



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, December 14th, 2023, - 6:30 PM

6:30 PM is the new LAFCo Regular Commission Meeting start time.

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

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS FOR HYBRID ATTENDEES

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

SPOKEN PUBLIC COMMENTS FOR HYBRID ATTENDEES:

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

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

CALL TO ORDER BY CHAIR

ROLL CALL BY CLERK

AGENDA REVIEW

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

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 October 12, 2023 Regular Meeting
- 2) Commission Ratification of Payments from October 1, 2023 to November 30, 2023
- 3) Approval of the 2024 Commission Calendar

- 4) Authorize the Executive Officer to Request the County Auditor to Collect the LAFCo Dues owed by delinquent special district Marin City CSD from property tax or any fee or eligible revenue owed to the district, along with any expenses incurred by the Commission or Auditor
- 5) Review and File Fiscal Year 2022-2023 GASB 75 Report and Approval of a Two Year Contract with MacLeod Watts for future GASB 75 reports

PUBLIC HEARING

- 6) Approval of Resolution 23-15, Annexation of 45 Stirrup Ln, Novato (APN:146-020-11)) to the Novato Sanitary District (LAFCo File #1374) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319
- 7) Approval of Resolution 23-16, Annexation of 19 Tanfield Rd., Tiburon (APN: 039-081-14) to the Richardson Bay Sanitary District (LAFCo File #1375) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319
- 8) Approval of Sewerage Agency of Southern Marin Municipal Service Review
 - a) Adopt Resolution 23-17 Approving Final Draft of the Sewerage Agency of Southern Marin Municipal Service Review and Finding it Exempt from CEQA pursuant to State CEQA guidelines Section 15306, Class 6
 - b) Approve Workplan From Report
 - c) Adopt Resolution 23-18 Reaffirming the Sphere of Influence in Common of Alto, Almonte, Homestead Valley, and Richardson Bay Sanitary Districts and Finding it Exempt from CEQA Pursuant to State CEQA Guidelines Section 15061(b)(3)
- 9) Adopt The Following Resolution Amending a Sphere of Influence for the Novato Fire Protection District
 - a) Resolution 23-19 Amending the Sphere of Influence of the Novato Fire Protection District and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3)

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.

- 10) Discussion of Commission Workshop on January 12, 2024

EXECUTIVE OFFICER REPORT

- a) Budget Update
- b) Current and Pending Proposals
- c) CALAFCO Update (Verbal)

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

ADJOURNMENT TO NEXT REGULAR MEETING

February 8th, 2023| 6:30 P.M.



Attest: Claire Devereux
Clerk/Jr. Policy Analyst

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

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

Marin LAFCo

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

T: 415-448-5877
E: staff@marinlafco.org
W: marinlafco.org



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

DRAFT

NOTICE OF REGULAR MEETING MINUTES

Marin Local Agency Formation Commission

Thursday, October 12th, 2023, - 6:30 PM

6:30 PM is the new LAFCo Regular Commission Meeting start time.

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

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS FOR HYBRID ATTENDEES

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

CALL TO ORDER

Chair Coler called the meeting to order at 6:30 P.M.

ROLL CALL BY COMMISSION CLERK

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

Commissioners Present:	Barbara Coler Dennis Rodoni Steve Burdo (arrived at 6:33) Eric Lucan (arrived at 6:52) Lew Kious Larry Chu Craig Murray
Alternate Commissioners Present:	Roger Smith (arrived at 6:47)
Marin LAFCo Staff Present:	Jason Fried Jeren Seibel Claire Devereux
Marin LAFCo Counsel Present:	Malathy Subramanian

Commissioners Absent: None

Alternate Members Absent: Cathryn Hilliard
Stephen Burke
Stephanie Moulton-Peters

AGENDA REVIEW

No Change Made

PUBLIC OPEN TIME

Each item had the chair open for public comment and with no public comment, the chair closed it.

CONSENT CALENDAR ITEMS

1. Approval of Minutes for August 10, 2023, Regular Meeting
2. Commission Ratification of Payments from August 10, 2023, to September 31, 2023
3. Approval of Adjustments to Budget Line Items in the FY 23-24 Budget

Commissioner Murray requested a change to the minutes to one of the votes to correctly reflect how he voted.

Vice Chair Rodoni made a motion noting that he was not present at the last meeting but read and understood the minutes.

Approved: M/S by Commissioners Rodoni and Murray to approve the agenda with necessary changes
Ayes: Commissioners Murray, Chu, Coler, Rodoni, Burdo and Kious

Nays:

Abstain:

Absent: Lucan

Motion approved unanimously.

PUBLIC HEARING

4. Presentation of the Southern Marin Wastewater Municipal Service Review Public Draft. This is a hearing for the commission to review and make recommendations. The hearing will be continued to the next meeting.

EO Fried briefly introduced past Southern Marin Wastewater MSR, and in 2011, Marin LAFCo attempted a forced consolidation. EO stated that this time, they tried a different approach to the MSR in which, in addition to interviewing the head of staff, he talked with each of the chairs of the four SASM independent district members. EO thanked Commissioner Kious for providing help in scheduling meetings with SASM chairs.

DEO Seibel gave a brief presentation on "The What and the Why" of an MSR and the outcomes and recommendations made in the Service Review. DEO also stated that no comments were received from the public or the agencies. However, comments were received from commissioners.

Commissioner Murray asked staff if it has ever been considered to join Alto Sanitary with Richardson Bay Sanitary. Both EO Fried and Commissioner Kious stated that Alto was only interested in being their own agency.

Chair Coler brought forth the idea of changing the name of the MSR to something less broad and more specific. Coler also mentioned her concerns for the election cycle and that it may be concerning that there isn't that engagement of people standing up to be elected and to maybe consider weighted voting.

DEO stated that the question/discussion staff is asking of the commission today is about an amended or reaffirmed SOI and whether an SOI-in-common be created. An SOI-in-common is an SOI that designates that the commission believes that a single district would better serve those communities.

Chair Coler opened a public hearing. Without any public member in attendance or wishing to speak, the chair closed the public hearing.

Commissioner Kious addressed several items in the report, starting with why an annexation of Alto in Richardson Bay would not work due to the higher operational costs for Richardson Bay and, if merged, would cause an influx in costs to Alto residents. Next, Kious addressed weighted voting, citing that they have refined the SASM voting system over the years and that it works. Later, he discussed the topic of staffing that shared services between districts would not make sense financially and would not work. SASM has asked all board presidents whether they think consolidation is a good idea and if they would support it, to which they all said no. Commissioner Kious also wanted an addition to the MSR that brings to light all the changes made since the spills, that there have not been any since, and that EPA has loosened SASM restrictions due to such improvements.

EO stated in response that LAFCo is not pursuing a consolidation at this time.

Commissioner Burdo stated that he has had immense experience in sewerage and thanked Commissioner Kious for his input and expertise. Burdo continued to say that although there may be a different time in the future, consolidation may be necessary based on the cost of operation and other factors.

Commissioner Burdo asked if a cost analysis had been done, to which DEO Seibel and Commissioner Kious stated that there had been a cost and several other studies done in 2011.

Vice-Chair Rodoni gave some history on the 2011 consolidation attempt and stated that If consolidation were to be done, it should include Mill Valley.

Commissioner Chu stated that 13 years is not enough time to consider a new consolidation and to keep the idea of consolidation as a recommendation.

Commissioner Murray discussed functional consolidation as a recommendation, focusing on consolidating single-purpose districts.

Commissioner Lucan addressed the recommendation of moving the boards from 5 to 3, suggesting being less prescriptive and removing 5 to 3. Lucan stated that if the board struggles to retain members, decreasing the amount could affect the board's ability to vote.

Informally the commissioners, except for Commissioner Kious, agreed that SASM would benefit from a Sphere of Influence in Common instead of each agency getting its own SOI.

Approved: M/S by Commissioners Burdo and Lucan to continue the hearing to the December 14th Regular Commission Meeting.

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

Nays:

Abstain:

Absent:

Motion approved unanimously.

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.

5. Discussion Of Issues The Commission Would Like to Be Part of the January Workshop

EO introduced the item by asking commissioners what they wanted to see or discuss at the workshop.

Commissioner Murray and Rodoni suggested engagement of special districts' discussion of any new legislation.

Suggestions by Commissioner Lucan is a comparison of Marin County to others in terms of agencies LAFCo reviews.

Vice-Chair Rodoni also suggested discussing how the housing element plays a role or impacts Marin LAFCo.

EO suggested a rapid-fire section including the rotation Chair and Vice-Chair items, Juneteenth as a holiday, a public seat selection process, and committees.

6. Discussion and Approval to Change the Amount Needed for Two Signatures to \$3,500 and Change LAFCo Policy to Reflect This New Amount

No discussion occurred, and a motion was made promptly by Commissioner Burdo and seconded by Commissioner Kious.

Approved: M/S by Commissioners Burdo and Kious to approve the amount needed for two signatures for a check of \$3,500.

Ayes: Commissioners Murray, Chu, Coler, Rodoni, Lucan

Nays:

Abstain:

Absent:

Motion approved unanimously.

EXECUTIVE OFFICER REPORT

a) Budget Update

EO reported that the budget is on track.

b) Current and Pending Proposals

We received our first proposal for this fiscal year in September, which is currently in its 30-day review period.

c) CALAFCO Update (Verbal Report)

DEO Seibel talked about how Marin LAFCo wrote a letter of opposition for legislation AB 399, which is San Diego-specific. Still, CALAFCO believes it sets a precedent that negatively impacts all LAFCos. The chair approved the letter.

EO Fried discussed CALAFCO conference reimbursements.

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

ADJOURNMENT TO NEXT MEETING

Thursday, December 14, 2023



Attest:

Claire Devereux Clerk/Junior Analyst

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Marin Local Agency Formation Commission

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AGENDA REPORT
December 14, 2023
Item No. 2 – (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Commission Ratification of Payments from October 1, 2023 to November 30, 2023

Background

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

The following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between October 1, 2023, and November 30, 2023, totaling \$87,607.44. The payments are detailed in the attachment.

Staff Recommendation for Action

1. Staff Recommendation - Ratify the payments made by the Executive Officer between October 1, 2023, and November 30, 2023, as shown in the 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 October 1, 2023, and November 30, 2023

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

Dennis Rodoni, Vice-Chair
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Valley Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

Marin Local Agency Formation Commission

Expenses by Vendor Detail

12/01/23

Accrual Basis

October through November 2023

Type	Date	Num	Memo	Account	Amount	Balance
BURDO, STEVE						
Check	10/24/2023	20954	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total BURDO, STEVE					125.00	125.00
Cardmember Services						
Credit Card Charge	10/18/2023		adobe	20 · IT & Communic...	71.97	71.97
Credit Card Charge	10/18/2023		mac tech	20 · IT & Communic...	995.70	1,067.67
Credit Card Charge	10/18/2023		marin ij	50 · Office Supplies ...	10.87	1,078.54
Credit Card Charge	10/18/2023		streamline	20 · IT & Communic...	126.00	1,204.54
Credit Card Charge	10/18/2023		zoom	20 · IT & Communic...	15.99	1,220.53
Credit Card Charge	10/18/2023		refresh water	50 · Office Supplies ...	48.74	1,269.27
Credit Card Charge	10/18/2023		krieger	25 · Legal Services	270.00	1,539.27
Credit Card Charge	10/18/2023		verizon	20 · IT & Communic...	95.78	1,635.05
Credit Card Charge	10/18/2023		comcast	20 · IT & Communic...	101.79	1,736.84
Credit Card Charge	10/18/2023		dine-in	50 · Office Supplies ...	54.58	1,791.42
Credit Card Charge	11/17/2023		sfo parking	75 · Travel - Mileage	50.00	1,841.42
Credit Card Charge	11/17/2023		hyatt	10 · Conferences	33.61	1,875.03
Credit Card Charge	11/17/2023		adobe	20 · IT & Communic...	71.97	1,947.00
Credit Card Charge	11/17/2023		mac tech	20 · IT & Communic...	995.70	2,942.70
Credit Card Charge	11/17/2023		marin ij	50 · Office Supplies ...	10.87	2,953.57
Credit Card Charge	11/17/2023		streamline	20 · IT & Communic...	126.00	3,079.57
Credit Card Charge	11/17/2023		zoom	20 · IT & Communic...	15.99	3,095.56
Credit Card Charge	11/17/2023		refresh water	50 · Office Supplies ...	48.74	3,144.30
Credit Card Charge	11/17/2023		krieger	25 · Legal Services	2,100.00	5,244.30
Credit Card Charge	11/17/2023		verizon	20 · IT & Communic...	93.76	5,338.06
Credit Card Charge	11/17/2023		comcast	20 · IT & Communic...	126.74	5,464.80
Credit Card Charge	11/17/2023		marin ij	50 · Office Supplies ...	10.87	5,475.67
Credit Card Charge	11/17/2023		hp printer	40 · Office Equipme...	468.68	5,944.35
Credit Card Charge	11/17/2023		hyatt	10 · Conferences	2,140.02	8,084.37
Total Cardmember Services					8,084.37	8,084.37
CHU, LAURENCE						
Check	10/24/2023	20953	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total CHU, LAURENCE					125.00	125.00
Cinquini & Passarino Inc						
Check	10/24/2023	20949	Invoice # 10447	55 · Professional Se...	981.50	981.50
Total Cinquini & Passarino Inc					981.50	981.50
Coler, Barbara						
Check	10/24/2023	20957	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total Coler, Barbara					125.00	125.00
COMMUNITY MEDIA CENTER OF MARIN						
Check	10/11/2023	20947	Invoice # 190...	10 · Conferences	375.00	375.00
Total COMMUNITY MEDIA CENTER OF MARIN					375.00	375.00
CONNECT YOUR CARE						
Check	10/18/2023	eft	COBRA ADMIN	126 · Health Insuran...	1.11	1.11
Check	11/17/2023	eft	COBRA ADMIN	126 · Health Insuran...	1.11	2.22
Total CONNECT YOUR CARE					2.22	2.22
Delta Dental of California						
Check	10/12/2023	eft		122 · Dental Insuran...	74.88	74.88
Check	11/01/2023	eft		122 · Dental Insuran...	74.88	149.76
Check	11/22/2023	eft		122 · Dental Insuran...	149.76	299.52
Total Delta Dental of California					299.52	299.52
Kaiser Foundation Health Plan						
Check	10/12/2023	eft		126 · Health Insuran...	1,253.70	1,253.70
Check	10/31/2023	eft		126 · Health Insuran...	1,253.70	2,507.40
Total Kaiser Foundation Health Plan					2,507.40	2,507.40

Marin Local Agency Formation Commission

Expenses by Vendor Detail

12/01/23

October through November 2023

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
KIOUS, LEWIS						
Check	10/24/2023	20950	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total KIOUS, LEWIS					125.00	125.00
LUCAN, ERIC						
Check	10/24/2023	20951	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total LUCAN, ERIC					125.00	125.00
MARIN INDEPENDENT JOURNAL						
Check	10/11/2023	20946	Invoice # 000...	60 · Publications/No...	101.17	101.17
Total MARIN INDEPENDENT JOURNAL					101.17	101.17
MURRAY, CRAIG K						
Check	10/24/2023	20955	oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total MURRAY, CRAIG K					125.00	125.00
PAYCHEX						
Check	10/13/2023	eft		35 · Misc Services	68.54	68.54
Check	10/27/2023	eft		35 · Misc Services	68.54	137.08
Check	11/10/2023	eft		35 · Misc Services	68.54	205.62
Check	11/24/2023	eft		35 · Misc Services	68.54	274.16
Total PAYCHEX					274.16	274.16
PAYROLL						
Check	10/13/2023	eft	9/17-9/30/23	105 · Sal - Regular ...	13,644.38	13,644.38
Check	10/13/2023	eft	9/17-9/30/23	124 · Auto Allowance	350.00	13,994.38
Check	10/13/2023	eft	9/17-9/30/23	125 · Unused Fringe...	100.00	14,094.38
Check	10/13/2023	eft	9/17-9/30/23	131 · Co Ret Cont Ti...	1,610.04	15,704.42
Check	10/13/2023	eft	Jeren correction	121 · Life Insurance	1,687.80	17,392.22
Check	10/27/2023	eft	10/1-10/14/23	105 · Sal - Regular ...	13,644.38	31,036.60
Check	10/27/2023	eft	10/1-10/14/23	124 · Auto Allowance	0.00	31,036.60
Check	10/27/2023	eft	10/1-10/14/23	125 · Unused Fringe...	100.00	31,136.60
Check	10/27/2023	eft	10/1-10/14/23	131 · Co Ret Cont Ti...	1,610.04	32,746.64
Check	11/10/2023	eft	10/15-10/28/23	105 · Sal - Regular ...	13,644.38	46,391.02
Check	11/10/2023	eft	10/15-10/28/23	124 · Auto Allowance	350.00	46,741.02
Check	11/10/2023	eft	10/15-10/28/23	125 · Unused Fringe...	100.00	46,841.02
Check	11/10/2023	eft	10/15-10/28/23	131 · Co Ret Cont Ti...	1,610.04	48,451.06
Check	11/24/2023	eft	10/29-11/11/23	105 · Sal - Regular ...	13,644.38	62,095.44
Check	11/24/2023	eft	10/29-11/11/23	124 · Auto Allowance	0.00	62,095.44
Check	11/24/2023	eft	10/29-11/11/23	125 · Unused Fringe...	100.00	62,195.44
Check	11/24/2023	eft	10/29-11/11/23	131 · Co Ret Cont Ti...	1,610.04	63,805.48
Total PAYROLL					63,805.48	63,805.48
PAYROLL TAXES						
Check	10/13/2023	eft	9/17-9/30/23	111 · Medicare Tax	229.85	229.85
Check	10/27/2023	eft	10/1-10/14/23	111 · Medicare Tax	200.30	430.15
Check	11/10/2023	eft	10/15-10/28/23	111 · Medicare Tax	205.38	635.53
Check	11/24/2023	eft	10/29-11/11/23	111 · Medicare Tax	200.30	835.83
Total PAYROLL TAXES					835.83	835.83
RICOH USA INC						
Check	11/21/2023	20963	Invoice # 506...	50 · Office Supplies ...	104.45	104.45
Check	11/21/2023	20963	Invoice # 506...	40 · Office Equipme...	574.98	679.43
Total RICOH USA INC					679.43	679.43
RODONI, DENNIS JAMES						
Check	10/24/2023	20952	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total RODONI, DENNIS JAMES					125.00	125.00

Marin Local Agency Formation Commission

Expenses by Vendor Detail

12/01/23

October through November 2023

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
Roger Smith						
Check	10/24/2023	20956	Oct 2023 Co...	05 · Commissioner ...	125.00	125.00
Total Roger Smith					125.00	125.00
SCHIFFMANN, ALYSSA						
Check	10/03/2023	20945	Invoice # 224	55 · Professional Se...	1,147.00	1,147.00
Check	10/31/2023	20959	Invoice # 228	55 · Professional Se...	370.00	1,517.00
Total SCHIFFMANN, ALYSSA					1,517.00	1,517.00
SECURITY MORTGAGE GROUP 2						
Check	10/03/2023	20944	Oct 2023 Rent	45 · Office Lease/Rent	2,956.00	2,956.00
Check	10/31/2023	20960	Nov 2023 Rent	45 · Office Lease/Rent	2,956.00	5,912.00
Total SECURITY MORTGAGE GROUP 2					5,912.00	5,912.00
Teamsters Local 856 Health & Welfare						
Check	10/16/2023	eft		126 · Health Insuran...	899.12	899.12
Total Teamsters Local 856 Health & Welfare					899.12	899.12
The Hartford						
Check	10/05/2023	eft		121 · Life Insurance	151.98	151.98
Check	11/08/2023	eft		121 · Life Insurance	151.98	303.96
Total The Hartford					303.96	303.96
VSP						
Check	10/05/2023	eft		123 · Vision Service ...	14.64	14.64
Check	11/06/2023	eft		123 · Vision Service ...	14.64	29.28
Total VSP					29.28	29.28
TOTAL					87,607.44	87,607.44



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

December 14, 2023

Item No. 3 (Consent Item)

TO: Local Agency Formation Commission

FROM: Claire Devereux, Clerk/Policy Analyst

SUBJECT: Approval of the 2024 Commission Calendar

Background

Per Marin LAFCo policy annually, Marin LAFCo must approve the regular meeting schedule. LAFCo holds regular meetings on the second Thursday of even-numbered months at 6:30 P.M. at the Marin Wildfire Prevention Authority. MWPA has confirmed that the meeting room is available for the same time in 2024. We will go back to using that room for meetings in February unless the Commission would like to look for other locations that can fit our needs. Listed below is the schedule for the 2024 Commission meetings.

The 2024 spring break dates are April 8th through the 12th which conflicts with our April Regular Commission Meeting. If anybody wishes to discuss changing dates please remove the item from the consent calendar.

In addition, the Commission has scheduled a workshop for January 12, 2024, at 9:00 A.M in the Marin Wildfire Prevention Authority room where our regular commission meetings occur.

Meeting Dates for 2024: February 8; April 11; June 13; August 8; October 10; December 12

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.

Staff Recommendation for Action

Staff Recommendation - Approve the meeting dates mentioned above.

Alternate Option – Make changes to the proposed schedule of meetings.

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Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Valley Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

December 14, 2023

Item No. 4 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Authorize the Executive Officer to Request the County Auditor to Collect the LAFCo Dues owed by delinquent special district Marin City CSD from property tax or any fee or eligible revenue owed to the district, along with any expenses incurred by the Commission or Auditor

Background

Based on state government code every year LAFCo is to inform the County of its approved budget and the total amount that our member agencies split to cover our budget. Once this is transmitted the County then goes through a state prescription process to determine how much each agency must pay to LAFCo and send out invoices for payment which they have 60 days to pay. County staff tracks who has paid and provides this information to LAFCo staff. Each year we normally have 1 or 2 agencies that do not pay those dues within 60 days. LAFCo staff then reaches out to the agencies reminding them to pay. Up until this year that reminder has been enough to get all payments. This year however we still have one agency that has not made payment. State government code section 56381(c) states in part:

“...If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district...”

As of the writing of this report, LAFCo staff is working with County staff on how to implement this. One question that the County is reviewing is what the part about “...commission may determine an appropriate method...” means, as in can staff make the determination or does it need to be the Board that takes that action? LAFCo staff and LAFCo legal counsel thinks this means staff can make the request but out of an abundance of caution if the County desires it be the Board of the Commission staff is recommending the Board approve giving staff approval to request the County Auditor take action as prescribed in 56381(c).

Should payment be made or the County decide Board action is not needed then staff will inform the Commission at the meeting and have this item removed from the consent calendar.

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

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

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.

Staff Recommendation for Action

1. Staff Recommendation – Authorize the EO to formally request the County Auditor implement its authority to collect dues from Marin City CSD.
2. Alternate Option – Take no action today and give staff any needed instructions.



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

December 14, 2023

Item No. 5 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Review and File Fiscal Year 2022-2023 GASB 75 Report and Approval of a Two-Year Contract with MacLeod Watts for future GASB 75 reports

Background

Every year we must have a Government Accounting Standards Board (GASB) 75 done for our OPEB obligations. We received our most recent report at the end of November for Fiscal year 2022-23, which is attached for your review. Based on the report we currently have a little more than needed in our account with CalPERS to cover OPEB for current staff. While we have the ability to withdraw that extra amount staff would recommend leaving it in the account. As a reminder, Marin LAFCo, prior to current staff being on board, decided that for its one current retiree we would use a pay-as-you-go approach.

These reports are done in two-year cycles with the first year being a full update and review with the second year being an update to that report. With the completion of this report, we have completed the most recent two-year cycle. Staff is recommending we keep MacLeod Watts to do another two-year cycle of GASB reports. Attached is a BBK preapproved template agreement with the only additions being costs and work to be performed under the agreement. The new two-year contract will be a not-to-exceed amount of \$6,300 which is a \$400 increase from the current contract.

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.

Staff Recommendation for Action

1. Staff Recommendation – Accept and file fiscal year 2022-2023 GASB 75 report. In addition, authorize the Executive Officer to enter into a new agreement for the next round of GASB 75 reports with MacLeod Watts.
2. Alternate Option – Take no action today and give staff any needed instructions.

Attachments:

1. FY 22-23 GASB 75 Report
2. Contract with MacLeod Watts

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Public Member
Roger Smith, Alternate
Public Member

MacLeod Watts

December 1, 2023

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

Re: Marin Local Agency Formation Commission Other Post-Employment Benefits
GASB 75 Actuarial Report for the Fiscal Year Ending June 30, 2023

Dear Mr. Fried:

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

The primary purpose of this report is to provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the Commission's financial statements for the fiscal year ending June 30, 2023. The information included in this report reflects the Commission's established OPEB funding policy to contribute, on average, 100% or more of the Actuarially Determined Contribution.

The exhibits presented are based on a roll forward of the results of the June 30, 2021, actuarial valuation, and on the employee and plan data provided to us for that valuation. The Commission also provided information on retiree benefit payments, trust contributions/reimbursements and total covered employee payroll for the current fiscal year. As with any analysis, the soundness of the report is dependent on the inputs. Please review the information shown in the report to be comfortable that it matches your records.

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

Sincerely,

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

Enclosure

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A. Executive Summary

This report presents actuarial information regarding the other post-employment benefit (OPEB) program of the Marin Local Agency Formation Commission (the Commission). The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for fiscal year end June 30, 2023.

Important background information regarding the valuation process can be found in Appendix 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 disclosures under GASB 75.

This report is based on a roll forward of the results of the June 30, 2021, valuation. A new biennial valuation should be prepared as of June 30, 2023. Results of that valuation will first be applied to prepare that GASB 75 report for the Commission's fiscal year ending June 30, 2024.

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. Details are provided in Supporting Information Section 2.
- **Implicit subsidy liabilities:** An "implicit subsidy" exists when premiums are developed using blended active and retiree claims experience. In this situation, premiums charged for retirees may not be sufficient to cover expected medical claims¹ and the premiums charged for active employees are said to "implicitly subsidize" retirees. This OPEB program includes implicit subsidy liabilities for retiree coverage prior to coverage under Medicare.
- **Other subsidy liabilities:** Pooled plans that do not blend active and retiree premiums likely generate subsidies between employers and retirees within the pool. In the CalPERS medical program, the premium rates for Medicare-covered retirees are based only on retiree claims experience of the pool. A recent actuarial practice note indicated these subsidies should be included in plan liabilities to the extent they are paid by the employer.² We determined there is no pool subsidy required to be included for this plan.

We determine explicit subsidy liabilities using the expected direct payments promised by the plan toward retiree coverage. We determine the implicit and other subsidy liabilities 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 Appendix 2: MacLeod Watts Age Rating Methodology.

¹ In rare situations, premiums for retiree coverage may be high enough that they subsidize active employees' claims.

² 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 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 continues to prefund its OPEB liability, contributing on average 100% of the Actuarially Determined Contribution. With the Commission's approval, the discount rate used for accounting purposes and to develop Actuarially Determined Contributions for plan funding is 5.6%. This rate reflects the current expectation of the long-term return on trust assets, based on information provided by CalPERS in March 2022. This rate is slightly lower than the 5.75% return determined from prior CalPERS return projections. For more information, see Expected Return on Trust Assets on page 7.

Actuarial Assumptions

The actuarial "demographic" assumptions (i.e., rates of retirement, death, or other termination of employment) used in this report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plan(s) covering Commission employees. 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 Used in the Valuation

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

Fiscal Year End	June 30, 2023
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021, to June 30, 2022
Valuation Date	June 30, 2021



Executive Summary

(Concluded)

Updates Since the Prior Report

This report is based on a roll forward of the June 30, 2021, valuation. No benefit changes and no material changes in plan members or premium rates were reported to MacLeod Watts from those in place at the time the 2021 valuation was prepared. As such, no new census data was collected, and no plan experience was determined. No assumptions were changed, other than an update to the assumed trust rate of return/discount rate as described earlier. Investment experience (the difference between actual and expected trust earnings) was also reflected.

Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2023

The plan's impact to Net Position will be the sum of 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, 2023
Total OPEB Liability	\$ 64,380
Fiduciary Net Position	<u>(69,820)</u>
Net OPEB Liability	\$ (5,440)
<i>Adjustment for Deferred Resources:</i>	
Deferred (Outflows)	(15,738)
Deferred Inflows	<u>15,601</u>
Impact on Statement of Net Position	<u><u>\$ (5,577)</u></u>
OPEB Expense, FYE 6/30/2023	\$ 2,940

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. Results Measured as of June 30, 2022

The Commission’s OPEB liability measured as of June 30, 2022, was determined based on a “roll-forward” of the June 30, 2021, valuation. A roll-forward valuation moves the plan liability forward based on expected changes. For this type of valuation, we do not collect new plan data, and we generally do not change any actuarial assumptions. One exception is that changes in the liability discount rate reflecting changes in the municipal bond index or updated trust earnings expectations are reflected as of the new measurement date. Updated trust assets as of the measurement date are also reflected in the roll-forward valuation.

GASB allows roll-forward valuations to be performed in the year following the full biennial valuation if no material changes to the plan or the plan’s members have occurred. Examples of material changes would include significantly different terminations or retirements during the year than were assumed, or a change in the retirement plan provisions. No such events or plan amendments were reported by the Commission in the current measurement period.

The chart below reconciles the liability reported last year to that obtained by the roll-forward valuation as of the end of the current fiscal year.

Reconciliation of Changes During Measurement Period	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 66,256	\$ 79,889	\$ (13,633)
Expected Changes During the Period:			
Service Cost	3,078		3,078
Interest Cost	3,987		3,987
Expected Investment Income		4,593	(4,593)
LAFCo Marin Contributions		-	-
Administrative Expenses		(20)	20
Benefit Payments	-	-	-
Total Expected Changes During the Period	7,065	4,573	2,492
Expected at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 73,321	\$ 84,462	\$ (11,141)
Unexpected Changes During the Period:			
Change Due to Investment Experience		(14,642)	14,642
Change Due to Plan Experience Eliminated Liability For Prior Retiree Benefit Expense	(9,711)		(9,711)
Change Due to Change in Discount Rate	770		770
Total Unexpected Changes During the Period	(8,941)	(14,642)	5,701
Balance at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 64,380	\$ 69,820	\$ (5,440)



C. 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, 2023. The Commission is classified for GASB 75 purposes as a single employer.

