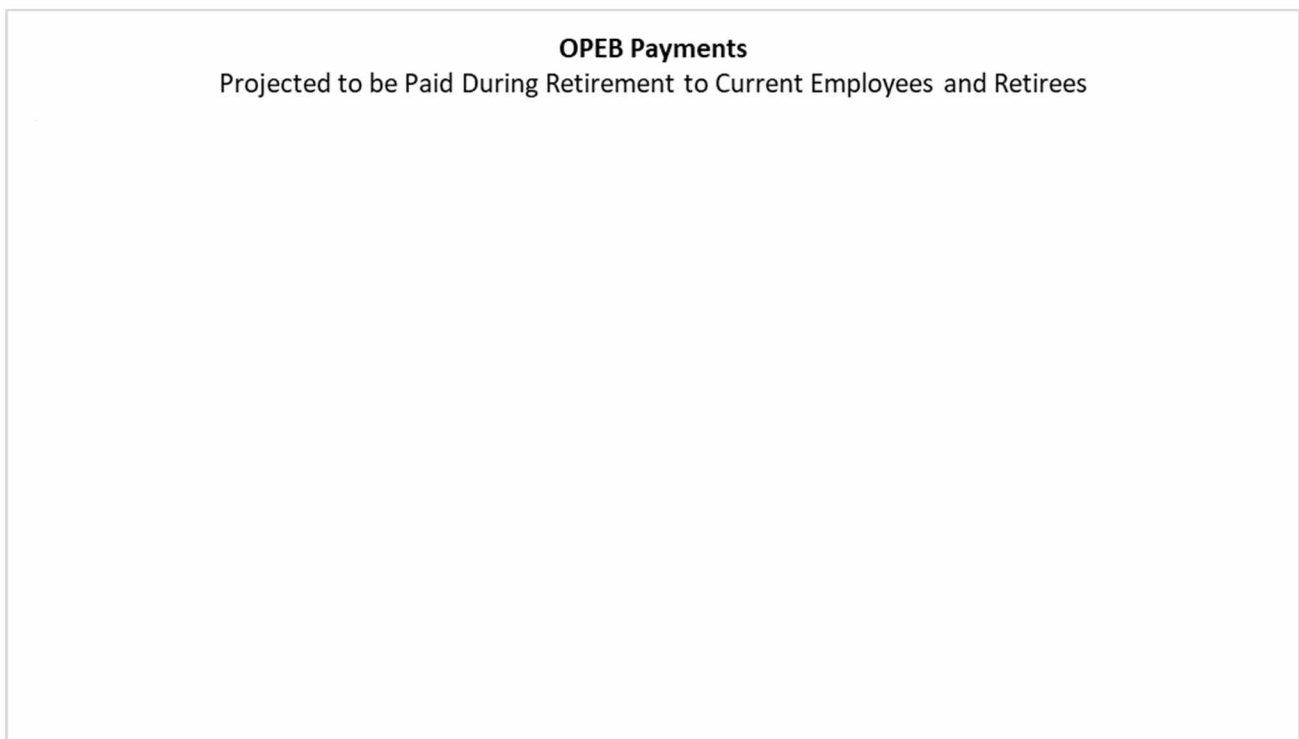


C. Valuation Results as of June 30, 2021

This section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us for the June 2021 valuation. We described the general process for projecting all future benefits to be paid to retirees and current employees in Section C. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Supporting Information, Section 3.

Lifetime healthcare benefits are paid for qualifying retirees. The amount and type of benefit provided varies based on the employee's employment date with the Commission; please see Supporting Information, Section 2 for details.

The following graph illustrates the annual other post-employment benefits projected to be paid on behalf of current retirees and current employees expected to retire from the Commission.



The amounts shown in green reflect the expected payment by the Commission toward retiree medical premiums while those in yellow reflect the implicit subsidy benefits (i.e., the excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage). The projections in gray reflect increases in benefit levels if healthcare trend were 1% higher.

The first 15 years of benefit payments from the graph above are shown in tabular form on page 19.



Valuation Results as of June 30, 2021
(continued)

This chart compares the results measured as of June 30, 2020, based on the June 30, 2019, valuation, with the results measured as of June 30, 2021, based on the June 30, 2021, actuarial valuation using the 5.75% discount rate applied for financial reporting purposes.

Valuation Date	6/30/2019			6/30/2021		
Fiscal Year Ending	6/30/2021			6/30/2022		
Measurement Date	6/30/2020			6/30/2021		
Discount rate	5.75%			5.75%		
Number of Covered Employees						
Actives	2			3		
Retirees	1			1		
Total Participants	3			4		
OPEB Subsidy Type	Explicit	Implicit	Total	Explicit	Implicit	Total
Actuarial Present Value of Projected Benefits						
Actives	\$ 9,684	\$ 11,849	\$ 21,533	\$ 15,959	\$ 23,673	\$ 39,632
Retirees	59,188	-	59,188	59,737	-	59,737
Total APVPB	68,872	11,849	80,721	75,696	23,673	99,369
Total OPEB Liability (TOL)						
Actives	-	-	-	2,679	3,840	6,519
Retirees	59,188	-	59,188	59,737	-	59,737
TOL	59,188	-	59,188	62,416	3,840	66,256
Fiduciary Net Position			66,781			79,889
Net OPEB Liability			(7,593)			(13,633)
Service Cost						
For the period following the measurement date	989	1,237	2,226	1,212	1,866	3,078

Trust assets are 121% of the past service liability (the Total OPEB Liability) and about 80% of the Present value of Projected Benefits. The ratio of assets to the TOL is up from 113% as of June 30, 2020. The TOL has increased by \$7,068 from that reported one year ago. Part of the change was expected and some of this change was unexpected. Reasons for the change in the Total OPEB Liability (TOL) are discussed on the following page.



Valuation Results as of June 30, 2021

(Concluded)

Expected changes: We expected an increase of \$4,833 from normal plan operation, i.e., additional service and interest costs accruing for the period less benefits paid to retirees.

Unexpected changes increased the TOL by \$2,235 and fall into one of the following categories:

- *Plan experience* includes differences between what was assumed and what actually occurred since the prior valuation. Plan experience since the prior valuation increased the TOL by \$3,595.
- *Changes in actuarial assumptions or methodology:* The assumption changes listed below collectively decreased the TOL by \$1,360. For more on the assumption changes, see the last page of Section 3, Supporting Information.
- *Benefit changes:* No changes to benefits or eligibility since June 30, 2019, were reported.

This chart reconciles the TOL reported on June 30, 2021, to the TOL to be reported as of June 30, 2022.

Reported Total OPEB Liability at June 30, 2021 Measurement Date June 30, 2020	\$ 59,188
<i>Expected Changes:</i>	
Service Cost	2,226
Benefit Payments	(898)
Interest Cost	3,505
Total Expected Change	4,833
Expected Total OPEB Liability at June 30, 2022 Measurement Date June 30, 2021	\$ 64,021
<i>Unexpected Changes:</i>	
<i>Plan experience different than assumed</i>	
Census changes other than expected	4,152
Other plan experience	(557)
<i>Assumption changes</i>	
Update to assumed salary increases and mortality improvement scale	234
Change in assumed future healthcare trend	(597)
Change in percent of future retirees assumed to elect County coverage or non-County coverage	(997)
Total Unexpected Change	2,235
Actual Total OPEB Liability at June 30, 2022 Measurement Date June 30, 2021	\$ 66,256



D. 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, 2022.

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, 2022 <i>Measurement Date is June 30, 2021</i>	LAFCo
Items Impacting Net Position:	
Total OPEB Liability	\$ 66,256
Fiduciary Net Position	79,889
Net OPEB Liability (Asset)	<u>(13,633)</u>
<i>Deferred (Outflows) Inflows of Resources Due to:</i>	
Assumption Changes	1,015
Plan Experience	(3,474)
Investment Experience	7,575
Deferred Contributions	-
Net Deferred (Outflows) Inflows of Resources	<u>5,116</u>
Impact on Statement of Net Position, FYE 6/30/2022	<u>\$ (8,517)</u>
Items Impacting OPEB Expense:	
Service Cost	\$ 2,226
Cost of Plan Changes	-
Interest Cost	3,505
Expected Earnings on Assets	(3,839)
Administrative Expenses	24
<i>Recognized Deferred Resource items:</i>	
Assumption Changes	(87)
Plan Experience	397
Investment Experience	<u>(1,963)</u>
OPEB Expense, FYE 6/30/2022	<u>\$ 263</u>

* Accrued benefit payments of \$4,596 for retiree premiums during FY 20/21 have not yet been invoiced by the County. The Commission has set aside this amount for future payment and we have included it in the TOL above.



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>	6/30/2021 <i>6/30/2020</i>	6/30/2022 <i>6/30/2021</i>	Change During Period
Total OPEB Liability	\$ 59,188	\$ 66,256	\$ 7,068
Fiduciary Net Position	66,781	79,889	13,108
Net OPEB Liability (Asset)	(7,593)	(13,633)	(6,040)
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	(258)	1,015	1,273
Plan Experience	(276)	(3,474)	(3,198)
Investment Experience	245	7,575	7,330
Deferred Contributions	(898)	-	898
Net Deferred (Outflows) Inflows	(1,187)	5,116	6,303
Impact on Statement of Net Position	\$ (8,780)	\$ (8,517)	\$ 263

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2021	\$ (8,780)
OPEB Expense (Income)	263
Employer Contributions During Fiscal Year	-
Impact on Statement of Net Position, FYE 6/30/2022	<u>\$ (8,517)</u>

OPEB Expense

Employer Contributions During Fiscal Year	\$ -
Deterioration (Improvement) in Net Position	263
OPEB Expense (Income), FYE 6/30/2022	<u>\$ 263</u>



Accounting Information

(Continued)

Change in Fiduciary Net Position During the Measurement Period

	LAFCo
Fiduciary Net Position at Fiscal Year Ending	
6/30/2021	\$ 66,781
<i>Measurement Date 6/30/2020</i>	
Changes During the Period:	
Investment Income	13,132
Employer Contributions	898
Administrative Expenses	(24)
Benefit Payments	(898)
Net Changes During the Period	13,108
Fiduciary Net Position at Fiscal Year Ending	
6/30/2022	\$ 79,889
<i>Measurement Date 6/30/2021</i>	

Expected Long-term Return on Trust Assets

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 2. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-10 and years 11 and thereafter.

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%.

To derive the expected return specifically 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 6.35%. The Commission is less optimistic about expected future returns, and instead approved 5.75% as the assumed asset return and discount rate for GASB 75 purposes and to develop the Actuarially Determined contributions for prefunding the plan.



Accounting Information

(Continued)

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 10.31 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability differences due to benefit changes occurring during the period are recognized immediately.

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, 2022.

