



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, April 6, 2023 ▪ 7:00 PM

Marin Wildfire Prevention Authority Meeting Room | Suite 335 | 1600 Los Gamos Drive, San Rafael, CA
(Please note this is a new location. You will also need to use the Main Lobby (Lobby A) entrance which is located on the freeway side of the building.)

CALL TO ORDER BY CHAIR

ROLL CALL BY DEPUTY EXECUTIVE OFFICER

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 February 9, 2023, Regular Meeting
2. Commission Ratification of Payments from February 1, 2023, to March 31, 2023

PUBLIC HEARING

3. Approval of Resolution 23-02, Annexation of 255 Margarita Drive (APN: 016-011-29) to San Rafael Sanitation District (LAFCo File #1370) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319
4. Approval of Resolution 23-03, Annexation of 3606 Paradise Drive (APN: 058-011-13) to Sanitary District 5 (LAFCo File #1371) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15303, Class 3
5. Approval of the Golden Gate Corridor Region Municipal Service Review
 - a) Approve Workplan From Report
 - b) Adopt Resolution 23-04 Approving Final Draft of the Golden Gate Corridor Municipal Service Review and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15306, Class 6
 - c) Adopt Resolution 23-05 Amending the Sphere of Influence of the City of Mill Valley and Finding it Exempt from CEQA pursuant to State CEQA Guideline Section 15061(b)(3)
 - d) Adopt Resolution 23-06 Reaffirming the Sphere of Influence of the City of Sausalito and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)

- e) Adopt Resolution 23-07 Reaffirming the Sphere of Influence of the Sausalito-Marín City Sanitary District Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
 - f) Adopt Resolution 23-08 Reaffirming the Sphere of Influence of the Southern Marin Fire Protection District Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
 - g) Adopt Resolution 23-09 Reaffirming the Sphere of Influence of the Marin City Community Services District Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
 - h) Adopt Resolution 23-10 Reaffirming the Sphere of Influence of the Tamalpais Community Services District Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
 - i) Adopt Resolution 23-11 Reaffirming the Sphere of Influence of Marin County Service Area No. 14 Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
- 6. Adoption of Proposed Operating Draft Budget for Fiscal Year 2023-2024
 - 7. Interview for LAFCo Regular and Alternate Public Member Seats and Possible Appointments

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.

- 8. Review and Approval of Workplan for Fiscal Year 2023-2024
- 9. Approval of Extension of Office Lease for 1401 Los Gamos Drive, Suite 220
- 10. Accept and File Marin LAFCo Audit for Fiscal Year 2021-2022 and Authorization Audit for Fiscal Year 2022-2023

EXECUTIVE OFFICER REPORT (verbal report only)

- a) Budget Update FY 2022-2023
- b) Current and Pending Proposals
- c) General Update Open Commission Seats 2023 (verbal report)
- d) CALAFCO Update (Verbal Report)

CLOSED SESSION

Public Employee Performance Evaluation (Gov. Code 54957)
Title: Executive Officer

Conference with Labor Negotiators (Gov. Code 54957.6)
Agency Designated Representative: Chair Kious and Vice Chair Coler
Unrepresented employee: Jason Fried

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

ADJOURNMENT TO NEXT MEETING

June 8, 2023| 7:00 P.M.

Attest: Jason Fried
Executive Officer

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

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

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

AGENDA REPORT

April 6, 2023

Item No. 1 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jeren Seibel, Deputy Executive Officer

SUBJECT: **Approval of Minutes for February 9, 2023, Regular Meeting**

Background

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

Discussion

The action minutes for the February 9, 2023 regular meeting accurately reflect the Commission's actions as recorded by staff. A video recording of the meeting is also available online for viewing at <https://www.marinlafco.org/meetings>

Staff Recommendation for Action

1. Staff recommendation – Approve the draft minutes prepared for the February 9, 2023 meeting with any desired corrections or clarifications.
2. Alternative option – Continue consideration of the item to the next regular meeting and provide direction to staff, as needed.

Procedures for Consideration

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

Attachment:

- 1) Draft Minutes for February 9, 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, Regular
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Chair
Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

DRAFT

NOTICE OF REGULAR MEETING MINUTES

Marin Local Agency Formation Commission

Thursday, February 9, 2023

CALL TO ORDER

Chair Kious called the meeting to order at 7:04 P.M.

ROLL CALL BY COMMISSION CLERK

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

Commissioners Present:	Lew Kious, Chair Barbara Coler, Vice-Chair Eric Lucan Craig Murray Steve Burdo (joined at 7:10 P.M.)
Alternate Commissioners Present:	Richard Savel (seated as a regular) Tod Moody
Marin LAFCo Staff Present:	Jason Fried, Executive Officer Jeren Seibel, Deputy Executive Officer
Marin LAFCo Counsel Present:	Malathy Subramanian
Commissioners Absent:	Dennis Rodoni
Alternate Members Absent:	Stephanie Moulton-Peters Stephen Burke

AGENDA REVIEW

Approved: M/S by Vice-Chair Coler and Commissioner Lucan to approve the agenda.

Ayes: Chair Kious, Vice-Chair Coler, Commissioners Lucan, Murray, Savel

Nays: None

Abstain: None

Absent: Burdo, Rodoni

Motion approved unanimously.

PUBLIC OPEN TIME

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

CONSENT CALENDAR ITEMS

1. Approval of Minutes for December 8, 2022 Regular Meeting
2. Commission Ratification of Payments from December 1, 2022 to January 31, 2023
3. Approval of Resolution 23-01 Allowing for video and Teleconference Meetings during COVID-19 State of Emergency Under AB 3614

Approved: M/S by Commissioner Murray and Vice-Chair Coler to approve the consent calendar

Ayes: Chair Kious, Vice-Chair Coler, Commissioners Lucan, Murray, Savel

Nays: None

Abstain: None

Absent: Burdo, Rodoni

Motion approved unanimously.

PUBLIC HEARING ITEMS

4. Presentation of the Golden Gate Corridor Region Municipal Service Review Public Draft (Information Only)

Deputy Executive Officer Seibel presented the Golden Gate Corridor Municipal Service Review, stating that he was adding a bit extra background information on municipal service reviews as the Commission had a number of new members. DEO Seibel stated that no members of the public or any of the involved agencies had submitted any written comments yet, while one Commissioner had submitted primarily language edit comments.

Vice-Chair Coler commented that while the document states (and prior documents have echoed) that the municipalities involved are currently built out, the State is saying otherwise so could be good to add RHNA data. DEO Seibel responded that while unsure without looking at the language directly, it is typically stated within the document that when municipalities are designated as being built out, they are built out based on the currently adopted zoning standards, which is the case for the two municipalities encompassed within this municipal service review.

Commissioner Lucan asked how often jurisdictions will request a presentation directly to their boards. EO Fried explained the outreach process prior to and during the MSR process and that there have only been a handful of requests for direct presentations in the past. Commissioner Lucan followed up by asking if MCCSD had requested a presentation and EO Fried informed him that they had not but that he was more than willing to do that upon request. Commissioner Lucan added one final question regarding the Richardson Bay Authority and whether that agency would be getting reviewed by LAFCo to which EO Fried explained that, as a JPA, the Richardson Bay Authority would not be under the purview of LAFCo's review. Chair Kious added that in all the years that he has been a part of LAFCo that MCCSD has never requested any sort of meeting or presentation from LAFCo despite having offered.

Alternate Commissioner Moody offered a comment that down the road a template of some sort should be designed to look at housing deficiencies and service deficiencies related to mandated housing additions throughout the county.

Commissioner Murray requested a reference/link to the independent consultant's report on the City of Sausalito/SMCSD consolidation to add some additional context to that item.

Chair Kious opened up public comment. Recognizing no hands raised, Chair Kious closed public comment.

Approved: M/S by Vice-Chair Coler and Commissioner Murray to continue Item 4 to the April 6, 2023 meeting.

Ayes: Chair Kious, Vice-Chair Coler, Commissioners Lucan, Murray, Burdo, Savel

Nays: None

Abstain: None
Absent: Rodoni
Motion approved unanimously.

BUSINESS ITEMS

5. Discussion of Return to In-Person Commission Meetings and Future Location of Those Meetings

EO Fried explained that the emergency order allowing virtual public meetings was ending and that for the April meeting that the Commission would be required to meet in person. He began by asking the Commission their thoughts on offering a hybrid meeting type as opposed to just an in-person meeting. Chair Kious and Vice Chair Coler both offered the opinion that hybrid meetings were not necessary for LAFCo as members of the public rarely attend meetings. Commissioner Burdo agreed with the sentiments while expressing a desire to be prepared should a hotly contested item arise down the road for the Commission to be nimble enough to figure out a remote option for that particular meeting.

EO Fried then asked the Commission about their feelings on the physical meeting location for future meetings. He had recently identified the Marin Wildfire Prevention Authority meeting room in San Rafael as an option to be used for the April meeting, and then the Commission could reevaluate whether that was suitable moving forward after that meeting. Chair Kious expressed concern regarding traffic issues given the timing of the meetings and his location in Southern Marin, but was willing to try this location for the April Meeting. Commissioner Coler added that, as a member of the MWPA, she is familiar with the meeting space and it offers a good amount of space should there be a higher number of members of the public attending and it is also set up for Marin TV should a hybrid meeting be necessary. Chair Kious concluded the topic discussion by saying that it seems like everyone is in agreement to give the location a try for the April meeting.

Lastly, EO Fried stated that traditionally LAFCo has offered Commissioners pizza and salad as a dinner for physical meetings. Vice Chair Coler stated that she didn't feel as though a full meal being supplied was necessary but snacks and drinks could be provided. Chair Kious requested that, at a minimum, cold drinks and some type of snack would be appreciated. Commissioner Burdo expressed the value that dinner being provided holds for him as someone who typically comes straight to meetings from work and with many meetings running long, it is nice to have something to eat. Commissioner Lucan echoed Commissioner Burdo's sentiments.

Chair Kious asked EO Fried if that was sufficient feedback for him to operate with and EO Fried confirmed that it was.

6. Discussion and Approval of Alternative System to Marin Map and Authorize the Executive Officer to Execute a Contract With Cinquini & Passarino For Creation of New Mapping System.

EO Fried presented to the Commission his findings after approval at the December meeting by the Commission for him to explore alternative options to Marin Map. The identified option is the consulting firm of Cinquini & Passarino with a new GIS mapping system for LAFCo being built for approximately \$13,000 with a significantly lower annual cost after the initial build.

Vice Chair Coler inquired about two of the items in the consultant's proposal regarding data sharing with the County moving forward. EO Fried explained that would be something that will be worked out between LAFCo and Marin Map should the decision made be to move forward with the new option. Commissioner Coler thanked EO Fried for his explanation and voiced her support for the move.

Commissioner Savel asked a question about who would be doing the updating of the mapping system. EO Fried explained that there are multiple options for on-call editing that would be determined as the option progresses.

Chair Kious opened up public comment. Recognizing no hands raised, Chair Kious closed public comment

Approved: M/S by Commissioner Burdo and Vice Chair Coler authorize staff to enter into an agreement with Cinquini & Passarino to create the online map system and work with Marin Map and MGSA to create this new system.

Ayes: Chair Kious, Vice-Chair Coler, Commissioners Lucan, Murray, Burdo, Savel

Nays: None

Abstain: None

Absent: Rodoni

Motion approved unanimously

7. Approval for Commendations for Commissioner Larry Loder

Chair Kious, in Larry Loder's absence, suggested approving the commendation and then mailing the Commendation to Commissioner Loder.

Commissioner Murray made comments on Commissioner Loder's service both to LAFCo and multiple other agencies throughout Marin County.

Chair Kious moved this to a vote.

Approved: M/S by Chair Kious and Commissioner Murray to approve the Commendation for Larry Loder

Ayes: Chair Kious, Vice-Chair Coler, Commissioners Lucan, Murray, Burdo, Savel

Nays: None

Abstain: None

Absent: Rodoni

Motion approved unanimously

EXECUTIVE OFFICER REPORT (discussion and possible action)

- a) Budget Update FY 2022-2023
EO Fried reported that budget was looking on track and even a little under budget at this time.
- b) Current and Pending Proposals
No new proposals for this meeting, however, 255 Margarita has resubmitted a full new application that will be seen at the next Commission meeting. Also received another application today for annexation into Sanitary District 5 that the Commission will be seeing at the next meeting.
- c) 2023 Committee Assignments
Chair Kious has determined committee assignments and were made available to Commissioners in their packets. Budget Committee and Legislative Committee will have meetings in the near future.
- d) General Update Open Commission Seats 2023
Special districts have both regular member and alternate member seats coming up for election as well as the regular and alternate public member seats. Interviews for public member seats will take place at the April meeting.
- e) CALAFCO Update
Quarterly news update from CALAFCO

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

No announcements or requests were made.

Chair Kious adjourned the meeting at 8:12 P.M.