Components of Net Position and Expense

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

Plan Summary Information for FYE June 30, 2023 <i>Measurement Date is June 30, 2022</i>	Marin LAFCo
Items Impacting Net Position:	
Total OPEB Liability	\$ 64,380
Fiduciary Net Position	(69,820)
Net OPEB Liability (Asset)	(5,440)
<i>Deferred (Outflows) Due to:</i>	
Assumption Changes	(863)
Plan Experience	(3,077)
Investment Experience	(11,798)
Deferred Contributions	-
<i>Deferred Inflows Due to:</i>	
Assumption Changes	1,096
Plan Experience	8,769
Investment Experience	5,736
Impact on Statement of Net Position, FYE 6/30/2023	\$ (5,577)
Items Impacting OPEB Expense:	
Service Cost	\$ 3,078
Cost of Plan Changes	-
Interest Cost	3,987
Expected Earnings on Assets	(4,593)
Administrative Expenses	20
<i>Recognition of Deferred Outflows:</i>	
Assumption Changes	120
Plan Experience	397
Investment Experience	3,025
<i>Recognition of Deferred (Inflows):</i>	
Assumption Changes	(132)
Plan Experience	(942)
Investment Experience	(2,020)
OPEB Expense, FYE 6/30/2023	\$ 2,940



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>	6/30/2022 <i>6/30/2021</i>	6/30/2023 <i>6/30/2022</i>	Change During Period
Total OPEB Liability	\$ 66,256	\$ 64,380	\$ (1,876)
Fiduciary Net Position	<u>(79,889)</u>	<u>(69,820)</u>	<u>10,069</u>
Net OPEB Liability (Asset)	(13,633)	(5,440)	8,193
<i>Deferred (Outflows) Due to:</i>			
Assumption Changes	(213)	(863)	(650)
Plan Experience	(3,474)	(3,077)	397
Investment Experience	(181)	(11,798)	(11,617)
Deferred Contributions	-	-	-
<i>Deferred Inflows Due to:</i>			
Assumption Changes	1,228	1,096	(132)
Plan Experience	-	8,769	8,769
Investment Experience	<u>7,756</u>	<u>5,736</u>	<u>(2,020)</u>
Impact on Statement of Net Position	<u>\$ (8,517)</u>	<u>\$ (5,577)</u>	<u>\$ 2,940</u>

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2022	\$ (8,517)
OPEB Expense (Income)	2,940
LAFCo Marin Contributions During Fiscal Year	-
Impact on Statement of Net Position, FYE 6/30/2023	<u>\$ (5,577)</u>

OPEB Expense

LAFCo Marin Contributions During Fiscal Year	\$ -
Deterioration (Improvement) in Net Position	<u>2,940</u>
OPEB Expense (Income), FYE 6/30/2023	<u>\$ 2,940</u>



Accounting Information
 (Continued)

Change in Fiduciary Net Position During the Measurement Period

		Marin LAFCo
Fiduciary Net Position at Fiscal Year Ending 6/30/2022	\$	79,889
<i>Measurement Date 6/30/2021</i>		
Changes During the Period:		
Investment Income		(10,049)
LAFCo Marin Contributions		-
Administrative Expenses		(20)
Benefit Payments		-
Net Changes During the Period		(10,069)
Fiduciary Net Position at Fiscal Year Ending 6/30/2023	\$	69,820
<i>Measurement Date 6/30/2022</i>		

Expected Long-term Return on Trust Assets

In March 2022, CalPERS updated the projected future investment returns 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 1-5 and years 6 -20. We assumed that the returns for years 6 through 20 would continue in later years.

CERBT Strategy 2		Years 1-5			Years 6-20		
Major Asset Classification	Target Allocation	General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Yrs 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	34%	2.40%	4.40%	6.80%	2.30%	4.50%	6.80%
Fixed Income	41%	2.40%	-1.00%	1.40%	2.30%	2.20%	4.50%
Global Real Estate(REITs)	17%	2.40%	3.00%	5.40%	2.30%	3.90%	6.20%
Treasury Inflation Protected Securities	5%	2.40%	-1.80%	0.60%	2.30%	1.30%	3.60%
Commodities	3%	2.40%	0.80%	3.20%	2.30%	1.20%	3.50%
Volatility	9.9%		weighted	4.2%		weighted	5.9%

To derive the expected future trust return specifically for the District, we first adjusted CalPERS' future return expectations to align with the 2.5% general inflation assumption used in this report. Then applying the plan specific benefit payments to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return to be 5.6%. This is slightly less than the 5.75% return expected based on the 2018 CalPERS expectations used in the prior report.



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.

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

Liability changes attributable to benefit changes occurring during the period, if any, 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, 2023.

Marin Local Agency Formation Commission	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 863	\$ 1,096
Differences Between Expected and Actual Experience	3,077	8,769
Net Difference Between Projected and Actual Earnings on Investments	6,062	-
Deferred Contributions	-	-
Total	\$ 10,002	\$ 9,865

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
2024	\$ 394
2025	553
2026	514
2027	2,349
2028	(650)
Thereafter	(3,023)



Accounting Information

(Continued)

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

The discount rate used for accounting purposes for the fiscal year end 2023 is 5.6%. Healthcare Cost Trend Rate was assumed to start at 5.6% (increase effective January 1, 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% 4.60%	Current 5.60%	Current + 1% 6.60%
Total OPEB Liability	69,943	64,380	59,531
Increase (Decrease)	5,563		(4,849)
% Increase (Decrease)	8.6%		-7.5%
Net OPEB Liability (Asset)	123	(5,440)	(10,289)
Increase (Decrease)	5,563		(4,849)
% Increase (Decrease)	102.3%		-89.1%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Total OPEB Liability	63,424	64,380	65,396
Increase (Decrease)	(956)		1,016
% Increase (Decrease)	-1.5%		1.6%
Net OPEB Liability (Asset)	(6,396)	(5,440)	(4,424)
Increase (Decrease)	(956)		1,016
% Increase (Decrease)	-17.6%		18.7%



Accounting Information
 (Continued)

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

Fiscal Year Ending	2023	2022	2021	2020	2019	2018
<i>Measurement Date</i>	<i>6/30/2022</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>5.60%</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	\$ 3,078	\$ 2,226	\$ 2,161	\$ -	\$ -	\$ -
Interest	3,987	3,505	3,365	3,309	3,413	3,529
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(9,711)	3,595	-	372	-	-
Changes of assumptions	770	(1,360)	-	348	-	-
Benefit payments	-	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Net change in total OPEB liability	(1,876)	7,068	126	(984)	(2,043)	(2,086)
Total OPEB liability - beginning	66,256	59,188	59,062	60,046	62,089	64,175
Total OPEB liability - ending (a)	\$ 64,380	\$ 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	(10,049)	13,132	3,431	4,208	2,544	1,894
Benefit payments	-	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Administrative Expenses	(20)	(24)	(31)	(13)	(22)	(15)
Other Expenses	-	-	-	-	(54)	-
Net change in plan fiduciary net position	(10,069)	13,108	3,400	4,195	18,083	21,366
Plan fiduciary net position - beginning	79,889	66,781	63,381	59,186	41,103	19,737
Plan fiduciary net position - ending (b)	\$ 69,820	\$ 79,889	\$ 66,781	\$ 63,381	\$ 59,186	\$ 41,103
Net OPEB liability - ending (a) - (b)	\$ (5,440)	\$ (13,633)	\$ (7,593)	\$ (4,319)	\$ 860	\$ 20,986
Covered-employee payroll	\$ 323,489	\$ 280,829	\$ 251,193	\$ 127,930	\$ -	\$ 217,782
Net OPEB liability as a % of covered payroll	-1.68%	-4.85%	-3.02%	-3.38%	N/A	9.64%



Accounting Information
 (Continued)

Schedule of Contributions

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
Actuarially Determined Contribution (ADC)	\$ 2,191	\$ 1,606	\$ 1,801	\$ 1,981	\$ 1,526	\$ 15,615
Contributions in relation to the ADC	-	-	898	5,400	5,013	21,071
Contribution deficiency (excess)	\$ 2,191	\$ 1,606	\$ 903	\$ (3,419)	\$ (3,487)	\$ (5,456)
Covered employee payroll	\$ 313,029	\$ 323,489	\$ 280,829	\$ 251,193	\$ 127,930	\$ 144,601
Contributions as a % of covered payroll	0.00%	0.00%	0.32%	2.15%	3.92%	14.57%
Percent if ADC contributed	0.00%	0.00%	49.86%	272.59%	328.51%	134.94%

Notes to Schedule: assumptions applied to determine Actuarially Determined Contributions

Valuation Date	6/30/2021	6/30/2019	6/30/2017	7/1/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Open 30 yrs*	Level Dollar Basis, Open 30 years*	Level Dollar Closed 30 yrs	Level Dollar Closed 30 yrs
Amortization period	30 yrs remain	30 years remain	27 yrs remain	30 yrs remain
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.75%	2.75%
Healthcare cost trend rates	5.6% in 2023, step down .1% per year to 4% by 2076	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%	3.00%	N/A	2.00%
Investment rate of return	5.75%	5.75%	5.75%	6.37%
Retirement age	From 55 to 75	From 55 to 75	N/A; no active members	Age 64 (or 1st yr after benefit elig)
Mortality	2017 CalPERS Experience Study	2017 CalPERS Experience Study	2014 CalPERS Experience Study	Based on mortality tables of the National Center for Health Statistics
Mortality Improvement	Projected with MW Scale 2022	Projected with MW Scale 2018	Projected with MW Scale 2017	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)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows:				(e) Deferred Inflows:			Impact on Statement of Net Position (f) = (c) - (d) + (e)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	Assumption Changes	Plan Experience	Investment Experience	
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 6/30/2021</i>	\$ 66,256	\$ 79,889	\$ (13,633)	\$ 213	\$ 3,474	\$ 181	\$ -	\$ 1,228	\$ -	\$ 7,756	\$ (8,517)
Changes During the Period:											
Service Cost	3,078		3,078								3,078
Interest Cost	3,987		3,987								3,987
Expected Investment Income		4,593	(4,593)								(4,593)
LAFCo Marin Contributions		-	-								-
Changes of Benefit Terms	-		-								-
Administrative Expenses		(20)	20								20
Benefit Payments	-	-	-								-
Assumption Changes	770		770	770							-
Plan Experience	(9,711)		(9,711)						9,711		-
Investment Experience		(14,642)	14,642			14,642					-
Recognized Deferred Resources				(120)	(397)	(3,025)	-	(132)	(942)	(2,020)	448
Contributions After Measurement Date							-				-
Net Changes in Fiscal Year 2022-2023	(1,876)	(10,069)	8,193	650	(397)	11,617	-	(132)	8,769	(2,020)	2,940
Balance at Fiscal Year Ending 6/30/2023 <i>Measurement Date 6/30/2022</i>	\$ 64,380	\$ 69,820	\$ (5,440)	\$ 863	\$ 3,077	\$ 11,798	\$ -	\$ 1,096	\$ 8,769	\$ 5,736	\$ (5,577)



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 Pension Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2022

Deferred Outflow or (Inflow)						Balance as of Jun 30, 2022	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	Source	Impact on Net OPEB Liability (NOL)	Initial Amount	Period (Yrs)	Annual Recognition		2021-22 (FYE 2023)	2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	2025-26 (FYE 2027)	2026-27 (FYE 2028)	Thereafter
6/30/2018	Investment Earnings	Increased NOL	\$ 266	5.00	\$ 53	\$ -	\$ 54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6/30/2019	Plan Experience	Increased NOL	372	7.76	48	180	48	48	48	48	36	-	-
6/30/2019	Assumption Changes	Increased NOL	348	7.76	45	168	45	45	45	45	33	-	-
6/30/2019	Investment Earnings	Decreased NOL	(805)	5.00	(161)	(161)	(161)	(161)	-	-	-	-	-
6/30/2020	Investment Earnings	Increased NOL	213	5.00	43	84	43	43	41	-	-	-	-
6/30/2021	Plan Experience	Increased NOL	3,595	10.31	349	2,897	349	349	349	349	349	349	1,152
6/30/2021	Assumption Changes	Decreased NOL	(1,360)	10.31	(132)	(1,096)	(132)	(132)	(132)	(132)	(132)	(132)	(436)
6/30/2021	Investment Earnings	Decreased NOL	(9,293)	5.00	(1,859)	(5,575)	(1,859)	(1,859)	(1,859)	(1,857)	-	-	-
6/30/2022	Plan Experience	Decreased NOL	(9,711)	10.31	(942)	(8,769)	(942)	(942)	(942)	(942)	(942)	(942)	(4,059)
6/30/2022	Assumption Changes	Increased NOL	770	10.31	75	695	75	75	75	75	75	75	320
6/30/2022	Investment Earnings	Increased NOL	14,642	5.00	2,928	11,714	2,928	2,928	2,928	2,928	2,930	-	-



Accounting Information

(Continued)

Commission Contributions to the Plan

Commission contributions to the Plan occur as benefits are paid to or on behalf of retirees. 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”). For details, see Appendix 1 – Important Background Information.

- OPEB contributions paid during the measurement period (year ended June 30, 2022): \$0
- Deferred OPEB contributions paid after the measurement date (year ended June 30, 2023): \$0



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	
2023	-	-	-	-	-	-	-
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
2037	3,028	724	3,752	-	5,358	5,358	9,110

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.³ 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.

³ One retiree receives health benefits through a plan offered by Marin County. In prior years, LAFCo Marin has been invoiced to reimburse the County for these payments. The County has not done so in several years. This report includes a liability of \$15,211 for the most recent 3 years of accrued unreimbursed benefits. While the Commission may decide to include all prior years’ unpaid benefits as an accrued expense, for OPEB valuation purposes, we have assumed any unreimbursed OPEB expenses prior to July 1, 2020 will never be requested by the County.



Accounting Information

(Concluded)

Sample Journal Entries

OPEB Accounts at Beginning of Fiscal Year	<i>By Source</i>		<i>Sources Combined</i>	
	Debit	Credit	Debit	Credit
Net OPEB Liability	13,633		13,633	
<i>Deferred Outflow:</i>				
Assumption Changes	213			
Plan Experience	3,474			
Investment Experience	181			
Contribution Subsequent to MD	-			
Deferred Outflows			3,868	
<i>Deferred Inflow:</i>				
Assumption Changes		1,228		
Plan Experience		-		
Investment Experience		7,756		
Deferred Inflows				8,984
Record End of Year Updates to OPEB Accounts				
Net OPEB Liability		8,193		8,193
<i>Deferred Outflow:</i>				
Assumption Changes	650			
Plan Experience		397		
Investment Experience	11,617			
Contribution Subsequent to MD				
Deferred Outflows			11,870	
<i>Deferred Inflow:</i>				
Assumption Changes	132			
Plan Experience		8,769		
Investment Experience	2,020			
Deferred Inflows				6,617
OPEB Expense	2,940		2,940	



D. Funding Information

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. The Commission has been prefunding its OPEB liability by contributing 100% or more of the Actuarially Determined Contribution (ADC) each year.

Different terminology is sometimes used by actuaries and accountants when referring to key liability and expense components. Here are some of these terms which are often interchangeable:

Actuarial Funding Terminology

Present Value of Projected Benefits (PVPB)
 Actuarially Accrued Liability (AAL)
 Market Value of Assets
 Unfunded Actuarially Accrued Liability (UAAL)
 Normal Cost

GASB 75 Terminology

N/A; typically not reported for accounting purposes
 Total OPEB Liability (TOL)
 Fiduciary Net Position
 Net OPEB Liability
 Service Cost

The Commission approved development of Actuarially Determined Contributions (ADC) based on the following two components, which are then adjusted with interest to the Commission’s fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL).

The ADC determined for the Commission’s fiscal year ending June 30, 2023, was developed based on the June 30, 2021 actuarial valuation using a 5.75% discount rate. A summary is shown below:

Discount Rate	5.75%
Actuarial Accrued Liability (projected)	\$ 68,059
Actuarial Value of Assets (projected)	84,483
Unfunded Actuarial Accrued Liability (UAAL)	(16,424)
Amortization Factor*	14.9541
Actuarially Determined Contribution for FYE 2023	
Amortization of UAAL	(1,098)
Normal Cost	3,170
Interest to Fiscal Year End	119
Total ADC	\$ 2,191

*Determined on a level dollar basis over a open 30 year period

The ADC determined on this basis should provide for trust sufficiency, based on the current plan provisions and employee data, if all assumptions are exactly realized and providing that the Commission contribute 100% or more of the total ADC each year. When an agency commits to funding the trust at or above the ADC, GASB 75 allows use of the expected long term trust return to be used as the discount rate in determining the plan liability. Even so, the ADC developed on this basis does not guarantee trust sufficiency due to the non-trivial risk that the assumptions used to determine plan contributions may not be realized.



E. Certification

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

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

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

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

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

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

Signed: December 1, 2023

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

Sandhya Raman, Actuarial Analyst



F. 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 reported that there are no current active employees or retirees eligible for benefits under those other tiers.



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						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	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. The 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

Fiscal Year End	June 30, 2023
GASB 75 Measurement Date	June 30, 2022 (last day of the prior fiscal year)
Valuation Date	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

5.75% as of June 30, 2022, and 5.75% as of June 30, 2021, net of plan investment related expenses

Discount Rate

5.6% as of June 30, 2022, and 5.75% (for accounting) as of June 30, 2021, net of plan investment related expenses

General Inflation Rate

2.5% per year

Salary Increase

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

Healthcare Trend

Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
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

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 for a different basis used to project future mortality improvements. Pre-retirement mortality and disability retirement rates were not applied due to the small size of the active members in this plan.

Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017 (see Appendix 3)						
Service Retirement Rates	<table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="border: 1px solid black; padding: 2px;">Misc</td> </tr> <tr> <td>Classic:</td> <td>2.0% @ 60</td> </tr> <tr> <td>PEPRA:</td> <td>2.0% @ 62</td> </tr> </table>		Misc	Classic:	2.0% @ 60	PEPRA:	2.0% @ 62
	Misc						
Classic:	2.0% @ 60						
PEPRA:	2.0% @ 62						

For sample rates of assumed mortality, service and disability retirement and separation (termination) prior to retirement at selected ages, please refer to our June 30, 2021, valuation report and/or the CalPERS experience study referenced above.



Supporting Information

(Continued)

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 Appendix 3.

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

Changes in assumptions or methods as of the Measurement Date

Trust rate of return
and discount rate

Decreased from 5.75% to 5.6%, reflecting updated long-term rates of return provided by CalPERS in March 2022



Appendix 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 Agency does not impact the amount of the implicit subsidy.

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

Valuation Process

The valuation was based on employee census data and benefits provided by the Commission. A summary of the employee data is provided in Table 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records were 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 based on the actuarial methods and assumptions described in Section 3.

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



Important Background Information

(Continued)

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

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

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

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

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

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

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



Important Background Information

(Continued)

Requirements of GASB 75

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

Important Dates

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

Recognition of Plan Changes and Gains and Losses

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

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

Difference between projected
and actual trust earnings:

5-year straight-line recognition

All other amounts:

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



Important Background Information

(Continued)

Implicit Subsidy Plan Contributions

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

The following hypothetical example illustrates this treatment:

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

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

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.



Important Background Information

(Continued)

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.



Appendix 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.



Appendix 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

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

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

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

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

Excise Tax – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). The tax was repealed in December 2019.

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

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.



Glossary
(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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



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

This Agreement is made and entered into as of [REDACTED], [REDACTED] by and between the Marin Local Agency Formation Commission, a public agency organized and operating under the laws of the State of California with its principal place of business at 1401 Los Gamos Drive, San Rafael, CA 94903 (“Commission”), and MACLEOD WATTS, a - CORPORATION with its principal place of business 5409 S.E. 37th Avenue Portland, OR 97202 (hereinafter referred to as “Consultant”). Commission and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

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

2023 OPEB Actuarial valuation and related funding and GASB 75 reports for two years (hereinafter referred to as “the Project”).

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

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

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

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

- a. Prepare an actuarial valuation of OPEB liability as of June 30, 2023
- b. Develop Actuarially Determined Contributions for the Commissions FYEs 2024 and 2025 (plus an estimate for FYE 2026)
- c. Prepare actuarial forms required to be submitted to the OPEB trust (CERBT)
- d. Prepare GASB 75 report for the Commission’s fiscal year end June 30, 2024
- e. Prepare GASB 75 report for the Commission’s fiscal year end June 30, 2025

2. Compensation.

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

For items 1.a., 1.b., 1.c. and 1.d. above:	\$4,500
For item 1.e. above:	\$1,800

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$6,300. This amount is to cover all printing and related costs, and the Commission will not pay any additional fees for printing expenses. Periodic

payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

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

4. Maintenance of Records.

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

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the Commission to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder relating to items 1.a., 1.b., 1.c. and 1.d. within 60 days following the date of this agreement. Item 1.e. will be completed on or before September 30, 2025. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

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

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

7. Compliance with Law.

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

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

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

8. Standard of Care

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

9. Assignment and Subconsultant

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

10. Independent Contractor

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

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

a. Commercial General Liability

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

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

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

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

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability

- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

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

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

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

b. Automobile Liability

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

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

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

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

c. Workers' Compensation/Employer's Liability

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

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the

“Workers’ Compensation and Insurance Act,” Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer’s Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers’ compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

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

e. Minimum Policy Limits Required

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

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

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

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

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the Commission evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer’s equivalent) signed by the insurer’s representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of

the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

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

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

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

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

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

h. Qualifying Insurers

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

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

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

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

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

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

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

12. Indemnification.

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

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent

jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

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

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

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

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

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

16. Termination or Abandonment

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

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

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

18. Organization

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

19. Limitation of Agreement.

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

20. Notice

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

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

CONSULTANT:
MacLeod Watts
5409 S.E. 37th Avenue
Portland OR 97202
Attn: Catherine MacLeod
Corporate Secretary

and shall be effective upon receipt thereof.

21. Third Party Rights

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

22. Equal Opportunity Employment.

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

23. Entire Agreement

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

24. Severability

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

25. Successors and Assigns

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

26. Non-Waiver

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

27. Time of Essence

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

28. Commission's Right to Employ Other Consultants

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

29. Prohibited Interests

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

[SIGNATURES ON FOLLOWING PAGE]

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

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

MARIN LOCAL AGENCY FORMATION
COMMISSION

MacLeod Watts

By: _____
Jason Fried
Excutive Offcier

By: _____
Its: Corporate Secretary

Printed Name: Catherine MacLeod

ATTEST:

By: _____
Board Clerk

EXHIBIT A

Scope of Services

GASB 75 requires that updated calculations be prepared after the close of every fiscal year end. Each actuarial valuation may generally be used for two years in the development of your plan accounting under GASB 75. We propose the following be completed to assist the Commission:

1. *A new biennial actuarial valuation as of June 30, 2023.*
2. *Development of Actuarially Determined Contributions (ADCs) for plan funding*
3. *FYE 2024 GASB 75 report (measured June 30, 2023; uses June 30, 2023, valuation)*
4. *FYE 2025 GASB 75 report (measured June 30, 2024; uses June 30, 2023, valuation)*

Proposed Projects and Fees

**June 30, 2023, Biennial Actuarial Valuation, Development of ADCs,
and FYE 2024 GASB 75 Report** **\$4,500**
(Measurement Date 6/30/2023)

A new biennial valuation will be prepared to remeasure plan liabilities as of June 30, 2023, with results reconciled to the prior valuation. A single report will include the GASB 75 accounting information for fiscal year end June 30, 2024, and provide Actuarially Determined Contribution levels (ADCs) through the Commission's fiscal year end June 30, 2026. This fee also includes preparation of the CERBT actuarial forms and conference calls, as needed, to review valuation results with the Commission.

For this proposal, we assumed that Commission intends to contribute 100% or more of each year's ADC. If there have been changes to retiree benefits and/or OPEB funding, please let us know.

We will prepare a courtesy update of the GASB 75 exhibits after June 30, 2024 for the audit.

Invoice timing: This report is likely to be completed and billed during fiscal year 23/24.

FYE June 30, 2025, GASB 75 Report **\$1,800**
(Measurement Date: 6/30/2024; Val Date 6/30/2023)

The report will be issued after June 30, 2025, when all needed information will be available. If there are material changes in plan population, benefits, then a new valuation may be required in lieu of a roll forward of results from the 2023 valuation.

Invoice timing: A completed draft of this report is likely to be completed during fiscal year 24/25, but final information is usually not updated until early in FY 25/26. We can invoice the Commission for this report in either fiscal year. Please let us know your preference at that time.

Out-of-Scope Services: The following are examples of work beyond the actuarial valuation and GASB 75 reports that we would consider out-of-scope and may result in additional fees:

- 1) required data analysis in excess of 4 hours;
- 2) in person meetings;
- 3) auditor assistance in excess of 2 hours;
- 4) consulting or actuarial projections relating to possible plan redesign, experience studies or long-term forecasting.

Our hourly rates for out-of-scope services are:

Consultant	2023 Hourly Rate
Senior Actuarial Consultants	\$ 425
Actuarial Consultants	335-395
Actuarial Analysts	180-305
Administrative Staff	120-150

EXHIBIT B

Schedule of Charges/Payments

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

EXHIBIT C
Activity Schedule

EXHIBIT D
Federal Requirements



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

December 14th, 2023

Item No. 6 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Approval of Resolution 23-15, Annexation of 45 Stirrup Lane (APN: 146-020-11) to Novato Sanitary District (LAFCo File #1374) with Waiver of Notice, Hearing, and Protest Proceedings and finding it Exempt from CEQA pursuant to state CEQA guideline Section 15319

Background

Marin LAFCo has received an application from Kevin Needham (“applicant”) requesting approval to annex a lot, approximately 0.57 acres. The parcel has a situs address of 45 Stirrup Lane (APN: 146-020-11). The proposal, as stated by the applicant, is to move from its current septic system and connect to the Novato Sanitary District. Staff has requested comments from NSD, along with other interested agencies. All comments except for one received were in support or neutral.

The one comment not in support (see attachment) came from the City of Novato. They raised several issues to which staff replied back to them. In staff’s response to the City, we addressed their issues. The City made note that they could not issue any permits to the applicant as the parcel is outside of the City limits. Staff’s response is it is our understanding that this parcel (which is noted by the City is outside of its boundaries) will connect to NSD in a way (that is also outside of the City boundaries) that does not require them to need to go to City so the mentioned about permits from the City will not be an issue with this application being able to connect to NSD. In the comment on our dual annexation policy, I pointed out subsections 4.8 E and F give exemption or delay to the dual annexation policy. Given the City’s Urban Growth Boundary (UGB) we are not looking to annex this property into the City using any part of 4.8 for two reasons. First, the UGB would not allow the City to annex the property in at this time since as stated by the City in its letter it does not meet the exemptions to do so. Second, the physical location is not directly adjacent to the City boundary. While it is close to the city boundary it is not adjacent so would cause an illogical boundary for the City and would fit under the exception of dual annexation change. Now in other parts of the county when a property falls into this second situation we would make as part of the application approval a condition that the property owner sign a legal form that says that if in the future either LAFCo or the local City/Town wants to annex in the unincorporated area that includes that parcel the current and future owners of the parcel are not allowed to object to the annexation. Given the UGB, in the past I have asked City staff if they wanted us to require that legal form about future objections to annexation be part of our approvals. I was told by the City that having an owner sign a form saying they would not object was not needed because the City could not annex the area given the UGB. I also let them know that if the City wishes to change this position I can tell the applicant as part of the approvals we will require they sign the form as we do in other parts of the County. I have asked

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

Dennis Rodoni, Vice-Chair
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Valley Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

for clarification from the City on if that position has changed but to date have not received a response to that question.

Staff does acknowledge that the City in the past has been frustrated with LAFCo approvals on applications like this over its objections. This is because LAFCo must acknowledge that the County, not City, has the official planning authority for this parcel and that NSD, not the City, is the service provider who has the capacity and ability to serve this parcel. While the SOI does give some ability for the city to object and raise concerns the UGB limits that a little bit more than other cities since they have no ability to annex them into the City. Both the County and NSD are willing and able to make the needed approvals for this application to move forward. State government code tells LAFCo that we should be approving applications like this. Unless the City of Novato can provide a justification from state government code that outweighs the County and NSD support of the application in some ways the Commission's hands are tied and staff recommends to the Commission approval of this application.

Staff has reviewed the submitted petition for accuracy and considered all factors pursuant to §56668 and §56668.3 of Cortese-Knox-Hertzberg.

Staff Recommendation for Action

Staff Recommendation 1 – Approve the requested annexation of 45 Stirrup Lane and approve the attached Resolution No. 23-15.

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

Alternate Option 3 – Deny the request.

Attachment

1. Resolution #23-15
2. Map and Legal
3. Application Packet
4. Section 56668 Checklist
5. Letter from Novato

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 23-15

RESOLUTION APPROVING AN ANNEXATION OF 45 STIRRUP LANE, NOVATO TO NOVATO SANITARY DISTRICT WITH WAIVER OF NOTICE, HEARING AND PROTEST PROCEEDINGS

“Annexation of 45 Stirrup Lane, Novato (APN 146-020-11) to Novato Sanitary District (LAFCo File #1374)”

WHEREAS Kevin and Mary Needham, hereinafter referred to as “Property Owners,” have 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 .57 acres of unincorporated land to Novato Sanitary District; and

WHEREAS the affected territory represents an entire lot developed with an existing single-family residence located at 45 Stirrup Lane and identified by the County of Marin Assessor’s Office as 146-020-11 (“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 as provided for in the staff report and oral and written testimony.

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. Approve the proposed annexation of 45 Stirrup Ln., Novato (APN 146-020-11) to Novato Sanitary District (File #1374) as shown and with the boundaries as depicted and described in Exhibits “A” and “B” attached hereto and incorporated herein by reference.

Section 2. The territory includes .57 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of 45 Stirrup Lane, Novato (APN 146-020-11) to Novato Sanitary District (LAFCo File #1374).”

Section 3. The proposal is consistent with the adopted sphere of influence of Novato Sanitary District.

Section 4. The Executive Officer is hereby authorized to waive notice and hearing and protest proceedings and complete the change of organization proceedings.

Section 5. As Lead Agency under CEQA for the proposed annexation of APN 146-020-11 to Novato Sanitary District, LAFCo finds that the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a).

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on December 14, 2023 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

Jason Fried, Executive Officer

Barbara Coler, Chair

APPROVED AS TO FORM:

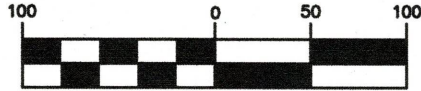
Malathy Subramanian, LAFCo Counsel

Attachments to Resolution 23-15

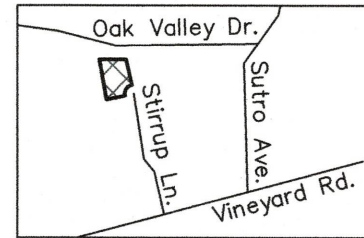
- a) Exhibit A – Map
- b) Exhibit B – Legal Description

All distances shown are in feet and decimals thereof.