Marin Local Agency Formation Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 213	\$ 1,228
Differences Between Expected and Actual Experience	3,474	-
Net Difference Between Projected and Actual Earnings on Investments	-	7,575
Deferred Contributions	-	-
Total	\$ 3,687	\$ 8,803

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
2023	\$ (1,613)
2024	(1,667)
2025	(1,508)
2026	(1,547)
2027	286
Thereafter	933



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 2022 is 5.75%. Healthcare Cost Trend Rate was assumed to start at 5.6% in January 2023 and grade down to 4% for years 2076 and later. 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	71,504	66,256	61,660
Increase (Decrease)	5,248		(4,596)
% Increase (Decrease)	7.9%		-6.9%
Net OPEB Liability (Asset)	(8,385)	(13,633)	(18,229)
Increase (Decrease)	5,248		(4,596)
% Increase (Decrease)	38.5%		-33.7%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Total OPEB Liability	65,401	66,256	67,165
Increase (Decrease)	(855)		909
% Increase (Decrease)	-1.3%		1.4%
Net OPEB Liability (Asset)	(14,488)	(13,633)	(12,724)
Increase (Decrease)	(855)		909
% Increase (Decrease)	-6.3%		6.7%



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. Only results for years since GASB 75 was implemented (fiscal years 2018 through 2022) are shown below.

Fiscal Year Ending	2022	2021	2020	2019	2018
<i>Measurement Date</i>	<i>6/30/2021</i>	<i>6/30/2020</i>	<i>6/30/2019</i>	<i>6/30/2018</i>	<i>6/30/2017</i>
<i>Discount Rate on Measurement Date</i>	<i>5.75%</i>	<i>5.75%</i>	<i>5.75%</i>	<i>5.75%</i>	<i>5.75%</i>
Total OPEB liability					
Service Cost	\$ 2,226	\$ 2,161	\$ -	\$ -	\$ -
Interest	3,505	3,365	3,309	3,413	3,529
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	3,595	-	372	-	-
Changes of assumptions	(1,360)	-	348	-	-
Benefit payments	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Net change in total OPEB liability	7,068	126	(984)	(2,043)	(2,086)
Total OPEB liability - beginning	59,188	59,062	60,046	62,089	64,175
Total OPEB liability - ending (a)	\$ 66,256	\$ 59,188	\$ 59,062	\$ 60,046	\$ 62,089
Plan fiduciary net position					
Contributions - employer	\$ 898	\$ 5,400	\$ 5,013	\$ 21,071	\$ 25,102
Net investment income	13,132	3,431	4,208	2,544	1,894
Benefit payments	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Administrative Expenses	(24)	(31)	(13)	(22)	(15)
Other Expenses	-	-	-	(54)	-
Net change in plan fiduciary net position	13,108	3,400	4,195	18,083	21,366
Plan fiduciary net position - beginning	66,781	63,381	59,186	41,103	19,737
Plan fiduciary net position - ending (b)	\$ 79,889	\$ 66,781	\$ 63,381	\$ 59,186	\$ 41,103
Net OPEB liability - ending (a) - (b)	\$ (13,633)	\$ (7,593)	\$ (4,319)	\$ 860	\$ 20,986
Covered-employee payroll	\$ 280,829	\$ 251,193	\$ 127,930	\$ -	\$ 217,782
Net OPEB liability as a % of covered-employee payroll	-4.85%	-3.02%	-3.38%	N/A	9.64%



Accounting Information

(Continued)

Schedule of Contributions

Since establishing the OPEB trust, the Commission has consistently contributed 100% or more of the Actuarially Determined Contribution (ADC) each year and confirmed its intention to continue doing so. This chart shows the contributions since GASB 75 was implemented.

	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Actuarially Determined Contribution	\$ 1,606	\$ 1,801	\$ 1,981	\$ 1,526	\$ 15,615
Contributions in relation to the actuarially determined contribution	-	898	5,400	5,013	21,071
Contribution deficiency (excess)	\$ 1,606	\$ 903	\$ (3,419)	\$ (3,487)	\$ (5,456)
Covered employee payroll	\$ 323,489	\$ 280,829	\$ 251,193	\$ 127,930	\$ 144,601
Contributions as a % of covered employee payroll	0.00%	0.32%	2.15%	3.92%	14.57%

Notes to Schedule: assumptions applied to determine Actuarially Determined Contributions

Valuation Date	6/30/2019	6/30/2017	7/1/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Basis, Open 30 years*	Level Dollar Closed 30 yrs	Level Dollar Closed 30 yrs
Amortization period	30 years remain	27 yrs remain	30 yrs remain
Asset valuation method	Market Value	Market Value	Market Value
Inflation	2.50%	2.75%	2.75%
Healthcare cost trend rates	5.4% in 2021, fluctuates until ultimate rate of 4% in 2076	7.50% in 2019, step down .5% per year to 5% by 2024	Ultimate trend rate of 4%
Salary increases	3.00%	N/A	2.00%
Investment rate of return	5.75%	5.75%	6.37%
Retirement age	From 55 to 75	N/A; all members are retired	Age 64 (or 1st year following when member qualified for benefits)
Mortality	2017 CalPERS Experience Study	2014 CalPERS Experience Study	Based on mortality tables published by the National Center for
Mortality Improvement	Projected with MW Scale 2018	Projected with MW	N/A



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 6/30/2021 <i>Measurement Date 6/30/2020</i>	\$ 59,188	\$ 66,781	\$ (7,593)	\$ 258	\$ 276	\$ (245)	\$ 898	\$ (8,780)
Changes During the Period:								
Service Cost	2,226		2,226					2,226
Interest Cost	3,505		3,505					3,505
Expected Investment Income		3,839	(3,839)					(3,839)
Employer Contributions		898	(898)					(898)
Changes of Benefit Terms	-		-					-
Administrative Expenses		(24)	24					24
Benefit Payments	(898)	(898)	-					-
Assumption Changes	(1,360)		(1,360)	(1,360)				-
Plan Experience	3,595		3,595		3,595			-
Investment Experience		9,293	(9,293)			(9,293)		-
Recognized Deferred Resources				87	(397)	1,963	(898)	(755)
Employer Contributions in Fiscal Year							-	-
Net Changes in Fiscal Year 2021-2022	7,068	13,108	(6,040)	(1,273)	3,198	(7,330)	(898)	263
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 66,256	\$ 79,889	\$ (13,633)	\$ (1,015)	\$ 3,474	\$ (7,575)	\$ -	\$ (8,517)



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, 2021

Deferred Resource					Balance as of Jun 30, 2021	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:							
Date Created	Created Due To	Initial Amount	Period (Yrs)	Annual Recognition		2020-21 (FYE 2022)	2021-22 (FYE 2023)	2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	Thereafter	
6/30/2017	Investment Earnings	Greater than Expected	\$ (199)	5.00	\$ (40)	\$ -	\$ (39)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6/30/2018	Investment Earnings	Less than Expected	266	5.00	53	54	53	54	-	-	-	-	-
6/30/2019	Plan Experience	Increased Liability	372	7.76	48	228	48	48	48	48	48	36	-
6/30/2019	Assumption Changes	Increased Liability	348	7.76	45	213	45	45	45	45	45	33	-
6/30/2019	Investment Earnings	Greater than Expected	(805)	5.00	(161)	(322)	(161)	(161)	(161)	-	-	-	-
6/30/2020	Investment Earnings	Less than Expected	213	5.00	43	127	43	43	43	41	-	-	-
6/30/2021	Plan Experience	Increased Liability	3,595	10.31	349	3,246	349	349	349	349	349	349	1,501
6/30/2021	Assumption Changes	Decreased Liability	(1,360)	10.31	(132)	(1,228)	(132)	(132)	(132)	(132)	(132)	(132)	(568)
6/30/2021	Investment Earnings	Greater than Expected	(9,293)	5.00	(1,859)	(7,434)	(1,859)	(1,859)	(1,859)	(1,859)	(1,857)	-	-



Accounting Information

(Continued)

The Commission Contributions to the Plan

The 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 (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Note: The implicit subsidy contribution does not represent cash payments to retirees, but reclassification of a portion of active healthcare cost to be treated as a retiree health cost.

Benefits and other contributions paid by the Commission during the measurement period are shown below.

Employer Contributions During the Measurement Period, Jul 1, 2020 thru Jun 30, 2021	LAFCo
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	898
Implicit contributions	-
Total Employer Contributions During the Measurement Period	\$ 898

* Accrued benefit payments of \$4,596 for retiree premiums during FY 20/21 have not yet been invoiced by the County. The Commission has set aside this amount for future payment and we have included it in the TOL as an accrued expense.

The Commission made no OPEB contributions to the trust and paid no retiree benefits in the year following the measurement date and prior to the current fiscal year end.

Employer Contributions During the Fiscal Year, Jul 1, 2021 thru Jun 30, 2022	LAFCo
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	-
Implicit contributions	-
Total Employer Contributions During the Fiscal Year	\$ -



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	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	5,159	-	5,159	-	-	-	5,159
2024	5,321	-	5,321	-	-	-	5,321
2025	5,418	-	5,418	-	-	-	5,418
2026	5,286	4	5,290	-	6	6	5,296
2027	5,143	10	5,153	-	22	22	5,175
2028	4,989	19	5,008	-	50	50	5,058
2029	4,824	36	4,860	-	115	115	4,975
2030	4,646	65	4,711	-	237	237	4,948
2031	4,456	103	4,559	-	423	423	4,982
2032	4,252	153	4,405	-	707	707	5,112
2033	4,035	212	4,247	-	1,097	1,097	5,344
2034	3,805	301	4,106	-	1,707	1,707	5,813
2035	3,561	405	3,966	-	2,523	2,523	6,489
2036	3,300	547	3,847	-	3,715	3,715	7,562

The amounts shown in the Explicit Subsidy table reflect the expected payment by the Commission toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date (“current retirees”) and those expected to retire after the valuation date (“future retirees”).

The amounts shown in the Implicit Subsidy table reflect the expected excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees’ coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.



Accounting Information

(Concluded)

Sample Journal Entries

Beginning Account Balances

As of the fiscal year beginning 7/1/2021

	Debit	Credit
Net OPEB Liability	7,593	
Deferred Resource -- Assumption Changes	258	
Deferred Resource -- Plan experience	276	
Deferred Resource -- Investment Experience		245
Deferred Resource -- Contributions	898	
Net Position		8,780

* 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 entries to record account activity during the fiscal year

	Debit	Credit
Net OPEB Liability	6,040	
Deferred Resource -- Assumption Changes		1,273
Deferred Resource -- Plan experience	3,198	
Deferred Resource -- Investment Experience		7,330
Deferred Resource -- Contributions		898
OPEB Expense	263	



E. Funding Information

The employer's OPEB funding policy and level of contributions to an irrevocable OPEB trust directly affects the discount rate which is used to calculate the OPEB liability to be reported in the employer's financial statements. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes. Prefunding also improves the security of benefits for current and potential future recipients and contributes to intergenerational taxpayer equity by better matching the cost of the benefits to the service years in which they are "earned" and which correspond to years in which taxpayers benefit from those services.

Paying Down the UAAL

Once an entity decides to prefund, a decision must be made about how to pay for benefits related to accumulated prior service that have not yet been funded (the UAAL²). This is most often, though not always, handled through structured amortization payments. The period and method chosen for amortizing this unfunded liability can significantly affect the Actuarially Determined Contribution (ADC) or other basis selected for funding the OPEB program.