ADJOURNMENT TO NEXT MEETING

Thursday, April 6, 2023

Via Zoom

Attest: Jeren Seibel
 Deputy Executive Officer

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Marin LAFCo

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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Item No. 2 – (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Commission Ratification of Payments from February 1, 2023 to March 31, 2023

Background

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

The following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between February 1, 2023, and March 31, 2023, totaling \$80,807.10. The payments are detailed in the attachment.

Staff Recommendation for Action

1. Staff Recommendation - Ratify the payments made by the Executive Officer between February 1, 2023, and March 31, 2023, as shown in attachment.
2. Alternate Option - Continue consideration of the item to the next regular meeting and provide direction to staff as needed.

Procedures for Consideration

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

Attachment:

- 1) Payments from February 1, 2023, to March 31, 2023

Marin Local Agency Formation Commission

Expenses by Vendor Detail

February 1 through March 27, 2023

03/27/23

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
BURDO, STEVE						
Check	02/15/2023	20853	Feb 2023 Co...	05 · Commissioner ...	125.00	125.00
Total BURDO, STEVE					125.00	125.00
CALAFCO						
Check	02/01/2023	20850	20232 CALAF...	10 · Conferences	360.00	360.00
Total CALAFCO					360.00	360.00
Cardmember Services						
Credit Card Charge	02/17/2023		adobe	20 · IT & Communic...	103.96	103.96
Credit Card Charge	02/17/2023		getstreamline	20 · IT & Communic...	100.00	203.96
Credit Card Charge	02/17/2023		zoom	20 · IT & Communic...	14.99	218.95
Credit Card Charge	02/17/2023		verizon	20 · IT & Communic...	122.80	341.75
Credit Card Charge	02/17/2023		marin ij	35 · Misc Services	21.74	363.49
Credit Card Charge	02/17/2023		best best & kr...	25 · Legal Services	1,588.70	1,952.19
Credit Card Charge	02/17/2023		marin mac tech	20 · IT & Communic...	953.50	2,905.69
Credit Card Charge	02/17/2023		amazon	40 · Office Equipme...	98.31	3,004.00
Credit Card Charge	02/17/2023		water	50 · Office Supplies ...	40.74	3,044.74
Credit Card Charge	02/17/2023		usps	50 · Office Supplies ...	8.95	3,053.69
Credit Card Credit	03/17/2023	adobe	adobe	20 · IT & Communic...	-476.91	2,576.78
Credit Card Charge	03/17/2023		adobe	20 · IT & Communic...	103.96	2,680.74
Credit Card Charge	03/17/2023		streamline	20 · IT & Communic...	100.00	2,780.74
Credit Card Charge	03/17/2023		zoom	20 · IT & Communic...	15.99	2,796.73
Credit Card Charge	03/17/2023		water	50 · Office Supplies ...	40.74	2,837.47
Credit Card Charge	03/17/2023		best best & kr...	25 · Legal Services	840.00	3,677.47
Credit Card Charge	03/17/2023		verizon wireless	20 · IT & Communic...	122.80	3,800.27
Credit Card Charge	03/17/2023		marin ij	50 · Office Supplies ...	10.87	3,811.14
Credit Card Charge	03/17/2023		equidox	20 · IT & Communic...	3,000.00	6,811.14
Credit Card Charge	03/17/2023		marin mactech	20 · IT & Communic...	953.50	7,764.64
Total Cardmember Services					7,764.64	7,764.64
Cinquini & Passarino Inc						
Check	03/01/2023	20864	Invoice # 9642	55 · Professional Se...	1,960.00	1,960.00
Total Cinquini & Passarino Inc					1,960.00	1,960.00
CITY OF MILL VALLEY						
Deposit	02/22/2023	201817	1372	910 · Fees for Servi...	-3,595.49	-3,595.49
Total CITY OF MILL VALLEY					-3,595.49	-3,595.49
Coler, Barbara						
Check	02/15/2023	20857	Feb 2023 Co...	05 · Commissioner ...	125.00	125.00
Total Coler, Barbara					125.00	125.00
COMCAST						
Check	02/22/2023	20861	Bill Date Feb ...	20 · IT & Communic...	111.70	111.70
Check	03/21/2023	20869	Bill Date Marc...	20 · IT & Communic...	111.70	223.40
Total COMCAST					223.40	223.40
CONNECT YOUR CARE						
Check	02/22/2023	eft	COBRA ADMIN	126 · Health Insuran...	1.11	1.11
Check	03/22/2023	eft	COBRA ADMIN	126 · Health Insuran...	1.11	2.22
Total CONNECT YOUR CARE					2.22	2.22
Delta Dental of California						
Check	02/01/2023	eft		122 · Dental Insuran...	145.86	145.86
Check	02/14/2023	eft		122 · Dental Insuran...	72.93	218.79
Check	03/08/2023	eft		122 · Dental Insuran...	72.93	291.72
Total Delta Dental of California					291.72	291.72

Marin Local Agency Formation Commission

03/27/23

Expenses by Vendor Detail

Accrual Basis

February 1 through March 27, 2023

Type	Date	Num	Memo	Account	Amount	Balance
FP MAILING SOLUTIONS						
Check	03/21/2023	20870	Invoice # RI 1...	50 · Office Supplies ...	204.88	204.88
Total FP MAILING SOLUTIONS					204.88	204.88
Indoff Incorporated						
Check	02/01/2023	20851	Invoice #3626...	50 · Office Supplies ...	130.67	130.67
Total Indoff Incorporated					130.67	130.67
Kaiser Foundation Health Plan						
Check	03/02/2023	eft		126 · Health Insuran...	857.84	857.84
Check	03/16/2023	eft		126 · Health Insuran...	1,274.98	2,132.82
Total Kaiser Foundation Health Plan					2,132.82	2,132.82
KIOUS, LEWIS						
Check	02/15/2023	20854	Feb 2023 Co...	05 · Commissioner ...	125.00	125.00
Total KIOUS, LEWIS					125.00	125.00
LIEBERT CASSIDY WHITMORE						
Check	02/22/2023	20860	Invoice #2342...	25 · Legal Services	2,536.50	2,536.50
Total LIEBERT CASSIDY WHITMORE					2,536.50	2,536.50
LUCAN, ERIC						
Check	03/07/2023	20867	Feb 2023 Co...	05 · Commissioner ...	125.00	125.00
Total LUCAN, ERIC					125.00	125.00
MARIN COUNTY RETIREMENT 4033						
Check	02/27/2023	20862	Seibel per audit	131 · Co Ret Cont Ti...	11.47	11.47
Total MARIN COUNTY RETIREMENT 4033					11.47	11.47
MARIN INDEPENDENT JOURNAL						
Check	02/15/2023	20859	Invoice # 000...	60 · Publications/No...	200.88	200.88
Total MARIN INDEPENDENT JOURNAL					200.88	200.88
MOODY, TOD						
Check	02/15/2023	20855	Feb Commiss...	05 · Commissioner ...	125.00	125.00
Total MOODY, TOD					125.00	125.00
MURRAY, CRAIG K						
Check	03/07/2023	20868	Feb 2023 Co...	05 · Commissioner ...	125.00	125.00
Total MURRAY, CRAIG K					125.00	125.00
PAYCHEX						
Check	02/03/2023	eft		35 · Misc Services	64.96	64.96
Check	02/06/2023	eft	2023030101	35 · Misc Services	59.37	124.33
Check	02/17/2023	eft		35 · Misc Services	62.16	186.49
Check	03/03/2023	eft	2023030101	35 · Misc Services	62.16	248.65
Check	03/17/2023	eft	2023030101	35 · Misc Services	62.16	310.81
Total PAYCHEX					310.81	310.81

Marin Local Agency Formation Commission

Expenses by Vendor Detail

03/27/23

February 1 through March 27, 2023

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
PAYROLL						
Check	02/03/2023	eft	1/8-1/21/23	105 · Sal - Regular ...	13,360.95	13,360.95
Check	02/03/2023	eft	1/8-1/21/23	124 · Auto Allowance	350.00	13,710.95
Check	02/03/2023	eft	1/8-1/21/23	121 · Life Insurance	-17.40	13,693.55
Check	02/03/2023	eft	1/8-1/21/23	131 · Co Ret Cont Ti...	1,553.88	15,247.43
Check	02/06/2023	eft	1/22-2/1/23 Pr...	105 · Sal - Regular ...	2,276.92	17,524.35
Check	02/06/2023	eft	1/22-2/1/23 Pr...	106 · VacationPayout	893.77	18,418.12
Check	02/06/2023	eft	1/22-2/1/23 Pr...	124 · Auto Allowance	0.00	18,418.12
Check	02/06/2023	eft	1/22-2/1/23 Pr...	121 · Life Insurance	0.00	18,418.12
Check	02/06/2023	eft	1/22-2/1/23 Pr...	131 · Co Ret Cont Ti...	264.81	18,682.93
Check	02/17/2023	eft	1/22-2/4/23	105 · Sal - Regular ...	10,514.80	29,197.73
Check	02/17/2023	eft	1/22-2/4/23	124 · Auto Allowance	0.00	29,197.73
Check	02/17/2023	eft	1/22-2/4/23	121 · Life Insurance	-17.40	29,180.33
Check	02/17/2023	eft	1/22-2/4/23	131 · Co Ret Cont Ti...	1,222.87	30,403.20
Check	03/03/2023	eft	2/5-2/18/23	105 · Sal - Regular ...	10,514.80	40,918.00
Check	03/03/2023	eft	2/5-2/18/23	124 · Auto Allowance	350.00	41,268.00
Check	03/03/2023	eft	2/5-2/18/23	121 · Life Insurance	-17.40	41,250.60
Check	03/03/2023	eft	2/5-2/18/23	131 · Co Ret Cont Ti...	1,222.87	42,473.47
Check	03/17/2023	eft	2/19-3/4/23	105 · Sal - Regular ...	10,514.80	52,988.27
Check	03/17/2023	eft	2/19-3/4/23	124 · Auto Allowance	0.00	52,988.27
Check	03/17/2023	eft	2/19-3/4/23	121 · Life Insurance	-17.40	52,970.87
Check	03/17/2023	eft	2/19-3/4/23	131 · Co Ret Cont Ti...	1,222.87	54,193.74
Total PAYROLL					54,193.74	54,193.74
PAYROLL TAXES						
Check	02/03/2023	eft	1/8-1/21/23	111 · Medicare Tax	199.38	199.38
Check	02/03/2023	eft	1/8-1/21/23	112 · CA SUI	49.69	249.07
Check	02/03/2023	eft	1/8-1/21/23	114 · CA ETT	1.31	250.38
Check	02/03/2023	eft	1/8-1/21/23	113 · FUTA	7.85	258.23
Check	02/06/2023	eft	1/22/23-2/1/2...	111 · Medicare Tax	45.99	304.22
Check	02/06/2023	eft	1/22/23-2/1/2...	112 · CA SUI	0.00	304.22
Check	02/06/2023	eft	1/22/23-2/1/2...	114 · CA ETT	0.00	304.22
Check	02/06/2023	eft	1/22/23-2/1/2...	113 · FUTA	0.00	304.22
Check	02/17/2023	eft	1/22-2/4/23	111 · Medicare Tax	153.03	457.25
Check	03/03/2023	eft	2/5-2/18/23	111 · Medicare Tax	158.10	615.35
Check	03/17/2023	eft	2/19-3/4/23	111 · Medicare Tax	153.03	768.38
Total PAYROLL TAXES					768.38	768.38
RICOH USA INC						
Check	02/15/2023	20858	Invoice # 506...	50 · Office Supplies ...	30.12	30.12
Total RICOH USA INC					30.12	30.12
Savel, Richard						
Check	02/15/2023	20856	Feb 2023 Co...	05 · Commissioner ...	125.00	125.00
Total Savel, Richard					125.00	125.00
SCHIFFMANN, ALYSSA						
Check	02/01/2023	20848	Invoice # 191	55 · Professional Se...	1,840.00	1,840.00
Check	03/07/2023	20866	Invoice # 197	55 · Professional Se...	720.00	2,560.00
Total SCHIFFMANN, ALYSSA					2,560.00	2,560.00
SECURITY MORTGAGE GROUP 2						
Check	02/01/2023	20847	Feb 2023 Rent	45 · Office Lease/Rent	2,955.84	2,955.84
Check	03/01/2023	20863	April 2023 Rent	45 · Office Lease/Rent	2,955.84	5,911.68
Total SECURITY MORTGAGE GROUP 2					5,911.68	5,911.68
Teamsters Local 856 Health & Welfare						
Check	02/27/2023	eft		126 · Health Insuran...	1,798.24	1,798.24
Check	03/08/2023	eft		126 · Health Insuran...	1,798.24	3,596.48
Total Teamsters Local 856 Health & Welfare					3,596.48	3,596.48

12:28 PM

Marin Local Agency Formation Commission

03/27/23

Expenses by Vendor Detail

Accrual Basis

February 1 through March 27, 2023

Type	Date	Num	Memo	Account	Amount	Balance
The Hartford						
Check	02/01/2023	20849	Invoice #1889...	121 · Life Insurance	157.74	157.74
Check	03/21/2023	20871	Invoice #1889...	121 · Life Insurance	150.16	307.90
Total The Hartford					307.90	307.90
VSP						
Check	02/06/2023	eft		123 · Vision Service ...	14.64	14.64
Check	03/06/2023	eft		123 · Vision Service ...	14.64	29.28
Total VSP					29.28	29.28
TOTAL					80,807.10	80,807.10



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
April 6, 2023
Item 3 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Approval of Resolution 23-02, Annexation of 255 Margarita Drive (APN: 016-011-29) to San Rafael Sanitation District (LAFCo File #1370) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319.