GRAPHIC SCALE



(IN FEET)



NOT TO SCALE

VICINITY MAP

LEGEND

- Existing Sanitary District Boundary
- Area of Proposed Annexation
- City of Novato Corporate Limits
- X RM Y Record Map filed in Book X of Maps at Page Y

COURSE TABLE

Course	Line/Chord Bearing	Line/Chord Length	Radius
①	S12°24'36"E	132.92'	
②	S32°35'24"W	63.64'	45.00'
③	N77°35'24"E	95.99'	
④	S10°24'36"E	207.46'	
⑤	S89°59'24"W	136.94'	

EXHIBIT "A"
PLAT OF THE
NEEDHAM ANNEXATION
 TO THE
NOVATO SANITARY DISTRICT
LAFCO FILE NO. 1374
 (ptn. Rancho Nicasio, Halleck patent)
 NOVATO

MARIN COUNTY CALIFORNIA
 SCALE: 1" = 100' SEPTEMBER, 2023
L.A. Stevens & Associates, Inc.
 Professional Land Surveyors * (415) 382-7713
 7 Commercial Blvd., Suite 1 * Novato, CA 94949

OAK VALLEY DR
 (40' R/W)

Lot 43
 20 RM 2

Southerly Line of Annex. 1964-6

POINT OF BEGINNING

Area: 0.57 acre

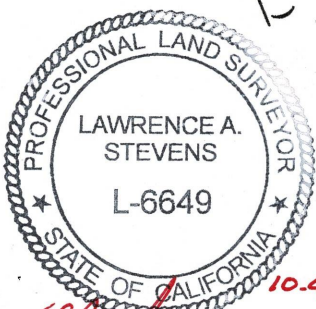
Easterly Line of Lot 19,
 3 RM 54 and of
 Annex. 1971-3

UNINCORPORATED
 AREA
 CITY OF NOVATO

RM VILLAR (40' R/W)

RM

STIRRUP LN
 (40' R/W)



Lawrence A. Stevens, PLS 6649
 Copyright © Lawrence A. Stevens 2023

Centerline of Stirrup Lane

Job #232320

Exhibit "B"

**Needham Annexation
Novato Sanitary District
LAFCo File No. 1374**

All that certain real property situated in the County of Marin, State of California, being a portion of that section of the Rancho Nicasio patented to Henry W. Halleck, and being particularly described as follows:

BEGINNING at a point on the existing boundary of the Novato Sanitary District, which point lies on the southerly boundary of the tract annexed to said district under Marin County Local Agency Formation Commission (LAFCo) proceedings known as the Mae Sanchez Annexation 1964-6 (LAFCo File 32), where said southerly boundary is intersected by the northerly extension of the centerline of Stirrup Lane, as shown on the Map of Tally-Ho Estates filed on November 18, 1956 in Book 12 of Maps at Page 44; thence, leaving said sanitary district boundary,

1. South 12° 24' 36" East 132.92 feet along said centerline extension to a point on the cul-de-sac at the terminus of said Stirrup Lane; thence southwesterly along said cul-de-sac
2. 70.69 feet along a curve of radius 45.00 feet concave southeasterly, whose center bears South 12° 24' 36" East and whose chord bears South 32° 35' 24" West 63.64 feet, through a central angle of 90° 00' 00" to the northeasterly corner of Lot 3 of said Tally-Ho Estates and the northeasterly corner of the parcel annexed to the Novato Sanitary District under LAFCo proceedings known as the Stirrup Lane Annexation 1991-3 (LAFCo File 1059); thence
3. South 77° 35' 24" West 95.99 feet along the northerly line of said Lot 3 and of said Stirrup Lane Annexation to the easterly line of Lot 19 as shown on the Amended Map No. 1 of Subdivision E of the Novato Ranch, filed on July 6, 1910 in Book 3 of Maps at Page 54, being the easterly line of the tract annexed to the Novato Sanitary District under LAFCo proceedings known as the Vineyard Road Annexation 1971-3 (LAFCo File 425); thence
4. North 10° 24' 36" West 207.46 feet along said easterly line to the southerly line of the aforementioned Mae Sanchez Annexation; thence
5. North 89° 59' 24" East 136.94 feet along said southerly line to the **POINT OF BEGINNING**.

BEING Lot 4 as shown on said Map of Tally-Ho Estates.

CONTAINING 0.57 acre, more or less.


Lawrence A. Stevens, PLS 6649



10-4-2023



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 to Novato Sanitary District

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 annexation _____ (ie. Annexation, Detachment, Reorganization, etc.) is/are abandonment of septic system and connection to sewer

7. The proposal is requested to be made subject to the following terms and conditions:
none

8. The persons signing this petition have signed as:
 Registered voters
 Owners of the land
 On behalf of the Board, City, District, or Agency

Print Name

Signature

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: Kevin Needham
45 Stirrup Lane
Novato CA 94947

Contact Number: (415) 246-3215 Email: need6@comcast.net

Agent Representative (optional)
I/We hereby authorize L.A. Stevens & Associates, Inc. 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: L.A. Stevens & Associates, Inc.
7 Commercial Blvd, Suite 1
Novato CA 94949

Contact Number: (415) 382-7713 Email: m Spiegel@lastevensinc.com

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

Property Owner Signature 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 authorize, that in addition to the application representative, the persons listed below are granted permission to receive copies of application notices, and reports.

Property Owner Signature

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

Michael Brewer, Novato Sanitary District, mbrewer@novatosan.org, (415) 892-1694x108

Rebecca Gondola, Marin County Environmental Health Services, rgondola@marincounty.org, (415) 473-6273

Erin Yattaw, Marin County Planning Division, eyattaw@marincounty.org, (415) 473-3535

Samantha Hagner, Peter Levi Plumbing, samantha@callpeterlevi.com, (415) 342-8526



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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 to Novato Sanitary District

B. The reason for the proposed action(s) being requested:

(BE SPECIFIC: For example, “Annexation to sewer district for construction of three homes”)

Abandonment of septic system and connection to sewer

4. State general location of proposal:

45 Stirrup Lane, Novato CA 94947



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 If the proposal is adjacent to a city, provide city name: Novato (not directly adjoining)

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

Yes No If applicable, indicate city _____

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

If yes, please justify proposed boundary change: _____

8. Provide the following information regarding the area proposed for annexation:

(Attach additional if needed)

A. Assessor's Parcel Number(s)

146-020-11

Site Address(es)

45 Stirrup Lane, Novato CA 94947

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

9. Total land area in acres: 0.57



LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns:

2. Indicate current land use: (such as: number of dwellings, permits currently held, etc.)
1 single-family dwelling

3. Indicate the current zoning (either city/town or county) title and densities permitted:
A2-B3 Agriculture Limited B3: minimum residential lot size 20,000 square feet

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

What is the rezoning classification, title and densities permitted?

5. Describe the specific development potential of the property: (Number of units allowed in zoning)
1 single-family home with ADU



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

ENVIRONMENT

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

Yes _____ No _____

If yes, explain: Both agricultural and residential uses are permitted in this zone, but the area has been developed as a residential subdivision. There has been no agricultural activity on the site since at least 2009.

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

Yes _____ No _____

If yes, explain: _____

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

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

4. State general description of site topography: The site slopes gently up to the west and more steeply to the north.

5. Indicated Lead Agency for this project: LAFCo

6. Indicate Environmental Determination by Lead Agency: not yet made
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 Signature

Date

Print Name

Title

Sections 56668		Response
a	Population and population density; land area and land use; *** assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	will have no significant change for area
b	The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.	will have no significant impact
c	The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	will have no significant impact
d	The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.	conforms with local policy and 56377
e	The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	This is an AG designated area but has not been used as AG in a long time and therefore does not fall under 56016
f	The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	all boundaries conform properly
g	A regional transportation plan adopted pursuant to Section 65080	This has no impact on regional transportation plan because of the small scale of item
h	The proposal's consistency with city or county general and specific plans.	Is consistent with all plans
i	The sphere of influence of any local agency which may be applicable to the proposal being reviewed.	Is within SOI of jurisdiction being annexed into

j	The comments of any affected local agency or other public agency.	Letter received from City of Novato. See comments in staff memo
k	The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	Agency has capacity to serve
l	Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	Nothing in this application changes current water usage for property and previous NMWD MSR shows they have capacity
m	The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	This project is too small to have an impact
n	Any information or comments from the landowner or ***landowners, voters, or residents of the affected territory.	They have signed consent form
o	Any information relating to existing land use designations.	No changes to land use needed
p	The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	This application will have no impact on EJ
q	Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.	Not relevant to this proposal.
	Section 56668.3 parts a and b	
a	If the proposed change of organization or reorganization includes a city detachment or district annexation, except a special reorganization, and the proceeding has not been terminated based upon receipt of a resolution requesting termination pursuant to either Section 56751 or Section 56857, factors to be considered by the commission shall include all of the following:	see comments below

a1	In the case of a district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.	Is in the interest of landowner and inhabitants
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CITY OF NOVATO
CALIFORNIA

October 16, 2023

Mr. Jason Fried
Marin LAFCO
1401 Los Gamos Drive
San Rafael, CA 94903

Via Email: cdevereux@marinlafco.org; staff@marinlafco.org

RE: Annexation of 45 Stirrup Lane; APN 146-020-11
Novato Sanitary District; LAFCO File #1374

Dear Mr. Fried:

The City of Novato ("City") appreciates receiving a referral and opportunity to comment on the proposed boundary change currently under review by Marin LAFCO for the property located at 45 Stirrup Lane (APN 146-020-11). As Marin LAFCO is aware, the City is interested in actions resulting in the extension of urban services beyond Novato's Urban Growth Boundary ("UGB"). The subject site is located within the Novato's Sphere of Influence and is located outside of the UGB.

The purpose of the UGB (City of Novato Ordinance No. 1635) is to limit urban sprawl by focusing new residential, commercial, and industrial growth in areas already served by urban services. Given this intent, the UGB policies do not support the extension of urban services to unincorporated lands, except under limited circumstances. Moreover, the UGB policies prevent the City from issuing any permits or licenses necessary to provide physical connections to water or sanitary sewer infrastructure where such infrastructure must be extended through city jurisdiction.

According to the UGB ordinance, the City Council may amend the UGB for a residentially zoned property if the amendment would permit the construction or expansion of a single-family residence and one accessory dwelling unit on a legal conforming lot existing on November 7, 2017, and which, in summary, either: (1) has an existing septic system or sewer connection which has failed or is in imminent danger of failure; or (2) is required by applicable regulations of Marin County to connect to NSD in order to construct or expand a single-family residence and the County has denied a waiver to permit a septic system.

The annexation application for the subject property does not indicate either of the criteria noted above apply to the property. Therefore, the City cannot support annexing the property to NSD. As such, it would be appropriate to advise the applicant the City will not issue any permit or license necessary to physically extend a sewer line through city jurisdiction to their property.

While the City recognizes Marin LAFCO's controlling authority over annexations and its independent dual annexation policy, staff encourages Marin LAFCO to support the intent of Novato's voter-approved UGB by denying the requested single-district annexation. If Marin LAFCO is inclined to support the requested annexation then it must apply Reorganization (Dual Annexation) Policy 4.8 as detailed in LAFCO's policy handbook.

Thank you again for providing the City the opportunity to review and submit comments regarding the proposed annexation. If you have any questions, please feel free to contact me at (415) 899-8942 or smarshall@novato.org.

Sincerely,



Steve Marshall
Deputy Director of Community Development

Attachment: Ordinance No. 1635

Cc: Marin County Environmental Health, Rebecca Gondola (rgondola@marincounty.org)
Marin County Planning Division, Erin Yattaw (eyattaw@marincounty.org)
Novato Sanitary District, Michael Brewer (michaelb@novatosan.com)



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
December 14th, 2023
Item No. 7 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Claire Devereux, Clerk/Jr. Policy Analyst

SUBJECT: Approval of Resolution 23-16, Annexation of 19 Tanfield Rd., Tiburon (APN: 039-081-14) to Richardson Bay Sanitary District (LAFCo File #1375) with Waiver of Notice, Hearing, and Protest Proceedings and finding it Exempt from CEQA pursuant to state CEQA guideline Section 15319

Background

Marin LAFCo has received an application from Kimberly and Stephen Koza (“applicant”) requesting approval to annex a lot of approximately 1.02 acres into the Richardson Bay Sanitary District. The parcel has a situs address of 19 Tanfield Rd. (APN: 039-081-14). The proposal, as stated by the applicant, is to move from its current septic system and connect to the Richardson Bay Sanitary District. Staff has requested comments from RBSD, along with other interested agencies. All comments received were in support or neutral.

Staff has reviewed the submitted petition for accuracy and considered all factors pursuant to §56668 and §56668.3 of Cortese-Knox-Hertzberg.

Staff Recommendation for Action

Staff Recommendation 1 – Approve the requested annexation of 19 Tanfield Rd. and approve the attached Resolution No. 23-16 with conditions.

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

Alternate Option 3 – Deny the request

Attachment

1. Resolution #23-16
2. Map and Legal
3. Application Packet
4. Section 56668 Checklist

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

Dennis Rodoni, Vice-Chair
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Valley Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 23-16

RESOLUTION APPROVING AN ANNEXATION OF 19 TANFIELD RD., TIBURON TO RICHARDSON BAY SANITARY DISTRICT WITH WAIVER OF NOTICE, HEARING AND PROTEST PROCEEDINGS

“Annexation of 19 Tanfield, Tiburon (APN 039-081-14) to Richardson Bay Sanitary District (LAFCo File #1375)”

WHEREAS Kimberly and Stephen Koza hereinafter referred to as “Property Owners,” have 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 1.02 acres of incorporated land to Richardson Bay Sanitary District; and

WHEREAS the affected territory represents an entire lot developed with an existing single-family residence located at 19 Tanfield Rd., Tiburon and identified by the County of Marin Assessor’s Office as 039-081-14 (“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 as provided for in the staff report and oral and written testimony.

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. Approve the proposed annexation of 19 Tanfield Rd., Tiburon (APN 039-081-14) to Richardson Bay Sanitary District (File #1375) as shown and with the boundaries as depicted and described in Exhibits “A” and “B” attached hereto and incorporated herein by reference.

Section 2. The territory includes 1.02 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of 19 Tanfield Rd., Tiburon (APN 039-081-14) to Richardson Bay Sanitary District (LAFCo File #1375).”

Section 3. The proposal is consistent with the adopted sphere of influence of Richardson Bay Sanitary District.

Section 4. The Executive Officer is hereby authorized to waive notice and hearing and protest proceedings and complete the change of organization proceedings.

Section 5. As Lead Agency under CEQA for the proposed annexation of APN 039-081-14 to Richardson Bay Sanitary 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 December 14, 2023 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

Jason Fried, Executive Officer

Barbara Coler, Chair

APPROVED AS TO FORM:

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution 23-16

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

Exhibit “A”

Annexation of the Lands of Koza Trusts to the Richardson Bay Sanitary District LAFCo File No. 1375

All that certain property within the Rancho Corte de Madera Del Presidio in the projected Section 25, Township 1 North, Range 6 West, Mount Diablo Base and Meridian, situate in the County of Marin, Town of Tiburon, State of California, as described in that certain Grant Deed to Kimberly Ann Koza, Trustee, or her successor in interest, of the Kimberly Koza Living Trust dated October 12, 2021, and any amendments thereto and Stephen Andrew Koza, Trustee, or his successors in interest of the Stephen Koza Living Trust dated July 20, 2022, as described in that Grant Deed recorded under document No. 2023-0012583, Official Records of Marin County, and being more particularly described as follows:

Commencing at a railroad spike marking the center of the cul-de-sac at the end of Tanfield Drive as shown in that Record of Survey recorded in Book 13 of Surveys at Page 55, Marin County Records;

Thence North $87^{\circ}35'39''$ West 45.00 feet to the Westerly boundary line of Tanfield Drive, said point being an angle point on the existing Richardson Bay Sanitary District Line;

Thence continuing along said District Line, North $87^{\circ}35'39''$ West 10.00 feet to the Southeast corner of said lands of the Koza Trusts being also a point on the existing Richardson Bay Sanitary District Line and being the True Point of Beginning of the herein described lands;

Thence continuing along the boundary lines of said lands of the Koza Trusts, also being along said existing District lines, (1) North $87^{\circ}35'39''$ West 295.85 feet; (2) along a non-tangent curve concave to the Southwest with a radial bearing of North $57^{\circ}00'00''$ East, a radius of 130.00 feet, through a central angle of $11^{\circ}45'12''$, for an arc length of 26.67 feet and a chord length of 26.62 feet; (3) South $87^{\circ}35'39''$ East 103.42 feet; (4) North $02^{\circ}24'21''$ East 295.15 feet; (5) North $68^{\circ}51'21''$ East 77.50 feet to the Northeasterly corner of said lands of the Koza Trusts and being an angle point on the existing Richardson Bay Sanitary District Line;

Thence leaving said District Line along the Easterly boundary line of said lands of the Koza Trusts, (6) South $21^{\circ}45'40''$ East 339.83 feet, to the Southeast corner of said lands of the Koza Trusts being also a point on the existing Richardson Bay Sanitary District Line and the Point of Beginning and the end of the herein described lands.

Continued

Containing 1.02 acres, more or less.

This description was prepared by me or under my direct supervision in November 2023.

Steven J. Klein

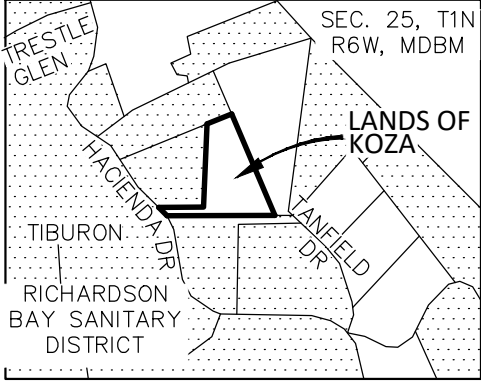
12/05/2023

Steven J. Klein, PLS 8155

Date



End of Document

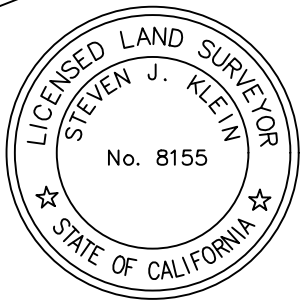


AREA MAP NO SCALE

LEGEND

- EXISTING SANITARY DISTRICT BOUNDARY
- NEW SANITARY DISTRICT BOUNDARY
- RECORD ADJOINING BOUNDARY LINE
- EXISTING AREA WITHIN RICHARDSON BAY SANITARY DISTRICT
- RAILROAD SPIKE
- POC POINT OF COMMENCEMENT
- POB POINT OF BEGINNING
- DN DOCUMENT NUMBER
- [R] RADIAL BEARING
- (E) EXISTING
- (N) NEW

LANDS OF MADDOX TRUST
DN: 2017-0028437
APN: 039-081-10



LANDS OF MUCK
DN: 2013-0063550
APN: 039-081-13

(2) L=26.67'
R=130.00'
Δ=11°45'12"
CH=26.62'

(3) S87°35'39"E 103.42'

(5) N68°51'21"E 77.50'

259.15'

(E) SANITARY DISTRICT
(4) N02°24'21"E

19 TANFIELD ROAD
LANDS OF KOZA TRUSTS
DN: 2023-0012583
APN: 039-081-14

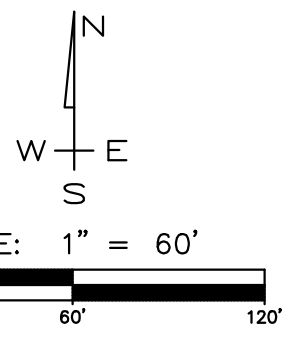
(1) N87°35'39"W 295.85'
(E) SANITARY DISTRICT

LANDS OF DANESHPAJOUH
DN: 1993-092008
APN: 039-081-11

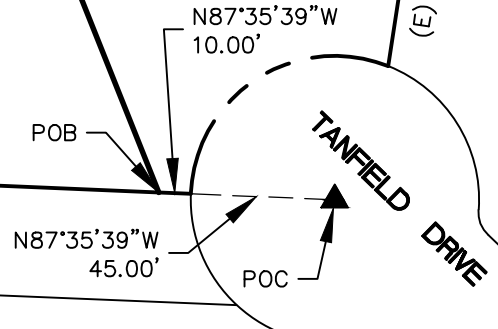
(6) S21°45'40"E

(N) SANITARY DISTRICT
339.83'

LANDS OF HICKS TRUST
DN: 2000-0048334
APN: 039-081-06



N57°00'00"E [R]
HACIENDA DRIVE



THIS EXHIBIT HAS BEEN PREPARED FOR GRAPHICAL PURPOSES ONLY. ANY ERRORS OR OMISSIONS CONTAINED ON THIS EXHIBIT WILL NOT AFFECT THE DESCRIPTION.

DATE: NOVEMBER 2023
JOB NO. 115-23
SHEET 1 of 1

EXHIBIT "B"
RICHARDSON BAY SAN. DISTRICT ANNEXATION
LAFCO FILE NO. 1375
APN 039-081-14
19 TANFIELD ROAD
TIBURON, CALIFORNIA

MUNSELLE CIVIL ENGINEERING
CIVIL ENGINEERING ♦ LAND SURVEYING
513 CENTER STREET
HEALDSBURG, CA 95448
(707) 395-0968



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 to Richardson Bay Sewer
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 Annexation (ie. Annexation, Detachment, Reorganization, etc.) is/are to connect to Richardson Bay sewer District.
7. The proposal is requested to be made subject to the following terms and conditions:
 - NA
8. The persons signing this petition have signed as:
 - Registered voters
 - Owners of the land
 - On behalf of the Board, City, District, or Agency

Kimberly Koza
Print Name

K Koza
Signature

10/18/2023
Date



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: Kimberly Koza
17 Moncada Way, San Rafael, CA. 94901

Contact Number: (650) 207-5999 Email: Moncada17way@outlook.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: _____

Contact Number: () _____ Email: _____

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

K Koza
Property Owner Signature

10/18/2023
Date

[Signature]
Property Owner Signature

10/18/23
Date

Property Owner Signature

Date



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Additional Notification Approval (Optional)

I/We hereby authorize, that in addition to the application representative, the persons listed below are granted permission to receive copies of application notices, and reports.

K. Kozar
Property Owner Signature

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

Stephen Kozar Stephen.kozar@gmail.com
512-470-1001

Johnny Tucker, District Manager, RBSDT6@aol.com
415-398-1345



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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")

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

4. State general location of proposal:



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5. Is the proposal within a city's boundaries?
Yes ___ Which city? _____
No ___ If the proposal is adjacent to a city, provide city name: _____

6. Is the subject territory located within an island of unincorporated territory?
Yes ___ No ___ If applicable, indicate city _____

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

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

A. <u>Assessor's Parcel Number(s)</u>	<u>Site Address(es)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

9. Total land area in acres: _____



LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns:

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

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

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

What is the rezoning classification, title and densities permitted?

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



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ENVIRONMENT

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

Yes _____ No _____

If yes, explain: _____

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

Yes _____ No _____

If yes, explain: _____

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

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

4. State general description of site topography: _____

5. Indicated Lead Agency for this project: _____

6. Indicate Environmental Determination by Lead Agency: _____
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,

K. Koza
Applicant Signature

10/18/2023
Date

Kimberly Koza
Print Name

Owner
Title



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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: _____

3. Describe the level and range of services: _____

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

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



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

This section completed by:

Signature

Title

Print Name

Agency

Contact Email

Contact Number

Sections 56668		Response
a	Population and population density; land area and land use; *** assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	will have no significant change for area
b	The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.	will have no significant impact
c	The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	will have no significant impact
d	The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.	conforms with local policy and 56377
e	The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	This parcel is not in an ag designated area
f	The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	all boundaries conform properly
g	A regional transportation plan adopted pursuant to Section 65080	This has no impact on regional transportation plan because of the small scale of item
h	The proposal's consistency with city or county general and specific plans.	Is consistent with all plans
i	The sphere of influence of any local agency which may be applicable to the proposal being reviewed.	Is within SOI of jurisdiction being annexed into
j	The comments of any affected local agency or other public agency.	All comments reviewed and no objections were presented

k	The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	Agency has capacity to serve
l	Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	Nothing in this application changes current water usage for property and previous MMWD MSR shows they have capacity
m	The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	This project is too small to have an impact
n	Any information or comments from the landowner or ***landowners, voters, or residents of the affected territory.	They have signed consent form
o	Any information relating to existing land use designations.	No changes to land use needed
p	The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	This application will have no impact on EJ
q	Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.	Not relevant to this proposal.
	Section 56668.3 parts a and b	
a	If the proposed change of organization or reorganization includes a city detachment or district annexation, except a special reorganization, and the proceeding has not been terminated based upon receipt of a resolution requesting termination pursuant to either Section 56751 or Section 56857, factors to be considered by the commission shall include all of the following:	see comments below
a1	In the case of a district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.	Is in the interest of landowner and inhabitants



Marin Local Agency Formation Commission

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AGENDA REPORT
December 14th, 2023
Item No. 8 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jeren Seibel, Deputy Executive Officer

SUBJECT: Approval of Sewerage Agency of Southern Marin Municipal Service Review and Sphere of Influence Updates

Background

During the October 12th LAFCo meeting, staff presented to the Commission the public draft Sewerage Agency of Southern Marin Municipal Service Review (MSR). The public comment period for the MSR closed Friday, November 17th. During the public comment time, the only written comments staff received were from Commissioners. No member of the public or representative from any involved agency submitted written comments. After the completion of the public comment period, LAFCo staff reviewed comments and created a final draft (Attachment 1). A spreadsheet of the suggested edits and staff's responses to each has also been included with this item (Attachment 2). Additionally, given the number of questions the members of the Commission had at the October meeting regarding the filling of vacancies for special district governing body seats, legal counsel provided a thorough explanation which is included in this item (Attachment 5). While the Commission asked legal counsel to review multiple situations only situations 3 and 4 in explanation from legal counsel are covered in the MSR. The final draft that is being presented to you today is the culmination of a significant number of hours of hard work by Marin LAFCo staff and all the jurisdiction staffs being reviewed by the MSR. LAFCo staff would like to thank them for their time and efforts throughout this process.

From this MSR staff has added 2 new items to the work plan. The first item is to retrieve documentation from the Tamalpais Community Services District that shows the parcels within their districts that are receiving services from the Homestead Valley Sanitary District and the Almonte Sanitary District are exempt from the necessitation of an outside services agreement. If documentation cannot be provided, request Homestead Valley and Almonte Sanitary Districts to submit an application for an outside services agreement. The second item is the facilitation of discussions between the districts to prepare for the possibility of future shared services in the event that there is a vacancy in the general manager position.

The spheres of influence for each of the special districts involved are all proposed to be reaffirmed as a single sphere of influence in common per Marin LAFCo Policy 5.1(b)(iii).

Staff Recommendation for Action

1. Staff recommendation – Approve all the attached resolutions on the Sewerage Agency of Southern Marin MSR, SOI approvals, and work plan with any amendments as desired by the Commission.
2. Alternate Option – Continue consideration of the item to the next regular meeting, and provide direction to staff, as needed.

Attachment:

- 1) Final Draft of Sewerage Agency of Southern Marin MSR
- 2) Suggested Edits Spreadsheet
- 3) Work Plan from MSR
- 4) Resolution 23-17; Resolution 23-18
- 5) Memo from Legal Counsel re: Special District Board Seat Vacancies

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Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kious, Regular
Almonte Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Cathryn Hilliard, Alternate
SMFPD

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member



Marin Local Agency Formation Commission

Municipal Service Review

Sewerage Agency of Southern Marin Study

FINAL DRAFT

December 2023

PREFACE

This Municipal Services Review (MSR) documents and analyzes wastewater services provided by local governmental agencies in the Southern Marin region. Specifically, it evaluates the adequacy and efficiency of local government structure and boundaries within the region and provides a basis for boundary planning decisions by the Marin Local Agency Formation Commission (LAFCo).

Context

Marin LAFCo is required to prepare this MSR in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR reviews services provided by public agencies—cities and special districts—whose boundaries and governance are subject to LAFCo. The analysis and recommendations included herein serve to promote and coordinate the efficient delivery of local government services and encourage the preservation of open space and agricultural lands.

Commissioners, Staff, Municipal Services Review Preparers

Commissioners

Barbara Coler- Chair	City	Town of Fairfax
Dennis Rodoni -Vice Chair	County	District 4 Supervisor
Eric Lucan	County	District 5 Supervisor
Lew Kious	Special District	Almonte Sanitary District
Larry Chu	Public	Commission
Craig Murray	Special District	Las Gallinas Valley Sanitary District
Steve Burdo	City	Town of San Anselmo
Roger Smith	Public Alternate	Commission
Cathryn Hilliard	Special District Alternate	Southern Marin Fire Protection District
Stephen Burke	City Alternate	City of Mill Valley
Stephanie Moulton-Peters	County Alternate	District 3 Supervisor

Staff

Jason Fried	Executive Director
Jeren Seibel	Deputy Executive Officer
Claire Devereux	Clerk/Jr. Analyst

MSR Preparers

Jeren Seibel, Deputy Executive Officer

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1.0 INTRODUCTION

1.1 ROLE AND RESPONSIBILITY OF LAFCO

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management oversight in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"), which specifies regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities and special districts as well as their municipal service areas.

Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities under Government Code (G.C.) Section 56301. This statute reads:

"Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities."

LAFCo decisions are legislative in nature and not subject to an outside appeal process. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing terms that directly control land uses, densities, or subdivision requirements.

Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and most special districts.¹ More recently LAFCOs have been tasked with also overseeing the approval process for cities and districts to provide new or extended services beyond their jurisdictional boundaries by contract or agreement as well as district actions to either activate a new service or divest an existing service. LAFCOs generally exercise their regulatory authority in response to applications submitted by the affected agencies, landowners, or registered voters.

Recent CKH amendments, however, now authorize and encourage LAFCOs to initiate on their own jurisdictional changes to form, consolidate, and dissolve special districts consistent with

¹ CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCo with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

current and future community needs. LAFCo regulatory powers are described in Table 1-1 below.

Table 1-1: LAFCo's Regulatory Powers

Regulatory Powers Granted by Government Code (G.C.) Section 56301	
• City Incorporations / Disincorporation	• City and District Annexations
• District Formations / Dissolutions	• City and District Detachments
• City and District Consolidations	• Merge/Establish Subsidiary Districts
• City and District Outside Service Extensions	• District Service Activations / Divestitures

Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and effectively serve as the Legislature’s version of “urban growth boundaries” with regard to cumulatively delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates, notably, all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs.

1.2 MUNICIPAL SERVICE REVIEWS

Municipal service reviews were a centerpiece to CKH’s enactment in 2001 and are comprehensive studies of the availability, range, and performance of governmental services provided within a defined geographic area. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies.

All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. This includes, most notably, infrastructure needs or deficiencies, growth and population trends, and financial standing. The seven mandated service factors are summarized in the following table.

Table 1-2: Mandatory Determinations

Mandatory Determinations / Municipal Service Reviews (Government Code Section 56430)
1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.
6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by LAFCo policy.