Much like paying off a mortgage, when the AAL exceeds plan assets, choosing a longer amortization period to pay off the UAAL means smaller payments, but the payments will be required for more years; plan investments will have less time to work toward helping reduce required contribution levels. *When the plan is in a surplus position, the reverse is true, and a longer amortization period may be preferable.*

There are several ways the amortization payment can be determined. The most common methods are calculating the amortization payment as a level dollar amount or as a level percentage of payroll. The employer might also choose to apply a shorter period when the UAAL only when it is positive, i.e., when trust assets are lower than the AAL, but opt for a longer period or to exclude amortization of a negative UAAL, when assets exceed the AAL. The entire UAAL may be amortized as one single component or may be broken into multiple components reflecting the timing and source of each change, such as those arising from assumption changes, benefit changes and/or liability or investment experience.

The amortization period(s) should not exceed the number of years which would allow current trust assets plus future contributions and earnings to be sufficient to pay all future benefits and trust expenses each year. Prefunding of OPEB is optional and contributions at any level are permitted. However, if trust sufficiency is not expected, a discount rate other than the assumed trust return will likely be required for accounting purposes.

Funding and Prefunding of the Implicit Subsidy

An implicit subsidy liability is created when retiree medical claims are expected to exceed the premiums charged for retiree coverage. Recognition of the estimated implicit subsidy each year is handled by an accounting entry, reducing the amount paid for active employees and shifting that amount to be treated as a retiree healthcare expense/contribution (see Sample Journal Entries). The implicit subsidy is a true benefit to the retiree but can be difficult to see when medical premiums are set as a flat rate for both actives and pre-Medicare retirees.

² We use actuarial, rather than accounting, terminology to describe the components used to develop the ADCs.



Funding Information

(Continued)

This might lead some employers to believe the benefit is not real or is merely an accounting construct, and thus to forgo prefunding of retiree implicit benefits.

Consider what would happen if the retiree premiums were based only on expected retiree claims experience. Almost certainly, retiree premiums would increase while premiums for active employees would go down if the active premiums no longer had to help support the higher retiree claims. *Who would pay the increases in retiree premiums?* Current plan documents and bargaining agreements would have to be consulted. Depending on circumstances, the increase in retiree premiums might remain the responsibility of the employer, pass entirely to the retirees, or some blending of the two. The answer would determine whether separate retiree-only premium rates would result in a higher or lower employer OPEB liability. In the current premium structure, with blended active and pre-Medicare retiree premiums, the employer is clearly, though indirectly, paying the implicit retiree cost.

The prefunding decision is complex. OPEB materiality, budgetary concerns, desire to use the full trust rate in developing the liability for GASB 75, and other factors must be weighed by each employer. Since prefunding OPEB benefits is not required, each employer's OPEB prefunding strategy will depend on how they balance these competing perspectives.

Development of the Actuarially Determined Contributions

In this report, we developed the ADCs based on the following two components, which are then adjusted with interest to each fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the *negative* unfunded actuarial accrued liability (a surplus)³ over an open 30-year period determined assuming level dollar payments.

Actuarially Determined Contributions, developed as described above for the Commission's fiscal years ending June 30, 2023 and 2024 are shown the exhibit on the next page. These ADCs incorporate both explicit (cash benefit) and implicit subsidy benefit liabilities. Contributions credited toward meeting the ADC will be comprised of:

- 1) direct payments to insurers toward retiree premiums, to the extent not reimbursed to the Commission by the trust; plus
- 2) each year's implicit subsidy payment; and
- 3) contributions to the OPEB trust.

ADCs determined on this basis should provide for trust sufficiency, based on the current plan provisions and census data, provided all assumptions are exactly realized and if the Commission contributes 100% or more of the ADC each year. When an agency commits to funding the trust at or above the ADC, the expected long-term trust return may be used as the discount rate in determining the plan liability for accounting purposes. Trust sufficiency cannot be guaranteed to a certainty, however, because of the non-trivial risk that the assumptions used to project future benefit liabilities may not be realized.

³ See "Actuarial Funding Policies and Practices for Public Pension and OPEB Plans", November 2015, California Actuarial Advisory Panel.



Funding Information

(Continued)

This table develops Actuarially Determined Contributions for the Commission's fiscal years ending June 30, 2023, and 2024, based on the June 2021 valuation results and funding policy described earlier. We have also included the ADC developed for fiscal year end 2022, which was determined from the results of the June 2019 valuation.

Valuation date	6/30/2019	6/30/2021	
For fiscal year ending	6/30/2022	6/30/2023	6/30/2024
Discount rate	5.75%	5.75%	5.75%
Number of Covered Employees			
Actives	2	3	3
Retirees	1	1	1
Total Participants	3	4	4
Actuarial Present Value of Projected Benefits	77,294	99,821	100,253
Actuarial Accrued Liability (AAL)			
Actives	4,772	10,149	14,084
Retirees	54,523	57,910	55,933
Total AAL	59,295	68,059	70,017
Actuarial Value of Assets	70,879	84,483	86,288
Unfunded AAL (UAAL)	(11,584)	(16,424)	(16,271)
UAAL Amortization method	Level Dollar	Level Dollar	Level Dollar
Remaining amortization period (years)	30	30	30
Amortization Factor	14.9541	14.9541	14.9541
Actuarially Determined Contribution (ADC)			
Normal Cost	\$ 2,294	\$ 3,170	\$ 3,265
Amortization of UAAL	(775)	(1,098)	(1,088)
Interest to fiscal year end	87	119	125
Total ADC	1,606	2,191	2,302

As noted on the preceding page, OPEB funding consists of 3 different sources. The chart below illustrates the estimated amounts from each of these contribution sources toward satisfying the ADC. If the projected benefits paid by the Commission are less than what we have estimated below, the contribution to the trust should be adjusted to compensate.

Funding of the ADC

1 Implicit subsidy contribution	\$ -	\$ -	\$ -
Additional payments needed to meet ADC	1,606	2,191	2,302
2 Projected agency paid premiums for retirees	-	5,159	5,321
3 Expected agency contribution to OPEB trust	-	(2,968)	(3,019)
Total Expected Employer Contributions (1+2+3)	\$ -	\$ 2,191	\$ 2,302

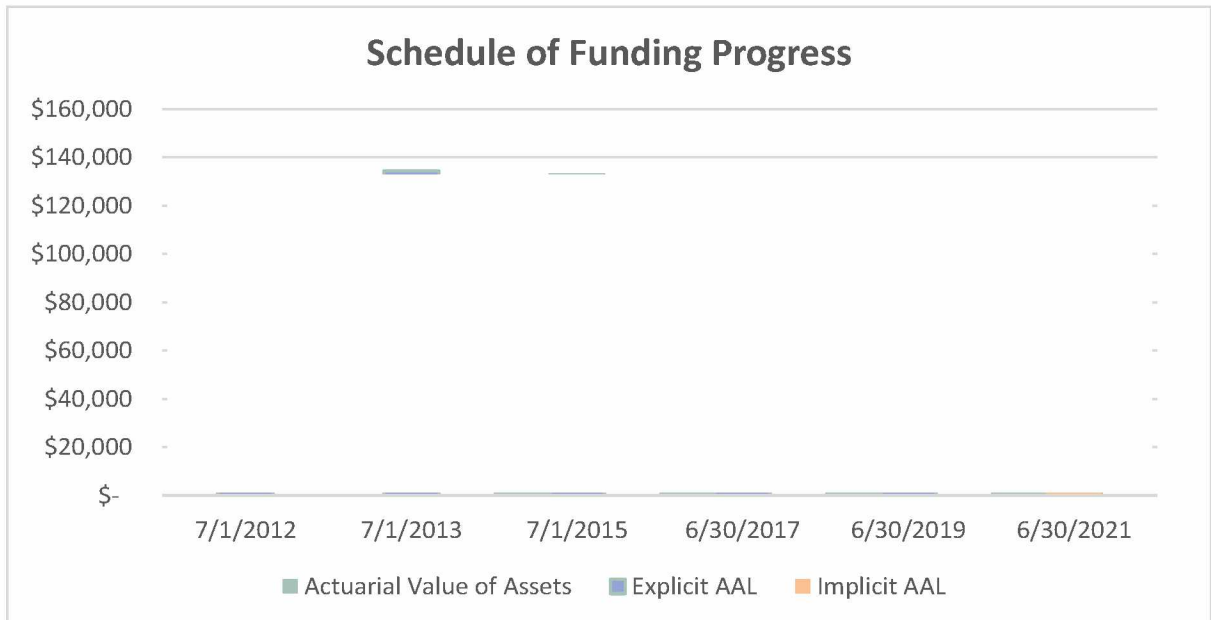


Funding Information

(Continued)

In this section, we provide a review of key components of valuation results from 2012 through 2021 applied in determining the Actuarially Determined Contribution levels.

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	Discount Rate
7/1/2012	\$ -	\$ 120,400	\$ 120,400	0.0%	\$ 174,200	69.1%	Not Available
7/1/2013	\$ -	\$ 134,300	\$ 134,300	0.0%	\$ 176,200	76.2%	6.37%
7/1/2015	\$ 19,339	\$ 132,725	\$ 113,386	14.6%	\$ 254,700	44.5%	5.75%
6/30/2017	\$ 41,103	\$ 62,089	\$ 20,986	66.2%	\$ 144,601	14.5%	5.75%
6/30/2019	\$ 63,381	\$ 59,062	\$ (4,319)	107.3%	\$ 229,570	-1.9%	5.75%
6/30/2021	\$ 79,889	\$ 66,256	\$ (13,633)	120.6%	\$ 300,000	-4.5%	5.75%



Significant changes in recent years which affected the results include the following:

- **July 1, 2017:** Separation of 3 employees dropped the number of covered plan members to just 1 retired employee; decreased discount rate from 6.37% to 5.75%
- **June 30, 2019:** Addition of 2 new active employees increased the normal cost but not the unfunded liability; updated underlying health trend scale
- **June 30, 2021:** Addition of 1 active employee; updated several assumptions; trust investment return was significantly higher than the assumed 5.75% rate



F. Certification

The primary purposes of this report are: (1) to provide actuarial information of the other postemployment benefits (OPEB) provided by the Marin Local Agency Formation Commission in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75); and (2) to provide Actuarially Determined Contributions for prefunding of this program in conformity with the Commission's OPEB funding policy. The Commission is not required to contribute the ADC shown in this report and we make no representation that it will, in fact, fund the OPEB trust at any particular level.

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 and in accordance with the Commission's stated OPEB funding policy. 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 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. The signing actuary is a member of the American Academy of Actuaries and meets the qualification standards for rendering this opinion.

Signed August 17, 2022

Catherine L. MacLeod

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

Cody J. Simrell

Cody J. Simrell, Actuarial Analyst



G. Supporting Information

Section 1 - Summary of Employee Data

Active employees: The Commission reported 3 active plan members for the June 2021 valuation. The average age of these employees is 36 and average Commission service is 1.9 on the valuation date.

Retirees: There is 1 retired employee receiving benefits under this program. Now covered by a Medicare Advantage plan, this former employee retired about 9 years ago at age 63 with 13 years of service for the Commission.

Summary of Plan Member Counts: The numbers of those members currently or potentially eligible to receive benefits under the OPEB plan are required to be reported in the notes to the financial statements.