Background

Marin LAFCo has received an application from Paul Thompson (“applicant”) requesting approval to annex a lot, approximately 1.6 acres, to complete the process started in 2015 for an Emergency OSA due to a failing septic tank and to properly connect into the San Rafael Sanitation District (SRSD). The parcel has a situs address of 255 Margarita Drive (APN 016-011-29). The proposal, as stated by the applicant, is for connection to SRSD. Staff has requested comments from SRSD, along with other interested agencies. All comments were in support or neutral.

As a reminder about this subject, in August 2015, LAFCo approved a request from SRSD for new sewer services outside of its boundaries due to a failing septic system that posed an impending threat to public health and safety. LAFCo approved the application for a one-year period and did give a one-year extension. The applicant was required to submit a complete application for annexation during this period and a copy of a recorded easement providing the property access to SRSD’s sewer main through the neighboring property. The property owner did not obtain the recorded easement from the neighboring property owner and LAFCo’s approval including various extensions expired on February 13, 2018. On September 1, 2022, LAFCo received a second completed application. The Commission approved the application with conditions that needed to be met by December 9, 2022. The applicant failed to meet those conditions by December 9, 2022, so the application was automatically deemed terminated. SRSD started a discount process with a hearing held on January 12, 2023. On January 11, 2023, we received a third application, the one in front of you today, from a representative of the applicant and information that the applicant was going to move the lateral that was incorrectly installed in 2015 to the correct location. Given the new application and commitment from the applicant to get this all corrected at the January 12 hearing the SRSD delayed the disconnect order to the end of April to give LAFCo time to process the application. SRSD staff has indicated that the lateral has now been moved and they are simply waiting for LAFCo approval to give final approval on the connection. Staff has reviewed the submitted petition for accuracy and considered all factors pursuant to §56668 and §56668.3 of Cortese-Knox-Hertzberg.

Two conditions have been added to the Resolution. The first is a condition, with four parts, that SRSD is asking us to include to make sure everything from the previous improperly installed 2015 lateral is removed and the neighbor is made whole in this process. Staff is also looking to add one condition to this approval. As of the writing of this staff memo, the applicant has not submitted to us the third-party fees from LAFCo File 1367 or for this application. Staff would recommend that as a condition of approval the Commission requires we get all third parties fees for both this application and for LAFCo File 1367.

Administrative Office

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

Dennis Rodoni, Regular
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Steve Burdo, Alternate
Town of San Anselmo

Stephen Burke, Regular
City of Mill Valley

Lew Kious, Chair
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

Staff Recommendation for Action

Staff Recommendation 1 – Approve the requested annexation of 255 Margarita Drive and approve the attached Resolution No. 23-02.

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.

Attachments:

1. Resolution #23-02
2. Application Packet
3. Section 56668 Checklist

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 23-02

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

“Annexation of 255 Margarita Drive (APN 016-011-29) to San Rafael Sanitation District (LAFCo File No. 1370)”

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

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

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

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

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

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

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

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

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

Section 2. Approve the proposed annexation of 255 Margarita Drive (APN 016-011-29) to the San Rafael Sanitation District (File #1367) as shown and described on Exhibits “A” and “B”..

Section 3. The territory includes 1.60 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of 255 Margarita Drive (APN 016-011-29) to San Rafael Sanitation District (LAFCo File No. 1367)”.

Section 4. The proposal is consistent with the adopted spheres of influence of San Rafael Sanitation District.

Section 5. The Executive Officer is hereby authorized to waive notice and hearing, and protest proceedings and complete reorganization proceedings.

Section 6. As Lead Agency under CEQA for the proposed annexation of APN: 016-011-29 to San Rafael Sanitation District, LAFCo finds that the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319 (a).

Section 7. As a condition of approval of the annexation, the property owner is required to perform the following per San Rafael Sanitation District standards: (1) Remove the portion of lateral that was installed improperly in 2015, which includes the portion across 265 Margarita Drive; (2) Disconnect the improperly installed lateral from the public sewer main; (3) Return all landscaping and grade on 265 Margarita Drive to its original condition, prior to the improper lateral installation; and (4) Written confirmation from the San Rafael Sanitation District that all required sewer work has been completed and accepted by April 28, 2023.

Section 8. As a condition of approval, that all third party fees association with this application and LAFCo File 1367 be paid to LAFCo no later than April 28, 2023.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on April 6, 2023 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair

ATTEST:

APPROVED AS TO FORM:

Jason Fried, Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-02

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



EXHIBIT 'A'

Annexation of the Lands of Thompson
to the
San Rafael Sanitary District (File # 1370)

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

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

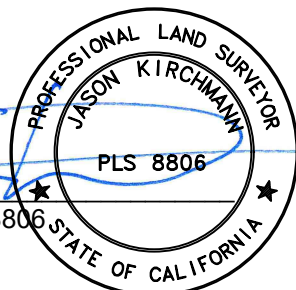
1. Thence leaving said northerly line of Margarita Drive, along the common line of Thompson and Jones, North 30°06'50" West, 47.74 feet;
2. Thence continuing along said common line, North 69°04'00" West, 72.96 feet;
3. Thence continuing along said common line, North 55°24'44" West, 103.00 feet;
4. Thence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

Containing: 1.58 acres, more or less.

Prepared by:

BKF ENGINEERS

Jason Kirchmann, P.L.S. 8806



Dated: 02/08/2023



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

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 get off septic and connect to SRSD 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

<u>Paul Thompson</u>	<u><i>Paul Thompson</i></u>	<u>1/12/23</u>
Print Name	Signature	Date



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

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

Name and Address of Applicant: Paul Thompson
255 Margarita Drive, San Rafael CA

Contact Number: (415) 456-8972 Email: pault@tbcorp.com

Agent Representative (optional)
I/We hereby authorize Shannon Miller 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: Shannon Miller, 5400 Hanna Ranch Rd, Novato CA 94945

Contact Number: (415) 747-4670 Email: shannonm@tbcorp.com

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

Paul Thompson 1/12/2023
Property Owner Signature Date

Property Owner Signature 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.

Paul Thompson

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

Shannon Miller -- shannonm@tbcorp.com -- 415-747-4670 (cell) 415-456-8972 x 4430 (office)

San Rafael Sanitation District Staff -- srsd@cityofsanrafael.org

Kathryn Nelson (SRSD Contact) -- kathryn.nelson@cityofsanrafael.org



Marin Local Agency Formation Commission

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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")

Annexation

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

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

Annexation to sewer district for single family home

4. State general location of proposal:

San Rafael, Marin County



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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: SAN RAFAEL

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)

016-011-29

Site Address(es)

255 MARGARITA DRIVE, SAN RAFAEL

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

9. Total land area in acres: 1.6



LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns:

None

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

1 single family home

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

R1-B4 RESIDENTIAL SINGLE FAMILY / SF3 RURAL/RESIDENTIAL

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

What is the rezoning classification, title and densities permitted?

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

1 + 1 ACCESSORY USE DWELLING



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ENVIRONMENT

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

Yes _____ No X

If yes, explain: _____

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

Yes _____ No X

If yes, explain: _____

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

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

4. State general description of site topography: hill neighborhood

5. Indicated Lead Agency for this project: San Rafael Sanitation District

6. Indicate Environmental Determination by Lead Agency: None
with respect to (indicate project) 255 Margarita Drive
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,

Paul Thompson
Applicant Signature

1/12/2023
Date

Paul Thompson
Print Name

Owner/Applicant
Title



Marin Local Agency Formation Commission

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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: _____



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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

a2	In the case of a city detachment, whether the proposed detachment will be for the interest of the landowners or present or future inhabitants within the city and within the territory proposed to be detached from the city.	n/a
a3	Any factors which may be considered by the commission as provided in Section 56668.	see comments above
a4	Any resolution raising objections to the action that may be filed by an affected agency.	no resolution received
a5	Any other matters which the commission deems material.	staff addressed any issues in staff report
b	The commission shall give great weight to any resolution raising objections to the action that is filed by a city or a district. The commission's consideration shall be based only on financial or service related concerns expressed in the protest. Except for findings regarding the value of written protests, the commission is not required to make any express findings concerning any of the other factors considered by the commission	no resolution received



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
April 6, 2023
Item 4 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Approval of Resolution 23-03, Annexation of 3606 Paradise Drive (APN: 058-011-13) to Sanitary District 5 (LAFCo File #1371) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15303, Class 3

Background

Marin LAFCo has received an application from Janet Strauss (“applicant”) requesting approval to annex a lot, approximately 1.02 acres, for construction of a new single-family home and also moving off septic system to Sanitary District 5 (SD5). The parcel has a situs address of 3606 Paradise Drive (APN 058-011-13). The proposal, as stated by the applicant, is for connection to SD5. Staff has requested comments from SD5, along with other interested agencies. All comments received were in support or neutral.

This parcel currently is located within an unincorporated island of the Town of Tiburon. When the applicant first approached LAFCo about a possible application staff noted this issue and reached out to Town staff about the possibility of annexing this parcel into Tiburon since one parcel it shares a boundary with is part of an island that is part of Tiburon. This parcel, while having a Paradise Drive address, does not actually touch Paradise Drive so staff had hoped that the Town would be willing to consider annexing this parcel at the same time we did the sanitary district annexation. Town staff said they would get back to us but never formally did and never returned the formal form we sent them on this application. In order to not hold up the application staff asked, and the applicant agreed, to sign our agreement not to oppose future annexation into Tiburon should LAFCo move such an application in the future. That agreement is a condition in the resolution and has already been signed by the applicant.

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 3606 Paradise Drive and approve the attached Resolution No. 23-03 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.

Attachments:

1. Resolution #23-03
2. Application Packet
3. 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, Regular
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Steve Burdo, Alternate
Town of San Anselmo

Stephen Burke, Regular
City of Mill Valley

Lew Kiou, Chair
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 23-03

RESOLUTION APPROVING AN ANNEXATION OF 3606 PARADISE DRIVE TO SANITARY DISTRICT 5 WITH WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS

“Annexation of 3606 Paradise Drive (APN 058-011-13) to Sanitary District 5 (LAFCo File #1371)

WHEREAS Janet Strauss, hereinafter referred to as applicant, has filed a validated Landowner Petition with the Marin Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS the proposal seeks Commission approval to annex approximately 1.02 acres of unincorporated land to Sanitary District 5.

WHEREAS the affected territory represents an entire lot proposed for development of one single-family residence located at 3606 Paradise Drive and identified by the County of Marin Assessor’s Office as APN 058-011-13 (“Property”); and

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

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

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

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

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

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

Section 2. The territory includes 1.02 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of 3606 Paradise Drive (APN 058-011-13) to Sanitary District 5 (LAFCo File #1370)”

Section 3. The proposal is consistent with the adopted sphere of influence of Sanitary District 5.

Section 4. The Executive Officer is hereby authorized to waive notice and hearing, and protest proceedings and complete reorganization proceedings.

Section 5. As responsible agency under CEQA for the proposed annexation of APN 058-011-13 to Sanitary District 5, Marin County Planning Division finds that the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section §15303 Class 3.

Section 6. As a condition of final approval, the applicant must submit the Agreement Regarding Annexation of Real Property to LAFCo attached here to as Exhibit “C” and incorporated herein by reference, clearly

stating that they shall not protest any future application to LAFCo to annex their property to the Town of Tiburon, as part of an island annexation.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair

ATTEST:

APPROVED AS TO FORM:

Jason Fried, Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-03

- a) Exhibit A – Legal Description
- b) Exhibit B – Map
- c) Exhibit C – Agreement Regarding Annexation of Real Property to Marin LAFCo

Annexation to Sanitary District No. 5

3606 Paradise Drive Tiburon, CA

LAFCO File No. 1371

Geographic Description

All that certain real property, situated in Rancho Corte Madera Del Presidio, and Section 31, Township 1 North, Range 5 West, Mount Diablo Base and Meridian, in the unincorporated area of the County of Marin, State of California, more particularly described as follows:

Beginning at a point along the North line of Tide Lot 2 which bears North 45°30'00" West 117.56 feet from an angle point of said Tide Lot 2 which lies at the intersection of two lines bearing North 67°15'00" West 837.54 feet and North 45°30'00" West 1073.82 feet as shown in Map No. 1 of Salt Marsh and Tide Lands;

Thence,

- (1) South 42°02'02" West 299.99 feet to a point on the Sanitary District No. 5 Limits Boundary Line,

Thence along said District Limits Boundary Line for the next course,

- (2) South 36°30'32" West 257.68 feet;

Thence leaving said District Limits Boundary Line for the next 2 courses,

- (3) North 61°25'00" West 80.16 feet;

- (4) North 35°52'00" West 73.33 feet to a point on said District Limits Boundary Line;

Thence along said District Limits Boundary Line for the next 3 courses,

- (5) North 72°17'00" East 129.92 feet;

- (6) North 36°22'00" East 135.96 feet;

- (7) North 46°16'00" East 315.22 feet;

Thence leaving said District Limits Boundary Line for the next course,

- (8) South 45°30'00" East 49.61 feet along said North line of Tide Lot 2 to the point of beginning and containing 0.98 acres of land more or less.