1.3 MARIN LAFCO COMPOSITION

Marin LAFCo is governed by a 7-member board comprised of two county supervisors, two city council members, two independent special district members, and one representative of the general public. Each group also gets to appoint one “alternate” member. Each member must exercise their independent judgment, separate from their appointing group, on behalf of the interests of all residents, landowners, and the public. Marin LAFCo is independent of local government and employs its own staff. Marin LAFCo’s current commission membership is provided below in Table 1-3.

Table 1-3: Marin LAFCo Commission Membership

Name	Position	Agency Affiliation
Barbara Coler – Chair	City	<i>Town of Fairfax</i>
Dennis Rodoni – Vice Chair	County	<i>District 4 Supervisor</i>
Eric Lucan	County	<i>District 5 Supervisor</i>
Lew Kious	Special District	<i>Almonte Sanitary District</i>
Steve Burdo	City	<i>Town of San Anselmo</i>
Craig Murray	Special District	<i>Las Gallinas Valley Sanitary District</i>
Larry Chu	Public	<i>Commission</i>
Roger Smith	Public Alternate	<i>Commission</i>
Cathryn Hilliard	Special District Alternate	<i>Southern Marin Fire Protection District</i>
Stephen Burke	City Alternate	<i>City of Mill Valley</i>
Stephanie Moulton-Peters	County Alternate	<i>District 3 Supervisor</i>

Marin LAFCo offices are located at 1401 Los Gamos Drive, Suite 220 in San Rafael. Information on Marin LAFCo’s functions and activities, including reorganization applications, are available by calling (415) 448-5877 by e-mail to staff@marinlafco.org or by visiting www.marinlafco.org.

2.0 EXECUTIVE SUMMARY

This study represents Marin LAFCo’s scheduled regional municipal service review of local agencies providing wastewater services in the region of southern Marin County. The underlying aim of the study is to produce an independent assessment of municipal services in the region over the next five to ten years relative to the Commission’s regional growth management duties and responsibilities. The information generated as part of the study will be directly used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

2.1 AFFECTED PUBLIC AGENCIES

This report focuses on four independent special districts and one joint powers authority (JPA) operating in the Southern Marin County region as listed below and shown in Figure 2.1. Each of the four special districts in the study are member agencies of the Sewerage Agency of Southern Marin (SASM) joint powers authority. There are two other member agencies of SASM (City of Mill Valley and Tamalpais Community Services District) as well as a handful of other agencies in Southern Marin County that provide wastewater collection and/or treatment services that are not included in this study. Those agencies received their own reviews as parts of the Golden Gate Corridor Municipal Service Review and the Tiburon Peninsula Municipal Service Review

Table 2-1: Sewerage Agency of Southern Marin Study MSR Agencies

Sewerage Agency of Southern Marin Study Agency Names
Almonte Sanitary District
Alto Sanitary District
Homestead Valley Sanitary District
Richardson Bay Sanitary District
Sewerage Agency of Southern Marin

2.2 PLANS, POLICIES, STUDIES

Key references and information sources for this study were gathered for each agency considered. The references utilized in this study include published reports; review of agency files and databases (agendas, minutes, budgets, contracts, audits, etc.); Master Plans; Capital Improvement Plans; engineering reports; EIRs; finance studies; general plans; and state and regional agency information (permits, reviews, communications, regulatory requirements, etc.). Additionally, the LAFCo Executive Officer and Deputy Executive Officer contacted each agency with requests for information.

The study area for this MSR includes two cities as well as a number of unincorporated areas adjacent to the cities. In the areas entirely outside of the cities, Marin County has the primary authority over local land use and development policies (and growth). The City of Mill Valley and the Town of Tiburon have authority over land use and development policies within their respective jurisdictions. City, County, and Community plans were vital for the collection of

baseline and background data for each agency. The following is a list of documents used in the preparation of this MSR:

- County General Plans
- Specific Plans
- Community Plans
- Previous municipal service reviews
- Wastewater Treatment Plant Master Plan
- Sewer System Management Plan
- Agency databases and online archives (agendas, meeting minutes, website information)

2.3 AGENCY AND PUBLIC PARTICIPATION

Within the approved scope of work, this study has been prepared with an emphasis on soliciting outside public review and comment as well as multiple opportunities for input from the affected agencies. This included an agency startup meeting with Marin LAFCo, information requests sent to individual agencies, draft agency profiles also sent to agencies, and review of the draft report prior to Commission action.

This MSR is posted on the Commission’s website (www.marinlafco.org). It may also be reviewed at the LAFCo office located at 1401 Los Gamos Drive, Suite 220 in San Rafael during open hours.

Table 2-2: Sewerage Agency of Southern Marin Agencies’ Meeting Information

Southern Marin Wastewater Municipal Service Review – Agency Transparency					
Agency	Governing Body	Meeting Date/Time	Meeting Location	Televised/ Streaming	Website
Almonte Sanitary District	Board of Directors	4 th Monday at 7:00 p.m.	SASM Office 450 Sycamore Lane Mill Valley, CA 94941	No	almontesd.org/board-meetings
Alto Sanitary District	Board of Directors	4 th Wednesday at 7:30 p.m.	SASM Office 450 Sycamore Lane Mill Valley, CA 94941	No	altosanitarydistrict.org/meetings
Homestead Valley Sanitary District	Board of Directors	4 th Tuesday at 7:30 p.m.	Homestead Valley Community Center 315 Montford Avenue Mill Valley, CA 94941	No	homesteadvalleysd.org/agendas-and-minutes.php
Richardson Bay Sanitary District	Board of Directors	3 rd Tuesday at 4:00 p.m.	RBSD Admin Office 203 Marin Drive Mill Valley, CA 94941	No	richardsonbaysd.org/district-agendas
Sewerage Agency of Southern Marin	Board of Directors	3 rd Thursday at 6:00 p.m.	SASM Office 450 Sycamore Lane Mill Valley, CA 94941	No	sasmwwtp.org/board-meeting-packets

2.4 WRITTEN DETERMINATIONS

The Commission is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations are similar to findings and serve as independent statements based on information collected, analyzed, and presented in this study's subsequent sections. The underlying intent of the determinations is to identify all pertinent issues relating to the planning, delivery, and funding of municipal services as it relates to the Commission's role and responsibilities. An explanation of these seven determination categories is provided below.

1. Growth and Population

This determination evaluates existing and projected population estimates for each of the unincorporated communities within the study area.

2. Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence.

This determination was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined as an inhabited community of 12 or more registered voters having a median household income of 80 percent or less than the statewide median household income.

3. Capacity and Infrastructure

Also discussed is the adequacy and quality of the services provided by each agency, including whether sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions.

4. Financing

This determination provides an analysis of the financial structure and health of each service provider, including the consideration of rates and service operations, as well as other factors affecting the financial health and stability of each provider. Other factors considered include those that affect the financing of needed infrastructure improvements and compliance with existing requirements relative to financial reporting and management.

5. Shared Facilities

Opportunities for districts to share facilities are described throughout this MSR. Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for more efficient delivery of services.

6. Government Structure and Local Accountability

This subsection addresses the adequacy and appropriateness of existing boundaries and spheres of influence and evaluates the ability of each service provider to meet its demands under its existing government structure. Also included is an evaluation of compliance by each provider with public meetings and records laws (Brown Act).

7. Other Matters Related to Effective or Efficient Service Delivery, as Required by Commission Policy

Marin LAFCo has specified the sustainability of local agencies as a priority matter for consideration in this MSR. Sustainability is not simply about the environment but can consider the sustainability of an organization and its ability to continue to provide services efficiently for many years to come. Sustainable local governments that take practical steps to protect the environment and our natural resources through land conservations, water recycling and reuse, preservation of open space, and opting to use renewable energy are the key players in determining the sustainability of the region.

In addition, other matters for consideration could relate to the potential future SOI determination and/or additional effort to review potential advantages or disadvantages of consolidation or reorganization.

A summary of determinations regarding each of the above categories is provided in Chapter 3 of this document and will be considered by Marin LAFCo in assessing potential future changes to an SOI or other reorganization.

3.0 DETERMINATIONS

The Commission is directed to prepare written determinations to address the multiple governance factors specified under Government Code Section 56430 anytime it prepares a municipal service review. These determinations serve as independent statements based on information collected, analyzed, and presented in this study's subsequent sections. The underlying intent of the determinations is to provide a succinct detailing of all pertinent issues relating to the planning, delivery, and funding of public services in the study area as it relates to the Commission's role and responsibilities.

Growth and population projections for the affected area.

a) Anticipated growth in the study area is projected to be minimal. The vast majority of developable land that is zoned for residential development within the study area is essentially built out, and the rezoned areas intended to comply with the State's Regional Housing Needs Assessment will not be of significant enough size or density to be impactful to municipal service providers. The combined population growth within the jurisdictional boundaries of the four special districts was approximately 0.8% over the course of 10 years between 2010-2020. The projected annual growth rate (combined) within the study area through 2040 is approximately 0.073%. While not reviewed in this study, as member agencies of SASM, it is pertinent to mention that the City of Mill Valley has a projected annual growth rate through 2040 of approximately .38%, and Tamalpais Community Services District (as part of the greater census-designated place of Tamalpais-Homestead Valley) has a projected annual growth rate through 2040 of approximately 0.064%.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

a) At this time, there are no disadvantaged unincorporated communities identified within the study area.

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

a) Each of the reviewed agencies has shown a sufficient level offered of both services and infrastructure necessary to continue to provide the core services currently being provided at the levels at which they are being provided as well as having the capability to handle future growth based on current projections. Each of the agencies reviewed has retained the services of an engineering firm to aid in the creation of robust capital improvement plans with significant percentages of annual revenues being dedicated to updating older infrastructure.

b) As noted above, there are no unincorporated communities within the study area that have been identified as disadvantaged.

Financial ability of agencies to provide services.

a) The Sewerage Agency of Southern Marin, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District all prepare annual budgets and prepare financial statements in accordance with established governmental accounting standards. The respective governing boards may amend their budgets by resolution during the fiscal year in order to respond to emerging needs, changes in resources, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control.

b) District Managers and the Wastewater Treatment Plant Director are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the governing boards of each agency must approve any increase in the operating expenditures, appropriations for capital projects, and transfers between major funds and reportable fund groups. Audited financial statements are also prepared for each agency by independent certified public accounting firms.

Status of, and opportunities for, shared facilities.

a) As member agencies of SASM, each of the four districts in this study shares the wastewater treatment facility. Annual revenues from each of the districts support the operations and maintenance of the wastewater treatment plant as well as the capital improvements. Beyond the current facilities being shared, no specific opportunities that would be advantageous for both participating parties were identified during the course of this study. With three of the five agencies being reviewed having no administrative offices, facilities as a whole between these agencies are minimal.

Accountability for community service needs, including governmental structure and operational efficiencies.

a) Almonte Sanitary District currently provides service to six parcels within the jurisdictional boundary of Tamalpais Community Services District. Government Code Section 56133 requires cities and special districts to request and receive written approval from LAFCo before entering into agreements to provide new or extended services outside their jurisdictional boundaries. At this time, Marin LAFCo has no record of any approved outside service agreement (OSA) between the two agencies. As such, Almonte Sanitary District should submit a formal request to Marin LAFCo for an OSA to continue to provide these services moving forward. This action should be followed by discussions on the feasibility of

transferring this service from the Tamalpais Community Services District to Almonte Sanitary District and formally annexing those parcels into Almonte Sanitary District.

b) Homestead Valley Sanitary District currently provides service to two parcels within the jurisdictional boundary of Tamalpais Community Services District. Government Code Section 56133 requires cities and special districts to request and receive written approval from LAFCo before entering into agreements to provide new or extended services outside their jurisdictional boundaries. At this time, Marin LAFCo has no record of any approved outside service agreement (OSA) between the two agencies. As such, Homestead Valley Sanitary District should submit a formal request to Marin LAFCo for an OSA to continue to provide these services moving forward. This action should be followed by discussions on the feasibility of transferring this service from Tamalpais Community Services District to Homestead Valley Sanitary District and formally annexing those parcels into Homestead Valley Sanitary District.

c) Currently, each of the member agencies that comprise the Sewerage Agency of Southern Marin has, while at varying levels, room for growth within each of their agreed-upon allocated capacities within the SASM treatment plant. With that said, future development could push one or multiple of the agencies above the number of equivalent dwelling units that it has been allocated with the agreement. The current iteration of the SASM agreement states the following on this scenario:

“Member Entities may enter into agreements with one or more other Member Entities to acquire, temporarily or permanently, some portion or all of that Member Entity(ies’) unused Capacity Allocation upon such terms and conditions as the affected Member Entities may mutually agree in writing; but no such agreement shall be effective without the consent of the Agency, which consent shall not be unreasonably withheld. Agency considerations will include an assessment of the impact on the adequacy of Agency facilities. Any reallocations of Capacity Allocations pursuant to this Subsection shall be recognized by the Agency for the purpose of capital facilities charges and other similar purposes.”

At this time, there is no specific language within the SASM agreement as to what the parameters of the purchasing of unused capacity allocation from another member agency would entail. Prior to this hypothetical becoming a reality, it would be prudent for the SASM member agencies to begin preliminary discussions with one another regarding the addition of specific language to the agreement on what the exact structure of this transaction would look like should the time come. The SASM Commission President has intimated to Marin LAFCo that SASM is open to the discussion and invites submissions of suggested updated language.

d) The municipal service review requirements added to LAFCo’s responsibilities in 2000 are intended to generate a rethinking of government structure where change might yield either cost savings or improvements to service. More recent economic and fiscal problems affecting local government revenues add to the reasons for an active approach to considering alternative service arrangements where the possibility of greater efficiency clearly exists.

The level of public engagement in matters relating to sewer service in southern Marin is very low. With the exceptions of major capital improvement planning and service rate reviews, public information on sewer operations is not widely distributed. Since 1967, members of the four sanitary district governing boards within this study have necessitated a formal election a total of 12 times in a combined 107 possible election cycles. Two of the Districts, Almonte and Alto, held zero elections in that time. In addition, the Board of Supervisors was forced to appoint 21 members to these boards during that span, with Almonte and Alto having the two highest numbers of Board of Supervisors appointments of any special district in Marin County. In addition, in the November 2022 election cycle, when the Board of Supervisors went to the public to make the appointments for two of the three seats on the Alto Sanitary District Board in response to nobody filling out the paperwork to run for those seats in the election, the Board of Supervisors was faced for the first time in its history with any special district in Marin County of being unable to secure appointees for the seats. The seats were eventually filled by way of appointment by the existing Alto Sanitary District Board members.

The vast majority of the annual sewer service expenditures for each of the four districts go to the cost of contract treatment service and capital improvements. The local control over a municipal service afforded by a special district board is meaningful only if the scope of activities and decisions of that governing board are known to the public and attract participation by constituents. Where this is not the case because the service role is very limited or board discretion over spending is very narrow, the practical meaning of “local control” is diminished.

e) Each of the four special districts encompassed in this study should begin discussions regarding the possibility surrounding shared services in the event of the departure of a district’s management employee so as to be prepared should such time present itself.

Any other matter related to effective or efficient service delivery, as required by commission policy

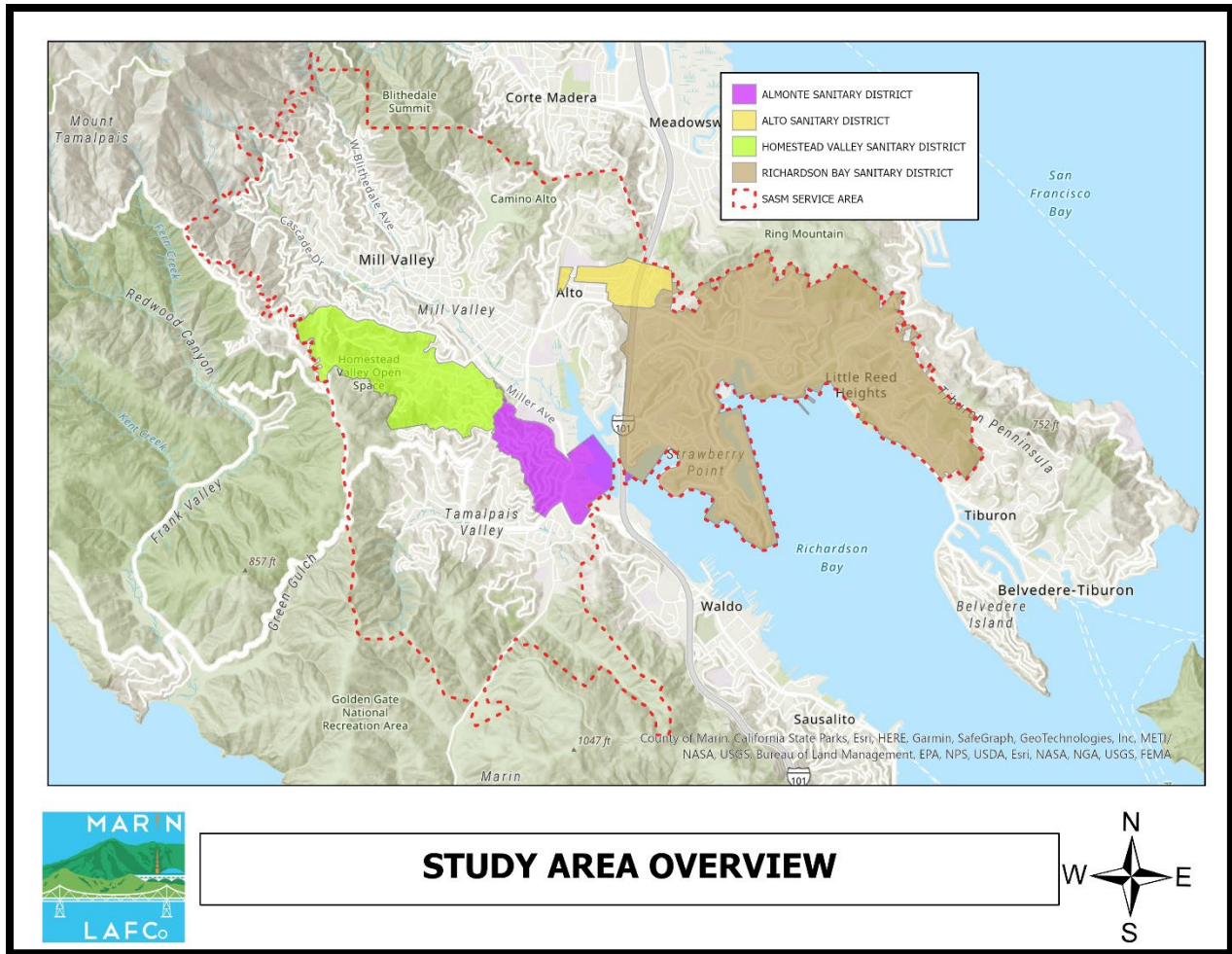
a) Currently, Alto Sanitary District, Almonte Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District share what is known within Marin LAFCo policy as a sphere of influence in common. In 2010, the Marin LAFCo Policy Handbook was updated with the following in section 5.1 (b)(iii):

“The policies, procedure, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.”

Considering the manner in which the prior attempt at the consolidation of the four districts

was unsuccessful, the removal of the language of AB 1232 from State Government Code that granted the Commission the power to consolidate these agencies without protest hearings, the 13 years that have passed since the creation of this policy and the adoption of this sphere of influence determination, and with the low protest threshold needed to defeat future consolidation efforts (especially in light of the diminutive size of each district's population), it is recommended that the Commission re-examine whether it still believes that a single special district would most efficiently provide the service to these communities and, if so, whether there is a feasible path toward the consolidation of these agencies in the foreseeable future. During the course of this study, the SASM Commission President facilitated meetings between the LAFCo Executive Officer and each of the reviewed special districts' Board Presidents. Each Board President stated that its agency opposes any effort towards consolidation of the agencies. If the Commission deems both of these things to still be the case, then the current policy needs no adjustment and the current sphere of influence in common should be reaffirmed. If, however, the Commission no longer believes that a single special district would most efficiently provide the service to these communities and/or that there is no feasible path toward the consolidation of these agencies in the foreseeable future, the Commission should explore the removal of this policy as it would be fundamentally ineffectual. This would in turn also require the amendment of the current sphere of influence in common to each agency having its own sphere of influence that is coterminous with its current jurisdictional boundary.

4.0 REGIONAL SETTING



The Southern Marin Wastewater Municipal Service Review (MSR) study area consists of the northern perimeter of Richardson Bay stretching along Marin County’s southern Highway 101 corridor to the northernmost point of the City of Mill Valley. Five public agencies, including one Joint Powers Authority (JPA), are included. Many distinct communities lie within and adjacent to the Study Area. These communities are served by a number of municipal service providers that have been established over time to meet local conditions and needs. While jurisdictional boundaries define the geographical extent of an agency’s authority and responsibility to provide services, there are several instances of overlapping boundaries and service responsibilities in the Study Area. These service arrangements and relationships for providing municipal services within the Study Area are described in this report.

Within the Study Area, all incorporated and unincorporated communities are within the current boundary or service area of a fire protection and emergency medical service provider. While there are several small pockets of development in the Study Area that are not currently provided sanitary sewer service by a local agency, the vast majority are within the jurisdictional boundary

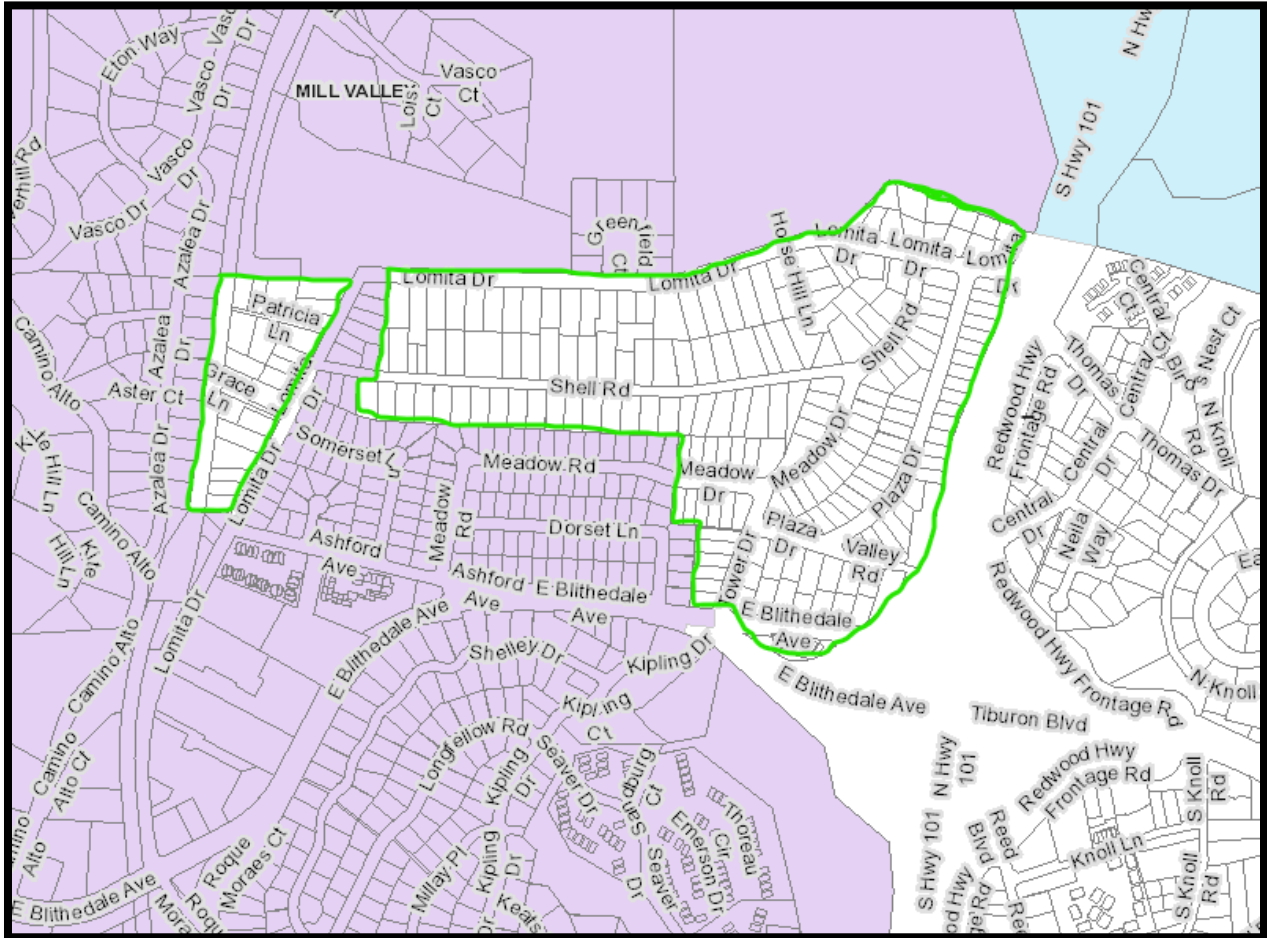
of one of the sanitary sewer agencies. The Marin Municipal Water District provides water for domestic use and fire-flow to the entire Study Area.

4.1 UNINCORPORATED ISLANDS

The State Legislature has recognized that pockets of unincorporated territory that are surrounded or substantially surrounded by incorporated cities, typically known as “islands”, create governance and service delivery inefficiencies and deficiencies. Marin LAFCo’s Unincorporated Island policy encourages annexations of islands to cities, where supported by the island community, to further reduce and/or eliminate islands to provide more orderly local governmental boundaries and cost-efficiencies. However, Marin LAFCo will not independently proceed with an entire island annexation to a municipality where local residents have voiced opposition.

There is one identified unincorporated island in the study area that is substantially surrounded by the City of Mill Valley: the Alto Sutton (Horse Hill) neighborhood in the eastern border area of the City of Mill Valley. The Alto Sutton island is comprised of approximately 200 parcels, a majority of which are developed, and is approximately 40 acres in size. The unincorporated island is relatively unique as the City’s jurisdictional boundary actually bisects the unincorporated neighborhood completely in one area leaving a patch of 23 parcels completely surrounded by City lands. The Alto Sutton area has a population of approximately 700. Access to the Alto Sutton area is through Mill Valley Streets and is currently within the City’s sphere of influence. The Alto Sutton area is located so close to City facilities that the area may already be deemed to benefit from them. If the area were annexed to the City, Alto Sanitary District would logically be dissolved or established as a subsidiary of the City. The City of Mill Valley would provide services and facilities at service levels which are the same or higher than currently provided by the County and Alto Sanitary District. A map of the area can be seen below in Figure 4-1 with the City of Mill Valley’s jurisdiction shown in purple shading and the Alto Sutton island outlined in green.

Figure 4-1: Alto Sutton (Horse Hill) Unincorporated Island Map



5.0 SEWERAGE AGENCY OF SOUTHERN MARIN

5.1 OVERVIEW

The Sewerage Agency of Southern Marin (SASM) was established in 1979 as a joint powers authority (JPA) under Section 6500 of the California State Government Code. The JPA provides wastewater treatment and disposal as well as water reclamation to the six member agencies that comprise the authority: Alto Sanitary District, Almonte Sanitary District, Richardson Bay Sanitary District, Homestead Valley Sanitary District, Tamalpais Community Services District, and the City of Mill Valley. The JPA's service area encompasses just under 12.06 square miles. The last municipal service review that included SASM was conducted in 2011.

Table 5-1: Sewerage Agency of Southern Marin Overview

Sewerage Agency of Southern Marin			
Primary Contact:	Mark Grushayev	Phone:	(415)-388-2402
Mailing Address:	450 Sycamore Avenue, Mill Valley, 94941		
Formation Date:	June 1979		
Services Provided:	Wastewater Treatment/Disposal, Water Reclamation		
Service Area:	7,721 acres	Population Served:	≈30,000

5.2 FORMATION AND DEVELOPMENT

The Sewerage Agency of Southern Marin was formed in June of 1979 for the purpose of carrying out the construction and installation of advanced wastewater collection, treatment, reclamation, and disposal facilities to serve the Southern Marin area as recommended by the Southern Marin Subregional Sewer Agency (SMSSA). The initial agreement included five member agencies: the City of Mill Valley, Alto Sanitary District, Almonte Sanitary District, Richardson Bay Sanitary District, and Tamalpais Community Services District. In October of 1979, in response to increasing state and federal water quality regulations that prohibited shallow water discharge, Homestead Valley Sanitary District joined the agreement. The agreement provided for the financing, ownership, operation, and maintenance of certain facilities already in place, as well as responsibility for all functions pertaining to the treatment, reclamation, and disposal of sewage and other wastewater.

Prior to SASM, two separate joint efforts preceded the formation of the JPA. The first of these, known as Improvement District A, was formed in 1969 to gather information and do preliminary planning for a possible sewage treatment and disposal plant in Southern Marin County. Improvement District A was an informal structure, defined geographically, and controlled by Marin Municipal Water District. In 1973, the Southern Marin Subregional Sewer Agency (SMSSA) was formed as a direct result of Improvement District A's research findings. SMSSA was given responsibility for preparing a plan and program necessary for meeting the wastewater treatment needs of the entire Southern Marin area. SMSSA was governed by a nine-member board of directors, including each of the six member agencies that currently make up SASM.

The other three members, Sausalito-Marín City Sanitary District, Sanitation District #5, and the City of Belvedere, took an independent course of action upon the formation of SASM in 1979.

The original wastewater treatment plant was constructed in 1954 and underwent a significant upgrade and expansion in 1984. The site, on Sycamore Avenue within the jurisdictional boundary of the City of Mill Valley, was chosen as the optimal site due to being relatively central to all of the member agencies as well as being located at a low elevation, which minimized the need for pumping and long pipelines. The City also owned the 8.34-acre property and was willing to lease the site to SASM.

SASM's organizational structure and delivery of services have been a topic of debate since the completion of the treatment plant. In 1984, the SASM board of directors retained the services of the consulting firm Angus McDonald & Associates for the purpose of performing a study on different organizational structures to provide sewer collection and treatment services. The study identified alternatives for the consolidation of member agencies and specifically examined one alternative (consolidation of Alto, Almonte, Richardson Bay, and Homestead Valley Sanitary Districts combined with a joint-powers agreement with the City of Mill Valley). The multi-phase study was discontinued in 1985 by the SASM board when the board concluded that the consultant was not sensitive to the board's concerns.

In September of 2005, the 10 sewer agencies in Southern Marin (including the six SASM member agencies) each adopted a resolution "...declaring intent to explore and implement opportunities for functional collaboration." Within these resolutions, each agency resolved itself to the following:

- Participating in the formation of a Steering Committee.
- Participating in the development of a list of target activities.
- Participating on subcommittees and working groups.
- Participating in the development of a decision-making process.
- Receiving and reviewing progress reports at least twice per year.
- Seeking an implementation framework for feasible options. Joint Powers Agreements will be considered. Establishing an initial time frame of three years to complete the exploration and implementation of feasible collaborative efforts.