Summary of Plan Member Counts	
Number of active plan members	3
Number of inactive plan members currently receiving benefits	1
Number of inactive plan members entitled to but not receiving benefits	0*

* We are not aware of any retirees who are eligible but not currently enrolled.

OPEB Tiers: There are two levels of benefits provided under this program, which are described in the following section. This chart summarizes the number of active and retired employees by benefit tier (determined by hire date).

Status	Actives	Retirees	Total
Benefit Tier 3 <i>Hired before 1/1/2008</i>	0	1	1
Benefit Tier 4 <i>Hired after 12/31/2007</i>	3	0	3
Total	3	1	4

Please note that while Marin County retiree healthcare program provides for two earlier benefit Tiers (1 and 2), the Commission has no current active employees or retirees eligible for benefits under those other tiers.

Change in Covered Members: The chart below reconciles the number of actives and retirees included in the June 30, 2019, valuation of the Commission plan with those included in the June 30, 2021, valuation:

Reconciliation of Commission Plan Members Between Valuation Dates				
Status	Covered Actives	Waiving Actives	Covered Retirees	Total
Number reported as of June 30, 2019	2	0	1	3
New employees		1		1
Number reported as of June 30, 2021	2	1	1	4

From this reconciliation, we can see that the total population increased by 1 during the two-year period between valuations. The number of included active members increased from 2 to 3 (up 50%).



Supporting Information

(Continued)

Section 2 - 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.

All current and future active plan members are expected to fall into this benefit category.

Current Health Plan Premiums: The Commission offers coverage to its employees and qualifying retirees through the plans offered by Marin County. The chart below summarizes the premium rates for calendar year 2022. We have shown only those plans selected by the Commission’s active and retired employees.

Marin LAFCo 2022 Health Care Premiums						
Plan	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
Kaiser Low HMO	\$ 852.75	\$ 1,705.50	\$ 2,268.31	\$ 373.23	\$ 746.46	\$ 1,521.85
Teamster Anthem PPO	860.40	1,726.80	2,415.13	<i>Not available</i>		
Delta Dental	52.67	99.33	156.04	<i>Same for Medicare Retirees</i>		



Supporting Information

(Continued)

Section 3 - Actuarial Methods 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 payments depend only on the terms of the plan and the administrative arrangements adopted. Actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

Important Dates

Valuation Date	June 30, 2021
Fiscal Year End	June 30, 2022
Measurement Date	Last day of the prior fiscal year (June 30, 2021)

Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market Value of Assets
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Development of Age-related Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology provided in Addendum 2 to this report.

Monthly baseline premium costs were set equal to the active single premiums shown in the chart at the bottom of Section 2.

Sample age-based claims for retirees not yet eligible for Medicare are shown in the chart below.

Expected Monthly Claims by Medical Plan for Selected Ages					
Medical Plan	Male				
	52	55	57	60	63
Kaiser Low HMO	\$ 976	\$ 1,139	\$ 1,253	\$ 1,430	\$ 1,626
Teamsters Anthem PPO	991	1,157	1,273	1,453	1,651
Medical Plan	Female				
	52	55	57	60	63
Kaiser Low HMO	\$ 1,155	\$ 1,249	\$ 1,309	\$ 1,424	\$ 1,578
Teamsters Anthem PPO	1,173	1,268	1,330	1,446	1,603



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Development of Age-related

Medical Premiums (continued)

All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees and these premium rates are assumed to be sufficient to cover Medicare retiree claims over the long term. Age-based claims were not developed for Medicare-eligible retirees.

Economic Assumptions

Long Term Return on Assets/
Discount Rate for Accounting

5.75% as of June 30, 2021, and June 30, 2020, net of plan investment expenses

Long Term Return on Assets/
Discount Rate for Funding

5.75% as of June 30, 2021, and June 30, 2020, net of plan investment and trust administrative expenses

Salary Increase

3.0% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years

General Inflation Rate

2.5% per year

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 in the chart below.

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2022	Actual	2061-2066	4.8%
2023	5.6%	2067	4.7%
2024	5.5%	2068	4.6%
2025-2026	5.4%	2069	4.5%
2027-2029	5.3%	2070-2071	4.4%
2030-2051	5.2%	2072	4.3%
2052	5.1%	2073-2074	4.2%
2053-2055	5.0%	2075	4.1%
2056-2060	4.9%	2076 & later	4.0%

This trend was developed using the Getzen Model 2021_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.5%; Excess Medical Growth 1.1%; Expected Health Share of GDP in 2030 20.3%; Resistance Point 25%; Year after which medical growth is limited to growth in GDP 2075.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Participant Election Assumptions

Retiree Participation Rate	<p><i>Active employees:</i> 100% of those who qualify for retiree health benefits are assumed to receive these benefits in retirement.</p> <p><i>Retired participants:</i> All current retirees are assumed to receive benefits until their death.</p>
Plan Election in Retirement	<p><i>All current and future retirees not yet eligible for Medicare:</i></p> <p>(a) If currently enrolled in County plan coverage, 80% are assumed to continue their current plan election until eligible for coverage under Medicare and to elect the Kaiser Medicare Advantage plan in retirement; 20% are assumed to elect another (non-County) plan of their choice.</p> <p>(b) If not currently enrolled in County plan coverage, 40% are assumed to enroll in a County plan at retirement until eligible for coverage under Medicare and to elect the Kaiser Medicare Advantage plan in retirement; 60% are assumed to elect another (non-County) plan of their choice.</p>
Spouse Coverage	<p><i>Active and retired members:</i> Existing elections for spouse coverage are assumed to be continued until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.</p>
Medicare Eligibility	<p>Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.</p>

Demographic Assumptions

Certain demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. Mortality rates used after retirement were those published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015, then projected as described below.

Mortality Before Retirement	None assumed, due to the small size of the employee group and low likelihood of occurrence
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2015 (see Addendum 3)



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Mortality After Retirement
 (before improvement applied)

Healthy Retirees			Disabled Retirees		
CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality			CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality		
Age	Male	Female	Age	Male	Female
40	0.00070	0.00040	20	0.00027	0.00008
50	0.00431	0.00390	30	0.00044	0.00018
60	0.00758	0.00524	40	0.00070	0.00040
70	0.01490	0.01044	50	0.01371	0.01221
80	0.04577	0.03459	60	0.02447	0.01545
90	0.14801	0.11315	70	0.03737	0.02462
100	0.35053	0.30412	80	0.07218	0.05338
110	1.00000	1.00000	90	0.16585	0.14826

Termination Rates

These rates reflect the assumed probability that an employee will leave the Commission in the next 12 months for reasons other than a service or disability retirement or death.

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued December 2017						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0654	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0634	0.0433	0.0000	0.0000
30	0.1606	0.1055	0.0615	0.0416	0.0262	0.0000
35	0.1537	0.0987	0.0567	0.0399	0.0252	0.0184
40	0.1468	0.0919	0.0519	0.0375	0.0243	0.0176
45	0.1400	0.0849	0.0480	0.0351	0.0216	0.0168

Service Retirement Rates

Each rate reflects the probability that an employee with that age and service will take a service retirement in the next 12 months.

Miscellaneous Employees: 2% at 60 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0200	0.0200	0.0200	0.0200	0.0200	0.1500
55	0.0190	0.0260	0.0330	0.0920	0.1360	0.1460
60	0.0700	0.0740	0.0890	0.1130	0.1370	0.1610
65	0.1400	0.1780	0.2150	0.2640	0.3210	0.3770
70	0.1400	0.1780	0.2150	0.2640	0.3210	0.3770
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

None assumed, due to the small size of the employee group and low likelihood of occurrence.



Supporting Information

(Concluded)

Section 3 - Actuarial Methods and Assumptions

Software and Models Used in the Valuation

ProVal - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

Age-based premiums model – developed internally and reviewed by an external consultant at the time it was developed. See discussion on Development of Age-Related Medical Premiums and Addendum 3.

Getzen model – published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.

Changes recognized during the current measurement period:

Healthcare Trend	Updated the healthcare trend model from the Getzen 2019 model to the Getzen 2021 model, both of which are sponsored by the Society of Actuaries
Mortality assumptions	We made the following two changes: <ul style="list-style-type: none">(a) We excluded any assumption of pre-retirement mortality due to the low chance of occurrence for this small group of active employees.(b) The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022 (see Addendum 3), reflecting continued updates in available information.
Retiree Plan Elections	Retiree health benefits may be provided whether or not the County's medical coverage is selected in retirement. We decreased the assumed rate of County plan enrollment in retirement from 100% to (a) 80%, if the employee is currently enrolled in County coverage and (b) 40% if the employee is currently waiving County coverage.



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”. 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		Covered by higher active premiums
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 Commission does not impact the amount of the implicit subsidy.

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 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.



Important Background Information

(Continued)

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 Commission 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 2022** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2019 Report, published in October 2019 and (2) the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published April 2019.

MacLeod Watts Scale 2022 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2019 which has two segments – (1) historical improvement rates for the period 1951-2015 and (2) an estimate of future mortality improvement for years 2016-2018 using the Scale MP-2019 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2018 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2019-2028. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2028-2042. The SSA's Intermediate Scale has a final step down in 2043 which is reflected in the MacLeod Watts scale for years 2043 and thereafter. Over the ages 95 to 115, the SSA improvement rate is graded to zero.

Scale MP-2019 can be found at the SOA website and the projection scales used in the 2019 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"). This tax was repealed in December 2019, before ever going into effect.

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 Commission’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

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
October 13, 2022
Item No. 5 (Consent Item)

TO: Local Agency Formation Commission
FROM: Jeren Seibel, Deputy Executive Officer
SUBJECT: **Addition of the Central Marin Sanitation Agencies to the Current Study Schedule**

Background

During the annual Marin LAFCo workshop held on July 27th, staff requested discussion of the omission of the sanitation agencies in central Marin from the current study schedule. The agencies, which include Central Marin Sanitation Agency, Ross Valley Sanitary District, Las Gallinas Valley Sanitary District, San Rafael Sanitation District, Marin County Sanitary District No.2, and San Quentin Village Sewer Maintenance District, were purposefully omitted when the study schedule was formulated as they had been reviewed most recently in 2017. As we near the end of the current study schedule as it presently stands, this group of agencies would be reviewed towards the end of the 2023 calendar year, presenting roughly six years between reviews. State Government Code states that an agency's sphere of influence should be updated every 5 years "...or as necessary". During the discussion at the workshop, the consensus from the Commission members was a desire to include these agencies in the current round of municipal service reviews. As such, staff has updated the study schedule (see attached) to include these agencies as one final group of this current round.

Staff Recommendation for Action

1. Option 1 – Approve the attached study schedule as amended.
2. Alternate Option – Continue consideration of this item to a future meeting and give staff any needed instructions or further action.