Prepared by:

Leon E. Oberkamper, RCE 12094



2/27/2023

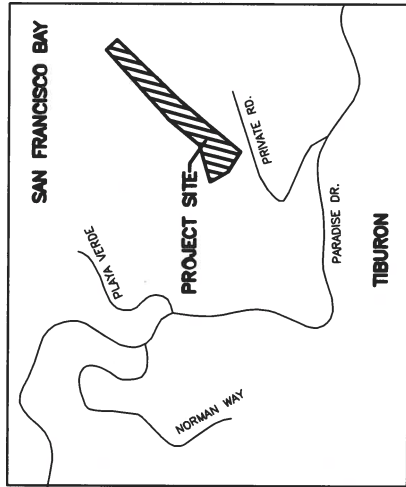
ANNEXATION MAP, SANITARY DISTRICT NO. 5

3606 PARADISE DR. TIBURON, CA



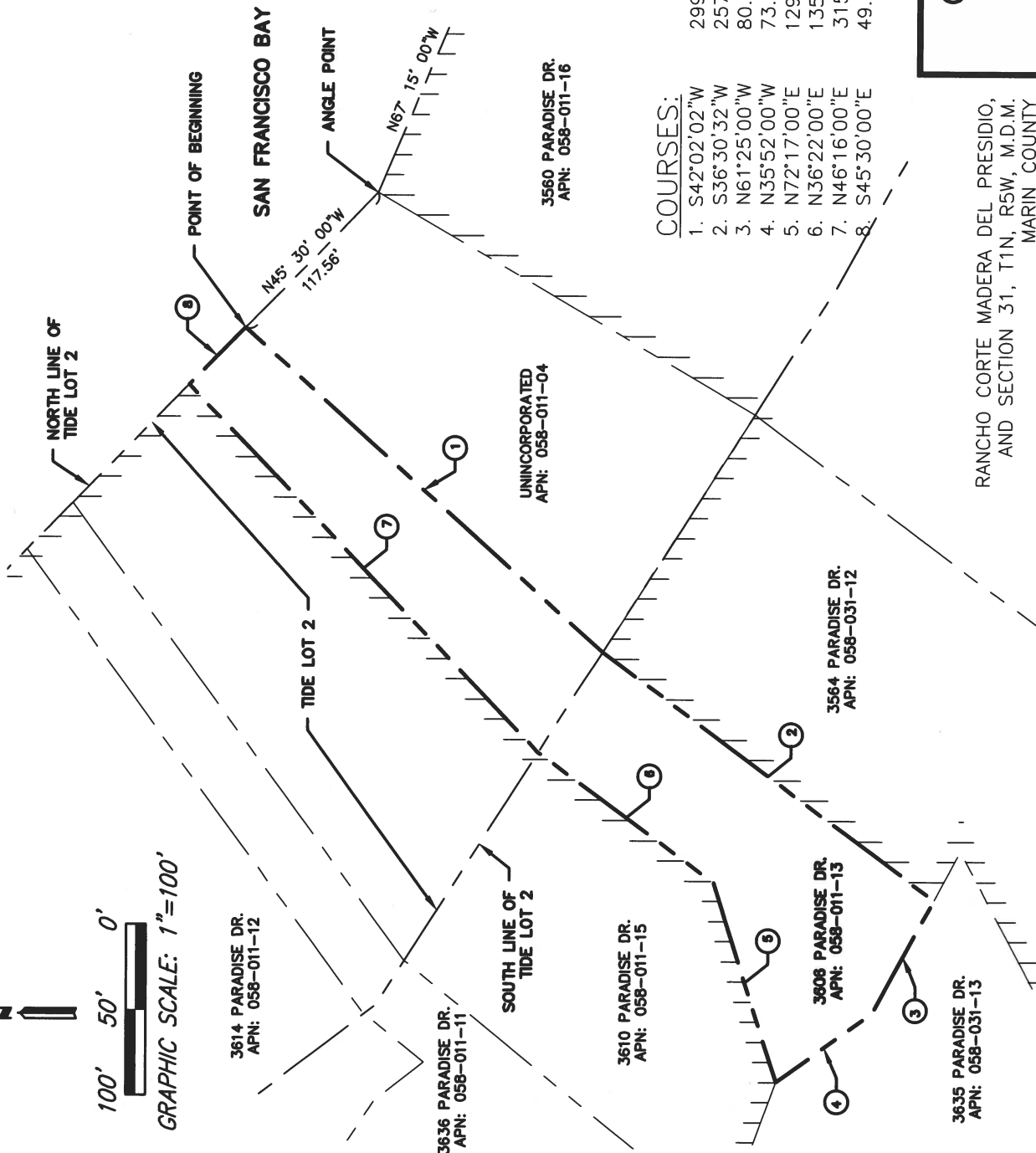
100' 50' 0'

GRAPHIC SCALE: 1"=100'



LEGEND

- (E) PROPERTY LINE
- - - (E) ADJACENT PROPERTY LINE
- /// (E) SANITARY DISTRICT NO. 5 BOUNDARY LINE



COURSES:

1. S42°02'02"W 299.99'
2. S36°30'32"W 257.68'
3. N61°25'00"W 80.16'
4. N35°52'00"W 73.33'
5. N72°17'00"E 129.92'
6. N36°22'00"E 135.96'
7. N46°16'00"E 315.22'
8. S45°30'00"E 49.61'



2/27/2023

MAP PREPARED BY:
LEON E. OBERKAMPER, P.E.
RCE 12094

**OBERKAMPER & ASSOCIATES
CIVIL ENGINEERS INC.**

7200 REDWOOD BLVD SUITE
308 NOVATO CA 94945
(415)897-2800

RANCHO CORTE MADERA DEL PRESIDIO,
AND SECTION 31, T11N, R5W, M.D.M.,
MARIN COUNTY

APN: 058-011-13 LAFCO FILE NO.: 1371 DATE: 02/23/23 AREA: 0.98 AC SCALE: 1"=100'

From: janet janet@jakatan.com
Subject:
Date: January 30, 2023 at 7:06 PM
To:



AGREEMENT REGARDING ANNEXATION OF REAL PROPERTY
TO MARIN LOCAL AGENCY FORMATION COMMISSION

This agreement is made and entered into on this 9 day of February, 2023, by and between the Marin Local Agency Formation Commission, ("LAFCo" hereafter), and Janet Strauss & Jeff Hawkins ("Owner" hereafter) and is based upon the following facts:

- (a) Owner holds title to that certain real property ("the Property" hereafter) described in Exhibit "A" attached hereto and shown for illustrative purposes only on the attached Exhibit "B"; and
- (b) Owner desires annexation to the Sanitary District #5 provided by Sanitary District #5. LAFCo recognizes that at this time, annexation of this property to the Town of Tiburon would result in inefficient provision of services to the property, but that at some point in the future, the LAFCo may desire annexation of this property to the Town of Tiburon.

NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

- 1. Owner agrees on behalf of himself, his heirs, successors and assigns that, in the event any future proceedings for annexation of the property to the Town of Tiburon shall be initiated by LAFCo, Owner shall neither directly nor indirectly oppose or protest such annexation.
- 2. Owner agrees that their obligations hereunder shall run with the Property and that the Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the provisions of this Agreement and that the obligations undertaken by Owner hereunder shall be binding on all parties having or acquiring any right, title, or interest in the Property.

OWNER:

By: Janet Strauss & Jeff Hawkins Date: 01/30/2023
Property Owner, Print Name

Janet Strauss & Jeff Hawkins
Property Owner, Signature

MARIN LOCAL AGENCY FORMATION COMMISSION:

By: _____ Date: _____
Jason Fried, Executive Officer, Print Name



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 Sanitation district 5

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 Construction (ie. Annexation, Detachment, Reorganization, etc.) is/are to build a single family residence

7. The proposal is requested to be made subject to the following terms and conditions:
Agreement to future annexation to Town of Tiburon

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

Janet Strauss		02/07/20223
Print Name	Signature	Date



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

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


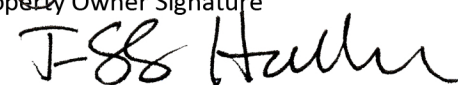
We the undersigned landowners hereby request proceedings be initiated pursuant to Government Code §56000, et seq. for the change(s) of organization described on the attached Proposal Application.

Name and Address of Applicant: Janet Strauss
3564 Paradise Drive
Tiburon, Ca. 94920
Contact Number: (650) 787-1241 Email: janet@jakatan.com

Agent Representative (optional)
I/We hereby authorize David Holscher (Holscher Architecture) 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: David Holscher
83b Beach Rd.
Tiburon, Ca. 94920
Contact Number: (415) 435-5219 Email: david@harch.com

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

<u></u>	<u>02/07/2023</u>
Property Owner Signature	Date
<u></u>	<u>02/07/2023</u>
Property Owner Signature	Date
<u> </u>	<u> </u>
Property Owner Signature	Date



Marin Local Agency Formation Commission

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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.

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:

<u>Please Print Name</u>	<u>Email Address</u>	<u>Phone Number</u>
Jeff Hawkins	jhawkins@numenta.com	650-787-3226
Joel Alvarez	permits@sani5.org	415.435.1501
Michelle Levenson	MLevenson@marincounty.org	415-473-3615
Lee Oberkamper	lee@oberkamper.com	415 599-2519



Marin Local Agency Formation Commission

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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:



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: _____

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)



Marin Local Agency Formation Commission

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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,

Applicant Signature

Janet Strauss

Print Name

02/07/2023

Date

Owner

Title



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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: _____



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

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

a2	In the case of a city detachment, whether the proposed detachment will be for the interest of the landowners or present or future inhabitants within the city and within the territory proposed to be detached from the city.	n/a
a3	Any factors which may be considered by the commission as provided in Section 56668.	see comments above
a4	Any resolution raising objections to the action that may be filed by an affected agency.	no resolution received
a5	Any other matters which the commission deems material.	staff addressed any issues in staff report
b	The commission shall give great weight to any resolution raising objections to the action that is filed by a city or a district. The commission's consideration shall be based only on financial or service related concerns expressed in the protest. Except for findings regarding the value of written protests, the commission is not required to make any express findings concerning any of the other factors considered by the commission	no resolution received



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6th, 2023

Item No. 5 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jeren Seibel, Deputy Executive Officer

SUBJECT: Approval of Municipal Service Review and Sphere of Influence Updates for Golden Gate Corridor Region

Background

During the February 9th LAFCo meeting, staff presented to the Commission the public draft Golden Gate Corridor Region Municipal Service Review (MSR). The public comment period for the MSR closed Tuesday, February 28th. During the public comment time, the only written comments staff received were from one Commissioner with primarily language edit suggestions. No member of the public or representative from any involved agency submitted written comments. After completion of the public comment period, LAFCo staff reviewed comments and created a final draft (attachment 1). The final draft that is being presented to you today is the culmination of countless 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.

From this MSR staff has added 2 new items to the work plan. The first item is to collaborate with the City of Sausalito and the Sausalito-Marín City Sanitary District in their continued exploration of the consolidation of sewer collection services. The second item is a possible effort as a third-party mediator between the City of Mill Valley and Flood Control Zone 3 in an effort to maintain equitable project funding for all parties.

The spheres of influence for each of the agencies involved are all proposed to be reaffirmed except for the City of Mill Valley, which is proposed to be amended by removing the unincorporated communities of Almonte and Homestead Valley.