The 10 sewer agencies followed up this resolution by forming a working group of agency managers to identify collaborative actions to improve aggregate operational efficiency. The working group ceased meeting after approximately one year.

In late 2009, Assembly Bill 1232 was signed into law and authorized, but did not require, Marin LAFCo to initiate reorganization or consolidation of the Sewerage Agency of Southern Marin and its member agencies without protest hearings beginning January 1, 2011. In July 2011, the Southern Marin Sewer Agencies Service Review and Sphere of Influence Update made multiple recommendations for possible structures of reorganization and consolidation. In December of 2011, Marin LAFCo adopted Resolution 11-11 amending the spheres of influence of the four sanitary district members of SASM to each be a "sphere of influence in common". The designation was assigned to reflect the Commission's conclusion that the service provided by

Almonte, Alto, Homestead Valley, and Richardson Bay Sanitary Districts could be most efficiently provided by a single sanitary district. On September 13, 2012, Marin LAFCo approved Resolution 12-06 “Making determinations and approving consolidation of the Alto, Almonte, Homestead Valley, and Richardson Bay Sanitary Districts.” The approved motion included an agreement not to invoke the powers granted by AB 1232 to deny protest hearings. The effective date of the reorganization was intended to be one year from the date of the resolution’s approval with the new independent special district being called the Southern Marin Sanitary District. On November 15, 2012, the Executive Officer of Marin LAFCo held a noticed protest hearing and received written protests signed by registered voters from each of the four sanitary districts affected by the consolidation approved by the Commission. On December 4, 2012, the Marin County Elections Department reported sufficient value of written protest to require an election in each of the four sanitary districts. In May of 2013, Measure C sent the issue to voters of the four districts. The measure was defeated. In 2022, the language of Assembly Bill 1232 was removed from California State Government Code.

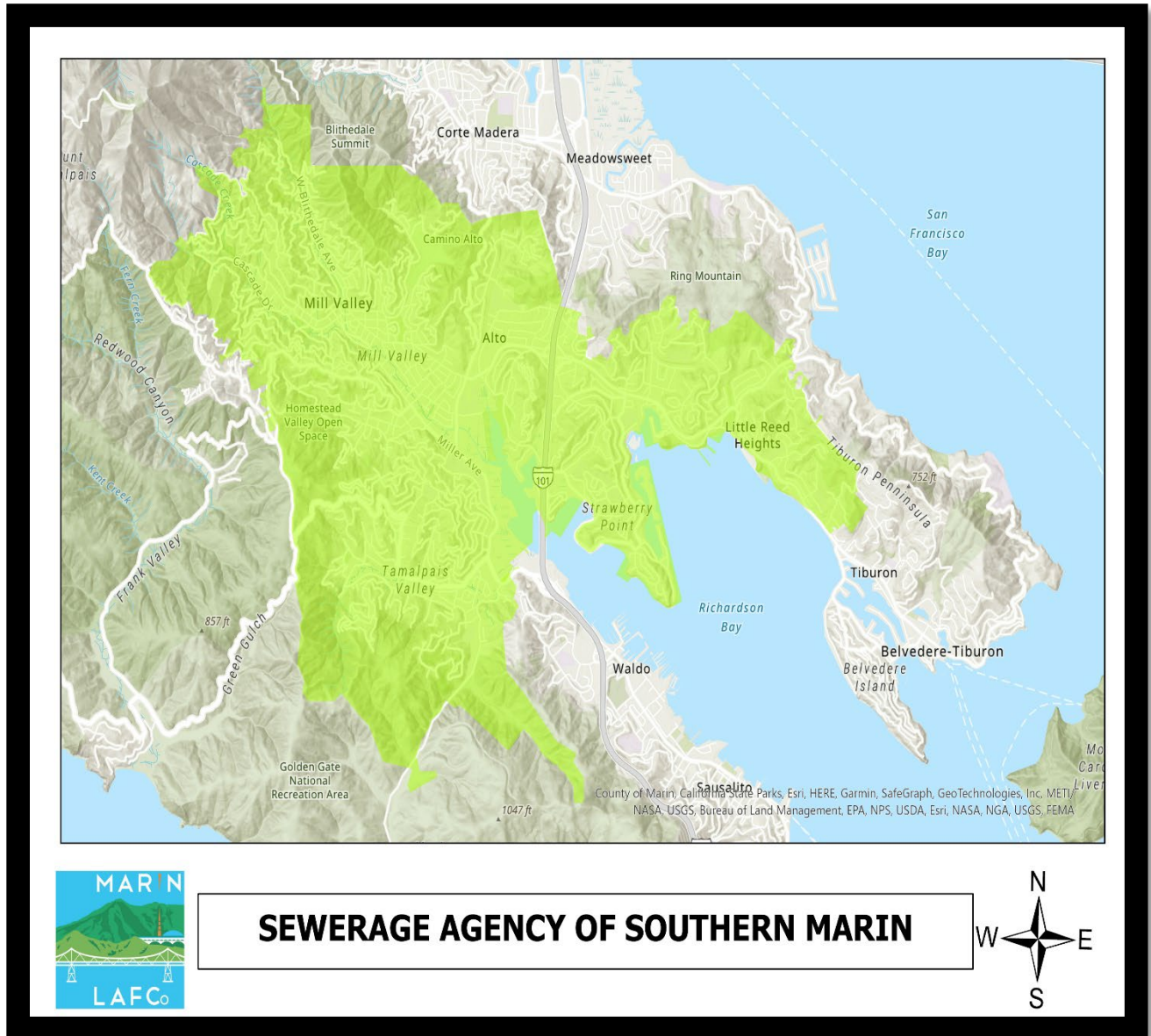
In January 2008, SASM’s treatment plant experienced two major storm-related spill events. A Spill Investigation Report was produced by the State Water Resources Control Board Office of Enforcement in April 2008. The investigation concluded that on January 25, 2008, SASM bypassed 2.45 million gallons of screened sewage influent to the equalization ponds (also referred to as emergency storage ponds) and then to Pickleweed Inlet, which is connected to Richardson Bay, and on January 31, 2008, another incident at SASM resulted in a spill of partially treated wastewater to Pickleweed Inlet. SASM initially reported the volume of the second spill as 2.7 million gallons, but on February 23, 2008, the estimate was revised to 0.962 million gallons. Following the investigation, the Environmental Protection Agency (EPA) issued an Administrative Order applying to both SASM and its member agencies. The EPA found SASM and its member agencies in violation of their National Pollutant Discharge Elimination System (NPDES) permits and required each agency to maintain its collection system, control inflow and infiltration, and manage overflows. A fine of \$1.6 million was levied against the agency. The order required SASM and each member agency to take actions and file reports in seven different areas including:

- Elimination of Collection System Spills
- Spill Response, Recordkeeping, Notification and Reporting
- Collection System Maintenance and Management
- Collection System Assessments
- Capacity Assurance
- Infrastructure Renewal
- Implementation Study and Report

In 2014 it was agreed that significant capital improvements were becoming necessary, and in December 2014, a Wastewater Treatment Plant Master Plan was formed for SASM by a consulting firm. The Master Plan laid out a full condition assessment and provided a long-term capital improvement plan. In 2016, \$38 million in bonds were issued for wastewater treatment plant and collection system capital improvement work, with the initial major construction work

beginning in April of 2018. Phase 1 of the renovations was completed in late 2020 and Phase 2 was completed in early 2023. SASM has not experienced any significant sewer system overflow since 2008 thanks in large part to the significant efforts towards capital improvements.

Figure 5-1: Sewerage Agency of Southern Marin Service Area



5.3 SERVICE AREA

The Sewerage Agency of Southern Marin’s service area is coterminous with the jurisdictional boundaries of its six member agencies. The one significant caveat in this area is that, while the entirety of the Tamalpais Community Services District is technically in the JPA’s service area, the actual area within the District that flows into SASM is only a small portion of the District’s collection lines. The area that is served by the SASM treatment plant is just what is known as the Kay Park area. The remainder of the District’s wastewater collection flows into the

Sausalito-Marín City Sanitary District. The total service area of SASM is approximately 7,721 acres (12.06 square miles). As joint powers authorities are not assigned spheres of influence within the California State Government Code, SASM in and of itself has no assigned sphere of influence.

5.4 GROWTH AND POPULATION

The service area of the Sewerage Agency of Southern Marin is coterminous with the jurisdictional boundaries of its six member agencies. The growth and population data for the four districts within this study (Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District) can be found in those district's respective agency profiles within this study. The remaining two agencies, Tamalpais Community Services District and the City of Mill Valley, were both reviewed in Marin LAFCo's most recent municipal service review, the Golden Gate Corridor Municipal Service Review (adopted April 2023). The growth and population statistics for those agencies can be viewed in each of the agency profile chapters for those agencies within that study.

5.5 MUNICIPAL SERVICES

Wastewater Collection and Treatment

SASM provides wastewater treatment and disposal to each of the six collection agencies that create the JPA's service area. In addition to the treatment plant itself, SASM's infrastructure also includes 4.65 miles of gravity sewer pipes, 9 miles of force main, 6 pump stations, and 173 manholes. The wastewater treatment plant treats raw wastewater from its member agencies through a process consisting of screening, grit removal, flow equalization, primary sedimentation, biological treatment, secondary clarification, disinfection, and dechlorination. Chlorine contact time is accomplished in the effluent outfall, and dechlorination occurs prior to discharge to Raccoon Strait in the San Francisco Bay via a submerged outfall that is jointly shared with Sanitary District No. 5 of Marin County. Biosolids removed from the wastewater stream are treated by gravity thickening, primary and secondary digestion, and dewatering by belt filter press.

In 2022, SASM provided treatment and disposal within its service area in the total amount of 15,078.9 residential equivalent dwelling units (EDU) and 2,063.3 commercial EDUs. SASM's definition of an EDU is "The volume of wastewater flow produced by an average single-family dwelling unit, which wastewater is of a composition or strength usually produced from domestic use and which wastewater flow peaks and ebbs at the usual times of the day or night as the result of being produced from domestic use." Over the course of the study window (past 5 years) the wastewater treatment plant had an average dry weather flow of 1.99 million gallons per day and an average wet weather flow of 3.23 million gallons per day. In that same span, SASM experienced two sanitary system overflows (both dry weather in 2018 and 2019) totaling 1,120 gallons.

In 1992, SASM adopted Ordinance 92-1 for the purpose of establishing annual sewer service charges for wastewater treatment services provided by SASM to its member agencies. The

sewer service charge calculation relies on the calculation of EDUs to proportionately allocate SASM's costs to each member agency annually. SASM's capital and debt expenditures are allocated to each member agency based upon a fixed percentage assigned to each member agency, which is designed to reflect each member agency's allocated capacity of the treatment plant. SASM's operations and maintenance (O&M) expenditures are allocated to each member agency based upon their respective percentage of EDUs. Each year the EDUs are calculated and self-reported by each respective member agency. Over the course of the past five fiscal years, the average annual combined member agency assessments have been \$8,265,735. Member agency assessments for FY 2021/22 and 2022/23 can be seen below in Figure 5-2. For reference, % (1) in the table refers to allocated capacity of treatment works and % (2) refers to current member agency EDU counts used to calculate percentages.

Figure 5-2 – SASM Member Agency Assessments

	Capital		O & M		21/22	22/23
	% (1)	Amount	% (2)	Amount	Total assessment	Total assessment
Almonte S.D.	5.20	104,112	5.25	400,466	498,961	504,578
Alto S.D.	3.40	68,221	3.89	297,035	353,244	365,257
HVSD	7.30	146,475	7.35	561,078	685,234	707,553
Mill Valley	49.20	987,430	49.19	3,753,018	4,506,688	4,740,448
RBSD	33.50	672,181	32.42	2,473,388	2,999,259	3,145,569
TCSD	1.40	28,091	1.90	145,279	134,495	173,370
	100.0	\$2,006,510	100.0	\$7,630,265	\$9,177,881	\$9,636,775

5.6 ORGANIZATION STRUCTURE

Board of Directors

The Sewerage Agency of Southern Marin receives oversight and policy direction by way of a six-member Board of Commissioners. Each of the six member agencies appoints one member of its governing body as a delegate to serve on the SASM Board. While the SASM member agencies have varying levels of ownership stakes in the treatment plant, each member agency has an equal vote on the SASM Board.

Table 5-2: Sewerage Agency of Southern Marin Board of Commissioners

Member	Position	Member Agency
Lew Kious	President	Almonte
Al Leibof	Vice-President	Homestead Valley
Todd Gates	Secretary	Alto
Peter McIntosh	Commissioner	Richardson Bay
Jim Jacobs	Commissioner	Tamalpais CSD
Steven Burke	Commissioner	City of Mill Valley

Administration

SASM receives its staffing resources through an operations and maintenance agreement with the City of Mill Valley. The City Manager and Public Works Director oversee the Treatment Plant Manager, staff, and SASM operations. The Wastewater Treatment Plant Director reports to the City Manager and functions as the Agency’s General Manager (GM). The GM provides written reports and recommendations to the SASM Board of Commissioners, monitors budgets and performance, directs contractor activities in making capital improvements and in the cleaning/inspection of the sewer system, manages sewer overflow response as the legally responsible official, prepares and submits reports, and writes the annual work plan for maintaining, inspecting, and improving the sewer system. In total, SASM contracts with the City of Mill Valley for 16 full-time equivalent (FTE) employees.

5.7 ACCOUNTABILITY AND TRANSPARENCY

The Sewerage Agency of Southern Marin makes a concerted effort to maintain high accountability and transparency with all of its activities. The Agency’s website maintains a robust web presence with multiple pages dedicated to the JPA (sasmwwtp.org). The SASM web pages provide extensive documentation and information on Board meetings, financial reports, services, projects, sewer system management plans, and more. At this time, SASM is meeting all of the transparency requirements of a public agency for the State of California

Meeting and Agendas

The SASM Board of Directors meets regularly on the 3rd Thursday of each month at 6:00 p.m. at the SASM office at 450 Sycamore Avenue in Mill Valley. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the SASM website (sasmwwtp.org/917/Board-Meeting-Packets).

Annual Budget Review

The SASM budget, typically adopted no later than the May Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line-item basis and the means of financing them. The Wastewater Treatment Plant Director presents financial reports to the Board every month to assure budgetary compliance.

5.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years), SASM has maintained increases in total net position each year, with the exception of fiscal year 2019-20. This anomalous decrease in net position was due, in part, to a reduction of cash held in order to fund the ongoing wastewater treatment plant improvement project. Strictly operationally, the District’s revenues have outpaced expenditures in each of the past five fiscal years, by an annual average of approximately \$749,220. The average annual operating revenues for the District over the 5-year period were \$8,566,360. Virtually all (98%) of the Agency’s revenue comes from charges for services in the form of assessments paid to the Agency by its members. The remaining two percent comes primarily from investment earnings and a small amount from other operating revenues. Investment interest revenues have seen significant decreases(-84% FY 2020-21 and -218% FY 2021-22) as a result of the dramatic reduction in the rate of return from investments and fair value decline in the value of the Agency’s investment in the City of Mill Valley’s investment pool. The primary annual operating expenses for SASM are Operations and Maintenance (67%), and Salaries and Benefits (31%). The projected total revenue for the District for fiscal year 2023-24 is \$10,287,614. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 5-3.

Table 5-3: Sewerage Agency of Southern Marin Financial Information

Operating Revenue	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Averages
Member Assessments	\$7,069,700	\$7,635,300	\$8,246,100	\$8,740,800	\$9,178,000	\$8,173,980
Investment Revenue	\$25,300	\$485,700	\$257,800	\$42,200	(\$50,100)	\$152,160
Other Revenues	\$164,300	\$489,000	\$167,700	\$198,400	\$181,700	\$240,220
Total	\$7,259,200	\$8,121,489	\$8,671,600	\$8,981,400	\$9,309,600	\$8,566,360

Operating Expenses	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Averages
Salaries & Benefits	\$2,847,600	\$2,722,400	\$2,953,000	\$2,835,200	\$2,589,200	\$2,789,480
Operations & Maintenance	\$2,639,800	\$3,988,900	\$6,384,500	\$5,732,800	\$5,903,800	\$4,929,960
Total	\$5,487,400	\$6,711,300	\$9,337,500	\$8,568,000	\$8,493,000	\$7,719,440

Debt

As of June 30, 2022, SASM was carrying \$41,777,427 in long-term liabilities. This amount is inclusive of net pension and other post-employment benefits (OPEB) liabilities as well as compensated absences. The sources of the Agency’s long-term liabilities are outlined below.

- **2016 Revenue Bonds** - On November 9, 2016, SASM issued \$38,000,000 in its Revenue Bonds, Series 2016. The revenue bonds were sold to provide financing for improvements to the infrastructure and to refund the outstanding revenue bonds, series 2012 and refund

the \$2,165,000 in outstanding bond anticipation notes. SASM transferred \$6,623,752 in bond proceeds and \$89,838 in existing funds to an escrow agent to advance refund the bond anticipation notes and defease the 2012 revenue bonds. Interest and principal on the bonds is payable in semiannual installments of principal and interest through July 1, 2046. The bonds bear interest at rates of 3%-5%. The bonds are limited obligations of SASM payable solely from revenues under the indenture which revenues shall consist of essentially the member assessments paid each year to SASM for the operation and maintenance of the treatment plant and system. Each of the member agencies have agreed to pledge their net system revenues to the extent that SASM will be able to provide sufficient funds to pay the principal and interest on the bonds. Member agencies have agreed to rate covenants providing for rate structures sufficient to generate enough revenues to operate their wastewater systems and pay the member assessments levied by SASM to cover operating costs and the debt service on the 2016 revenue bonds.

- **Long-Term O&M Agreement Payable to the City of Mill Valley** – SASM has an operations and maintenance agreement with the City of Mill Valley wherein SASM agreed to pay to the City all costs associated with the operations, maintenance, administration, and capital improvements of SASM. The City hires employees specifically for the purpose of operating, maintaining, and managing SASM’s wastewater treatment and disposal facilities. The costs of these employees as well as related pension and post-employment benefits are deemed as allowable costs under the agreement. SASM itself does not maintain separate employees’ pension or post-employment benefits trust. As such, employees providing services to SASM participate in the City’s PERS retirement and OPEB plans. Because of the financing agreement between the City and SASM which requires SASM to pay all costs, SASM has reported a long-term obligation payable to the City equal to the actuarially determined prorata share of the City’s net pension liability, related pension deferrals, and OPEB liabilities. This amount totaled \$5,957,999 as of June 30, 2022.

Financial Audit

The Sewerage Agency of Southern Marin annually has its financial statements audited and contracts with an outside accounting firm, Terry E. Krieg, CPA. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2022.

6.0 ALMONTE SANITARY DISTRICT

6.1 OVERVIEW

The Almonte Sanitary District (ASD) was established in 1952 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection as well as garbage/refuse collection to the unincorporated community of Almonte. The District is one of six member agencies that comprise the Sewerage Agency of Southern Marin which is a joint powers authority (JPA). The District's jurisdictional boundary encompasses just under 0.42 square miles. The last municipal service review that included Almonte Sanitary District was conducted in 2011.

Table 6-1: Almonte Sanitary District Overview

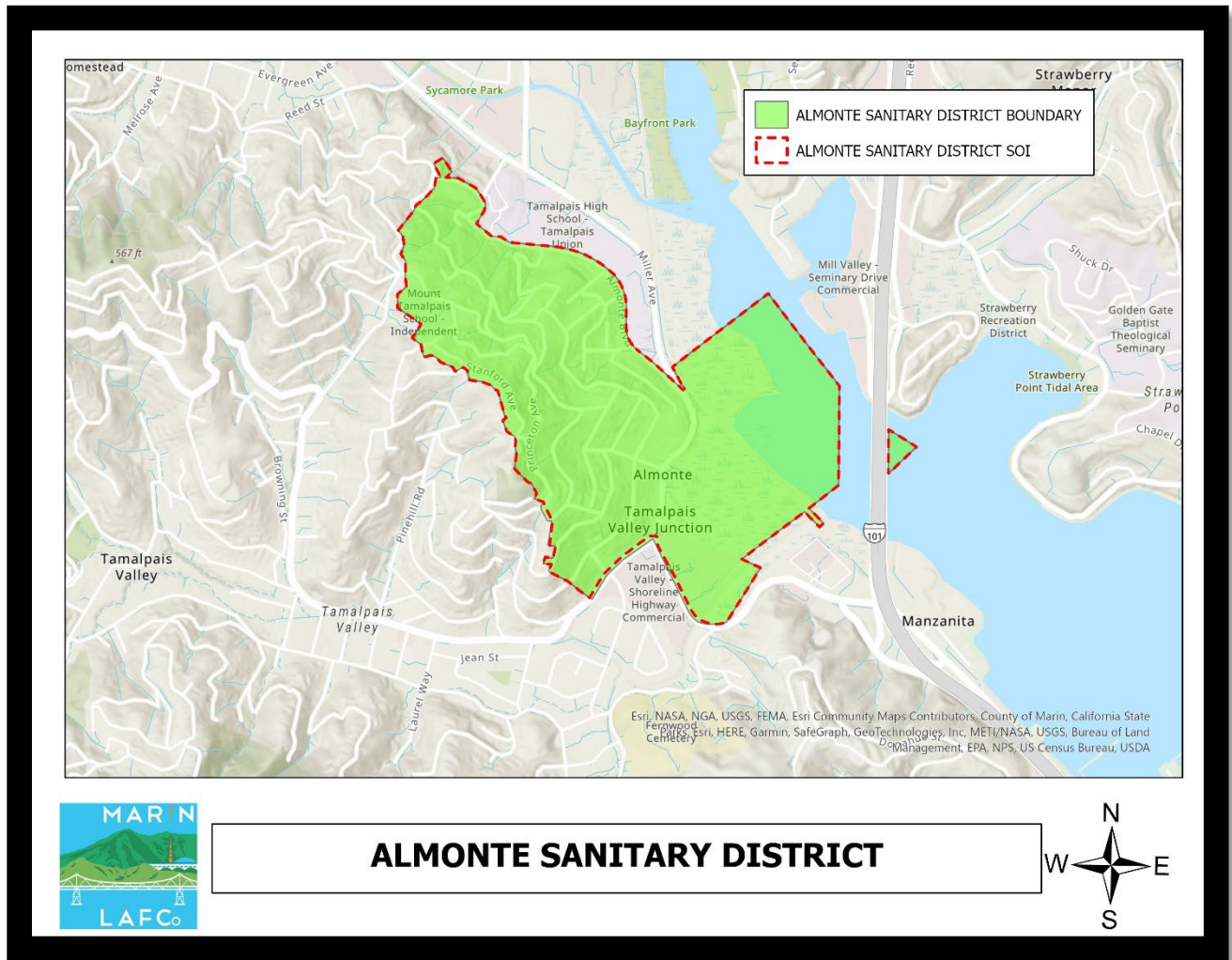
Almonte Sanitary District			
Primary Contact:	Shonn Dougherty	Phone:	(415)-388-8775
Mailing Address:	P.O. Box 698, Mill Valley, CA 94942		
Formation Date:	1952		
Services Provided:	Wastewater Collection, Garbage/Refuse Collection		
Service Area:	259.66 acres	Population Served:	≈2,000

6.2 FORMATION AND DEVELOPMENT

The Almonte Sanitary District encapsulates an unincorporated area that is contiguous to the southeastern corner of the City of Mill Valley. The community originally spawned in the early 1900s primarily due to the construction of the Almonte Train Station which was an important transfer point on the Northwestern Pacific Electric Railroad. At the time, travelers arriving by ferry to Sausalito from San Francisco were offered trains to San Anselmo, San Rafael, Tiburon Peninsula, and Mill Valley. Almonte Station was the division point. Trains from this point went their varying directions. The community of Almonte slowly formed during the first half of the 20th Century, and in 1952, the Almonte Sanitary District was formed in order to convert the area from septic tanks to a sewer system.

In June of 1979, in response to increasing state and federal water quality regulations that prohibited shallow water discharge, the Almonte Sanitary District joined four other sewer collection agencies in Southern Marin to form a Joint Powers Agency titled the Sewerage Agency of Southern Marin (SASM). SASM was formed to expand the wastewater treatment and disposal capabilities of the City of Mill Valley's wastewater treatment plant in order to address increased regulatory requirements, apply for available federal and state grant monies to finance the improvement, and to provide a consolidated management framework to effectively and efficiently meet the needs of approximately 29,000 residents in Southern Marin County.

Figure 6-1: Almonte Sanitary District Jurisdictional Boundary and Sphere of Influence



6.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Almonte Sanitary District’s jurisdictional boundary encompasses approximately 0.42 square miles of unincorporated Marin County. The District’s service area is the unincorporated territory between Homestead Valley and Tamalpais Valley along the west side of Miller Avenue and Almonte Boulevard extending to Tamalpais Junction. The territory also includes open space areas and businesses on the northeast side of the Tamalpais Junction commercial area. Marin LAFCo has no record of changes in the District’s jurisdictional boundary. In the jurisdictional boundary shown above in Figure 6-1, a small area to the east of State Highway 101 is shown as being part of the District. After researching the District’s boundary history, it has been established that this area is not a part of the District but rather a longstanding mapping error that will be corrected as a result of this study.

The District’s sphere of influence was established by Marin LAFCo in 1983 as an “interim sphere of influence” designating a projected maximum service area that would remain in effect until the District’s service area was presumably annexed to the City of Mill Valley or until the

District was consolidated with another special district that provides the same services. The adopted interim sphere of influence was coterminous with the District’s boundary. In 2005, the sphere of influence was reaffirmed with the interim designation to “...express this Commission’s expectation that Almonte Sanitary District will continue to provide service within its present boundaries while engaged in functional collaboration efforts with neighboring sewer agencies and that political consolidations should be evaluated by southern Marin sewer agencies in the future as appropriate.” In 2011, the Commission updated the sphere of influence as a “sphere of influence in common”, stating the following, “The Policies, Procedure, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.”

6.4 GROWTH AND POPULATION

The Almonte Sanitary District jurisdictional boundary is encompassed by the greater Census-Designated Place of Tamalpais-Homestead Valley. The District lies within two separate census block-groups within two separate census tracts: Census Tract 1281 Block Group 1 and Census Tract 1282 Block Group 3. According to 2020 U.S. Census Redistricting Data, the population of Census Tract 1281 Block Group 1 is 2,198, which is a 5.7% increase from the 2010 total of 2,078. The population of Census Tract 1282 Block Group 3 is 2,043², which is an 8.9% increase from the 2010 total of 1,875. The most recent census data shows a total of 1,763 housing units between the two Block Groups, which is a negligible increase of 6 total housing units from 2010.

The remaining development potential in the planning area is minimal as zoning regulations designated by the current Community Plan make the area essentially built out. While the Association of Bay Area Governments has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan, no area with Almonte Sanitary District received designation by the County of Marin as a potential site for new housing to meet these criteria. While Almonte Sanitary District’s wastewater infrastructure has the capacity to support growth within the planning area that is beyond the planning area’s potential buildout³, minimal growth is projected in the area. As a member agency of SASM, the Almonte Sanitary District owns 5% of the treatment plant capacity. This capacity amounts to 936 equivalent dwelling units, of which they currently utilize 817. The District’s total equivalent dwelling units (EDU) served has been the same number over the course of the study window (past 5 fiscal years).

6.5 MUNICIPAL SERVICES

Wastewater Collection/Solid Waste Collection

Almonte Sanitary District provides wastewater collection to all residents and businesses within its jurisdictional boundary. The District has a total of 626 residential service connections, as

² [2020 US Census Redistricting Data](#)

³ [Marin CWP; Pg. 414](#)

well as 18 commercial connections. In total, the District's sewer infrastructure is composed of just over 6.42 miles of 6" diameter pipe. Of that amount, 2.93 miles are vitrified clay pipe and 3.5 miles are high-density polyethylene (HDPE) pipe.

Over the past five fiscal years, the District has replaced a total of 4,220 feet of pipe within its boundary as a product of its Capital Improvement Plan. The District is pursuing the goal of replacing all of the vitrified clay lines within its boundaries as its annual budget allows. A formal condition assessment was performed in 2009. Annual inspection/cleaning in combination with the assessment allows the District to target the pipe segments that are most in need of replacement based on the conditions ratings during those inspections.

Over the course of the past five years, the District has experienced 8 sanitary sewer overflows (three dry weather and five wet weather) totaling approximately 4,065 gallons. Almonte Sanitary District contracts with the private company, Roto-Rooter, as an emergency responder, as well as cleaning and inspecting of the collection system. The District also provides service to the Tamalpais Community Services District for collection to six residences within the TCSD boundary. The charges for services are the same for these outside parcels as the charges within district boundaries, which is \$802 per EDU annually. The District also contracts with Mill Valley Refuse Service for solid waste collection within its boundaries.

6.6 ORGANIZATION STRUCTURE

Board of Directors

The Almonte Sanitary District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. All directors are required to be registered voters residing within the District's jurisdictional boundary. Based on data provided by the County Department of Elections which span from 1974 to 2022, Almonte Sanitary District has at no point in that timeframe found itself necessitating a formal board member election. This period covers 22 election cycles. In 8 of those election cycles, not enough people filed paperwork to fill the number of seats available to fill. In these cases, the Board of Supervisors made the appointment to fill the vacant seat. This is the second highest amount of Board of Supervisors appointments for all special districts in Marin County. All other new board members during that time were appointed in lieu of election. While lack of turnover in public agency boards is not cause for concern in and of itself, especially in smaller communities with members who continually run unopposed for many years, some red flags are raised when it appears that there simply is not the necessary public interest or engagement to attract candidates when there is an open board seat within the course of multiple election cycles.

Table 6-2: Almonte Sanitary District Board of Directors

Member	Position	Term Expiration
Lew Kiouss	President	December 2024
Casey Bertenthal	Secretary/Treasurer	December 2026
Anne Lahaderne	Director	December 2024
Linda Rames	Director	December 2026
Robert Cox	Director	December 2024

Administration

The Board of Directors of Almonte Sanitary District appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager and Assistant Manager for Almonte Sanitary District are both part-time and are the District’s only employees and combined amount to .29 full-time equivalent (FTE) employees. The General Manager conducts the day-to-day management of the District as specified by Board policy. The District also utilizes the services of a Bookkeeper by way of contract.

6.7 ACCOUNTABILITY AND TRANSPARENCY

The Almonte Sanitary District makes a concerted effort to maintain high accountability and transparency in all its activities. The District website (almontesd.org) provides documentation on board meeting agendas and minutes as well as financial reports, services, sewer system management plan, permitting, contracts, and more. While as is the case with numerous small special districts with minimal staffing, there are areas of the website that are in need of updating, at this time the District is meeting all of the transparency requirements of special districts for the State of California.

Meeting and Agendas

The Almonte Sanitary District Board of Directors meets regularly on the 4th Monday of each month at 7:00 p.m. in the meeting room of the SASM offices at 450 Sycamore Lane in Mill Valley. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District’s website (almontesd.org/board-meetings).