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. Study Schedule FY 18-24, Updated October 2022

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Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member

Marin LAFCo - Adopted Five-Year Study Schedule | FY

2018-2023 Adopted October 11, 2018 | Revised December 10, 2020

FY 2018-2019

San Rafael Area Study (Region Specific)

- City of San Rafael
- Marinwood Community Services District
- CSA No. 6 (Santa Venetia)
- CSA No. 9 (Northbridge)
- CSA No. 13 (Lucas Valley)
- CSA No. 18 (Gallinas Village)
- CSA No. 19 (Unincorporated San Rafael)
- CSA No. 23 (Terra Linda)
- Marin County Flood Control Zone 6 and 7 (Supplemental)

Novato Area Study (Region Specific)

- City of Novato
- Novato Sanitary District
- Novato Fire Protection District
- Bel Marin Keys Community Services District
- CSA No. 1 (Loma Verde)
- CSA No. 20 (Indian Valley)
- CSA No. 25 (San Marin)
- Marin County Flood Control Zone 1

(Supplemental)

FY 2019-2020

East Peninsula Area Study (Region Specific)

- Town of Tiburon
- City of Belvedere
- Strawberry Recreation District
- Tiburon Sanitary District No. 5
- Tiburon Fire Protection District
- CSA No. 29 (Paradise Cay)
- Marin County Flood Control Zone 4/4a

Upper Ross Valley Area Study (Region Specific)

- Town of Fairfax
- Town of Ross
- Town of San Anselmo
- Kentfield Fire Protection District
- Sleepy Hollow Fire Protection District
- Ross Valley Fire Authority (JPA)
- CSA No. 27 (Ross Valley)
- Marin County Flood Control Zone 9

Date to be Determined

Countywide Fire Service Study (STARTED)

Countywide Police Service Study

FY 2020-2021

Twin Cities Area Study (Region Specific)

- City of Larkspur
- Town of Corte Madera
- CSA No. 16 (Greenbrae)
- CSA No. 17 (Kentfield)
- Central Marin Police Authority (JPA)
- Central Marin Fire Department

West Marin (Region Specific); *(year long, will go into FY 21-22)*

- Stinson Beach Fire Protection District
- Tomales Village Community Services District
- CSA No. 28 (West Marin)
- CSA No. 33 (Stinson Beach)
- Marin County Flood Control Zone 5 and 10
- Bolinas Fire Protection District
- Inverness PUD
- Bolinas Community PUD
- Muir Beach CSD
- Stinson Beach Water District
- Marin County Resources Conservation District

FY 2021 – 2022

Golden Gate Corridor Study (Region Specific)

- City of Mill Valley
- City of Sausalito
- Marin City Community Services District
- Tamalpais Community Services District
- Marin City–Sausalito Sanitary District
- Southern Marin Fire Protection District
- CSA No. 14 (Homestead)
- Marin County Flood Control Zone 3

FY 2022-2023

Southern Marin Wastewater Study (Service Specific)

- Almonte Sanitary District
- Alto Sanitary District
- Homestead Valley Sanitary
- Richardson Bay Sanitary District
- Sewer Agency of Southern Marin (JPA)

Multi-Regional Services Study (Region Specific)

- Marin Healthcare District
- CSA No. 31 (Fire Services)
- North Marin Water District
- Marin Municipal Water District
- Marin County Parks and Open Space District

FY 2023-2024

Central Marin Wastewater Study (Service Specific)

- Central Marin Sanitation Agency (JPA)
- Ross Valley Sanitary District
- Las Gallinas Valley Sanitary District
- San Rafael Sanitation District
- Marin County Sanitary District No. 2
- San Quentin Village Sewer Maintenance District



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
October 13, 2022
Item 6 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Approval of Resolution 22-30 Annexation of 255 Margarita Drive (APN 016-011-29) to San Rafael Sanitation District (File #1367) with Waiver of Notice, Hearing, and Protest Proceedings.

Background

Marin LAFCo has received an application from Paul Thompson (“applicant”) requesting approval to annex a lot, approximately 1.6 acres, to complete the process started in 2015 for an Emergency OSA due to a failing septic tank and properly connect into the San Rafael Sanitation District (SRSD). The parcel has a situs address of 255 Margarita Drive (APN 1016-011-29). The proposal, as stated by the applicant, is for connection to SRSD. Staff has requested comments from SRSD, along with other interested agencies. All comments were in support or neutral.

As a reminder about this subject, in August 2015, LAFCo approved a request from SRSD for new sewer services outside of its boundaries due to a failing septic system that posed an impending threat to public health and safety. LAFCo approved the application for a one-year period and did give a one-year extension. The applicant was required to submit a complete application for annexation during this period and a copy of a recorded easement providing the property access to SRSD’s sewer main through the neighboring property. The property owner did not obtain the recorded easement from the neighboring property owner and LAFCo’s approval including various extensions expired on February 13, 2018. On September 1, 2022, LAFCo received a new completed application and application fee. Both LAFCo and SRSD staff have informed the applicant that the connection issue still needs to be addressed. As of the writing of this report, the applicant has not yet determined if they are able to get a new easement or will move the lateral to the original plans approved by SRSD in 2015. Staff has told the applicant they should be prepared to report on this at the Commission meeting.

Given the uncertainty of which path the applicant is taking staff worked with legal counsel to present a resolution that put a condition of approval to allow either to occur. In addition, since the applicant never submitted plans for the current lateral should they get the easement needed they still needed to get the district to approve those plans and connection. Staff, based on a request from SRSD staff, added this as a condition for approval. Given the history of this issue, staff is also recommending that should the Commission wish to approve the application with condition that instead of the regular one-year period that is given that a shorter period is given for this. Staff would recommend that the condition needs to be met by December 9, 2022. If the condition is not met then the applicant could request an extension at the December 8, 2022 meeting.

Staff has reviewed the submitted petition for accuracy and considered all factors pursuant to §56668 and §56668.3 of Cortese-Knox-Hertzberg. With those factors considered the Commission needs to decide if it wants to give approval with conditions on getting a proper connection done or delay approval until a proper connection is completed.

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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Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary

Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member

Staff Recommendation for Action

Option 1 – Approve the requested annexation of 255 Margarita Drive and approve the attached Resolution No. 22-30 with conditions. In addition, the Commission should decide on the length of time for the condition to be met.

Option 2 – Continue consideration of the item to a future regular meeting, and provide direction to staff, as needed.

Option 3 – Deny the request.

Attachments:

- 1. Resolution #22-30**
- 2. Application Packet**

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 22-30

RESOLUTION APPROVING AN ANNEXATION OF 255 MARGARITA DRIVE TO SAN RAFAEL SANITATION DISTRICT WITH WAIVER OF NOTICE, HEARING AND PROTEST PROCEEDINGS

“Annexation of 255 Margarita Drive (APN 016-011-29) to San Rafael Sanitation District (LAFCo File No. 1367)”

WHEREAS Paul Thompson, hereinafter referred to as “Property Owner,” has filed a validated landowner petition with the Marin Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS the proposal seeks Commission approval to annex approximately 1.60 acres of unincorporated land to San Rafael Sanitation District; and

WHEREAS the affected territory represents an entire lot developed with an existing single-family residence located at 255 Margarita Drive and identified by the County of Marin Assessor’s Office as APN 016-011-29 (“Property”); and

WHEREAS the Commission’s staff has reviewed the proposal and prepared a report with recommendations; and

WHEREAS the staff’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

WHEREAS the Commission considered all the factors required by law under Government Code Section 56668 and 56668.3 and adopted local policies and procedures.

WHEREAS the proposal is for an annexation of territory that is uninhabited, and no affected local agency has submitted a written demand for notice and hearing as provided for in Government Code section 56662(a).

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

Section 1. The boundaries, as set forth in the proposal, are hereby approved as submitted and are as described and depicted in Exhibits “A” and “B” attached hereto and by this reference incorporated herein.

Section 2. As a condition of approval of the annexation, one of the following must occur by no later than December 9, 2022: (1) Submittal of a notarized easement recorded between the owner of the Property and the property owner of 245 Margarita Drive allowing for the existing public sewer main and written confirmation from San Rafael Sanitation District (SRSD) has approved the new lateral plans and the current connection meets its standards; or (2) written confirmation from SRSD that the owner of the Property has installed the sewer lateral that complies with the original plans SRSD approved in 2015 for the temporary emergency order.

Section 3. Approve the proposed annexation of 255 Margarita Drive (APN 016-011-29) to the San Rafael Sanitation District (File #1367) as shown and described on Exhibits “A” and “B” subject to the condition of approval as provided for in Section 2 being completed by no later than December 9, 2022.

Section 4. The territory includes 1.60 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of 255 Margarita Drive (APN 016-011-29) to San Rafael Sanitation District (LAFCo File No. 1367)”.

Section 5. The proposal is consistent with the adopted spheres of influence of San Rafael Sanitation District.

Section 6. The Executive Officer is hereby authorized to waive notice and hearing, and protest proceedings and complete reorganization proceedings.

Section 7. As Lead Agency under CEQA for the proposed annexation of APN: 016-011-29 to San Rafael Sanitation District, LAFCo finds that the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319 (a).

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on October 13, 2022 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair

ATTEST:

APPROVED AS TO FORM:

Jason Fried, Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 22-30

- a) Exhibit ‘A’ – Legal Description
- b) Exhibit ‘B’ – Map



EXHIBIT 'A'

Annexation of the Lands of Thompson
to the
San Rafael Sanitary District (File #)
Mapping No.

All that certain real property situate in the City of San Rafael, County of Marin, State of California, being the lands of Paul B. Thompson and Kathleen D. Thompson, Trustees of the Thompson Family Living Trust (1998), Parcel One as described in that Grant Deed recorded under Document Number 2015-0023860, Official Records of Marin County, described as follows:

Beginning at a point on the northerly right of way of Margarita Drive, said point being the common southerly corner of said lands of Thompson and the lands of G. Scott Jones and Janet S. Jones, Trustees of the Jones 2001 Trust as described in that Individual Grant Deed Trust Transfer recorded under Document Number 2001-0069475, Official Records of Marin County;

1. Thence leaving said northerly line of Margarita Drive, along the common line of Thompson and Jones, North 30°06'50" West, 47.74 feet;
2. Thence continuing along said common line, North 69°04'00" West, 72.96 feet;
3. Thence continuing along said common line, North 55°24'44" West, 103.00 feet;
4. Thence continuing along said common line, North 19°47'00" West, 127.75 feet to the southerly line of the lands of Ira Sandler as described in that Interspousal Transfer Grant Deed recorded under Document Number 2014-0012451, Official Records of Marin County;
5. Thence along said southerly line of Sandler, North 75°22'04" East, 120.32 feet;
6. Thence continuing along said southerly line, North 68°57'00" East, 159.89 feet to the westerly right of way of Margarita Drive;
7. Thence along said right of way, South 31°21'00" East, 3.46 feet;
8. Thence along said right of way, South 19°25'00" East, 153.13 feet;
9. Thence continuing along said right of way, South 09°16'00" East, 102.28 feet;
10. Thence continuing along said right of way, South 23°53'00" West, 59.86 feet;
11. Thence continuing along said right of way, South 71°11'15" West, 95.55 feet to the point of beginning.

Containing: 1.58 acres, more or less.