Staff Recommendation for Action

1. Staff recommendation – Approve all the attached resolutions on the Golden Gate Corridor Region 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 Golden Gate Corridor Region MSR
- 2) Work Plan from MSR
- 3) Resolution 23-04; Resolution 23-05; Resolution 23-06; Resolution 23-07; Resolution 23-08; Resolution 23-09; Resolution 23-10; Resolution 23-11;

Administrative Office

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Marin Local Agency Formation Commission

Municipal Service Review

Golden Gate Corridor Region

FINAL DRAFT

April 2023

PREFACE

This Municipal Services Review (MSR) documents and analyzes services provided by local governmental agencies in the Golden Gate Corridor 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

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Barbara Coler- Vice Chair	City	Town of Fairfax
Dennis Rodoni	County	District 4 Supervisor
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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 / Disincorporations	• 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 councilmembers, 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
Lew Kious, Chair	Special District	<i>Almonte Sanitary District</i>
Barbara Coler, Vice Chair	City	<i>Town of Fairfax</i>
Eric Lucan	County	<i>District 5 Supervisor</i>
Dennis Rodoni	County	<i>District 4 Supervisor</i>
Steve Burdo	City	<i>Town of San Anselmo</i>
Craig Murray	Special District	<i>Las Gallinas Valley Sanitary District</i>
Larry Loder	Public	<i>Commission</i>
Richard Savel	Public Alternate	<i>Commission</i>
Tod Moody	Special District Alternate	<i>Sanitary District #5</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 in the Golden Gate Corridor 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 eight agencies operating in the Golden Gate Corridor region as listed below and shown in Figure 2.1.

Table 2-1: Golden Gate Corridor Region MSR Agencies

Golden Gate Corridor Region Agency Names
City of Mill Valley
City of Sausalito
Sausalito-Marín City Sanitary District
Marín City Community Services District
Tamalpais Community Services District
Southern Marin Fire Protection District
Marín County Service Area 14
Marín County Flood Control Zone 3

Together, these agencies provide a range of municipal services to the communities in which they serve, including:

Water

Water services include the access to, treatment of, and distribution of water for municipal purposes. An in-depth review of countywide water services was prepared by Marin LAFCo in 2016.

Wastewater

Wastewater services include the collection, transmission, and treatment of wastewater.

Fire Protection and Emergency Services

Fire protection and emergency services consist of firefighting and fire prevention, emergency medical response, hospital service, ambulance, and rescue services. These services are somewhat interrelated in nature and overlap in functional application.

Parks and Recreation Services

Parks and recreation services include the provision and maintenance of parks and recreation services.

Open Space Management

Open Space land is commonly set aside for recreation and stormwater management purposes, as well as for natural resource protection, preservation of cultural and historic resources, preservation of scenic vistas, and many other reasons.

Channel Maintenance

Channel maintenance includes periodic dredging of creek channels.

Roadway Services

Roadway services include construction, maintenance, planning of roads, and roadway lighting.

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 City of Sausalito 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
- 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: Golden Gate Corridor Region Agencies’ Meeting Information

Golden Gate Corridor Municipal Service Review – Agency Transparency					
Agency	Governing Body	Meeting Date/Time	Meeting Location	Televised/ Streamin g	Website
City of Mill Valley	City Council	1 st and 3 rd Monday at 6:30 p.m.	Mill Valley City Hall 26 Corte Madera Avenue Mill Valley, CA 94941	Yes	cityofmillvalley.org/city-council
City of Sausalito	City Council	1 st and 3 rd Tuesday at 7:00 p.m.	Sausalito City Hall 420 Litho Street Sausalito, CA 94965	Yes	sausalito.gov/city-government/city-council
Marin City Community Services District	Board of Directors	1 st Thursday 6:30 p.m.	Marin City Community Center 640 Drave Avenue. Marin City, CA 94965	No	marincitycsd.com/board-meetings
Tamalpais Community Services District	Board of Directors	2 nd Wednesday 7:00 p.m.	Tam Valley Community Center 203 Marin Drive Mill Valley, CA 94941	No	tamcsd.org/board-of-directors
Sausalito – Marin City Sanitary District	Board of Directors	1 st Tuesday 12:00 p.m.	SMCSD Office 1 East Road Sausalito, CA 94965	No	sausalitomarincitysanitarydistrict.com/about-us/board/board-of-directors
Southern Marin Fire Protection District	Board of Directors	4 th Wednesday at 7:00 p.m.	SMFPD Headquarters 28 Liberty Ship Way Sausalito, CA 94965	No	smfd.org/our-district-overview/board-of-directors
Flood Control Zone 3	Marin County Board of Supervisors	Tuesdays at 9:00 a.m.	Board of Supervisors Chambers, Room 330 3501 Civic Center Drive San Rafael, CA 94903	Community Media Center of Marin	http://www.marincounty.org/depts/bs/meeting-archive
County Service Area No. 14	Marin County Board of Supervisors	Tuesdays at 9:00 a.m.	Board of Supervisors Chambers, Room 330 3501 Civic Center Drive San Rafael, CA 94903	Community Media Center of Marin	http://www.marincounty.org/depts/bs/meeting-archive

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 meeting 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. Both of the municipalities in the study area are essentially built out at this time with minimal growth potential remaining under current zoning policies. The City of Mill Valley has been growing at an average annual rate of less than 0.24% over the past decade, while the City of Sausalito experienced an annual growth rate over the same span of approximately 0.29%. The projected annual growth rate for the City of Mill Valley through 2040 is less than 0.38%, and the City of Sausalito is projected to experience approximately a 0.34% growth rate over the same timeframe.

b) The projected annual population growth rate in unincorporated spaces around the study area is just over 0.23% through 2040. The census-designated place of Marin City experienced the highest annual growth rate over the past decade with a 1.2% annual population increase between 2010 and 2020 and the census-designated place of Tamalpais-Homestead Valley has seen an annual growth rate of less than 0.66% during that same window.

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

a) A census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data has been identified within the study area. The block group is situated within the census-designated place of Marin City. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as “inhabited territory” that constitutes all or a portion of a disadvantaged community. “Inhabited territory” may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by “commission policy”.

Per Marin LAFCo’s policy, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district sphere of influence in statements of written determinations of municipal service reviews. Marin LAFCo will prohibit the approval of city annexations greater than 10 acres that are contiguous to a disadvantaged

unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well. At this time Marin LAFCo has no applications for annexation for any lands contiguous to the identified DUC. Should LAFCo in the future get such a request then it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not within the community's best interest, then they would not be included with that application.

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.

As noted above, there is one census block group within the study area that has been identified and designated by Marin LAFCo as a disadvantaged unincorporated community (DUC). The municipal services within that block group are provided by the County of Marin, Marin City Community Services District, Sausalito-Marín City Sanitary District, and the Marin Municipal Water District. All of the agencies mentioned have shown to have the capacity, both in infrastructure and service levels, to both continue to provide adequate levels of service to the area as well as for the capacity for additional services given current growth projections for the area. While recently concerns have been raised by residents within the block group regarding the quality of the drinking water being provided, to date there has been no official testing done that presented contaminant readings that proved to be outside the maximum contaminant level (MCL) set by the Office of Environmental Health Hazard Assessment of the State of California.

Financial ability of agencies to provide services.

a) The City of Mill Valley, City of Sausalito, Southern Marin Fire Protection District, Tamalpais Community Services District, Sausalito-Marín City Sanitary District, Marin City Community Services District, County Service Area 14, and Flood Control Zone 3 all prepare annual budgets and prepare financial statements in accordance with established governmental accounting standards. The City Councils, SMFPD, SMCSO, TCSD, MCCSD Boards, and the County Board of Supervisors, acting as the Board for CSA 14 and the Marin County Flood Control and Water Conservation District, 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) The City Managers, Fire Chief, District General Managers, and County Administrative Officer are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the City Councils, Special District Boards, and County Board of Supervisors, acting as the Board for the Marin County Flood Control and Water Conservation District as well as CSA 14, 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.

c) While additional revenues are needed to provide some services and maintain infrastructure covered in this MSR, each agency meets its financial responsibilities to provide services. In the short term, as fiscal recovery from the Covid-19 pandemic continues, governing bodies for each agency should remain judicious in maintaining and, when possible, increasing reserve funds to guard against the possibility of future economic downturns.

d) While no significant financial concerns were raised by the available financial documentation from both the independent auditor and the State Controller regarding the Marin City Community Services District, the District's inability to provide Marin LAFCo with more granular financial data (specifically, adopted operating budgets for any of the past 5 fiscal years or the current fiscal year) leaves a level of ambiguity for Marin LAFCo in these determinations. As such, Marin LAFCo must abstain from making any determination on the District's financial ability to provide services beyond the study window.

Status of, and opportunities for, shared facilities.

a) With the recent approval by LAFCo of consolidation of the SMFPD and Mill Valley Fire Departments, no other specific opportunities for shared facilities that would prove advantageous to both participating parties were identified in the course of this study.

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

a) The City of Sausalito and the Sausalito-Marín City Sanitary District have been engaged in discussions and, ultimately, full feasibility studies surrounding the possible consolidation of the City's sewer collection services to the District. At this time, Marin LAFCo is in full support of the conclusions and recommendations made within the feasibility study for the continued pursuit of the consolidation and/or, at a minimum, a complete reworking of the original agreement between the two agencies in an effort to continue to provide the best possible service to the community as well as addressing the significant capital improvements that have been identified.

In the continuation of this process, it is the recommendation of Marin LAFCo that as both agencies continue to meet and explore possibilities, that staff from Marin LAFCo be included in future discussions in order to provide technical expertise on the overall process. The recent consolidation of the City of Mill Valley's fire services into the Southern Marin Fire Protection District has created a model of success that both agencies asserted was significantly easier due to the early involvement of Marin LAFCo staff in the process as a whole.

b) Flood Control Zone 3 (FCZ 3) is funded by ad valorem collected throughout its jurisdictional boundary, which includes the City of Mill Valley, the unincorporated communities of Marin City, Almonte, Tamalpais Valley, Homestead Valley, Sutton Manor, and an apportionment of the community of Strawberry. The approximate annual percentages

(and the exact percentage for FY 22-23) of the jurisdiction from which that funding is generated is 51.51% from within the City of Mill Valley and 48.06% from the unincorporated spaces. In March of 2021, the consulting firm of Schaaf & Wheeler completed the Mill Valley Flood Management and Storm Drain Master Plan which was subsequently adopted by the City in April of 2021. The plan was funded by FCZ 3 and is intended to function as a multipurpose flood management and storm drain system resource guide for the City's staff and leadership. The plan presents a myriad of potential projects and mitigation measures within the City's boundary in the continued effort to avert significant future flooding events.

In September of 2021, the City submitted a request for funds to FCZ 3 for a total of seven projects and cited the Flood Management and Storm Drain Master Plan in the request. The total estimated funds requested was \$4,480,000, which is approximately double what the Zone's annual baseline budget is, but well within that fiscal year's fund balance. This total estimated amount covered just six of the seven projects listed in the request, as one of the projects was still "too early to develop a scope and cost estimate". Two weeks after the funding request was submitted, the FCZ 3 Advisory Board met and agreed to establish an ad-hoc subcommittee of advisory board members with the established purpose of recommending an investment strategy for Zone 3 and responding to the funding request from the City. The subcommittee met in March of 2022 to review a draft proposal for prioritizing Zone 3 fund investments which was presented at the full Advisory Board meeting in April of 2022. Since that meeting, no additional meetings have been publicly posted on the Flood Control District's web page.

Leadership from the City has expressed concerns regarding the differences in the number of projects funded by the Zone within City boundaries in juxtaposition to the amount of the Zone's annual revenue that is generated from within the City. As such, given the Zone's relatively steady annual revenue stream, Marin LAFCo recommends a collaborative exploration between the Zone and the City, in conjunction with the currently established investment strategy subcommittee efforts, towards the creation of a longer-term (5 or 10-year as opposed to the current 3-year) project plan in order to ensure that these critical services continue to be provided in an equitable and fully transparent manner.

c) The City of Mill Valley completely surrounds a small pocket of inhabited unincorporated space (Alto). Access to the unincorporated area can be gained only by way of going directly through the City itself, which creates what LAFCo classifies as an unincorporated island. 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. At this time, Marin LAFCo recommends that City staff members explore the willingness of residents within the Alto unincorporated space to consider annexation by way of meeting with community groups within the area, as well as examining its own ability to extend services to the area if they are not already doing so unofficially.

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

a) The City of Mill Valley’s current sphere of influence includes the unincorporated communities of Homestead Valley, Almonte, and Alto. When originally adopted in 1984, the sphere of influence also included Tamalpais Valley. Tamalpais Valley was removed from the City’s sphere in 2004 when Marin LAFCo deemed there to be no probable chance of future annexation of the area to the City for a multitude of reasons. The definition of a sphere of influence in State Government Code is “A plan for the probable physical boundaries and service area of a local agency”. At this time both the Homestead Valley and Almonte communities, despite sharing a border with the City, are unlikely to be annexed to the City in the foreseeable future as both are distinct communities in and of themselves with other agencies providing necessary services. In addition, the annexation of the two communities would result in a population increase to the City of over 25% which would create a significant strain on the City’s delivery of services. As such, it is recommended that the City’s sphere of influence be amended to remove the communities of Homestead Valley and Almonte, and retain the area of Alto as a majority of the area is surrounded by the City, creating an unincorporated island. The area currently in the City’s sphere along Edgewood Avenue should also be retained within the updated sphere.