Annual Budget Review

The District’s budget, typically adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The General Manager presents financial reports to the Board every month to assure budgetary compliance.

6.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Almonte Sanitary District has maintained increases in total net position each year, with an average annual increase over that span of 9.1%. Strictly operationally, the District’s revenues have outpaced expenditures in each of the five fiscal years, by an annual average of

approximately \$231,000. These excess funds are primarily allocated toward the District’s capital improvement projects and maintaining the District’s target reserves. The average annual operating revenues for the District over the 5-year period were \$840,684, with an annual average increase of just over 1%.

In August 2016, the District entered into a financing agreement with SASM wherein the District agreed to maintain its net system revenues at a level equal to at least 120% of its obligation to SASM to support the SASM bonds. The SASM issued \$38,000,000 in revenue bonds to provide financing for improvements to its wastewater treatment plant and refund other debt obligations. The District’s annual financial obligations under the JPA agreement and the financing agreement are passed through to the District each year in the form of a billing for an annual assessment payable in two equal semi-annual installments. These annual assessments are reported by the District as treatment costs. The District’s sewer service rates were last adjusted in 2016 to \$802 per EDU.

The primary revenue sources for the District are sewer service charges (78%) and property taxes (18%) with ERAF and investment income supplementing the District’s total revenues at approximately 4%. The primary annual operating expenses for Almonte Sanitary District are treatment costs (63%), line inspections/cleaning/repairs (15%), and salaries/benefits (9%). The District’s capital improvement program (CIP) has been proactively working towards replacing the older pipes throughout the boundary. Over the past five years, an average of \$317,500 has annually been spent on the CIP. During this time, the total footage of piping replaced is approximately 4,220 feet. The District currently carries no long-term debt. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 6-3

Table 6-3: Almonte Sanitary District Financial Information

Operating Revenue	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Averages
Charges for Sewer Service	\$657,100	\$662,719	\$654,724	\$662,700	\$662,700	\$659,988
Other Operating Charges	\$8,300	\$7,800	\$8,607	\$9,800	\$8,100	\$8,521
Property Taxes	\$134,800	\$143,327	\$154,023	\$161,300	\$180,100	\$154,710
Franchise Fees	\$6,700	\$7,102	\$3,926	\$8,400	\$8,800	\$6,985
Investment Income	\$10,500	\$19,001	\$23,292	\$6,500	\$(6,900)	\$10,478
Total	\$817,400	\$839,949	\$844,572	\$848,700	\$852,800	\$840,684

Operating Expenses	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Average
Salaries and Benefits	\$61,500	\$61,011	\$61,746	\$62,000	\$64,400	\$62,131
Treatment Costs	\$375,500	\$406,653	\$432,167	\$461,300	\$499,000	\$434,924
Line Inspections, Cleaning, Repairs	\$74,300	\$111,045	\$106,152	\$88,000	\$82,000	\$92,299
Insurance and Claims	\$2,200	\$2,974	\$3,419	\$2,500	\$4,900	\$3,198
Contracts and Professional Services	\$26,900	\$13,338	\$23,603	\$17,800	\$14,000	\$19,128
Other Expenses	\$8,100	\$12,689	\$14,193	\$14,800	\$14,800	\$12,916
Depreciation	\$32,400	\$38,663	\$39,268	\$47,600	\$47,800	\$41,146
Total	\$580,900	\$646,373	\$680,548	\$694,000	\$726,900	\$665,744

Financial Audit

The Almonte Sanitary District annually has its financial statements audited and contracts with an outside certified public accountant, Terry E. Krieg. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2022.

7.0 ALTO SANITARY DISTRICT

7.1 OVERVIEW

The Alto Sanitary District (ASD) was formed in 1951 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection to the unincorporated community of Alto and includes an area on the eastern side of Highway 101 to the north of Tiburon Boulevard as far east as Knoll Road. The District is one of six member agencies that comprise the Sewerage Agency of Southern Marin which is a joint powers authority (JPA). The District’s jurisdictional boundary encompasses just under 0.18 square miles. The last municipal service review that included the Alto Sanitary District was conducted in 2011.

Table 7-1: Alto Sanitary District Overview

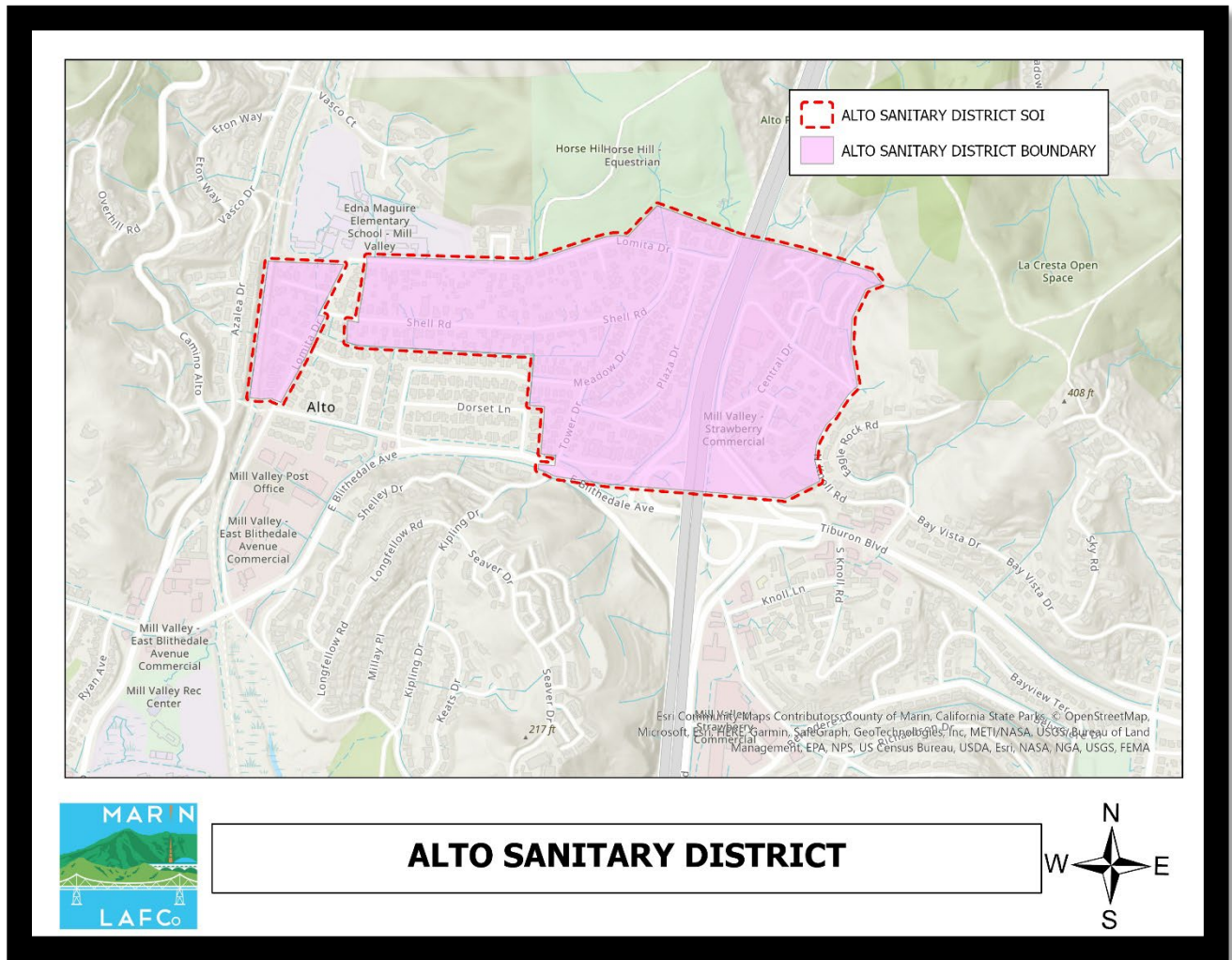
Alto Sanitary District			
Primary Contact:	Bill Hansell	Phone:	(415)-388-3696
Mailing Address:	P.O. Box 163, Mill Valley, CA 94942		
Formation Date:	1951		
Services Provided:	Wastewater Collection, Solid Waste Collection		
Service Area:	113.67 acres	Population Served:	≈1,200

7.2 FORMATION AND DEVELOPMENT

The Alto Sanitary District boundary surrounds a fairly unique unincorporated area that, as were many of the small unincorporated communities in Southern Marin, was birthed due to the Northwestern Pacific Railroad. The Alto Station was built in the early 1930s and was the stopping point for Mill Valley before the Mill Valley station was constructed. At that time, the station was known as Blithedale Station. At the time, travelers arriving by ferry to Sausalito from San Francisco were offered trains to San Anselmo, San Rafael, Tiburon Peninsula, and Mill Valley. The Alto station was essentially the end of the line. Travelers leaving Mill Valley with the desire to continue traveling north would have to head back south to the Almonte Station which was the division point. Trains from this point went their varying directions. The community of Alto slowly formed during the first half of the 20th Century, and in 1951, the Alto Sanitary District was formed in order to convert the area from septic tanks to a sewer system.

In June of 1979, in response to increasing state and federal water quality regulations that prohibited shallow water discharge, the Alto Sanitary District joined four other sewer collection agencies in Southern Marin to form a Joint Powers Agency titled the Sewerage Agency of Southern Marin (SASM). SASM was formed to expand the wastewater treatment and disposal capabilities of the City of Mill Valley’s wastewater treatment plant in order to address increased regulatory requirements, apply for available federal and state grant monies to finance the improvement, and to provide a consolidated management framework to effectively and efficiently meet the needs of approximately 29,000 residents in Southern Marin County.

Figure 7-1: Alto Sanitary District Jurisdictional Boundary and Sphere of Influence



7.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Alto Sanitary District’s jurisdictional boundary encircles approximately 0.18 square miles of unincorporated Marin County. The District’s boundary is distinctly unique as it is both bisected by Highway 101 as well as having a detached area of its jurisdiction with an area of the City of Mill Valley’s lands running through it. The District’s service area on the western side of Highway 101 is the unincorporated census-designated place (CDP) of Alto. The CDP is approximately 200 parcels and is 40 acres in size. The area within the District’s boundary on the eastern side of Highway 101 runs along the Redwood Highway Frontage as far north as Central Court and the southern boundary extends along North Knoll Road and is contiguous to the boundary of Richardson Bay Sanitary District. Marin LAFCo has no record of changes in the District’s jurisdictional boundary.

The District’s sphere of influence was established by Marin LAFCo in 1983 as an “interim sphere of influence” designating a projected maximum service area that would remain in effect until the District’s service area was presumably annexed to the City of Mill Valley or until the

District was consolidated with another special district that provides the same services. The adopted interim sphere of influence was coterminous with the District’s boundary. In 2005, the sphere of influence was reaffirmed with the interim designation to “...express this Commission’s expectation that Alto Sanitary District will continue to provide service within its present boundaries while engaged in functional collaboration efforts with neighboring sewer agencies and that political consolidations should be evaluated by southern Marin sewer agencies in the future as appropriate.” In 2011, the Commission updated the sphere of influence as a “sphere of influence in common”, stating the following, “The Policies, Procedure, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.”

7.4 GROWTH AND POPULATION

The Alto Sanitary District jurisdictional boundary is comprised of two areas on either side of Highway 101. On the west side of the highway, the boundary matches that of the Census-Designated Place of Alto, which constitutes a portion of Block Group 1 within Census Tract 1262. According to 2020 U.S. Census Redistricting Data, the population of the CDP of Alto is 732, which is a 2.9% increase from the 2010 total of 711. The boundary on the eastern side of the highway makes up the majority of the populated area of Block Group 4 within Census Tract 1241. The population of Census Tract 1241 Block Group 4 is 553⁴. The most recent census data shows a total of 602 housing units between the two areas, which is a negligible increase of 3 total housing units from 2010.

The remaining development potential in the planning area is minimal as zoning regulations designated by the current Community Plan make the area essentially built out. While the Association of Bay Area Governments has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan, only one site within Alto Sanitary District received designation by the County of Marin as a potential site for new housing to meet these criteria and was rezoned. This site is at 70 North Knoll Road, and the maximum number of units under the updated zoning would total 59. While Alto Sanitary District’s wastewater infrastructure has the capacity to support growth within the planning area that is beyond the planning area’s potential buildout⁵ and minimal growth is projected in the area, if the recently rezoned site adds the maximum number of units allowable (59) in the form of single-family homes, it would exceed the District’s currently agreed upon treatment capacity within SASM. As a member agency of SASM, the Alto Sanitary District owns 3% of the treatment plant capacity. This capacity amounts to 612 equivalent dwelling units, of which they currently utilize 584.3. The District’s total equivalent dwelling units (EDU) served has only increased by a total of 5.4 over the course of the study window (past 5 fiscal years). If, hypothetically, the proposed maximum number of units

⁴ [2020 US Census Redistricting Data](#)

⁵ [Marin CWP; Pg. 414](#)

proposed (59) were constructed as single-family homes and each unit ended up equating to one additional EDU, the District would exceed its agreed-upon allotment of treatment capacity by a total of 31.3. As the proposed development is expected to be a higher-density single structure, this scenario is not anticipated at this time. The current iteration of the SASM agreement states the following on this scenario:

“Member Entities may enter into agreements with one or more other Member Entities to acquire, temporarily or permanently, some portion or all of that Member Entity(ies’) unused Capacity Allocation upon such terms and conditions as the affected Member Entities may mutually agree in writing; but no such agreement shall be effective without the consent of the Agency, which consent shall not be unreasonably withheld. Agency considerations will include an assessment of the impact on the adequacy of Agency facilities. Any reallocations of Capacity Allocations pursuant to this Subsection shall be recognized by the Agency for the purpose of capital facilities charges and other similar purposes.”

At this time, there is no specific language within the SASM agreement as to what the parameters of the purchasing of unused capacity allocation from another member agency would entail. While it is unclear at this time whether the proposed new development will cause the District to exceed its current treatment allocation within SASM, it would be prudent for Alto to begin preliminary discussions with other SASM members about readjusting EDU capacity either by transferring the potentially needed EDU, plus a few extra for future growth or having SASM readjust for the slight change in EDU in its formula its member agencies pay.

7.5 MUNICIPAL SERVICES

Wastewater Collection/Solid Waste Collection

Alto Sanitary District provides wastewater collection to all residents and businesses within its jurisdictional boundary. The District has a total of 565 residential service connections, as well as 9 commercial connections. In total, the District’s sewer infrastructure is composed of just over 3.12 miles of 6”- 8” diameter pipe. The pipes are a mix of the original vitrified clay, polyvinyl chloride (PVC), and high-density polyethylene (HDPE) pipe. The District charges an annual sewer service fee to its ratepayers of \$1,500, which was set in fiscal year 2018-19

Over the past four fiscal years, the District has replaced a total of 6,688 feet of pipe within its boundary as a product of its Capital Improvement Plan. The District is pursuing the goal of replacing all of the older lines within its boundaries by the end of FY 2028-29. The District maintains a schedule for sewer main replacement based on annual inspections and completes its capital improvement projects for the year based on that schedule and any change in field conditions. Over the course of the past five years, the District has experienced 1 sanitary sewer overflow (three dry weather) totaling approximately 3,900 gallons. Alto Sanitary District contracts with the private company, Roto-Rooter, as an emergency responder, as well as cleaning and inspecting of the collection system.

The District Contracts with Mill Valley Refuse Service for trash/solid waste removal. The agreement for services was most recently updated effective April 1, 2022.

7.6 ORGANIZATION STRUCTURE

Board of Directors

The Alto Sanitary District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. All directors are required to be registered voters residing within the District’s jurisdictional boundary. Based on data provided by the County Department of Elections which span from 1973 to 2022, Alto Sanitary District has at no point in that timeframe found itself necessitating a formal board member election. This period covers 25 election cycles. 6 of the election cycles also include a necessity to fill both a full-term and a short-term seat(s). Between the full and short-term seats, in 7 of those election cycles, not enough people filed paperwork to fill the number of seats available. During the 1980s and 1990s in four election cycles, the Board of Supervisors made the appointment to fill multiple vacant seats in the same year. In total, the Board of Supervisors has appointed 11 people to be on the Board. In the last 4 election cycles, the Board of Supervisors made appointments in two of them due to the lack of candidates. In addition, in this last election in November 2022, two seats went without a candidate filing to run and when the Board of Supervisors opened its period to make appointments, nobody filed to fill the seat. In January of 2023, the District finally had two people apply and made appointments to the two seats. This means in total 13 seats over the years, with 4 in the last 4 election cycles, have had to be filled after the election because not enough people filed paperwork when the seat became open. This is the highest number of appointments of any special district in Marin County over that time. All other new board members during that time were appointed in lieu of election. While consistent turnover in public agency boards is not cause for concern in and of itself, some red flags are raised when it appears that there simply is not the necessary public interest or engagement to attract candidates when there is an open board seat within the course of multiple election cycles.

Table 7-2: Alto Sanitary District Board of Directors

Member	Position	Term Expiration
Janis Bosenko	President	December 2024
March Nash	Secretary/Treasurer	December 2026
Michael Faust	Director	December 2024
Todd Gates	Director	December 2024
Porter Merriman	Director	December 2026

Administration

The Board of Directors of Alto Sanitary District appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager for Alto Sanitary District is part-time and is the District’s only employee, amounting to .25 full-time equivalent (FTE) employees. The General Manager conducts the day-to-day management of the District as specified by Board policy. The District also utilizes the services of a Bookkeeper by way of contract.

7.7 ACCOUNTABILITY AND TRANSPARENCY

The Alto Sanitary District makes a concerted effort to maintain high accountability and transparency in all its activities. The District website (altosanitarydistrict.org) provides documentation on board meeting agendas and minutes as well as financial reports, services, sewer system management plan, permitting, contracts, and more. At this time the District is meeting all of the transparency requirements of special districts for the State of California.

Meeting and Agendas

The Alto Sanitary District Board of Directors meets regularly on the 4th Wednesday of each month at 7:30 p.m. in the meeting room of the SASM offices at 450 Sycamore Lane in Mill Valley. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District's website (altosanitarydistrict.org/MEETINGS).

Annual Budget Review

The District's budget, typically adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The General Manager presents financial reports to the Board every month to ensure budgetary compliance.

7.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Alto Sanitary District has maintained increases in total net position each year. Strictly operationally, the District's revenues have outpaced expenditures in each of the five fiscal years, by an annual average of approximately \$388,156. These excess funds are primarily allocated toward the District's capital improvement projects and maintaining the District's target reserves. The average annual operating revenues for the District over the 5-year period were \$965,323.

In August 2016, the District entered into a financing agreement with SASM wherein the District agreed to maintain its net system revenues at a level equal to at least 120% of its obligation to SASM to support the SASM bonds. The SASM issued \$38,000,000 in revenue bonds to provide financing for improvements to its wastewater treatment plant and refund other debt obligations. The District's annual financial obligations under the JPA agreement and the financing agreement are passed through to the District each year in the form of a billing for an annual assessment payable in two equal semi-annual installments. These annual assessments are reported by the District as treatment costs. The District's sewer service rates were last adjusted in FY 2019 to \$1,500 per EDU.

The primary revenue sources for the District are sewer service charges (87%) and property taxes (8%) with permitting fees and franchise fees supplementing the District's total revenues at approximately 4%. The primary annual operating expenses for Alto Sanitary District are treatment costs (63%), line inspections/cleaning/repairs (15%), and salaries/benefits (7%). The District's capital improvement program (CIP) has been proactively working towards replacing the older pipes throughout the boundary. Over the past five years, an average of \$493,620 has

annually been spent on the CIP. During this time, the total footage of piping replaced is approximately 7,274 feet. The District currently carries no long-term debt. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 7-3.

Table 7-3: Alto Sanitary District Financial Information

Operating Revenue	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Averages
Charges for Sewer Service	\$723,400	\$871,600	\$869,038	\$876,003	\$867,203	\$841,449
Property Taxes	\$74,300	\$78,500	\$85,775	\$87,288	\$96,631	\$84,949
Franchise Fees	\$14,000	\$14,900	\$14,860	\$15,673	\$16,798	\$15,246
Permits and Fees	\$25,800	\$14,300	\$14,059	\$6,189	\$7,521	\$13,573
Grants	\$5,000			\$5,000		\$2,000
Investment Income	\$6,300	\$13,000	\$16,761	\$5,931	\$785	\$8,555
Total	\$848,800	\$992,300	\$1,000,493	\$996,084	\$988,938	\$965,323

Operating Expenses	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Average
Salaries and Benefits	\$52,800	\$50,000	\$49,961	\$54,131	\$64,712	\$54,320
Treatment Costs	\$265,400	\$280,500	\$307,670	\$327,197	\$353,337	\$306,820
Line Inspections, Cleaning, Repairs	\$80,500	\$25,700	\$36,161	\$43,951	\$35,288	\$44,320
Insurance and Claims	\$800	\$700	\$814	\$1,611	\$2,070	\$1,199
Contracts and Professional Services	\$6,000	\$6,000	\$6,000	\$7,950	\$12,400	\$7,670
Other Expenses	\$21,100	\$34,200	\$26,161	\$43,157	\$15,590	\$28,021
Depreciation	\$42,100	\$52,600	\$63,266	\$75,925	\$84,881	\$63,754
Total	\$468,700	\$449,700	\$490,033	\$553,922	\$568,278	\$506,126

Financial Audit

The Alto Sanitary District annually has its financial statements audited and contracts with an outside certified public accounting firm, O’Connor & Company. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2022.

8.0 HOMESTEAD VALLEY SANITARY DISTRICT

8.1 OVERVIEW

Homestead Valley Sanitary District (ASD) was established in 1931 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection as well as garbage/refuse collection to the unincorporated community of Homestead Valley. The District is one of six member agencies that comprise the Sewerage Agency of Southern Marin which is a joint powers authority (JPA). The District's jurisdictional boundary encompasses just over 0.75 square miles. The last municipal service review that included Homestead Valley Sanitary District was conducted in 2011.

Table 8-1: Homestead Valley Sanitary District Overview

Homestead Valley Sanitary District			
Primary Contact:	Bonner Beuhler	Phone:	(415)-388-4796
Mailing Address:	P.O. Box 698, Mill Valley, CA 94942		
Formation Date:	1931		
Services Provided:	Wastewater Collection, Garbage/Refuse Collection		
Service Area:	482.11 acres	Population Served:	≈2,500

8.2 FORMATION AND DEVELOPMENT

The Homestead Valley Sanitary District is comprised of the unincorporated community of Homestead Valley. The community originally sprung up in the early 1900s, but it garnered its name all the way back in 1866 when Samuel Throckmorton built a lodge at the crossing of what is now Ethel Avenue and Montford Avenue. The lodge was named “The Homestead,” and the area surrounding it was dubbed Homestead Valley. The area of Homestead Valley was essentially defined by the drainage shed of what is today called Reed Creek when in 1892, the Tamalpais Land and Water Company prepared a subdivision map for the area with the word “Homestead” running along the creek. In 1903, Tamalpais Land and Water Company prepared another map titled “Homestead Valley Marin County” with clearly defined lot boundaries. Soon after, parcels began to sell, houses were built, and the community quickly grew. In 1931, the Homestead Valley Sanitary District was established. Since that time, the boundaries of the sanitary district have also essentially defined the boundaries of the community as well.

The District's boundary is contiguous with the City of Mill Valley, Almonte Sanitary District, Tamalpais Community Services District, as well as the Golden Gate National Recreation Area and the unincorporated community of Muir Woods Park. In the early 2000s, discussions were had about the possibility of the annexation of Muir Woods Park into the District in order to begin providing a move away from septic for the residents of the community. In 2009, members of the community raised the necessary funds in order to hire a consulting firm to perform a feasibility study of how sewer lines could be installed in the Muir Woods Park subdivision and eventually connect to SASM. Ultimately, the per-household cost proved to be a significant deterrent to a majority of residents. There was a short exploration of the creation of a special assessment

8.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Homestead Valley Sanitary District’s jurisdictional boundary encompasses approximately 0.75 square miles of unincorporated Marin County. The District’s service area is the unincorporated community of Homestead Valley. Marin LAFCO is responsible for authorizing annexations to the District based on property owner or district request, however, the District has had few annexations since the two sewer extension projects in the 1990s and early 2000s. Current annexations are generally on a lot-by-lot basis as septic systems fail and unincorporated property owners apply to connect to the District’s collection system, resulting in minimal additions to the District’s jurisdictional boundary.

The District’s sphere of influence was established by Marin LAFCo in 1983 as an “interim sphere of influence” designating a projected maximum service area that would remain in effect until the District’s service area was presumably annexed to the City of Mill Valley or until the District was consolidated with another special district that provides the same services. The adopted interim sphere of influence was coterminous with the District’s boundary except for some additional territory to the west between Sequoia Valley Road and Panoramic Highway. In 2005, the sphere of influence was reaffirmed with the interim designation to “...express this Commission’s expectation that Homestead Valley Sanitary District will continue to provide service within its present boundaries and may extend new service to un-sewered areas within its sphere of influence while engaged in functional collaboration efforts with neighboring sewer agencies and that political consolidations should be evaluated by southern Marin sewer agencies in the future as appropriate.” In 2011, the Commission updated the sphere of influence as a “sphere of influence in common”, stating the following, “The Policies, Procedure, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.”

8.4 GROWTH AND POPULATION

The Homestead Valley Sanitary District jurisdictional boundary is encompassed by the greater Census-Designated Place of Tamalpais-Homestead Valley. The District lies within two separate census block-groups within Census Tract 1282: Census Tract 1282 Block Group 1 and Census Tract 1282 Block Group 2. A majority of the District resides within Block Group 2 and only a very small area is within Block Group 1, which primarily contains the community of Muir Woods Park which is outside of the District’s boundary. According to 2020 U.S. Census Redistricting Data, the population of Census Tract 1282 Block Group 1 is 611, which is a 4.9% increase from the 2010 total of 582. The population of Census Tract 1282 Block Group 2 is 2,222⁶, which is an 8.1% increase from the 2010 total of 2,056. The most recent census data shows a total of 1,213 housing units between the two Block Groups, which is an increase of 4 total housing units from 2010.

⁶ [2020 US Census Redistricting Data](#)

The remaining development potential in the planning area is minimal as zoning regulations designated by the current Community Plan make the area essentially built out. While the Association of Bay Area Governments has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan, no area within Homestead Valley Sanitary District received designation by the County of Marin as a potential site for new housing to meet these criteria. While Homestead Valley Sanitary District's wastewater infrastructure has the capacity to support growth within the planning area that is beyond the planning area's potential buildout⁷, minimal growth is projected in the area. As a member agency of SASM, the Homestead Valley Sanitary District owns 7% of the treatment plant capacity. This capacity amounts to 1,314 equivalent dwelling units, of which they currently utilize 1,100.8. The District's total equivalent dwelling units (EDU) served has been effectively stagnant over the course of the study window (past 5 fiscal years).

8.5 MUNICIPAL SERVICES

Wastewater Collection/Solid Waste Collection

Homestead Valley Sanitary District provides wastewater collection to all residents and businesses within its jurisdictional boundary. The District has a total of 1,003 residential service connections, as well as 5 commercial connections. In total, the District's sewer infrastructure is composed of just approximately 12.8 miles of pipe ranging from 6" to 12". Approximately 20% are vitrified clay pipe and 80% are high-density polyethylene (HDPE) or polyvinyl chloride (PVC). The District charges an annual sewer service fee to its ratepayers of \$1,375 for FY 2023/24 which was set in May 2021. The fee will increase in FY 2024/25 to \$1,475 which will be the final increase in the updated fee structure.

Over the past five fiscal years, the District has replaced a total of approximately 15,443 feet of pipe within its boundary as a product of its Capital Improvement Plan. The District is pursuing the goal of replacing all of the vitrified clay lines within its boundaries at a minimum of 2% per year but has consistently exceeded that goal. A formal condition assessment was performed in 2012. Annual inspection/cleaning in combination with the assessment allows the District to target the pipe segments that are most in need of replacement based on the conditions ratings during those inspections.

Over the course of the past five years, the District has experienced 23 sanitary sewer overflows (all dry weather) totaling approximately 4,960 gallons. Homestead Valley Sanitary District contracts with the private company, Roto-Rooter, as an emergency responder, as well as cleaning and inspecting of the collection system. Approximately one-third of the District's sewer lines are cleaned annually.

The District Contracts with Mill Valley Refuse Service for trash/solid waste removal. The agreement for services was most recently updated effective April 1, 2016.

⁷ [Marin CWP; Pg. 414](#)

8.6 ORGANIZATION STRUCTURE

Board of Directors

The Homestead Valley Sanitary District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. All directors are required to be registered voters residing within the District’s jurisdictional boundary. Based on data provided by the County Department of Elections which span from 1972 to 2022, Homestead Valley Sanitary District had four election cycles during that timeframe in which a formal election process was necessitated (1978, 1990, 2001, 2015). This period covers 26 election cycles. 5 of the election cycles also include a necessity to fill both a full-term and a short-term seat(s). The Department of Election data for 2 election cycles did not give full data so while included in the number of elections are not included in the rest of the data numbers presented. In 3 of those election cycles (1972, 1988, 1998), not enough people filed paperwork to fill the number of seats available to fill. In these cases, the Board of Supervisors made the appointment to fill the vacant seat. All other new board members during that time were appointed in lieu of election. While appointments in lieu of are not concerning in and of themselves, having a vast majority of appointments be in lieu of or by the Board of Supervisors does raise some concerns as to the level of community engagement and overall public participation. With that said while doing research on this issue it is staff understanding that there is a neighborhood group in Homestead Valley that pays attention to openings on various boards and commissions so when an HVSD member plans to leave office they help find residents willing to replace them.

Table 8-2: Homestead Valley Sanitary District Board of Directors

Member	Position	Term Expiration
Al Leibof	President	December 2026
Rick Montalvan	Secretary	December 2024
Alan Saltzman	Director	December 2026
Alan Wuthnow	Director	December 2024
Joan Florsheim	Director	December 2024

Administration

The Board of Directors of Homestead Valley Sanitary District appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager for Homestead Valley Sanitary District is full-time and is the District’s only employee. The General Manager conducts the day-to-day management of the District as specified by Board policy.

8.7 ACCOUNTABILITY AND TRANSPARENCY

The Homestead Valley Sanitary District makes a concerted effort to maintain high accountability and transparency in all its activities. The District website (homesteadvalleysd.org) provides documentation on board meeting agendas and minutes as well as financial reports, services, sewer system management plans, permitting, contracts, and more. While typically small agencies with minimal staffing struggle to keep up with website maintenance and updating,

Homestead Valley Sanitary District has done an exemplary job of providing extensive and up-to-date information and documentation through its website.

Meeting and Agendas

The Homestead Valley Sanitary District Board of Directors meets regularly on the 4th Tuesday of each month at 7:30 p.m. in the Homestead Valley Community Center at 315 Montford Avenue. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District's website (homesteadvalleysd.org/agendas-and-minutes.php).