Prepared by:

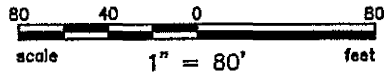
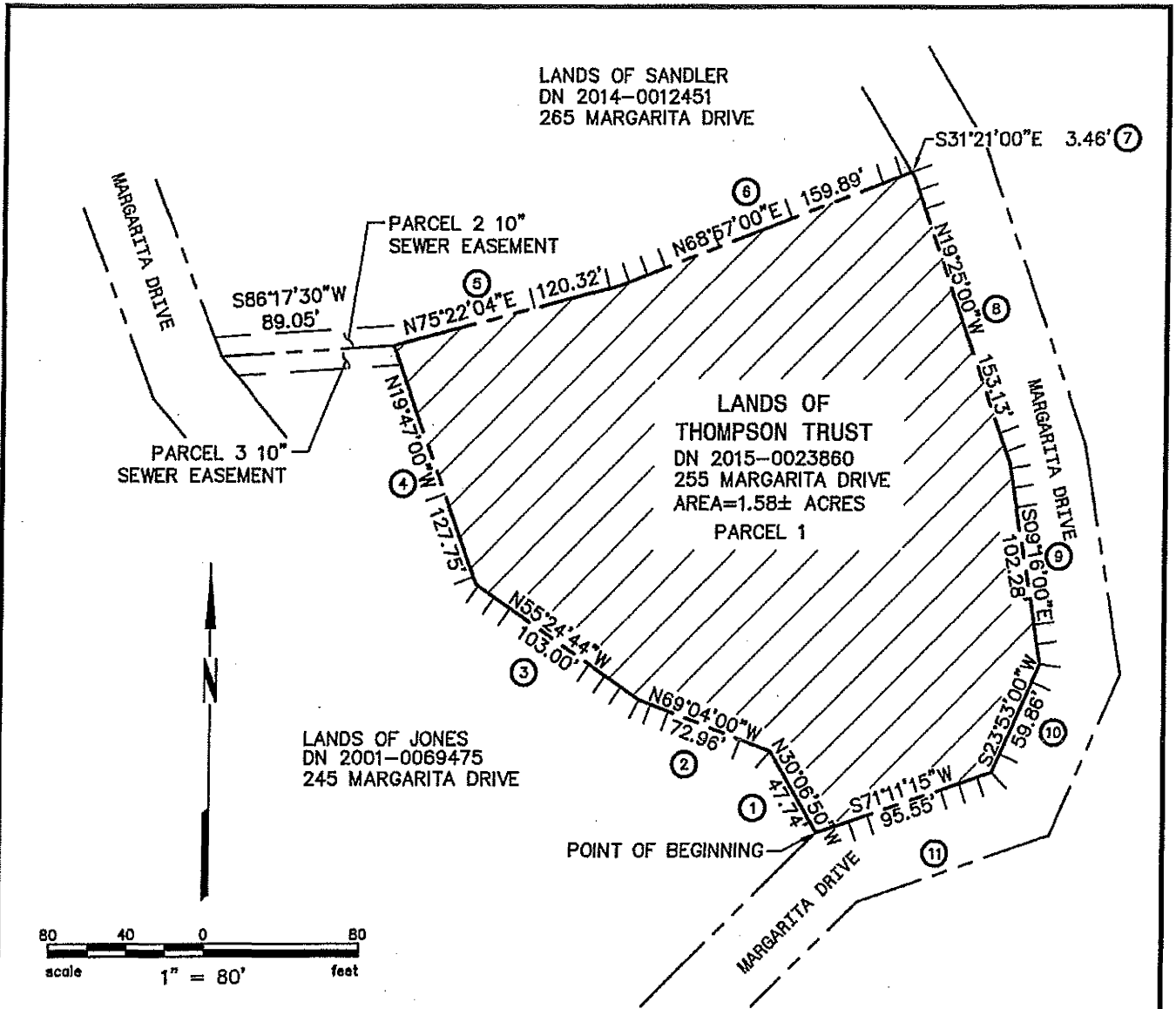
BKF ENGINEERS

Jason Kirchmann, P.L.S. 8806

Dated: 8/25/15



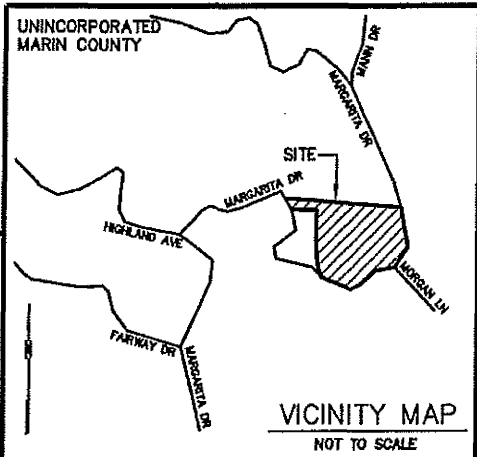
EXHIBIT "B"



NOTE:
 "FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY BOUNDARY AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OR TRANSFER OF THE LAND AS DESCRIBED".

LEGEND

- ||||| SANITARY DISTRICT BOUNDARY
- PROPOSED ANNEXATION
- BOUNDARY LINES
- SEWER AND UTILITY EASEMENT

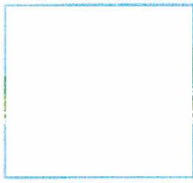


BKF
 ENGINEERS / SURVEYORS / PLANNERS

711 GRAND AVE, STE. 240
 SAN RAFAEL, CA 94901
 PH: 415-930-7960

JOB NO.	20159062	DATE:	AUGUST 25, 2015
ANNEXATION OF THE LANDS OF THOMPSON TRUST TO THE SAN RAFAEL SANITARY DISTRICT		SCALE:	1 INCH = 80 FEET
MAPPING NO.	SAN RAFAEL	FILING NO.	MARIN COUNTY
		CALIFORNIA	

Plot Aug 25, 2015 at 5:16pm



Marin Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

MARIN LAFCO

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

The undersigned hereby petition(s) the Marin Local Agency Formation Commission for approval of a proposed change or organization or reorganization and stipulates 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 annexation

3. The boundaries of the territory(ies) included in the proposal are as described in Exhibits "A" and "B" attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are:
 Inhabited (12 or more registered voters)
 Uninhabited (11 or fewer registered voters)
5. This proposal is or is not consistent with the sphere(s) of influence of the affected city and/or district(s).
6. The reason(s) for the proposed sewer annexation (ie. Annexation, Detachment, Reorganization, etc.) is/are necessary

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
 Owners of the land
 On behalf of the Board, City, District, or Agency

paul thompson
Print Name

PT
Signature

08-23-2022
Date



Marin Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

II. LANDOWNERS SIGNATURES
(§56700, et seq.)

We the undersigned landowners hereby request proceedings be initiated pursuant to Government Code §56000, et seq. for the change(s) of organization described on the attached Proposal Application.

Name and Address of Applicant: paul thompson

Contact Number: (415) 203-1001 Email: pault@tbcorp.com

Agent Representative (optional)

I/We hereby authorize _____ to act as my/our agent to process all phases of the LAFCo action relating to the parcels listed below.

Name and Address of Agent: N/A

Contact Number: () Email: _____

of each parcel **must** sign. Original signatures are required.

_____ Property Owner Signature	_____ 08-23-2022 Date
_____ Property Owner Signature	_____ Date
_____ Property Owner Signature	_____ Date



Marin Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

Additional Notification Approval (Optional)

I/We hereby a _____ o the application representative, the persons listed below
 are granted pr _____ of application notices, and reports.

 Property Ov _____

Please provide the names, email addresses, and phone numbers of any persons who are to be furnished copies of the Agenda, Executive Officer's Report, and Notice of Hearings. This includes name, title, email address, and phone number of key staff you've worked with/talked to. This allows LAFCo to send information directly to the key person in each agency who is relevant to the application:

Please Print Name

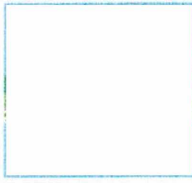
Email Address

Phone Number

DORIS TOY

DORIS.TOY@CITYOFJANRATON.ORG

415.425.3484



MARIN LAFCO
III. APPLICATION QUESTIONNAIRE

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:

GENERAL INFORMATION

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

- Petition (Landowner)
- Resolution of Application (City/Town or District)

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

3. A. This application is being submitted for the following boundary change:
 (BE SPECIFIC: For example, “annexation,” “reorganization”)

ANNEXATION

B. The reason for the proposed action(s) being requested:
 (BE SPECIFIC: For example, “Annexation to sewer district for construction of three homes”)

ANNEXATION FOR (E) RESIDENCE

4. State general location of proposal:

255 MARGARITA DRIVE JUN RAPHAEL CA.



Marin Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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

Yes ___ Which city? _____

No X If the proposal is adjacent to a city, provide city name: san rafael

6. Is the subject territory located within an island of unincorporated territory?

Yes X No ___ If applicable, indicate city san rafael

7. Would this proposal create an island of unincorporated territory? Yes ___ No X

If yes, please justify proposed boundary change: _____

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

A. Assessor's Parcel Number(s)	Site Address(es)
<u>016-011-29</u>	<u>255 margarita drive, san rafael</u>
_____	_____
_____	_____
_____	_____
_____	_____

B. Total number of parcels included in this application: 1

9. Total land area in acres: 1.60



LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns:

n/a NONE

2. Indicate current land use: (such as: number of dwellings, permits currently held, etc.)

n/a SINGLE FAMILY RESIDENCE

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

n/a LDR - LOW DENSITY RESIDENTIAL

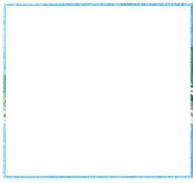
4. Has the area been rezoned? No N/A Yes _____

What is the rezoning classification, title and densities permitted?

/a

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

n/a ALREADY IMPROVED



ENVIRONMENT

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

Yes _____ No X _____

If yes, explain: _____

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

Yes _____ No X _____

If yes, explain: _____

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

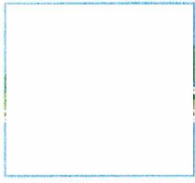
- A. This site? Yes _____ No X _____ N/A _____
- B. Adjacent sites? Yes _____ No X _____ N/A _____
- C. Unincorporated? Yes _____ No X _____
- D. Incorporated? Yes _____ No X _____

4. State general description of site topography: steep

5. Indicated Lead Agency for this project: San rafael sanitation department

6. Indicate Environmental Determination by Lead Agency: N/A
 with respect to (indicate project) _____
 Dated: _____

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

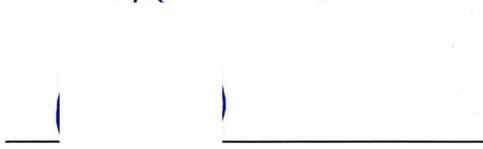


IV. INDEMNIFICATION AGREEMENT

As part of this Application, Applicant and its successors and assigns, shall indemnify, defend and hold harmless, LAFCo, its officials, officers, employees, agents, representatives, contractors and assigns from and against any and all claims, demands, liability, judgments, damages (including consequential damages), awards, interests, attorneys’ fees, costs and expenses of whatsoever kind or nature, at any time arising out of, or in any way connected with any legal challenges to or appeals associated with LAFCo’s review and/or approval of the Application (collectively, “Indemnification Costs”). Applicant’s obligation to indemnify, defend and hold harmless LAFCo, its officials, officers, employees, agents, representatives, contractors and assigns under this Agreement shall apply regardless of fault, to any acts or omissions, or negligent conduct, whether active or passive, on the part of the Applicant, LAFCo, its officials, officers, employees, agents, representatives, contractor or assigns. Applicant’s obligation to defend LAFCo, its officials, officers, employees, agents, representatives, contractor or assigns under this Agreement shall be at Applicant’s sole expense and using counsel selected or approved by LAFCo in LAFCo’s sole discretion.