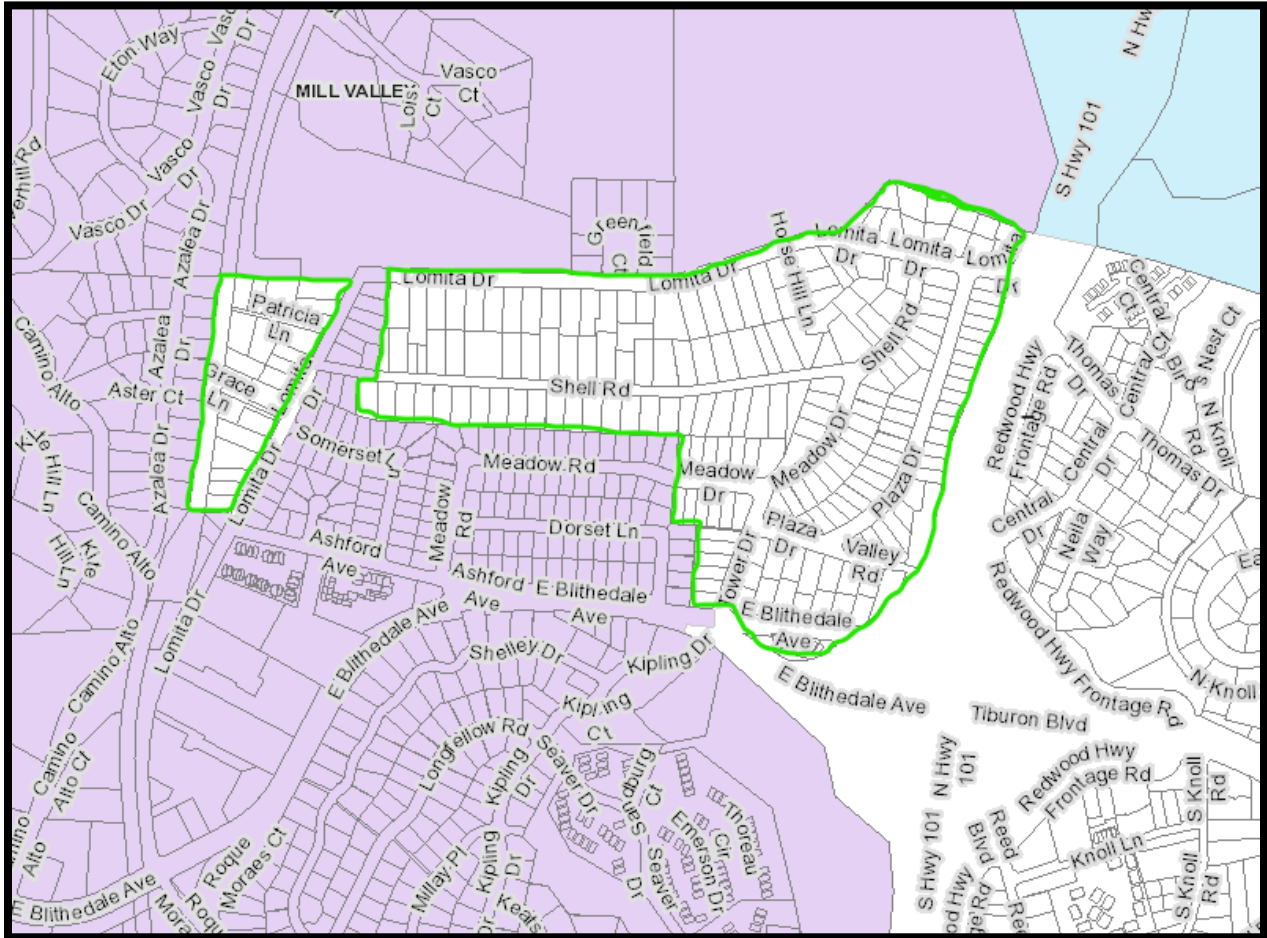
Within the Study Area, all incorporated and unincorporated communities are within the current boundary or service area of a fire protection and emergency medical service provider. While there are several small pockets of development in the Study Area that are not currently provided sanitary sewer service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

5.1 OVERVIEW

The City of Mill Valley is situated in the southern end of Marin County’s Highway 101 corridor. The City shares a border to the northwest with the Town of Corte Madera and to the north with the City of Larkspur. The census-designated place of Tamalpais-Homestead Valley lies to the south of the City, and the census-designated place of Strawberry flanks the City’s eastern border on the adjacent side of Highway 101. The jurisdictional boundary of the City of Mill Valley is approximately 4.86 square miles and, on the basis of the City’s current zoning standards, is predominantly built out¹ at this time with very few vacant parcels remaining that are zoned for development. According to the United States Census Bureau², the City had a population of 14,231 as of the 2020 U.S. Census.

The City provides a range of municipal services including parks and recreation, street maintenance, community development, library, police, and fire/emergency medical. Other municipal services to the Town are provided by various special districts.

Table 5-1: City of Mill Valley Overview

City of Mill Valley Overview	
City Manager:	Todd Cusimano
Main Office:	26 Corte Madera Avenue, Mill Valley
Council Chambers:	26 Corte Madera Avenue, Mill Valley
Formation Date:	March 1, 1908
Services Provided:	Parks & Recreation, Street Maintenance, Community Development, Library, Police, Fire/Emergency Medical, Sanitation
City Boundary:	4.86 sq. mi city limit; 5.92 sq. mi SOI
Population Served:	14,231

5.2 FORMATION AND DEVELOPMENT

Originally inhabited by the Coast Miwoks, the City of Mill Valley began taking shape in the mid-1830s when John Reed built the first sawmill in Marin County on the Cascade Creek (current day Old Mill Park) and settled near what is now Locke Lane and LaGoma Avenue.³ Reed, along with William Richardson, had been awarded two large tracts of land in the area by the Mexican government – Rancho Corte Madera del Presidio to Reed and Rancho Saucelito to Richardson. In an effort to pay off a large debt, Richardson gave a large part of his Rancho, including the part of what is now Mill Valley, to Samuel Reading Throckmorton. Between 1853 and 1854 Throckmorton built his own Rancho, “The Homestead”, on what is now Linden Lane and Montfort Avenue. In 1860, Richardson’s heirs successfully sued Reed’s heirs claiming the

mill was built on their property. The border was officially marked as running along the Arroyo Corte Madera del Presidio along present-day Miller Avenue. Everything to the east of the creek was Reed property and everything to the west was Richardson land.

In 1873, Dr. John Cushing discovered 320 unclaimed acres between the Reed and Richardson boundaries between present-day Corte Madera Avenue and into West Blithedale Canyon. Using the Homestead Act, he petitioned the government and managed to acquire the land. It was here that he originally built a hospital that was eventually turned into the Blithedale Hotel in 1884. This renovation was the beginning of what would become an increased draw to the area for recreational activities such as fishing, hiking, swimming, and horseback riding. Other resort hotels such as the Abbey, the Eastland, and the Redwood Lodge were built and the area that was popular for vacationers continued to evolve into a space where individuals who worked in San Francisco would move to and commute.

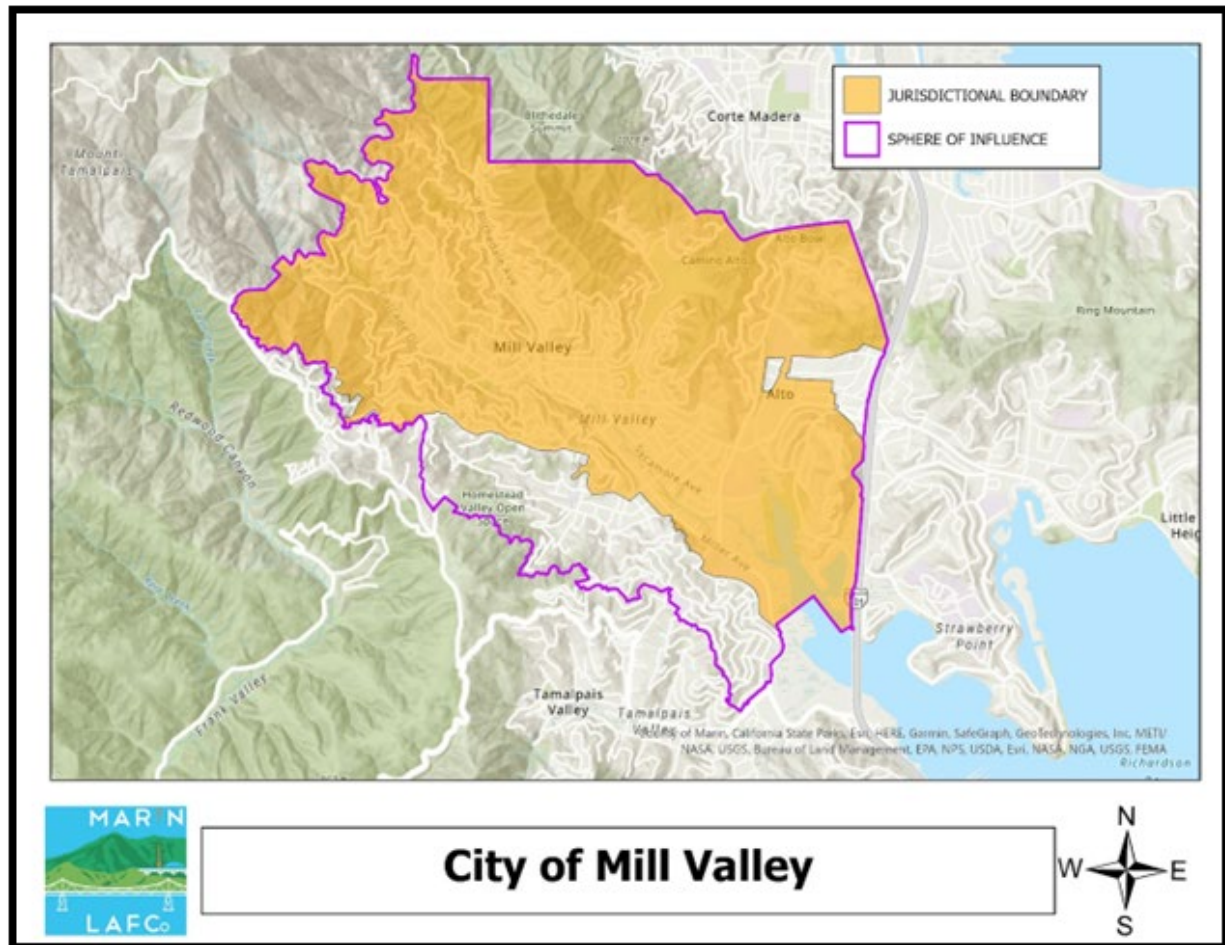
The San Francisco Savings & Union Bank organized the Tamalpais Land & Water Company in 1889 as an agency for disposing of the Richardson land gained from the Throckmorton debt. The Board of Directors included Secretary Louis L. Janes (Janes Street), Thomas Magee (Magee Avenue), Albert Miller (Miller Avenue), and Lovell White (Lovell Avenue).⁴ Janes, eventually becoming the Director of the Tamalpais Land & Water Company (and the City's first Clerk), worked to bring a railroad up Mt. Tamalpais. The Mt. Tamalpais Scenic Railway completed construction and began operation in 1896 and ran from the town center (present day Lytton Square) all the way to the summit. The railway operated until 1929 when a majority of it was destroyed by a fire. The tracks were removed in 1930.

By 1900 the population in the area was close to 900 and local residents pushed for incorporation. In August of that year, elections were held and a total of 168 votes were cast approving incorporation. Town trustees were chosen from among prominent citizens and organized city government was put in place. In April of 1906, the Great Earthquake struck San Francisco and other communities on the San Andreas Fault. Many San Franciscans who had established second dwellings in Mill Valley fled the city and became permanent residents in Mill Valley. By 1920, with a population of over 2,500, many roads were paved and mail delivery was initiated.

With the accessibility to San Francisco exponentially increased by the completion of the construction of the Golden Gate Bridge in 1937, real estate became a principal business in the area and construction boomed. By the early 1950's the population had ballooned to well over 7,000. The City Hall was constructed in 1936 and renovated in 1978. The Mill Valley Public Library was built in 1966 and in 1998 an addition to the building of just over 9,000 square feet was completed. In 2001, after over a decade of planning, the City opened the doors to its new Community Center on a five-acre site.

The City's population growth saw its most significant boom between 1950 and 1960, when the total number of residents grew from 7,331 to 10,411. Today, the City's total population has extended to 14,231 total residents.