Annual Budget Review

The District's budget, typically adopted no later than the July Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line item basis and the means of financing them. The General Manager presents financial reports to the Board every month to ensure budgetary compliance.

8.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Homestead Valley Sanitary District has maintained increases in total net position each year. Strictly operationally, the District's revenues have outpaced expenditures in each of the five fiscal years, by an annual average of approximately \$475,143. These excess funds are primarily allocated toward the District's capital improvement projects and maintaining the District's target reserves. The average annual operating revenues for the District over the 5-year period were \$1,383,394, with an annual average increase of just over 5.25%.

In August 2016, the District entered into a financing agreement with SASM wherein the District agreed to maintain its net system revenues at a level equal to at least 120% of its obligation to SASM to support the SASM bonds. The SASM issued \$38,000,000 in revenue bonds to provide financing for improvements to its wastewater treatment plant and refund other debt obligations. The District's annual financial obligations under the JPA agreement and the financing agreement are passed through to the District each year in the form of a billing for an annual assessment payable in two equal semi-annual installments. These annual assessments are reported by the District as treatment costs. The District's sewer service rates were last adjusted in FY 2021 to \$1,175 per EDU. This amount will continue to increase through FY 2024-25 to an amount of \$1,475 per EDU.

The primary revenue sources for the District are sewer service charges (75%) and property taxes (20%) with franchise fees and investment income supplementing the District's total revenues at approximately 5%. The primary annual operating expenses for Homestead Valley Sanitary District are treatment costs (61%), salaries and benefits (15%), and inspections/cleaning (10%). The District's capital improvement program (CIP) has been proactively working towards replacing the older pipes throughout the boundary. Over the past five years, an average of \$549,610 has annually been spent on the CIP. During this time, the total footage of piping replaced is approximately 15,443 feet. The District currently carries no long-term debt. A

breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 8-3.

Table 8-3: Homestead Valley Sanitary District Financial Information

Operating Revenue	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Averages
Charges for Sewer Service	\$912,600	\$1,024,700	\$1,042,300	\$1,038,300	\$1,042,300	\$1,012,040
Other Operating Charges	\$57,900	\$49,300	\$52,600	\$48,400	\$47,000	\$51,040
Property Taxes	\$235,900	\$247,200	\$260,200	\$275,800	\$288,200	\$261,460
Franchise Fees	\$21,600	\$21,600	\$23,100	\$24,000	\$25,000	\$23,060
Investment Income	\$4,600	\$14,600	\$26,800	\$31,100	\$7,000	\$16,820
Total	\$1,232,600	\$1,357,400	\$1,405,000	\$1,417,600	\$1,499,500	\$1,382,420

Financial Audit

Operating Expenses	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Average
Salaries and Benefits	\$129,800	\$132,000	\$132,000	\$176,000	\$153,600	\$144,680
Treatment Costs	\$385,100	\$500,900	\$552,200	\$598,300	\$638,900	\$535,080
Line Inspections, Cleaning, Repairs	\$52,200	\$64,200	\$63,100	\$207,000	\$74,200	\$92,140
Insurance and Claims	\$8,000	\$3,200	\$1,800	\$21,900	\$14,100	\$9,00
Contracts and Professional Services	\$6,000	\$6,000	\$6,000	\$6,000	\$9,000	\$6,600
Other Expenses	\$20,300	\$16,300	\$17,500	\$17,900	\$27,600	\$19,920
Depreciation	\$83,500	\$80,300	\$98,700	\$103,500	\$133,000	\$99,800
Total	\$677,700	\$810,100	\$888,500	\$1,130,600	\$1,050,400	\$911,460

The Homestead Sanitary District annually has its financial statements audited and contracts with an outside certified public accountant, Terry E. Krieg. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2022.

9.0 RICHARDSON BAY SANITARY DISTRICT

9.1 OVERVIEW

Richardson Bay Sanitary District (RBSD) was formed in 1949 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection unincorporated community of Strawberry as well as the northwestern area of the Tiburon peninsula. The District is one of six member agencies that comprise the Sewerage Agency of Southern Marin which is a joint powers authority (JPA). The District's jurisdictional boundary encompasses just over 2.85 square miles. The last municipal service review that included Richardson Bay Sanitary District was conducted in 2011.

Table 9-1: Richardson Bay Sanitary District Overview

Richardson Bay Sanitary District			
Primary Contact:	Johnny Tucker	Phone:	(415)-388-1345
Mailing Address:	500 Tiburon Blvd, Tiburon, CA 94902		
Formation Date:	1949		
Services Provided:	Wastewater Collection		
Service Area:	1,827.82 acres	Population Served:	≈10,000

9.2 FORMATION AND DEVELOPMENT

The Richardson Bay Sanitary District is comprised of the unincorporated community of Strawberry as well as the northern half of the Town of Tiburon. Early settlers in the late 1800s to Strawberry and Tiburon peninsulas were dairy farmers and gardeners. A narrow-gauge railroad ran from Corte Madera to Sausalito via the east shore of Strawberry peninsula. There was a 4000-foot trestle of the North Pacific Coast Railroad that spanned Richardson Bay and made stops at the dairies, in particular the Eagle Dairy, for passengers to buy produce and dairy products before continuing north to San Rafael. Residential development of the area began in 1947 when Oliver M. Rousseau and Claus Tornell started the development of the Strawberry Heights Subdivision 1. By the end of 1948, approximately 20 families called Strawberry home. In 1949, the Richardson Bay Sanitary District was formed to accommodate the continued development in the area.

In June of 1979, in response to increasing state and federal water quality regulations that prohibited shallow water discharge, the Richardson Bay Sanitary District joined four other sewer collection agencies in Southern Marin to form a Joint Powers Agency titled the Sewerage Agency of Southern Marin (SASM). SASM was formed to expand the wastewater treatment and disposal capabilities of the City of Mill Valley's wastewater treatment plant in order to address increased regulatory requirements, apply for available federal and state grant monies to finance the improvement, and to provide a consolidated management framework to effectively and efficiently meet the needs of approximately 29,000 residents in Southern Marin County.

Figure 9-1: Richardson Bay Sanitary District Jurisdictional Boundary and Sphere of Influence



9.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Richardson Bay Sanitary District’s jurisdictional boundary encompasses approximately 2.85 square miles of unincorporated Marin County. The District’s service area includes the portion of the northwestern area of the Town of Tiburon that is not within Sanitary District #5, as well as the Strawberry peninsula. The only record of significant change to the District’s jurisdictional boundary came in the form of the annexation of De Silva Island.

The District’s sphere of influence was established by Marin LAFCo in 1983 and included the District’s current service area as well as the portion of Alto Sanitary District’s jurisdiction east of Highway 101, the area of Hacienda Drive, De Silva Island, and a portion of Ring Mountain. Since that time, De Silva Island was annexed to the District and the portion of Ring Mountain included in the sphere was acquired as public open space. This original sphere made no indication of any expectation on behalf of LAFCo that RBSD should undertake any change of organization other than annexations within its sphere of influence. In 2005, the sphere of influence was amended with the interim designation to “...express this Commission’s

expectation that Richardson Bay Sanitary District will continue to provide service within its present boundaries and may extend new service to un-sewered areas within its sphere of influence while engaged in functional collaboration efforts with neighboring sewer agencies and that political consolidations should be evaluated by southern Marin sewer agencies in the future as appropriate.” In 2011, the Commission updated the sphere of influence as a “sphere of influence in common”, stating the following, “The Policies, Procedure, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.”

9.4 GROWTH AND POPULATION

The Richardson Bay Sanitary District jurisdictional boundary includes the Census-Designated Place of Strawberry (Census Tract 1250), and the majority of the northwestern portion of the Town of Tiburon (Census Tract 1241, Block Groups 1/3/5, and Census Tract 1242, Block Group 4). According to 2020 U.S. Census Redistricting Data, the population of these combined census blocks is 9,715, which is a 3.7% decrease from the 2010 total of 10,076. The most recent census data shows a total of 3,691 housing units between all of the Block Groups, which is an increase of 5.1% in total housing units from 2010.

The remaining development potential in the planning area is minimal as zoning regulations designated by the current Community Plan make the area essentially built out. The Association of Bay Area Governments has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan. Four sites within Richardson Bay Sanitary District received designation by the County of Marin as potential sites for new housing to meet these criteria. The four sites that have been rezoned for potential development include the following:

- Eagle Rock Road, Strawberry (Maximum 32 units)
- 664 Redwood Highway Frontage Road, Strawberry (Maximum 60 units)
- Redwood Highway Frontage Road, Strawberry (Maximum 46 units)
- 750 Redwood Highway Frontage Road, Strawberry (Maximum 100 units)

As a member agency of SASM, the Richardson Bay Sanitary District owns 34% of the treatment plant capacity. This capacity amounts to 6,030 equivalent dwelling units, of which they currently utilize 4,828. The District’s total equivalent dwelling units (EDU) served has decreased by a total of 409 over the course of the study window (past 5 fiscal years).

9.5 MUNICIPAL SERVICES

Wastewater Collection

Richardson Bay Sanitary District provides wastewater collection to all residents and businesses within its jurisdictional boundary. The District has a total of 4,890 service connections. Of the four collection agencies reviewed in this study, Richardson Bay Sanitary District is the only

agency with both gravity sewer and force main. In total, the District's sewer infrastructure is composed of approximately 44 miles of pipe ranging from 4" to 12". The pipes throughout the District vary between vitrified clay (VCP), high-density polyethylene (HDPE), ductile iron (DI), cast iron (CIP), and polyvinyl chloride (PVC). There are 24 pump stations throughout the District's boundary. The District's sewer service rates were last adjusted in FY 2016-2017 to \$390 per EDU for single-family residences and non-residential units, and \$267 for multi-family residential units. This amount continued to increase through FY 2020-21 to an amount of \$826 per EDU for single-family residences and non-residential units, and \$565 for multi-family residential units.

Over the past five fiscal years, the District has replaced a total of approximately 22,405 feet of pipe within its boundary as a product of its Capital Improvement Plan. The District maintains a ten-year capital improvement plan, with the current plan running through fiscal year 2032-33. Within that span, the District has plotted capital improvements that include funding allocations of \$3.75 million for sewer lines, \$2.08 million for pump stations, and \$476,000 for upgrades to the District's main office facility and vehicles.

Over the course of the past five years, the District has experienced four sanitary sewer overflows (all dry weather) totaling approximately 1,241 gallons. Richardson Bay Sanitary District contracts with the private company, Roto-Rooter, as an emergency responder, as well as cleaning and inspecting of the collection system. Approximately one-third of the District's sewer lines are cleaned annually.

9.6 ORGANIZATION STRUCTURE

Board of Directors

The Richardson Bay Sanitary District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. All directors are required to be registered voters residing within the District's jurisdictional boundary. Based on data provided by the County Department of Elections which span from 1967 to 2022, Richardson Bay Sanitary District had eight election cycles during that timeframe in which a formal election process was necessitated (1969, 1971, 1977, 1981, 1983, 1997, 2015, 2018). This period covers 28 election cycles. In 2 of those election cycles (1979 and 2007), not enough people filed paperwork to fill the number of seats available to fill. In these cases, the Board of Supervisors made the appointment to fill the vacant seat. All other new board members during that time were appointed in lieu of election. While appointments in lieu of are not concerning in and of themselves, having a vast majority of appointments be in lieu of or by the Board of Supervisors can raise some red flags surrounding community interest and public engagement. Richardson Bay Sanitary District's election frequency in juxtaposition to appointments in lieu is on par with the average of other small special districts in Marin County.

Table 9-2: Richardson Bay Sanitary District Board of Directors

Member	Position	Term Expiration
Peter McIntosh	President	December 2026
David Eklund	Secretary	December 2024
Jeff Slavitz	Director	December 2024
Mark Fitzgerald	Director	December 2026
Patrick Walravens	Director	December 2026

Administration

The Board of Directors of Richardson Bay Sanitary District appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager for Richardson Bay Sanitary District is full-time and manages the other 3.0 FTE employees employed by the District. The General Manager conducts the day-to-day management of the District as specified by Board policy.

9.7 ACCOUNTABILITY AND TRANSPARENCY

The Richardson Bay Sanitary District makes a concerted effort to maintain high accountability and transparency in all its activities. The District website (richardsonbaysd.org) provides documentation on board meeting agendas and minutes as well as financial reports, services, sewer system management plan, permitting, contracts, and more. While typically small agencies with minimal staffing struggle to keep up with website maintenance and updating, Richardson Bay Sanitary District has done an exemplary job of providing extensive and up-to-date information and documentation through its website.

Meeting and Agendas

The Richardson Bay Sanitary District Board of Directors meets regularly on the 3rd Tuesday of each month at 4:00 p.m. in the District Administrative Office at 500 Tiburon Blvd in Tiburon. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District’s website (richardsonbaysd.org/district-agendas/).

Annual Budget Review

The District’s budget, typically adopted no later than the June Board meeting each year, provides overall control of revenue and expenditures including appropriations on a line-item basis and the means of financing them. The General Manager presents financial reports to the Board every month to assure budgetary compliance.

9.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Richardson Bay Sanitary District has maintained increases in total net position each year. The District’s revenues have outpaced expenditures in each of the five fiscal years, by an annual average of approximately \$592,700. These excess funds are primarily allocated toward the District’s capital improvement projects and maintaining the District’s target reserves. The

average annual operating revenues for the District over the 5-year period were \$5,532,921, with an annual average increase of just over 7%.

In August 2016, the District entered into a financing agreement with SASM wherein the District agreed to maintain its net system revenues at a level equal to at least 120% of its obligation to SASM to support the SASM bonds. The SASM issued \$38,000,000 in revenue bonds to provide financing for improvements to its wastewater treatment plant and refund other debt obligations. The District’s annual financial obligations under the JPA agreement and the financing agreement are passed through to the District each year in the form of a billing for an annual assessment payable in two equal semi-annual installments. These annual assessments are reported by the District as treatment costs. The District’s sewer service rates were last adjusted in FY 2016-017 to \$390 per EDU for single-family residences and non-residential units, and \$267 for multi-family residential units. This amount continued to increase through FY 2020-21 to an amount of \$826 per EDU for single-family residences and non-residential units, and \$565 for multi-family residential units.

The primary revenue sources for the District are sewer service charges (65%) and property taxes (33%) with connection fees, miscellaneous revenues, and investment income supplementing the District’s total revenues at approximately 2%. The primary annual operating expenses for Richardson Bay Sanitary District are treatment costs (67%), salaries and benefits (18%), and operations (5%). The District’s capital improvement program (CIP) has been proactively working towards replacing the older pipes throughout the boundary. Over the past five years, an average of \$1,057,756 has annually been spent on the CIP. During this time, the total footage of piping replaced is approximately 22,405 feet, as well as the rehab of 68 manholes and multiple pump stations. The District currently carries no long-term debt. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 9-3.

Table 9-3: Richardson Bay Sanitary District Financial Information

Operating Revenue	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Averages
Charges for Sewer Service	\$2,547,010	\$3,166,539	\$3,438,128	\$3,660,770	\$3,582,244	\$3,278,938
Connection Charges	\$34,580	\$27,664	\$16,835	\$27,345	\$38,612	\$29,007
Other	\$48,793	\$21,904	\$11,491	\$6,175	\$6,240	\$18,920
Property Tax	\$1,929,227	\$2,022,635	\$2,121,463	\$2,201,174	\$2,419,510	\$2,138,801
Investment Income	\$43,842	\$100,172	\$137,627	\$48,867	\$5,761	\$67,254
Total	\$4,603,452	\$5,338,914	\$5,725,544	\$5,944,331	\$6,052,367	\$5,532,921

Operating Expenses	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Average
Treatment Costs	\$2,394,592	\$2,606,612	\$2,705,221	\$2,859,447	\$2,999,089	\$2,712,992
Operating and Maintenance	\$1,074,466	\$957,070	\$1,217,227	\$1,101,068	\$643,794	\$998,725
General and Administrative	\$338,689	\$373,799	\$462,154	\$382,842	\$195,623	\$350,621
Depreciation	\$512,202	\$519,827	\$554,419	\$565,075	\$579,915	\$546,287
Total	\$4,319,949	\$4,457,308	\$4,939,021	\$4,908,432	\$4,418,421	\$4,608,626

Financial Audit

The Richardson Bay Sanitary District annually has its financial statements audited and contracts with an outside certified public accounting firm, Perotti & Carrade. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2022.

Name	Title	Affiliation	Suggested/Requested Edit	Staff Responses
Malathy Subramanian	Legal Counsel	BBK	Due to the enabling legislation found in Health and Safety Code section 6400, which is the Sanitary District Act of 1923, the boards of each of these districts are required to be 5 members.	Recommendation to adjust board sizes of Almonte and Alto Sanitary Districts from 5 members to 3 members removed.
Craig Murray	Commission Member	Marin LAFCo	Ensure links are updated on Page 9	Update made to document.
			Remove the symbol for "approximate" on population served.	Symbol retained in each location as, where shown, numbers are in fact approximate due to the agency's boundaries spanning partial areas of U.S. Census Block Groups. As any level beyond this is subject to a significant increase in margin for error, it is unfeasible to give an exact number.
			Reference specifics of SASM sewer system overflow and subsequent fines.	Spill sizes are already detailed on Pg. 22 in second paragraph. Language updated to include the \$1.6 million in fines.
			Enhance the response and renovation work of the treatment plant (discuss number of miles of gravity sewer lines, pump stations, and the MGD dry and wet weather flow capacity. Discuss City of Mill Valley's new Point of Sale ordinance.	The technical specifics of the renovation efforts (as well as the City's point of sale ordinance) is an excessive level of detail that isn't digestible by the average reader. Additionally, the City of Mill Valley is not included in this MSR.
			On Organization Structure areas of report, discuss CKH and LAFCo goals to consolidate single purpose agencies.	There is no specific mention within CKH of a driving force of any Commission to consolidate single-purpose agencies outside of the scope of the consideration of the creation of a new single-purpose agency.
			On growth and population areas of report, discuss RHNA goals and any efforts by jurisdictions to help enable and meet goals. Discuss any efforts this period to coordinate efforts with County and/or City.	Specific language is currently present for each agency regarding any and all RHNA related development with the agency's jurisdictional boundary.
			Discuss if agencies are providing services of other Marin WW districts such as recycled water and/or solid waste management.	No mention of recycled water is made within the document as that isn't currently one of the services any of the reviewed agencies is providing. Any agency that is providing solid waste management has such mentioned within its agency profile currently.

			Discuss next steps or things to be measured for next MSR and discuss things at hand and level of readiness such as biosolids handling and solid waste management and the implementation of AB 1383 goals.	Additions to LAFCo's work plan have been included in the agenda packet for the December 2023 Commission meeting as has been the standard operating procedure for all previous MSR. As each of the agencies contracts with a private organization for solid waste management, the implementation of AB 1383 falls to the contracted organization to monitor and enforce.
Lew Kious	Commission Member	Marin LAFCo	Request for additional language within the study stating that SASM districts are open to the discussion of the recommended update to the current SASM agreement regarding the future reallocation of	Update made to document.
			Request for edit in final determination outlining his facilitation of meetings between EO Fried and each District Board President and	Update made to document.
			Request for edit to add to the SASM agency profile section stating there have been no major spill incidents since all of the post-2016 renovations.	Update made to document.
Barbara Coler	Commission Chair	Marin LAFCo	Change the name of the study to be more specific to the agencies encompassed.	Document title updated to Sewerage Agency of Southern Marin Municipal Service Review.
			Recommendation for shared services when staff vacancies occur.	Recommendation added to both the determinations and the work plan.

MARIN LAFCO WORK PLAN ADDITIONS FOR THE SEWERAGE AGENCY OF SOUTHERN MARIN MUNICIPAL SERVICE REVIEW

The following items will be added to the Marin LAFCo work plan:

- Work with the Tamalpais Community Services District to either retrieve necessary documentation on parcels within its district receiving service from Homestead Valley Sanitary District and Almonte Sanitary District showing the needed criteria for exemption from an outside service agreement or, in the case that the necessary criteria for exemption are not met, request an application from Almonte Sanitary District and/or Homestead Valley Sanitary District for an outside service agreement in order to be in compliance with State Government Code.
- Facilitate shared services discussions amongst districts in preparation for possible future opportunities when current management level staff members depart.

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-17

ADOPTION OF THE SEWERAGE AGENCY OF SOUTHERN MARIN MUNICIPAL SERVICE REVIEW

WHEREAS the Marin Local Agency Formation Commission, hereinafter referred to as the “Commission”, is a political subdivision of the State of California with regulatory and planning responsibilities to produce orderly growth and development under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS the Commission is responsible under Government Code Section 56430 to regularly prepare studies to independently assess the availability, performance, and need of governmental services to inform its regulatory and other planning activities; and

WHEREAS part of such reviews, LAFCos must compile and evaluate service-related information and make written determinations regarding infrastructure needs or deficiencies, growth and population projections for the affected area, financing constraints and opportunities for shared facilities, government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, evaluation of management efficiencies, and local accountability and governance; and

WHEREAS a written report on the municipal service review was presented to the Commission in a manner provided by law; and

WHEREAS Marin LAFCo issued a Draft Service Review on Thursday, September 14, 2023, which included a public hearing, and a Final Service Review on Thursday, December 14, 2023, which also included a public hearing; and

WHEREAS as part of the municipal service review, the Commission is required pursuant to Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

NOW, THEREFORE, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, based upon the information contained in the written report, correspondence from affected agencies and information received during the public hearings, as follows:

1. The Commission determines this municipal service review is a project under the California Environmental Quality Act but qualifies for an exemption from further action as an informational document consistent with State CEQA Guidelines Section 15306, Class 6.
2. The Commission adopts the municipal service review and the statement of written determinations generated from the information presented in the written report on the municipal service review as set forth in Exhibit “A”.
3. The Commission refers the public to the report on the municipal service review for additional details and important context, including – but not limited to – documenting each agency’s active and latent service powers.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on December 14, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-17

- 1) Exhibit "A"

EXHIBIT A
SEWERAGE AGENCY OF SOUTHERN MARIN REGIONAL STUDY

MUNICIPAL SERVICE REVIEW DETERMINATIONS
GOVERNMENT CODE SECTION 56430

1. Growth and population projections for the affected area.

a) Anticipated growth in the study area is projected to be minimal. The vast majority of developable land that is zoned for residential development within the study area is essentially built out, and the rezoned areas intended to comply with the State's Regional Housing Needs Assessment will not be of significant enough size or density to be impactful to municipal service providers. The combined population growth within the jurisdictional boundaries of the four special districts was approximately 0.8% over the course of 10 years between 2010-2020. The projected annual growth rate (combined) within the study area through 2040 is approximately 0.073%. While not reviewed in this study, as member agencies of SASM, it is pertinent to mention that the City of Mill Valley has a projected annual growth rate through 2040 of approximately .38%, and Tamalpais Community Services District (as part of the greater census-designated place of Tamalpais-Homestead Valley) has a projected annual growth rate through 2040 of approximately 0.064%.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

a) At this time, there are no disadvantaged unincorporated communities identified within the study area.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

a) Each of the reviewed agencies has shown a sufficient level offered of both services and infrastructure necessary to continue to provide the core services currently being provided at the levels at which they are being provided as well as having the capability to handle future growth based on current projections. Each of the agencies reviewed has retained the services of an engineering firm to aid in the creation of robust capital improvement plans with significant percentages of annual revenues being dedicated to updating older infrastructure.

b) As noted above, there are no unincorporated communities within the study area that have been identified as disadvantaged.

4. Financial ability of agencies to provide services.

a) The Sewerage Agency of Southern Marin, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District all prepare annual budgets and prepare financial statements in accordance with established governmental accounting standards. The respective governing boards may amend their budgets by resolution during the fiscal year in order to respond to emerging needs, changes in resources, or shifting priorities.

Expenditures may not exceed appropriations at the fund level, which is the legal level of control.

b) District Managers and the Wastewater Treatment Plant Director are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the governing boards of each agency must approve any increase in the operating expenditures, appropriations for capital projects, and transfers between major funds and reportable fund groups. Audited financial statements are also prepared for each agency by independent certified public accounting firms.

5. Status of, and opportunities for, shared facilities.

a) As member agencies of SASM, each of the four districts in this study shares the wastewater treatment facility. Annual revenues from each of the districts support the operations and maintenance of the wastewater treatment plant as well as the capital improvements. Beyond the current facilities being shared, no specific opportunities that would be advantageous for both participating parties were identified during the course of this study. With three of the five agencies being reviewed having no administrative offices, facilities as a whole between these agencies are minimal.

6. Accountability for community service needs, including governmental structure and operational efficiencies.

a) Almonte Sanitary District currently provides service to six parcels within the jurisdictional boundary of Tamalpais Community Services District. Government Code Section 56133 requires cities and special districts to request and receive written approval from LAFCo before entering into agreements to provide new or extended services outside their jurisdictional boundaries. At this time, Marin LAFCo has no record of any approved outside service agreement (OSA) between the two agencies. As such, Almonte Sanitary District should submit a formal request to Marin LAFCo for an OSA to continue to provide these services moving forward. This action should be followed by discussions on the feasibility of transferring this service from the Tamalpais Community Services District to Almonte Sanitary District and formally annexing those parcels into Almonte Sanitary District.

b) Homestead Valley Sanitary District currently provides service to two parcels within the jurisdictional boundary of Tamalpais Community Services District. Government Code Section 56133 requires cities and special districts to request and receive written approval from LAFCo before entering into agreements to provide new or extended services outside their jurisdictional boundaries. At this time, Marin LAFCo has no record of any approved outside service agreement (OSA) between the two agencies. As such, Homestead Valley Sanitary District should submit a formal request to Marin LAFCo for an OSA to continue to provide these services moving forward. This action should be followed by discussions on the feasibility of transferring this service from Tamalpais Community Services District to Homestead Valley Sanitary District and formally annexing those parcels into Homestead Valley Sanitary District.

c) Currently, each of the member agencies that comprise the Sewerage Agency of Southern Marin has, while at varying levels, room for growth within each of their agreed-upon allocated capacities within the SASM treatment plant. With that said, future development could push one or multiple of the agencies above the number of equivalent dwelling units that it has been allocated with the agreement. The current iteration of the SASM agreement states the following on this scenario: "Member Entities may enter into agreements with one or more other Member Entities to acquire, temporarily or permanently, some portion or all of that Member Entity(ies') unused Capacity

Allocation upon such terms and conditions as the affected Member Entities may mutually agree in writing; but no such agreement shall be effective without the consent of the Agency, which consent shall not be unreasonably withheld. Agency considerations will include an assessment of the impact on the adequacy of Agency facilities. Any reallocations of Capacity Allocations pursuant to this Subsection shall be recognized by the Agency for the purpose of capital facilities charges and other similar purposes.”

At this time, there is no specific language within the SASM agreement as to what the parameters of the purchasing of unused capacity allocation from another member agency would entail. Prior to this hypothetical becoming a reality, it would be prudent for the SASM member agencies to begin preliminary discussions with one another regarding the addition of specific language to the agreement on what the exact structure of this transaction would look like should the time come.

d) The municipal service review requirements added to LAFCo’s responsibilities in 2000 are intended to generate a rethinking of government structure where change might yield either cost savings or improvements to service. More recent economic and fiscal problems affecting local government revenues add to the reasons for an active approach to considering alternative service arrangements where the possibility of greater efficiency clearly exists.

The level of public engagement in matters relating to sewer service in southern Marin is very low. With the exceptions of major capital improvement planning and service rate reviews, public information on sewer operations is not widely distributed. Since 1967, members of the four sanitary district governing boards within this study have necessitated a formal election a total of 12 times in a combined 107 possible election cycles. Two of the Districts, Almonte and Alto, held zero elections in that time. In addition, the Board of Supervisors was forced to appoint 21 members to these boards during that span, with Almonte and Alto having the two highest numbers of Board of Supervisors appointments of any special district in Marin County. In addition, in the November 2022 election cycle, when the Board of Supervisors went to the public to make the appointments for two of the three seats on the Alto Sanitary District Board in response to nobody filling out the paperwork to run for those seats in the election, the Board of Supervisors was faced for the first time in its history with any special district in Marin County of being unable to secure appointees for the seats. The seats were eventually filled by way of appointment by the existing Alto Sanitary District Board members.

The vast majority of the annual sewer service expenditures for each of the four districts go to the cost of contract treatment service and capital improvements. The local control over a municipal service afforded by a special district board is meaningful only if the scope of activities and decisions of that governing board are known to the public and attract participation by constituents. Where this is not the case because the service role is very limited or board discretion over spending is very narrow, the practical meaning of “local control” is diminished.

7. Any other matter related to effective or efficient service delivery, as required by commission policy

a) Currently, Alto, Almonte, Homestead Valley, and Richardson Bay Sanitary Districts share what is known within Marin LAFCo policy as a sphere of influence in common. In 2010, the Marin LAFCo Policy Handbook was updated with the following in section 5.1 (b)(iii):

“The policies, procedures, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most

efficiently provided to multiple communities by a single special district.”

Considering the manner in which the prior attempt at the consolidation of the four districts was unsuccessful, the removal of the language of AB 1232 from State Government Code that granted the Commission the power to consolidate these agencies without protest hearings, the 13 years that have passed since the creation of this policy and the adoption of this sphere of influence determination, and with the low protest threshold needed to defeat future consolidation efforts (especially in light of the diminutive size of each district’s population), it is recommended that the Commission re-examine whether it still believes that a single special district would most efficiently provide the service to these communities and, if so, whether there is a feasible path toward the consolidation of these agencies in the foreseeable future. If the Commission deems both of these things to still be the case, then the current policy needs no adjustment and the current sphere of influence in common should be reaffirmed. If, however, the Commission no longer believes that a single special district would most efficiently provide the service to these communities and/or that there is no feasible path toward the consolidation of these agencies in the foreseeable future, the Commission should explore the removal of this policy as it would be fundamentally ineffectual. This would in turn also require the amendment of the current sphere of influence in common to each agency having its own sphere of influence that is coterminous with its current jurisdictional boundary.

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-18

**RESOLUTION REAFFIRMING THE SPHERES OF INFLUENCE OF ALTO, ALMONTE, HOMESTEAD VALLEY, & RICHARDSON BAY
SANITARY DISTRICTS**

WHEREAS upon determination and adoption of a sphere of influence, the Marin Local Agency Formation Commission is required to periodically review and update adopted spheres of influence for each city and special district not less than once every five years, as necessary, within Marin County under Government Code Section 56425 (g); and

WHEREAS the Executive Officer has conducted a review of the adopted sphere of influence of local government agencies in the Sewerage Agency of Southern Marin area, prepared a summary, *Sewerage Agency of Southern Marin Municipal Service Review*, including his recommendations thereon, the summary having been presented to and considered by this Commission; and

WHEREAS public hearings by this Commission were held on the *Sewerage Agency of Southern Marin Municipal Service Review* and staff's recommendations contained in that report on the date and at the time noticed thereof, and at the hearings, this Commission heard and received all oral and written testimony, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report.