In the event of a lawsuit, Applicant will be notified by LAFCo within three (3) business days of being served. An invoice will be submitted to the Applicant by LAFCo for an amount between \$10,000 and \$25,000 to cover a portion of the Indemnification Costs (“Reserve”), which shall depend upon the estimated cost to resolve the matter and shall be determined in LAFCo’s sole discretion. Applicant shall pay the Reserve to LAFCo within seven (7) calendar days of LAFCo’s request. The Reserve shall be applied against LAFCo’s final bill for the Indemnification Costs, with any unused portion to be returned to Applicant. LAFCo shall bill Applicant month for the Indemnification Costs, which shall be paid to LAFCo no later than 15 calendar days after receipt of LAFCo’s bill. LAFCo may stop defending the matter, if at any time LAFCo has not received timely payment of the Reserve and/or the Indemnification Costs. This will not relieve Applicant of any of its obligations pursuant to this Agreement.

As the Applicant I hereby attest with signature,



 Applicant
paul thompson

 Print Name

08-23-2022

 Date

 Title



V. PLAN FOR PROVIDING SERVICES
 (For City/Town or District Only)

This section to be completed by a city/town 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: _____
- Fire: _____
- Sewer: _____
- Water: _____
- Other: _____

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

3. Describe the level and range of services: n/a

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

n/a

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

n/a



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

October 13, 2022

Executive Officer Report – Section A

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
SUBJECT: Budget Update for FY 2022-2023

Background

Marin Local Agency Formation Commission (LAFCo) adopted a budget for FY 2022-2023 totaling \$593,909.08. As of September 30, 2022 LAFCo has spent \$129,416.78. This report covers 3 months, which is about 25% of the year. We have already spent 21.8% of our budget this year. You will note three line items are higher than the expected amount for where we are for being three months into the new FY. As mentioned at the last meeting two line items, Membership and Dues (30) and General Insurance (15), consist of bills that have large sums that get paid at the start of the Fiscal year in the case of line item 15 and are mostly paid for in the case of line item 30. The third item is Misc Services (35). Over half of the amount listed is to cover the cost for the in-person workshop we held. This also has become the line item we use for costs associated with our payroll system that are charged now that we are not within the County system anymore. It is likely this line item will end up over budget for the year and staff will bring back at a future meeting suggested changes once our bookkeeper is able to close out last FY books.

While not fully reflected in this report, according to the County we have received all member contributions for the year. We are waiting for the next formal report which tends to come out middle of the month to confirm this has occurred.

Attachment:

- 1) FY 2022-2023 Budget Report

Administrative Office

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1401 Los Gatos Drive, Suite 220
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T: 415-448-5877 E: staff@marinlafco.org
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Richard Savel, Alternate
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Marin Local Agency Formation Commission

FY23 BUDGET REPORT

10/03/22

July through September 2022

Accrual Basis

	<u>Jul - Sep 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
410 · Prior Year Carryover	0.00	87,360.91	-87,360.91	0.0%
400 · Agency Contributions	504,874.95	506,548.17	-1,673.22	99.7%
Total Income	<u>504,874.95</u>	<u>593,909.08</u>	<u>-89,034.13</u>	<u>85.0%</u>
Expense				
Services and Supplies				
05 · Commissioner Per Diems	1,500.00	10,000.00	-8,500.00	15.0%
10 · Conferences	1,130.00	5,000.00	-3,870.00	22.6%
15 · General Insurance	5,389.41	6,500.00	-1,110.59	82.9%
20 · IT & Communications Services	4,049.19	18,000.00	-13,950.81	22.5%
25 · Legal Services	4,103.60	37,500.00	-33,396.40	10.9%
30 · Memberships & Dues	14,837.00	17,500.00	-2,663.00	84.8%
35 · Misc Services	812.67	2,000.00	-1,187.33	40.6%
40 · Office Equipment Purchases	0.00	4,139.00	-4,139.00	0.0%
45 · Office Lease/Rent	8,867.52	35,670.08	-26,802.56	24.9%
50 · Office Supplies & Postage	525.14	4,000.00	-3,474.86	13.1%
55 · Professional Services	1,825.50	24,000.00	-22,174.50	7.6%
60 · Publications/Notices	0.00	2,000.00	-2,000.00	0.0%
65 · Rent - Storage	0.00	650.00	-650.00	0.0%
70 · Training	0.00	1,700.00	-1,700.00	0.0%
75 · Travel - Mileage	0.00	3,500.00	-3,500.00	0.0%
Total Services and Supplies	<u>43,040.03</u>	<u>172,159.08</u>	<u>-129,119.05</u>	<u>25.0%</u>
Salary and Benefit Costs				
100 · Salaries	71,949.75	340,000.00	-268,050.25	21.2%
120 · County of Marin - Group Health	6,596.57	35,500.00	-28,903.43	18.6%
130 · MCERA / Pension	7,830.43	40,250.00	-32,419.57	19.5%
140 · Retiree Health	0.00	6,000.00	-6,000.00	0.0%
Total Salary and Benefit Costs	<u>86,376.75</u>	<u>421,750.00</u>	<u>-335,373.25</u>	<u>20.5%</u>
Total Expense	<u>129,416.78</u>	<u>593,909.08</u>	<u>-464,492.30</u>	<u>21.8%</u>
Net Ordinary Income	<u>375,458.17</u>	<u>0.00</u>	<u>375,458.17</u>	<u>100.0%</u>
Other Income/Expense				
Other Income				
910 · Fees for Services	3,114.29			
Total Other Income	<u>3,114.29</u>			
Net Other Income	<u>3,114.29</u>			
Net Income	<u>378,572.46</u>	<u>0.00</u>	<u>378,572.46</u>	<u>100.0%</u>



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

October 13, 2022

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.

In September LAFCo received a new application from the property owner at 255 Margarita Drive. See Agenda Item 6 for more details.

Staff also wanted the Commission to be aware that on Oct. 3rd a joint meeting between the City of Mill Valley and Southern Marin Fire Protection District (SMFPD) occurred. In that meeting, both bodies approved having SMFPD formally take over all fire services for the City of Mill Valley. Staff has not received it yet but is expecting in the next few weeks to get the formal application from them on this matter. Should we receive it in time then this item could be part of the December 2022 Commission meeting.

As a reminder, with the start of the new fiscal year, all applications that were deemed completed at the August meeting are removed from the list, and only those that had not been completed by the August meeting remain. This year we have two carry-over applications. File 1362 is still waiting for its condition to be met and File 1366 has had its condition met since our August meeting so is now deemed complete.

Attachment:

- 1) Chart of Current and Pending Proposals

Administrative Office

Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
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Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1367	On today's agenda	Annexation of 255 Margarita Drive	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 1.6 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.	San Rafael Sanitation District	Application Submitted in September and on today's agenda.
1362	Waiting on Conditions for Approval	Outside Service Agreement with City of Mill Valley	Landowner Jon Grabham requests an Outside Service Agreement with the City of Mill Valley's sewer district for 11 Brighton Blvd., a parcel in unincorporated area adjacent to the City of Mill Valley. The property has a failing septic, which County EHS has determined is a public safety hazard. The City of Mill Valley has taken board action in favor of this OSA, and has no interest in annexing the property at this time.	City of Mill Valley	Approved by Commission on 2/11/22 waiting for conditions of approval to be completed
1366	Completed	Annexation of 21 & 23 Church Street	Landowners Benjamin Hodges, Melissa Omand, and Sarah Hodges (applicants) submitted an application requesting the annexation of 21 & 23 Church Street to Tomales Village Community Services District for sewer service to support development on the approx. 13.25 acre lot.	Tomales Village Community Services District	Condition was met and the application is now considered completed



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
October 13, 2022
Executive Officer Report – Section C

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
SUBJECT: **CALAFCO Update**

Attached you will find the CALAFCO Newsletter about what is going on across the state.

Attachment:

- 1) CALAFCO Newsletter

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Town of Fairfax

James Campbell, Alternate
City of Belvedere
Vacant
City of Mill Valley

Lew Kious, Chair
Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District
Tod Moody, Alternate
Sanitary District #5

Larry Loder, Regular
Public Member

Richard Savel, Alternate
Public Member



BOARDROOM Brief

AT ITS VIRTUAL meeting on July 22, the Board received the year-end financial reports from our accountant, considered a revised FY 22-23 budget, and resumed their discussion of the Government Code Section 56133 legislative amendment proposal.

The Fourth Quarter financial report found that the association is sound financially. It also disclosed an FY 21-22 net balance that was slightly larger than had been expected in April. Consequently, a revised FY 22-23 budget was also presented to the Board to capture the higher carryover, as well as to remove an erroneously duplicated stipend calculation from the Executive Director's salary line for the upcoming year. Those adjustments, along with another that the Board made to the payroll tax line, resulted in a revised FY 22-23 budget. The differences from the original version approved in April were increased carryover and contingency lines, and reductions to the ED salary and payroll tax lines. The revised budget can be found on the Board meeting portion of the website.

The last action item considered was the reconsideration of the legislative proposal from San Diego LAFCo regarding Government Code §56133. As many will recall, the topic has been a continuing one having been discussed and tabled at the January and April Board meetings. In April, the Board sent the proposal back to the Legislative Committee to complete additional research. Ultimately, the Board approved adding the endeavor to the list of CALAFCO projects, as well as approving a White Paper to guide the effort.

Reports were also received regarding CALAFCO U and the fall conference - including Elections. It was noted that Achievement Awards have an upcoming **deadline of AUGUST 12TH** - so get those nomination packets in ASAP!

The next Board meeting is scheduled for October 21st during the conference.

All agendas, staff reports, and minutes can be found on the CALAFCO website at www.calafco.org. Any questions should be directed to the Executive Director at rlaroc@calafco.org.

SBA 938 Chaptered



Screen shot of Senator Hertzberg presenting SB 938 on the Senate Floor on June 23, 2022

AS MOST of you already know, SB 938 (the Protest Provisions bill) has been successfully concluded. It passed the Senate Floor on June 23rd with a 38-0 vote, and was signed by the Governor on July 1st.

Thank you to the many LAFCOs who rushed to get letters submitted to the Governor after that June 23rd passage.

Given that this is the culmination of an effort that began in 2017, special thanks must again go to the Protest Provisions Working Group members for the YEARS of work on this bill.

The Board of Directors - and all of CALAFCO - extends its sincerest thanks and gratitude to **Jo MacKenzie, José Henriquez, Kai Luoma, Steve Lucas, Paul Novak, Holly Whatley** and, of course, **Pamela Miller** (who stayed on to work the bill in a volunteer capacity.)