5.3 JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE



The current jurisdictional boundary for the City of Mill Valley is approximately 4.86 square miles (3113 acres). A majority of the City's northwestern border is shared with the Town of Corte Madera and the City of Larkspur. The southernmost edge of the City encapsulates parts of Richardson Bay, with Highway 101 separating the City from the unincorporated lands that make up the census-designated place of Strawberry. The Panoramic Highway touches Mill Valley's westernmost point and creates one of the two primary thoroughfares that connect the communities in southern Marin to the communities of Stinson Beach and Bolinas on Marin County's western coastline. The unincorporated communities of Homestead Valley, Muir Woods Park, Almonte, and Tamalpais Valley (jointly designated by the U.S. Census Bureau as the Tamalpais-Homestead Valley census-designated place) and the Mount Tamalpais State Park reside directly to the City's southern boundary.

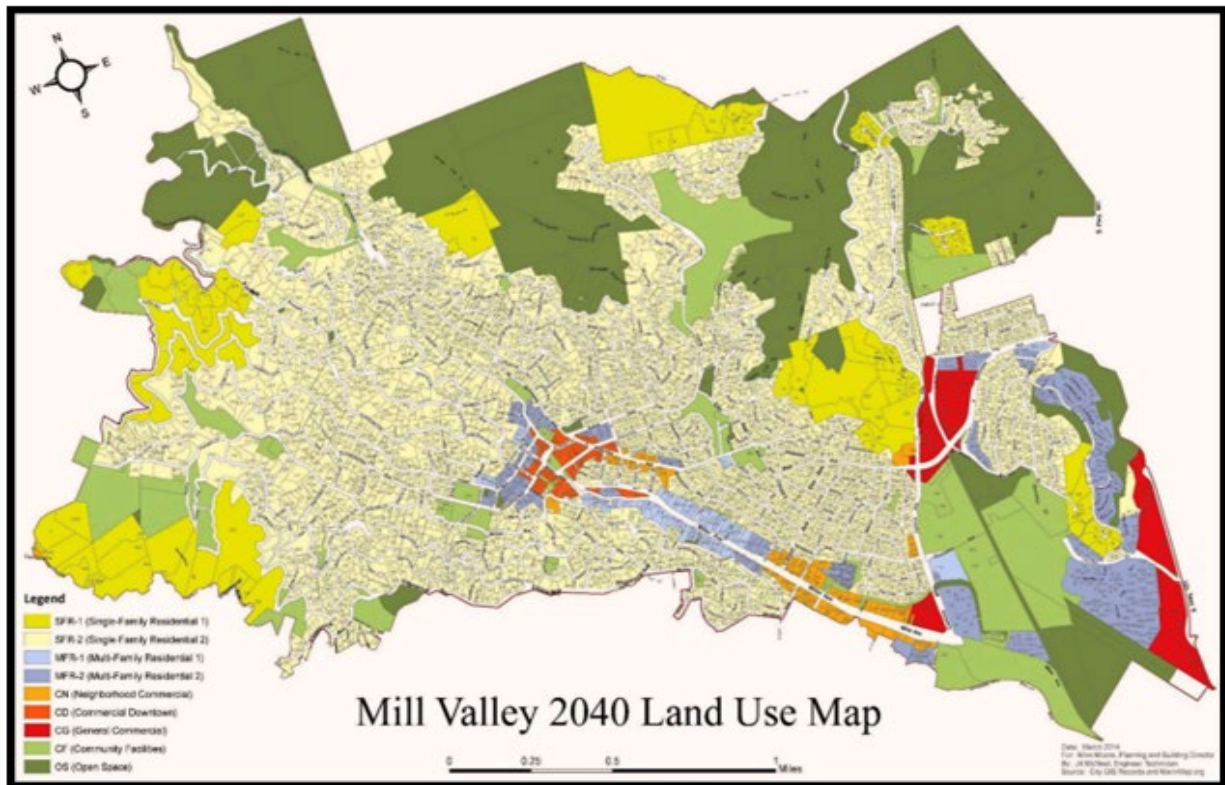
Most recently updated in 2010, the City's sphere of influence (SOI) is a fair amount larger than the jurisdictional boundary at approximately 5.92 square miles (3,788 acres). The total area included in the sphere that is outside of the city limits encompasses the entirety of the

unincorporated communities of Homestead Valley, Alto, and Almonte. The original sphere of influence that was adopted for the City in 1984 also included the unincorporated communities of Tamalpais Valley and Muir Woods Park. In 2004, the sphere was amended by Marin LAFCo to remove the majority of Muir Woods Park and Tamalpais Valley after the conclusion that the extension of the City's services to those areas was improbable. This sphere of influence was reaffirmed by the Commission in 2010.

5.4 POPULATION AND GROWTH

The City of Mill Valley saw its greatest population boom between 1940 and 1970 when the total population of the City grew from 4,847 to 12,942. Since then, population growth has been relatively minimal with an annual growth rate of approximately 0.18% over the course of the last 50 years. The official count from the 2020 Census put the City's population at 14,231. The City is essentially built⁵ out at this time, with few remaining vacant lots zoned for development that have not already been given a prospective project designation. In an effort to comply with current housing mandates passed by the State, the City is exploring options including the updating of the zoning of certain areas as well as publicly owned properties that could be candidates for higher-density developments. A map of the zoning for the City can be seen below in figure 5-1.

Figure 5-1: City of Mill Valley Zoning Map



5.5 ORGANIZATION STRUCTURE

Governance

The City of Mill Valley operates under a council-manager form of government, in which legislative and policy functions are vested in the City Council while the City Manager conducts the day-to-day city business. The City Council for Mill Valley is comprised of five members. The positions of Mayor and Vice-Mayor are rotated amongst the members on an annual basis. Members are elected to four-year terms, with elections held in March/June of even-numbered years with three council members elected in one cycle and two in the following cycle.

City Council duties include establishing legislation and policies governing the City; adopting all ordinances, resolutions, and major contracts; approving and modifying annual budgets; making appointments to advisory boards, commissions, and committees; and appointing the City Manager and City Attorney. City Council meetings are regularly held on the first and third Monday of each month at 6:30 p.m. at the City Council Chambers at 26 Corte Madera Avenue in Mill Valley.

Table 5-2: City of Mill Valley City Council

Member	Position	Term End
Jim Wiham	Mayor	2024
Urban Cmel	Vice Mayor	2024
Stephen Bke	Member	2026
Max Perey	Member	2026
Vacant	Member	2024

Administration

The City Manager is appointed by the City Council and is responsible for City operations management and policy implementation on behalf of the City Council. The City Manager is an at-will employee and administers the City of Mill Valley's departments through the eight department directors: City Librarian, Director of Planning and Building, Finance and Human Resources Director, Fire Chief, General Manager of Wastewater Treatment Plant, Parks and Recreation Director, Police Chief, and Public Works Director.

5.6 ACCOUNTABILITY AND TRANSPARENCY

When conducting service reviews and reviewing proposals, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access. The City offers multiple ways to keep the public informed about services, meetings, finances, and decision-making processes. The City Council's meeting agendas area posted on the bulletin boards in the front and rear of City Hall by 5 p.m. each Thursday preceding regular City Council Meetings, as well as copies

available at the Library and posted on the City website. Past meeting agendas and meeting minutes can be found in the City’s “Archive” page on its website that is linked from the City Council page. The public may also provide verbal comments or concerns by phone or in person at City Hall during business hours and/or at Town Council meetings during the public comment period. Given the current issues with public gatherings due to COVID-19, the City offers its residents the ability to attend all public meetings remotely and offers recordings of its meetings on the City’s website as soon as possible after the meeting. All City Council meetings are broadcast on Marin TV which is available with both Comcast and AT&T cable subscriptions. The City also offers a variety of digital newsletters that residents can sign up to automatically receive ranging from broader citywide news, to departmental specific updates. At this time, all legal requirements for public agency transparency are being met or exceeded.

5.7 MUNICIPAL SERVICES

The City of Mill Valley provides its residents with the municipal services of police, parks and recreation, public works, fire and emergency response, street maintenance, and sanitation. The City also partners with outside agencies for the provision of certain municipal services including municipal water, wastewater treatment and disposal, and garbage collection. A description of these services is provided below.

Law Enforcement

The City of Mill Valley provides law enforcement services to all areas within the jurisdictional boundary. The Mill Valley Police Department headquarters is located at 1 Hamilton Drive in Mill Valley in the Mill Valley Public Safety Building that adjoins Fire Station #7. The projected expenditures for police services in FY 2022-23 are \$7,992,904 which accounts for 17.6% of the City’s budgeted operating expenditures for the year. This appropriation is an increase of \$590,698 (8%) from the previous fiscal year.

The Police Department employs a total of 30 FTE (full-time equivalent) employees with 22 sworn officers and eight professional staff. Of those eight, three are part-time employees. The Department’s staff makes a concerted effort to engage with the community on a consistent basis. Some of the Police Department community events that have been put on in the past year include:

- Marin County Multi-Use Path education event
- National Night Out
- Book reading in schools and the Mill Valley Library
- Skateboard park event
- Coffee with a cop
- Ice cream or pizza with a student
- Educational presentations to youth/seniors/homeowners associations

The Department has also participated in a number of community events in collaboration with the City of Mill Valley Community Engagement Team. Some of these events include:

- Trunk or Treat
- Mill Valley Music Festival
- Mill Valley Little League Parade
- Dipsea Marathon
- High School Graduation
- Community Campout
- Memorial Day Parade

The City’s annual crime statistics as well as the Department’s calls for service for the past five years can be seen below in Table 5-3

Table 5-3: City of Mill Valley Police Department Crime Statistics

Category	2021	2020	2019	2018	2017
Case Reprts	888	981	987	970	898
Calls for Service	16,942	17,333	22,421	17,908	18,622
Homicide	0	0	0	0	0
Rape	0	0	0	1	0
Felony Asault	5	5	10	4	6
Misdemnor Assault	23	10	23	18	23
Residentl Burglary	22	33	24	21	27
Burglar Other	21	25	12	23	9
Theft, AI	171	240	177	137	163
Auto The	7	14	10	15	12
Traffic Accident	91	101	110	109	121
Moving Violation Citations	475	898	880	1,615	1,815
Alarm Respons	689	602	562	407	898
Drunk Diving Arrests	25	22	43	43	43
Vandalis	35	73	33	32	39

Fire and Emergency Response

The City of Mill Valley’s Fire Department originated in 1890 as a volunteer brigade. The town trustees passed an ordinance in 1901 creating the official department, with the first fire station being constructed in 1936 in conjunction with City Hall. That original fire station was renovated

in 1978 and is still in use today, along with the City's second fire station (Fire Station #7) that adjoins the City's Police Department (known as the Mill Valley Public Safety Building) at 1 Hamilton Drive in Mill Valley. Each of the stations has one engine staffed with three firefighters, and a shared ambulance (Medic 4) that is stationed at the Mill Valley Public Safety Building is also staffed with a firefighter/paramedic, making for a total of seven firefighters on duty at all times.

The Department has a projected expenditure budget for FY 2022-23 of \$8,401,476. This amount is \$512,311 (6.5%) higher than the previous fiscal year. The City is a member agency of the Marin Wildfire Prevention Authority (MWPA). MWPA is a joint powers authority with 17 member agencies throughout Marin County that receive funding for fuel removal projects, defensible space evaluations, and other helpful resources by way of a voter-approved parcel tax that was passed in March of 2020. The projected funding from MWPA to the City of Mill Valley in FY 2022-23 is \$466,164.

In October of 2014, the Mill Valley Fire Department and the Southern Marin Fire Protection District (SMFPD) recognized a mutual opportunity for a trial of shared services. Both the City and the District had a vacancy in one of the three Battalion Chief positions that provide incident command and perform program management duties. Rather than promoting replacement employees into the two positions, the agencies agreed to test sharing Battalion Chiefs with the hopes of reducing costs and increasing staffing availability during absences. The trial proved to be successful, and on October 19, 2016, the City and the District entered into a formal shared services agreement combining the four Battalion Chief positions into a single command team. The agreement has resulted in a net savings of over \$500,000 per fiscal year.

The success of this shared services model led the agencies to pursue the evaluation of the possibility of a greater consolidation. The evaluation led to the City and the District agreeing in January of 2020 to combine the senior management teams of both agencies into a single team as well as combining the fire prevention and wildfire risk reduction resources into a single team. This agreement was viewed by the agencies as a large-scale test to see if a full formal consolidation of the two departments would be in the best interest of both parties. In the time since this agreement was reached, both agencies have deemed it successful and after a full independent study by a consulting firm, the City and the District have agreed to consolidate the City's fire services into the District. An application for annexation has been submitted to Marin LAFCo and a public hearing for the application was held on December 8, 2022. The application was approved, and the Southern Marin Fire Protection District will begin full operation of the City's fire and emergency response services in July of 2023.