WHEREAS the Policies, Procedures, and Guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated a sphere of influence "in common" to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.

NOW, THEREFORE, based upon the information contained in the Executive Officer's report, correspondence from affected agencies and information received during the public hearings, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. The sphere of influence designations of the Alto, Almonte, Homestead Valley, and Richardson Bay Sanitary Districts are reaffirmed as spheres of influence in common, to include the areas served by Almonte, Alto, Homestead Valley, and Richardson Bay Sanitary Districts as depicted in Exhibit B attached hereto and incorporated herein by reference. This designation is assigned to reflect the Commission's conclusion that the service provided by Almonte, Alto, Homestead Valley, and Richardson Bay Sanitary Districts could be most efficiently provided by a single sanitary district subject to further consideration by the Commission. The Commission makes the written determinations pursuant to Government Code section 56425(e) as provided for in Exhibit A attached hereto and incorporated herein by reference.

Section 2. Pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the Commission finds that this review and reaffirming of the spheres of influence of the Alto, Almonte, Homestead Valley, and Richardson Bay Sanitary Districts is exempt from the provisions of the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Section 3. The Executive Officer is hereby directed to mail copies of this resolution to affected local government agencies in the Sewerage Agency of Southern Marin area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on December 14th, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-18

- a) Exhibit A - Determinations
- b) Exhibit B - Map

EXHIBIT A

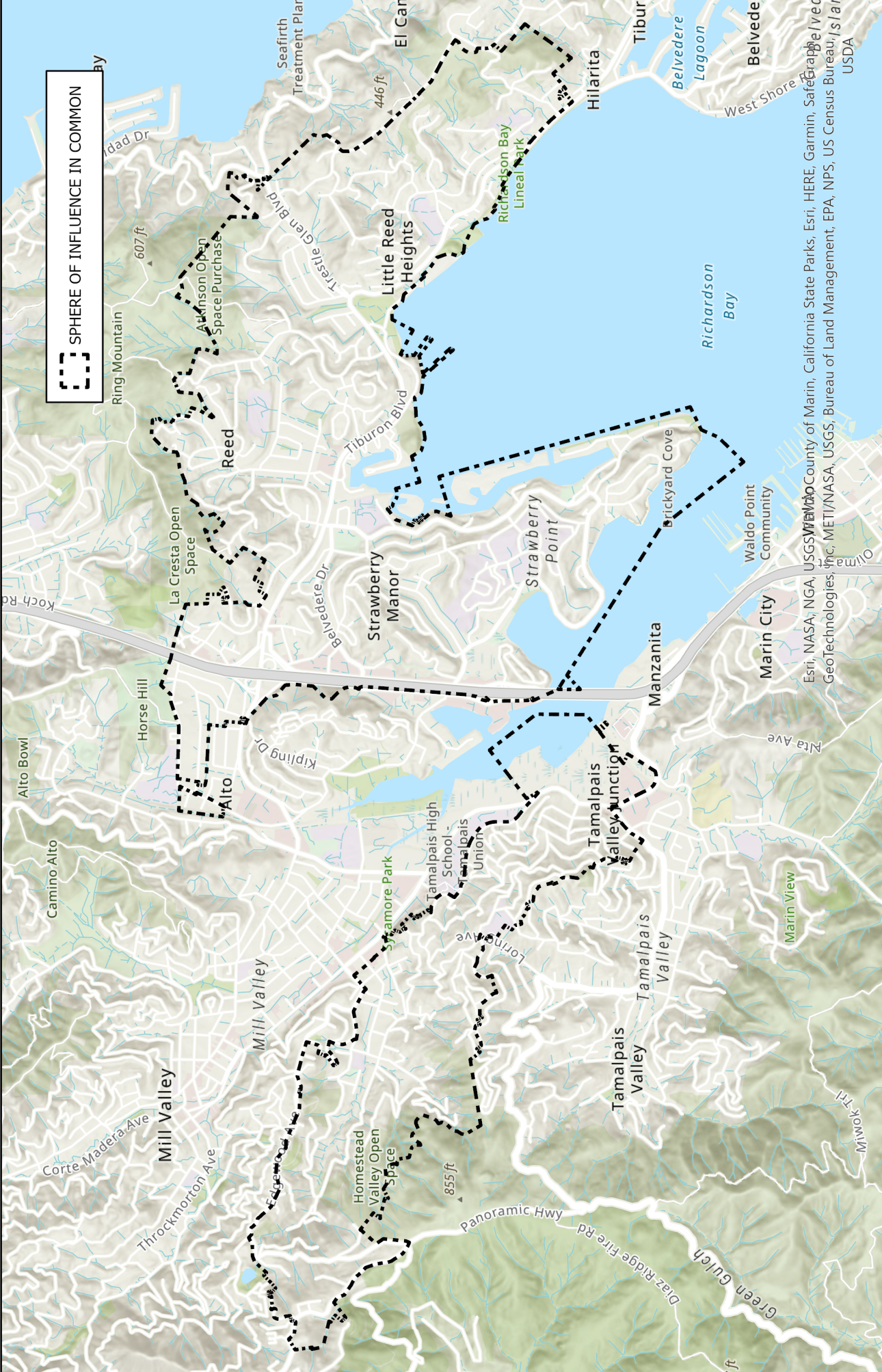
ALTO, ALMONTE, HOMESTEAD VALLEY, & RICHARDSON BAY SANITARY DISTRICTS SPHERE OF INFLUENCE DETERMINATIONS

GOVERNMENT CODE SECTION 56425

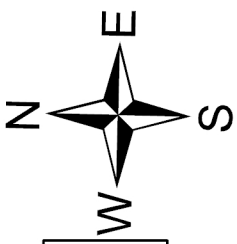
- 1) The present and planned land uses in the area, including agricultural and open-space lands.
 - Present and planned land uses in the adopted sphere of influence are governed by the Marin Countywide General Plan and a portion of the Town of Tiburon General Plan. Land uses include primarily low and medium-density residential, commercial, institutional, and other typically urban uses plus open space uses within or surrounded by the Districts' existing boundaries.
- 2) The present and probable need for public facilities and services in the area.
 - The territories within the Districts' boundaries and common sphere of influence are at or nearing build-out with little land available for further development. The present need for public services and facilities within the common sphere of influence is primarily for existing land uses and minor infill development. The probable demand for public services and facilities in the future is not expected to exceed population growth of .5% per year under the terms of adopted general plans.
- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
 - The trunk lines and sewer mains of Almonte, Alto, Homestead Valley, and Richardson Bay Sanitary Districts are generally sufficient to provide service to the area within the common sphere of influence under the assumption of implementation of adopted capital improvement plans.
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the district.
 - The Commission has determined that social and economic communities of interest between areas currently within the boundaries of Alto, Almonte Homestead Valley, and Richardson Bay Sanitary Districts and the area surrounding those jurisdictions are not relevant to the determination of the district's sphere of influence.
- 5) For an update of a sphere of influence for a district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs on or after July 1, 2012, the present and probable need for those public

facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

- There are no disadvantaged unincorporated communities within the existing sphere of influence.



SPHERE OF INFLUENCE IN COMMON



ALTO, ALMONTE, HOMESTEAD VALLEY, AND RICHARDSON BAY SANITARY DISTRICTS SPHERE OF INFLUENCE IN COMMON



Esri, NASA, NGA, USGS, NOAA, County of Marin, California State Parks, Esri, HERE, Garmin, SafeGraph, Vved
GeoTechnologies, Inc., METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, Jstar
USDA



Memorandum

To: Honorable Chair and Members of the Commission
From: General Counsel
Date: November 21, 2023
Re: Filling Mid-Term Vacancies and “Insufficient Nominee” Seats on the Board of Directors for Special Districts under the Sanitary District of 1923

BACKGROUND

As part of the Southern Marin Wastewater MSR (MSR), the Commission asked a couple of questions regarding how mid-term board vacancies and “insufficient nominee” seats are filled and whether the County Board of Supervisors, in the case of multiple vacancies, could appoint a quorum of sanitary district board members.

ANALYSIS

The filling of a mid-term vacancy on the board of directors and the filling of a board seat for a new four-year term when insufficient nominees have filed papers to run for that seat are governed by two separate statutory procedures. They are outlined below.

1. Filling Sanitary District Vacancies

A “vacancy” occurs when a board seat is held by an officer and that officer dies, resigns, moves away, is lawfully removed from office or otherwise does not complete the full scheduled term. (See Gov. Code §1770) The four sanitary districts reviewed in the MSR are governed under the Sanitary District Act of 1923 (Health and Safety Code section 6400 et seq.). Under Government Code section 6483, vacancies on the sanitary district board are filled pursuant to Government Code section 1780.¹

Government Code section 1780 requires the district to notify the County elections official of the vacancy within 15 days of the date of the vacancy. The “vacancy” occurs on the date specified under Government Code section 1770. A simple letter to the County elections official will suffice. After that, the district would have to post three public notices at least 15 days prior to a decision, and then the remaining members of the district board can either appoint a successor or call a special election to fill the seat. (Gov. Code §1780(c)&(d)(1)) If the vacancy occurs in the first half of the term of office and at least 130 days prior to the next general district election (held

¹This memo is specific to special districts formed under the Sanitary District of 1923, as each special district will fill vacancies according to its enabling act. However, most special districts’ enabling acts direct them to follow Government Code section 1780.

every two years), a vacancy appointment is only effective until the next general district election. There shall then be an election to fill the balance of the term (a so-called “short term” consisting of two years of service). (Gov. Code § 1780(d)(2)) If the vacancy occurs in the first half of the term but after the 130-day period, or occurs in the second half of the term, a vacancy appointment is effective for the remainder of the term. Alternatively, the board may call a special election to fill the vacancy. A special election shall be called for the next established election date under the state Elections Code that is at least 130 days after the board orders the election. (Gov. Code § 1780(e))

If the vacancy is not filled by the district board by appointment or if it has not called an election within 60 days of when it was notified or the effective date of the vacancy, whichever is later, than the city council of the city, in which the district is located, or if the not wholly located within a city, the county board of supervisors may appoint a person to fill the vacancy within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, or the city council or board of supervisors may order the district to call an election to fill the vacancy. (Gov. Code §1780(f))

2. Filling a Vacancy on the Board of Directors with Less than a Quorum

If the number of remaining district board members fall below a quorum, at the request of the district secretary or a remaining member of the district board, the county board of supervisors or the city council shall promptly appoint a person or persons to fill the vacancy, or may call an election to fill the vacancy/ies, but shall only appoint enough members to provide the district board with a quorum. (Gov. Code § 1780(h)(1)-(2)) The same rules outlined above about the duration of an appointment apply here: An “early” appointment is only effective until the next general district election, but a “later” appointment is effective for the remainder of the term, depending upon when the vacancy occurs in that seat’s term. (Gov. Code § 1780(h)(3)&(4))

3. Filling a Board Seat When Insufficient Nominees File Papers to Run for the Seat at the Upcoming General District Election

There is one other means by which one may be appointed to serve on the district board of directors – when insufficient persons file nomination papers/declarations of candidacy to run for an open board seat so there is, effectively, no contest. In this situation, section 6580.1 of the Sanitary District Act of 1923 requires the four districts to follow the procedures outlined in the Uniform District Election Law at Elections Code section 10515. It outlines four “insufficient nominee” scenarios:

- “If, by 5 p.m. on the 83rd day prior to the day fixed for the general district election:
- (1) only one person has filed a declaration of candidacy for any elective office to be filled at that election,
 - (2) no one has filed a declaration of candidacy for such an office,

- (3) in the case of directors to be elected from the district at large, the number of persons who have filed a declaration of candidacy for director at large does not exceed the number of offices of director at large to be filled at that election, or
- (4) in the case of directors who must reside in a division but be elected at large, the number of candidates for director at large from a division does not exceed the number required to be elected director at large while residing in that division. . . .”

If one of these situations occur, the district must submit a certificate of these facts to the “supervising authority” and request that the “supervising authority” at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, make an appointment to fill the office or offices that have insufficient nominees. In this situation, the “supervising authority” is the county board of supervisors, not the district board. (Elec. Code §10500(b)(13)) This is different than filling a mid-term vacancy where the district board of directors has 60 days to make the appointment decision.²

Once on the county board’s meeting agenda, it shall appoint the following people to the district board and cancel the scheduled election:

- “(1) The person or persons, if any, who have filed declarations of candidacy; or
- (2) If no person has filed a declaration of candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held.”

A person appointed by this procedure “shall qualify and take office and serve exactly as if elected at a general district election for the office.” This means that, unlike filling a vacancy, an appointment made under this rule will be effective for a full four-year term.

There is one exception to this rule: If a petition is filed with the county elections official, is signed by 10 percent of voters or 50 voters, whichever is less, coming from either the entire district or from the applicable division (if the district elects by-divisions), and requests that the general district election nonetheless be held, the election must go forward (leaving the possibility of write-in candidates running for a seat on the district board).

4. What if the District and the County Cannot Locate Persons Interested in Serving on the Sanitary District Board?

If the district board or the county board of supervisors are unable to locate a person or persons interested in serving on the district board, the situation becomes more complicated. As noted above, if the district board fails to fill a vacancy within the 60-day period, the county board of supervisors has 30 additional days to fill it. And, with an “insufficient nominee” situation, the

² While the county board of supervisors is vested with the discretion to appoint any qualified resident to district office in a “no nominee” scenario, special districts usually have considerable influence over this County decision.

county board of supervisors fills the seat. However, the election law doesn't clearly address what happens if the county board of supervisors is unable to find someone to serve. Our best read of the law is that if the county cannot make an appointment by that applicable legal deadline, the decision to appoint or call a special election, by default, goes back to the district board because there will, once again, be an unfilled vacancy on the district board.

However, if the district board is unable to find and appoint someone in this round and doesn't want to call a special election, then the county has another opportunity to appoint someone within the 30 extra days or call a special election to fill the seat – the same decision and the cycle repeats – trying to find someone to accept an appointment or hold a special election where no one may choose to run for the seat. However, the statute leaves no other choice for the county or the district.

It will therefore be important to find someone willing to be appointed or elected to the seat sooner rather than later. Otherwise, the cycle will just repeat with the seat remaining empty. The Elections Code assumes that people will want to serve in elected office and doesn't really handle these situations very effectively.

MALA SUBRAMANIAN
WILLIAM PRIEST



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
December 14th, 2023
Item No. 9 (Public Hearing)

TO: Local Agency Formation Commission
FROM: Jeren Seibel, Deputy Executive Officer
SUBJECT: Amending the Sphere of Influence for the Novato Fire Protection District

Background

While working within Marin LAFCo's new GIS mapping system for the Sewerage Agency of Southern Marin Municipal Service Review, staff noticed that the jurisdictional boundary of the Novato Fire Protection District was larger than its sphere of influence. In 1977 the Hamilton Air Force Base was detached from the NFPD boundary, however, in 1999 the Ninth Circuit U.S. Court of Appeals determined that the detachment was not valid. In 2009, Marin LAFCo rescinded the action on the "Hamilton Field and Rafael Village Detachment" with LAFCo board resolution No. 09-03. This action rescinded the NFPD boundary change but did not account for the SOI which was determined after the 1977 decisions. This resolution amends the SOI to make it coterminous with the jurisdictional boundary.

Staff Recommendation for Action

1. Staff Recommendation – Adopt Resolution 23-19 amending the sphere of influence of the Novato Fire Protection District.
2. Alternate Option – Continue consideration of the item to a future regular meeting, and provide direction to staff, as needed.

Attachment

1. Resolution 23-19

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Stephanie Moulton-Peters, Alternate
County of Marin

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

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

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

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-19

**RESOLUTION AMENDING THE SPHERE OF INFLUENCE OF
THE NOVATO FIRE PROTECTION DISTRICT**

WHEREAS upon determination and adoption of a sphere of influence, the Marin Local Agency Formation Commission is required to periodically review and update adopted spheres of influence for each city and special district not less than once every five years within Marin County under Government Code Section 56425 (g); and

WHEREAS the Executive Officer has conducted a review of the adopted sphere of influence of local government agencies in the Novato area, prepared a summary, *Novato Area Municipal Service Review*, including his recommendations thereon, the summary having been presented to and considered by this Commission; and

WHEREAS a public hearing by this Commission was held on the *Novato Area Municipal Service Review* and staff's recommendations contained in that report on the date and at the time noticed thereof, and at the hearing, this Commission heard and received all oral and written testimony, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report.

NOW, THEREFORE, based upon the information contained in the Executive Officer's report, correspondence from affected agencies and information received during the public hearings, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. The sphere of influence of the Novato Fire Protection District (Novato FPD) is hereby amended to be coterminous with its jurisdictional boundary as shown on Exhibit B attached hereto and incorporated herein by reference and the Commission makes the written determinations pursuant to Government Code section 56425(e) as provided for in Exhibit A attached hereto and incorporated herein by reference.

Section 2. Pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the Commission finds that this review and reaffirmation of the sphere of influence of the Novato Fire Protection District is exempt from the provisions of the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Section 3. The Executive Officer is hereby directed to mail copies of this resolution to affected local government agencies in the Novato area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on December 14, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-19

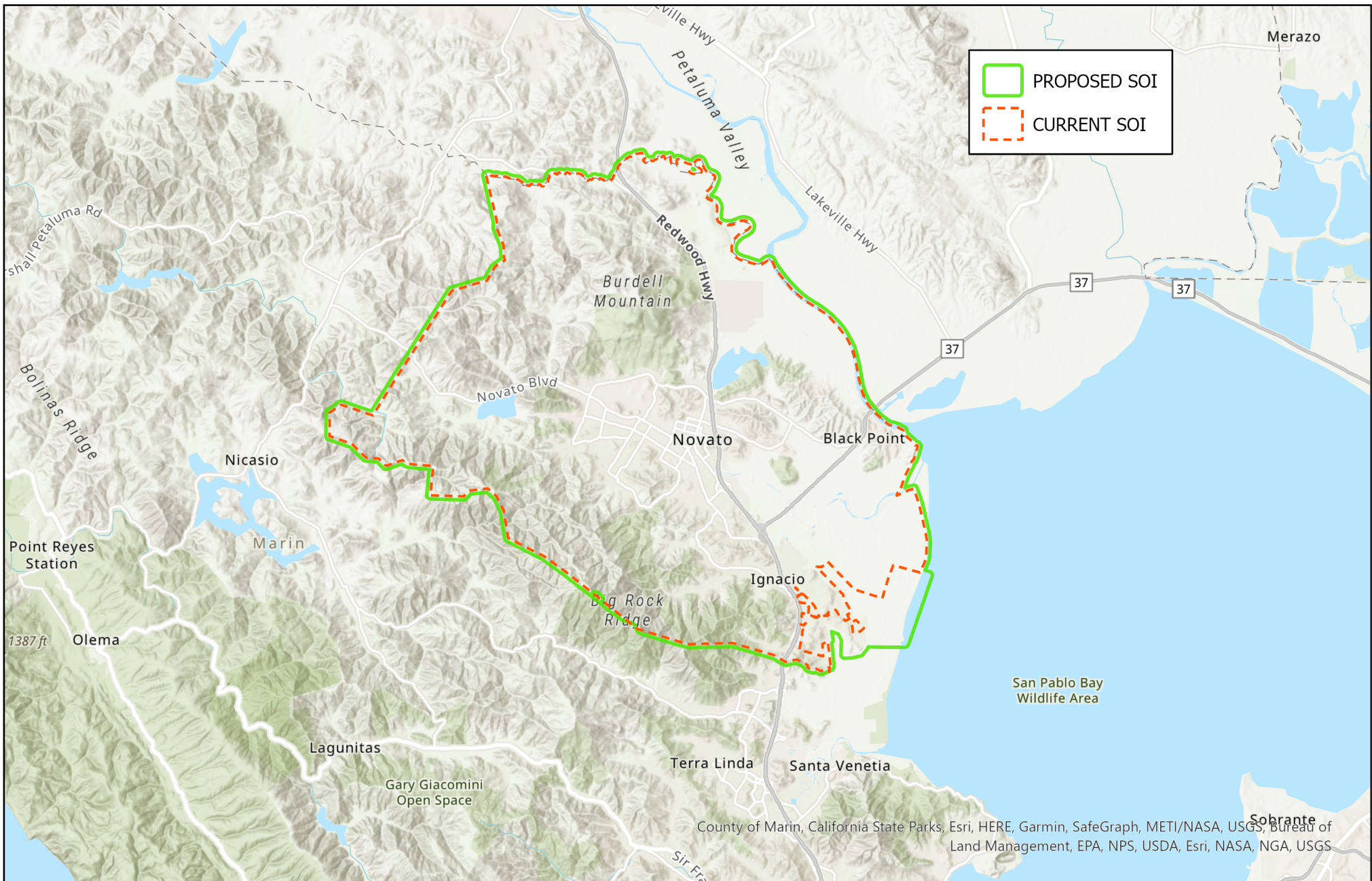
- a) Exhibit A - Determinations
- b) Exhibit B - Map

EXHIBIT A

NOVATO FIRE PROTECTION DISTRICT SPHERE OF INFLUENCE DETERMINATIONS

GOVERNMENT CODE SECTION 56425

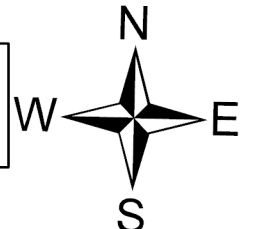
- 1) The present and planned land uses in the area, including agricultural and open-space lands.
 - Present and planned land uses in the adopted sphere of influence are governed by the General Plan of the City of Novato and the Marin Countywide Plan. The plans cover areas that include low and medium density, open space and conservation uses.
- 2) The present and probable need for public facilities and services in the area.
 - The Novato FPD current facilities and services included in the Novato FPD sphere of influence are sufficient to provide those services to the area within the designated district sphere of influence.
- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
 - The operating departments and public facilities of the Novato FPD are adequate to provide service to the district's currently designated district boundaries and areas within its sphere of influence.
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the district.
 - The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Novato FPD and the area surrounding its jurisdiction are not relevant to the determination of the district's sphere of influence.
- 5) For an update of a sphere of influence for a district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.
 - There are no unincorporated communities within the Sphere of Influence that have been identified as disadvantaged.



County of Marin, California State Parks, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA, Esri, NASA, NGA, USGS



NOVATO FIRE PROTECTION DISTRICT PROPOSED SPHERE OF INFLUENCE AMENDMENT





Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
December 14th, 2023
Item No. 10 (Business)

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
SUBJECT: Discussion of Commission Workshop on January 12, 2024

Background

The Commission will be holding a workshop on January 12, 2024, to discuss several items. Our workshop will be facilitated by Joe Serrano from Santa Cruz LAFCo. He drafted the attached outline based on comments from the Commission and discussion with staff.

So you are aware the GASB 75 report may or may not occur based on the outcome of some work that our outside consultant is doing for us and if they think we should change the assumptions we use in the report. If needed it will be at the start of the meeting since they will be joining us remotely to discuss this with us. If not needed then we will not include that in the final workshop agenda.

This will be the last chance for the Commission to discuss the workshop prior to the workshop so if you have any other items you would like to see covered please make sure to mention it.

No action is needed by the Commission but the Commission can comment on items it wants to discuss at the workshop.

Attachment

1. Workshop outline

Administrative Office
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1401 Los Gatos Drive, Suite 220
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T: 415-448-5877 E: staff@marinlafco.org
www.marinlafco.org

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

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

WORKSHOP OUTLINE
FRIDAY, JANUARY 12, 2024
9:00 AM - 12:00 PM

I. WELCOME

- a. Introduce facilitator
- b. Explain the purpose/intent of the workshop

II. GASB 75 (Maybe?)

- a. Outside consultant presentation

III. LAFCO 101/201

- a. Commissioner's Role (LAFCo Hat discussion)
- b. Marin LAFCo Year In Review (current process)

IV. MARIN LAFCO

- a. Policy Review
 - i. Chair / Vice Chair Appointment Schedule
 - ii. Legislative Positions
 - iii. Ad-Hoc / Standing Committee (Formation/Purpose/Duration)
 - iv. Public Seat Process
 - v. Juneteenth Holiday Consideration
 - vi. Remote Work
- b. Work Plan
 - i. What's on it? What needs to be amended? Priority List
 - ii. Special Study Status
 - iii. How to track projects/goals (deadlines/milestones)
 - iv. Service Review & Sphere Designations
- c. Internal Operations
 - i. Understanding of the Housing Element and its impact on LAFCo work
 - ii. Mission Statement / Vision Statement
 - iii. Office Hours
 - iv. Temporary Assistance / One-Time Projects

V. FINAL REMARKS

- a. Comments from Staff
- b. Emphasize importance of clear direction from Commission
- c. Summary any follow-up items



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

December 14, 2023

Executive Officer Report – Section A

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Budget Update for FY 2023-2024

Background

LAFCo adopted a budget for FY 2023-2024 totaling \$631,311.00. From July 1, 2023, through November 30, 2023, LAFCo has spent \$215,713.78. This report covers 5 months, which is about 42% of the year. We have already spent 34.1% of our budget this year. As mentioned at the previous meeting three line items are higher than the expected amount for where we are for being five months into the new FY. Two line items, Membership and Dues (30) and General Insurance (15) consist of bills that have large sums that get paid at the start of the Fiscal year in the case of line item 15 and are mostly paid for in the case of line item 30. The third item is Conferences (10) which covers registrations for the CALAFCO Conference in October. There is still the staff workshop in April which we should ultimately be under budget for by year's end. Two new line items show up as being above the 42% mark. Line Item for Office Lease/Rent (45) appears since the December rent is captured based on when the check was written so is at budget for the year. The final line item is for Training (70) which was to send Claire to a training held by CSDA for clerks. Currently, no other trainings have been identified for the year so we should be well under budget by year's end for this line.

Staff does want to note as we are approaching the halfway point for the year that the number of applications we have received so far is lower than average. While this will not impact this year's budget it could have an impact on the carryforward amount we have for next year. Finally, we have received all but one payment from member agencies. See item 4 for more details on that. Staff will work with the County to get any who have not made payments to get those payments in ASAP.

Attachment:

- 1) FY 2023-2024 Budget Report

Marin Local Agency Formation Commission

FY24 BUDGET REPORT

11/30/23

July 2023 through June 2024

Accrual Basis

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
410 · Prior Year Carryover	0.00	97,065.94	-97,065.94	0.0%
400 · Agency Contributions	535,680.28	536,245.06	-564.78	99.9%
Total Income	535,680.28	633,311.00	-97,630.72	84.6%
Expense				
Services and Supplies				
05 · Commissioner Per Diems	2,125.00	10,000.00	-7,875.00	21.3%
10 · Conferences	6,188.63	10,000.00	-3,811.37	61.9%
15 · General Insurance	5,745.71	6,500.00	-754.29	88.4%
20 · IT & Communications Services	5,960.40	23,000.00	-17,039.60	25.9%
25 · Legal Services	6,480.70	37,500.00	-31,019.30	17.3%
30 · Memberships & Dues	5,237.00	8,000.00	-2,763.00	65.5%
35 · Misc Services	748.01	3,000.00	-2,251.99	24.9%
40 · Office Equipment Purchases	1,043.66	4,139.00	-3,095.34	25.2%
45 · Office Lease/Rent	17,736.00	35,472.00	-17,736.00	50.0%
50 · Office Supplies & Postage	1,025.79	4,000.00	-2,974.21	25.6%
55 · Professional Services	6,151.50	27,000.00	-20,848.50	22.8%
60 · Publications/Notices	375.77	2,000.00	-1,624.23	18.8%
70 · Training	959.92	1,700.00	-740.08	56.5%
75 · Travel - Mileage	206.79	1,500.00	-1,293.21	13.8%
Total Services and Supplies	59,984.88	173,811.00	-113,826.12	34.5%
Salary and Benefit Costs				
100 · Salaries	128,601.22	373,000.00	-244,398.78	34.5%
120 · County of Marin - Group Health	12,219.93	36,500.00	-24,280.07	33.5%
130 · MCERA / Pension	14,907.75	44,000.00	-29,092.25	33.9%
140 · Retiree Health	0.00	6,000.00	-6,000.00	0.0%
Total Salary and Benefit Costs	155,728.90	459,500.00	-303,771.10	33.9%
Total Expense	215,713.78	633,311.00	-417,597.22	34.1%
Net Ordinary Income	319,966.50	0.00	319,966.50	100.0%
Other Income/Expense				
Other Income				
900 · Interest Earnings	3,334.55			
910 · Fees for Services	9,615.99			
Total Other Income	12,950.54			
Net Other Income	12,950.54			
Net Income	332,917.04	0.00	332,917.04	100.0%



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
December 14th, 2023
Item No. B (Executive Officer Report)

TO: Local Agency Formation Commission
FROM: Claire Devereux, Clerk/Jr. Policy Analyst
SUBJECT: **Current and Pending Proposals**

Background

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

We have two applications on today's agenda. Please see Items 6 and 7 for more information on those applications. In addition, we have one new application that is under 30 days.

LAFCo File 1376 comprises of two parcels which were submitted to LAFCo by the owner. These two parcels are a part of the Valley Oaks Project located in Novato, which aims to develop the land for high-density housing. Other Parcels in this development are within the Novato Sanitary District, the owners want to annex these parcels to have the development site in its entirety inside the NSD. This application is currently under the 30-day agency review period and will likely be presented at the February Commission meeting.

Attachment

1. Chart of Current and Pending Proposals

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

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

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1374	Pending	Annexation of 45 Stirrup Ln., Novato into Novtao Sanitary District	Landowners (Kevin and Mary Needham) requesting approval to annex a lot, approximately .57 acres, so they can abandon a septic system and connect to Novato SD. The parcel has a situs address of 45 Stirrup Ln., Novato (APN 146-020-11).	Novato Sanitary District	On Today's Agenda
1375	Pending	Annexation of 19 Tanfield Rd., Tiburon into Richardson Bay Sanitary District	Landowners (Kimberly and Stephen Koza) requesting approval to annex a lot, approximately 1.02 acres, so they can abandon a septic system and connect to Richardson Bay Sanitary District. The parcel has a situs adress of 19 Tanfield Rd., Tiburon (APN: 039-081-14).	Richardson Bay Sanitary District	On Today's Agenda
1376	Pending	Annexation of APN: 125-580-34, and the former Pinkston Rd. right-of-way adjacent to APN:125-580-34 into the Novato Sanitary District.	Landowner (Catherine E. Juchae) requesting approval to annex two lots, approximately 2.5 acres, so they can abandon a septic system and connect to the Novato Sanitary District in order to develop the land. Neither Property hold a situs adress however one parcel has the APN: 125-580-34 and the second parcel is the former Pinkston Rd. right-of-way.	Novato Sanitary District	30-day Review Period