Other Legislative Updates

AB 2957, the CALAFCO sponsored Omnibus bill has also been successfully completed. It was passed by the Senate on June 9th, and signed by the Governor on June 21, 2022. Thank you to all of the Legislative Committee members and EOs who submitted proposed changes for the bill. Special thanks to Joe Serrano who had the unenviable task of logging all of those changes!

See **OTHER UPDATES** on Page 3



A Message from the

Executive Director

It's been a busy few months in the office.

We've held two successful and well-received CALAFCO U webinars. Like much of what we do, these could not exist without the volunteerism of our panelists. Thanks to Carolyn Emery (OC), Alison Alpert (BB&K), and Gary Phillips (Bob Murray and Associates) for participating in our June webinar on recruitments and hiring in a post pandemic world. Also, kudos to David Ruderman (Colantuono, Highsmith & Whatley) for organizing our July offering regarding R&T 99, with thanks to panelists José Henriquez (Sacramento), Israel Guevara (OC Auditor-Controller) and Holly Whatley (CHW). I hear time and again how much our members appreciate these offerings!

Our next CALAFCO U is scheduled in September, then they will go on hiatus through the conference and holidays. The target month for our first session in 2023 is February. Thanks to Dawn Mittleman Longoria (Napa) who has been my wing person on these. I could NOT have made it without her!!

Jeni and I are now in full conference mode. Registration opened on July 5th and they have been coming in steadily. If you missed the July 31st Early Bird deadline, the next date to watch is **August 31st** which will be the last day to get the Standard Registration Fee. After that it will be Late Fee only.

Sponsorship packets were sent out and we're seeing some new and returning sponsors already! However, I would ask and encourage you all to send a packet to those in your networks as well.

Our conference planning committee is working hard and the program is taking shape. Many thanks to José Henriquez who is spearheading that effort. Look for more specifics to be announced soon.

Also, a reminder that **ACHIEVEMENT AWARD NOMINATIONS** are due no later than **August 12th at 5:00 PM** so

See **ED**, column right

IN MEMORIAM

JERRY GLADBACH, Los Angeles LAFCo Commissioner

Sad news from Los Angeles LAFCo who lost long-time commissioner, Jerry Gladbach, on July 14th. Commissioner Gladbach was a representative of the Santa Clarita Valley Water Agency and had held a seat on the L.A. LAFCo where he had served as its Chair for 16 years. Commissioner Gladbach also served as a CALAFCO Director from 2005 to 2013, held the position of CALAFCO Board Chair in 2012, received the Most Outstanding Commissioner Award in 2013, as well as the prestigious and well-deserved Lifetime Achievement Award in 2021.



A resident of the Santa Clarita Valley since 1968, Commissioner Gladbach was a do-er who had also served on boards of the National Water Resources Association and the California Water Agencies Joint Powers Insurance Authority. He was renowned for his knowledge, dedication, kindness, and friendliness and will be missed by all.

CALAFCO sends its deepest condolences to Commissioner Gladbach's family, friends, and co-workers.



Contra Costa LAFCo bid farewell to Commissioner Igor Skaredoff

(Contra Costa Resource Conservation District) who served as a Special District member since 2014. During Commissioner Skaredoff's tenure, Contra Costa LAFCo competed numerous Municipal Service Reviews covering fire/emergency medical, reclamation, healthcare, parks & recreation, cemetery, and city services; and acted on over 75 proposals including dozens of boundary changes and reorganizations, and four district dissolutions. Also, during Commissioner Skaredoff's tenure, Contra Costa LAFCo Commissioners were named "Most Effective Commission" at the 2019 annual CALAFCO conference.

See **CONNECTIONS** on Page 4

ED, Continued from left column

get those nominations in to Steve Lucas today!

Another date to note is **September 19th** at 5:00 PM - which is when Director Nominations, Requests for Absentee/Electronic Ballots, and names of voting delegates must be **received**.

And if that wasn't enough, Absentee Ballots are due **October 14th**.

Lastly, a special shout out to Gary Thompson (Riverside) who will be presenting at the CSDA conference in balmy Palm Desert on August 24th. Many thanks, Gary!

Okay, folks, I know that's a lot of dates but you'll also find them all on the Calendar of Events on Page 3.

As usual, please feel free to reach out to me any time that you have any questions or concerns. Enjoy the summer, be safe, and see you at the Conference!!

Upcoming EVENTS

CALAFCO 2022 ANNUAL CONFERENCE

October 19 - 21, 2022

Join us at the **Hyatt Regency Newport Beach John Wayne Airport** on



October 19-21, 2022 for our long-awaited, long-overdue Annual Conference! The program planning committee is finalizing what is sure to be a great program. Go

to calafco.org for more details. *See you in Newport Beach!*

2023 STAFF WORKSHOP

April 26 - 28, 2023

Learn technical topics in a beautiful setting! Don't miss next year's Staff Workshop on the beautiful grounds of Ironstone Vineyards in Murphys, California.



CALAFCO U explores topics of interest to LAFcos and are offered at no cost to our members.

Sep. 19, 2022: **Two Agencies in Dispute: LAFco's Role in Assisting in Resolving the Conflict**
1:00 PM

TBD, 2023: **The Dirty Dozen: Things I Wish I Knew About The Act**

BOARD MEETINGS:

Oct. 21, 2022 LOCATION: Newport Beach (Conference)

Dec. 2, 2022 LOCATION: Virtual

LEGISLATIVE COMMITTEE MEETINGS:

Sept. 16, 2022 **CANCELLED**

Oct. 7, 2022 LOCATION: Virtual

Nov. 4, 2022 LOCATION: TBD

OTHER IMPORTANT DATES:

Aug. 12, 2022 ACHIEVEMENT AWARD NOMINATIONS DUE

Sept. 19, 2022 BOARD OF DIRECTOR NOMINATIONS DUE

Sept. 19, 2022 ABSENTEE/ELECTRONIC BALLOT REQUESTS DUE

Sept. 19, 2022 NAME OF VOTING DELEGATE DUE

Oct. 14, 2022 ABSENTEE BALLOTS ARE DUE

Oct. 20, 2022 ELECTIONS

OTHER UPDATES

Continued from Page 1

CALAFCO is currently tracking a total of 29 bills. Included among those are:

- AB 897** (Mullin), establishment of a regional climate network. This bill has stalled and is in its second year.
- AB 1640** (Ward), would authorize the creation of regional climate networks, as well as set up guidelines. Referred to the Senate Appropriations suspense file.
- AB 1773** (Patterson), return of Williamson Act subvention funding. Held under submission in Assembly Appropriations on May 19th.
- SB 739** (Cortese), was a gut and amend seeking to create ministerial processes for the annexations of unused golf courses to be used for the development of high rise buildings with 600-700 residences. The author's office notes that it will not be pursuing this bill this year.
- SB 852** (Dodd), is similar to AB 1640 in that it addresses the formation of climate resilience districts, however, this bill focuses on enhanced infrastructure financing to fund public capital facilities including projects that address climate change impacts. Scheduled for third reading in the Assembly on August 8th.
- SB 1100** (Cortese), which would amend the Brown Act to include provisions and procedures regarding meeting disruptions has passed both houses and is now in Engrossing and Enrolling.
- SB 1490, 1491, and 1492**, the annual Validation Acts, have now been chaptered.

The legislative season is now nearing a close with August 12th being the last day for fiscal committees to meet and report bills. After that, the remainder of the month will be Floor sessions only, with August 25th being the last day to amend bills on the floor. August 31st is the deadline for each house to pass bills, and the Final Recess will begin upon adjournment on that date.

It is fitting to note at this time that this important work does not happen in a vacuum. The Legislative Committee is composed of 32 members who have committed to give generously of their time and expertise. CALAFCO could not do what it does without them, so our sincerest thanks to the following:

Board Appointees - Bill Connelly, Gay Jones, Mike Kelley, Chris Lopez, Jo MacKenzie, Daron McDaniel, Mike McGill, Margie Mohler, Anita Paque, and Josh Susman.

Staff Voting Members - Clark Alsop, Gary Bell, Mark Bramfitt, Scott Browne, Carolyn Emery, René LaRoche, Steve Lucas, Kai Luoma, Jennifer Stephenson, and Gary Thompson.

Staff Alternates - Rob Fitzroy, Paula Graf, Joe Serrano, and Paula de Sousa.

Advisory - Tara Bravo, Crystal Craig, Brandon Fender, Sara Lytle-Pinhey, Priscilla Mumpower, Erica Sanchez, Jim Simon, and Luis Tapia.

CONNECTIONS

Continued from Page 2

Contra Costa also welcomed Commissioner Patricia Bristow in June as its new Special District member. Commissioner Bristow currently serves as Board Member on both the Byron-Brentwood-Knightsen Union Cemetery District and the Byron Sanitary District and serves on the Contra Costa County Transportation Authority Citizen Advisory. Commissioner Bristow has lived in Brentwood and Byron her entire life and was a teacher and counselor in the Brentwood Unified School District for 34 years. Her family has farmed in the community for over 100 years.

NEW Roles

LUIS TAPIA promotes to OC AEO

Orange County LAFCo announced the promotion of Luis Tapia to the Assistant Executive Officer position. Luis brings a great deal of experience to the role having been with Orange LAFCo since 2016 and is an Advisory member to the CALAFCO Legislative Committee.

NATASHA CARBAJAL hired as Santa Barbara's new Analyst-Clerk

Santa Barbara LAFCo is pleased to welcome Natasha Carbajal as its new Analyst/Clerk. Natasha had been providing clerking services for

about 10 months while she was with the Santa Barbara Clerk of the Board's Office. She comes to LAFCo with a broad range of skills and abilities, including great local government experience and all around good public service skills. Natasha has a Master of Public Administration from California State University Northridge and a Bachelor of Arts, Sociology from University Channel Islands.

MORGAN BING welcomed as SLO Clerk Analyst

Morgan Bing has joined San Luis Obispo LAFCo as their new Clerk Analyst. She comes to SLO LAFCo with a Bachelors and Masters degree from Cal Poly San Luis Obispo and four years of experience. SLO LAFCo is very excited to have her on their team!

SAFARINA MALUKI becomes Clerk in Monterey

Monterey LAFCo has welcomed Safarina Maluki as their new Clerk to the Commission/Office Administrator. Safarina has a wide range of responsibilities in support of the Commission and staff, and she looks forward to getting to know her colleagues around the State!

Congratulations one and all!

Associate Member SPOTLIGHT

The information below is provided by the Associate member upon joining the Association. All Associate Member information can be found in the CALAFCO Member Directory

E MULBERG & ASSOCIATES

Services include Municipal Service Reviews, Sphere of Influence updates, changes in organization, staff support, CEQA analysis, and assistance with applications to LAFCo.

To learn more about E Mulberg & Associates, visit their website at www.emulberg.com, or contact Elliot Mulberg at Elliot@emulberg.com.



LOS ANGELES COUNTY SANITATION DISTRICTS

Provides sewer service to 78 cities and unincorporated areas of LA County. Before a district can provide sewage service to a territory, it must be within its jurisdictional boundaries. Donna Curry administers the annexation program, including processing applications for annexation.

To learn more about LACSD visit their website at www.lacsd.org, or contact Donna Curry at dcurry@lacsd.org

CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to highlighting you all in future Newsletters.