Recreation

The impacts of the COVID-19 pandemic have been consequential across all municipal departments for agencies all across the state and even the country. A noteworthy apportionment of the City of Mill Valley's annual General Fund Revenues are generated by way of charges for service, with the Recreation Department creating a significant percentage of those revenues. In fiscal year 2019-20, the City realized a combined net position decrease for approximately \$5.6 million. The major reasons for the decline in profitability were due to the fact that, while

revenues declined by roughly 1%, total expenses increased by roughly 9% over the prior fiscal year. The main factor in the decline in revenue was due to a nearly \$2.85 million decrease in charges for services attributable to so many services being halted, particularly within the Recreation Department whose projected Recreation Program Fees for FY 2021-22 went from \$3,477,431 at the time the budget was originally adopted to \$1,869,550 when the mid-year adjustments were proposed to the City Council. With Covid-19 restrictions easing and numerous services returning to nearly pre-pandemic operations, the Recreation Department's fiscal projections are significantly brighter, with projected program fees for FY 2022-23 of \$2,377,800 and \$2,712,800 in FY 2023-24.

The Recreation Department's main facility, the Mill Valley Community Center, is located at 180 Camino Alto in Mill Valley. The multi-use facility sits on a 5-acre plot and was constructed in 2001. The facility includes multi-purpose athletic fields, an aquatic center, a fitness center, a community garden, a commercial kitchen, multiple classrooms, a teen center, and a large ballroom. The parking lot of the Community Center was the site of one of the City's first major solar projects, with a covered parking area being constructed and equipped with solar panels. The Community Center itself was also retrofitted with solar panels on its building roofs.

The Director of Arts and Recreation is supported by staff that includes one Superintendent of Recreation and Community Services and one Business Services Supervisor who directly supervise multiple full-time staff members. The Director works in concert with the Parks and Recreation Commission as an additional layer of community oversight ensuring that the services meet the needs of the community.

The City of Mill Valley offers a number of parks within its jurisdictional boundary including the following:

- Bayfront Park
- Blithedale Park
- Ernest Bloch Memorial Park
- Boyle Park
- Cascade Park
- Mill Valley Dog Park
- Freeman Park
- Hauke Park
- Miller Grove Park
- Old Mill Park
- Park Terrace
- Scott Highlands Park
- Sycamore Park

The Department offers a wide array of programming and services including (but not limited to):

- Youth summer camps
- After-school enrichment classes

- Daily seniors programs
- Swimming lessons
- Personal training
- Group fitness classes
- Adaptive needs camps and classes
- Special events
- Facility rentals

The City also owns and operates a 9-hole golf course that was managed by the Recreation Department until early 2022 at which time a contract for services was entered into with Touchstone Golf, a Bay Area golf course management firm, to assume operations. The agreement is for Touchstone to manage operations under direction from the City with the City agreeing to pay Touchstone a monthly fee of \$4,000 and reserve 2.5% of all course revenues to a fund dedicated to capital improvements. In the event the course turns a profit, the City will receive 75% and Touchstone 25%.

Library

The City of Mill Valley provides its residents with comprehensive library services. The City’s library, located at 375 Throckmorton Avenue in Mill Valley, was originally constructed in 1966 and was renovated in 1998 with the addition of approximately 9,000 square feet to the main structure. The Mill Valley Public Library offers programming for all ages, from early childhood programming such as Family Story Time, to its Teen Advisory Board, to its First Wednesday History Talks.

The Mill Valley Library is a member of MARINet, a Joint Powers Authority established in June of 1991. The JPA is governed by a board of directors consisting of the nine member libraries: Belvedere-Tiburon Library, Larkspur Public Library, Marin County Free Library, Mill Valley Public Library, San Anselmo Public Library, San Rafael Public Library, Sausalito Public Library, College of Marin Library, and Dominican University Library. The consortium share access to each of the members’ catalogs and an automation system.

The adopted operating expenditure budget for the Mill Valley Public Library for FY 2022-23 is \$3,276,625, an increase of \$482,816 (17.2%) from FY 2021-22.

Water

The water services to the City of Mill Valley are provided by the Marin Municipal Water District (MMWD), an independent special district, which is a separate local agency from the City. The District’s services are reviewed separately in Marin LAFCo’s Countywide Water Service Study (2016). This study can be viewed at marinlafco.org.

MMWD’s jurisdictional boundary spans 148 square miles. 61% of this area is unincorporated and the additional 39% lies in 10 cities/towns, including the entirety of Mill Valley and its

surrounding unincorporated areas. MMWD is currently authorized to provide three specific services within its jurisdictional boundary: (1) domestic water; (2) non-potable water; (3) and recreation. The district's governing board is comprised of five members who are elected by electoral divisions to staggered 4-year terms. The City of Mill Valley is represented by electoral Division 4. Jed Smith is the elected official holding the seat for Division 4. MMWD currently meets on the first and third Tuesday of each month at 7:30 p.m. at the District's Administrative Office at 220 Nellan Avenue in Corte Madera.

Wastewater

The City of Mill Valley provides the wastewater collection system within the City's jurisdictional boundary which leads to the treatment plant of the Sewerage Agency of Southern Marin (SASM). The sewer service operations are housed within the City's Public Works Department under the Sewer Maintenance Division. The treatment plant is located in the City of Mill Valley at 450 Sycamore Avenue and is jointly owned by each of the six collection agencies (City of Mill Valley, Tamalpais Community Services District, Alto Sanitary District, Almonte Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District) that make up the joint powers authority. The different agencies' ownership shares are measured in equivalent dwelling units (EDU) of the treatment plant's capacity. An EDU has been determined in the joint powers agreement to be the "average flow of wastewater produced by a single family equivalent dwelling unit, which has been agreed equates to 200 gallons per day." The City of Mill Valley is allocated at 49.2%, or 8,856 EDUs.

The City's sewer collection system services approximately 7,200 EDUs by way of infrastructure consisting of 59 miles of sewer pipes, two pumping stations, and just under one mile of force main. Once wastewater is conveyed to and treated at the SASM plant, it is discharged through a deep water discharge to the San Francisco Bay. As required by the State Water Resource Control Board, the City created and updates a sewer system management plan in order to establish goals that align the City's sewer collection system operation, management, and capacity assurance activity as well as ensuring compliance with the Statewide Water Discharge Requirements. The City's current sewer system management plan was most recently updated in December of 2019.

On March 1, 2021, the Mill Valley City Council adopted a proposed resolution updating the City's sewer service charges. The updated fee schedule covers five fiscal years (2021-22 through 2025-26) and comes after undertaking a full cost-of-service study that is required to update sewer service rates, per Proposition 218. The recommendation by staff to the City Council was to move away from the previously implemented 100% volumetric rate approach to a 40% fixed and 60% volumetric approach with the rationale that the City's sewer service costs are mostly fixed, and a 100% volumetric rate approach causes significant variance in annual revenues providing more stable revenues without raising overall system costs. In an effort to mitigate the impact of the rate changes for residential customers (which make up over 80% of the City's usage), a phased approach was used that shifted the 100% volumetric rates to 20% fixed

in year one, 30% fixed in year two, and reaching the target of 40% fixed in year three. The current residential sewer service rates for the City can be seen below in Table 5-4.

Table 5-4: City of Mill Valley Sewer Service Rate Schedule

Land Use of Premises	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Residential Monthly Fixed Service Charge					
Single Family Residential	\$27.28	\$40.93	\$54.57	\$54.57	\$54.57
Multi-Family Residential	\$16.02	\$24.02	\$32.03	\$32.03	\$32.03
Residential Volumetric Charge					
Single Family Residential	\$16.10	\$14.08	\$12.07	\$12.07	\$12.07
Multi-Family Residential	\$16.10	\$14.08	\$12.07	\$12.07	\$12.07

Public Works

The City of Mill Valley’s Public Works Department fulfills its municipal service responsibilities through the maintenance and operation of the public facilities and public rights of way throughout the City’s boundary. In addition to the standard operations and maintenance of things such as parks maintenance, streets, storm drains, street lights, traffic signals, and public buildings that a municipality’s public works department would typically oversee, the City of Mill Valley’s Public Works Department also manages the City’s wastewater collection system by performing minor repairs, locating mains and laterals for utility requests, clearing and preventing stoppages within the lines, and responding to emergency sanitary sewer overflows.

The Department also manages and maintains the City’s unique Steps, Lanes, and Paths (SLP) program. These pathways throughout the City were originally constructed during the earliest formations of the community as a means of directly connecting different areas for those primarily traveling on horseback or on foot as opposed to the major roads which were switchbacks. In 2000, a citizen-driven effort to identify Mill Valley’s public SLPs emerged and a renewed recognition of the additional value of the pathways in the event of emergency evacuations added interest from the community and local leaders. Since 2006, numerous SLPs have been re-opened, reconstructed or rebuilt. An index and map of the SLPs throughout the City has been made publicly available with included designations for paths that have been deemed by the City’s fire department as functional emergency egress in the event of evacuation.

The Public Works Department oversees the formation and implementation of the City’s Capital Improvement Program (CIP). The program is a five-year planning tool that identifies anticipated capital improvements as well as their funding sources. The current CIP encompasses FY’s 2020/21 – 2024/25. While the CIP receives funding from multiple sources, the adopted General

Fund allocations to the CIP for FY 2022-23 is \$1,180,040. Some of the major projects within the current CIP include (but are not limited to):

- **East Blithedale Avenue Rehabilitation**
- **Steps, Lanes and Paths Design and Construction Program**
- **Pump Station Improvement Program**
- **Corporation Yard Master Plan**
- **Flood management and Drainage Master Plan**

The operating expenditure budget for the City’s Public Works Department for FY 2022-23 is \$6,451,251. This amount is an increase of \$851,562 (15.2%) from FY 2021-22.

5.8 FINANCIAL OVERVIEW

The City of Mill Valley prepares an annual report on the City’s financial statements in accordance with established governmental accounting standards. The most recent audited financial statement was prepared by the independent certified accounting firm, Maze & Associates, which issued an unqualified, or “clean”, opinion on the City’s financial statements for the fiscal year ending in June 30, 2020.

The City operates on a two-year budget cycle which is adopted and effective July 1st for the initial fiscal year and reexamined and adjusted “mid-year” as necessary for the second year. The budget reflects estimated revenues and expenditures. Appropriations and spending authorizations are approved by the City Council. The City Council may amend the budget by resolution during the fiscal year in order to respond to emerging needs, changes, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between accounts, departments, or funds. The City maintains a Capital Improvement Program based on a five-year funding plan. The program funds projects for civic buildings, parks and open space, streets and transportation, and utilities. The funding allocation to the program for FY 2022-23 is \$9,161,220.

Revenues and Expenditures

The FY 2022-23 General Fund expenditure budget for the City of Mill Valley is \$36,521,377. The expenditure budget is supported predominantly by a projected revenue of \$39,362,738, with the majority of the remaining difference coming from transfers in from other funds.

For the FY 2022-23, the City reports that operating expenditures are projected to be \$3,431,720 (10.4%)⁶ greater than the previous fiscal year. The City’s total funding for general operations in FY 2022-23 is projected to be \$919,609 (2.4%)⁷ greater than the total for FY 2021-22. The City derives revenue from several sources. The primary sources of revenue are generated by different types of taxes, with property taxes being the most significant followed by sales tax, municipal tax, franchise tax, transient occupancy tax, and other taxes. Charges for service account for approximately one-third of the City’s total revenues. These charges for services are derived

from sewer service fees, community recreation fees, and general government fees such as permits and planning fees. Grants and contributions make up the other most significant portion of annual revenues. Approximately one-third of the City’s operating expenses are incurred to provide police and fire protection services. A variety of cultural and recreation services including operation of the City’s community center, recreation programs, golf course, and City library account for approximately one-fifth of all annual expenditures. General government administration costs account for approximately 15% of all operating expenses and the remaining expenses are derived from public works, streets, sewer services, and other programs.

The City has created and maintained the financial policies of an annual 15% Contingency Reserve and a 10% General Fund balance in an effort to create and maintain the necessary funds for any unforeseen expenses during the course of any fiscal year. For FY 2022-23, the budget provides the City with a projected General Fund balance of \$3,845,281 (10.5%), as well as a 15% Contingency Reserve amounting to \$5,478,207. A table of governmental-type activities for the most recently available 5 audited fiscal years can be seen below in table 5-5 and a full General Fund summary of both revenues and expenditures for the past 2 years as well as budgetary projections for the current and following fiscal years can be seen below in figure 5-2.

Table 5-5: City of Mill Valley Revenues and Expenses

Revenues	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Charges fr Services	\$14,987,741	\$17,838,000	\$16,041,000	\$14,480,000	\$13,944,000
Grants a Contributons	\$1,421,677	\$1,685,000	\$6,936,000	\$8,435,000	\$2,256,000
Propertyaxes	\$18,367,290	\$17,591,000	\$16,439,000	\$15,701,000	\$14,405,000
Other Taes	\$10,411,236	\$10,410,000	\$10,662,000	\$9,257,000	\$9,902,000
Other	\$2,174,648	\$338,000	\$146,000	\$94,000	\$88,000
Total	\$47,362,592	\$47,862,000	\$50,224,000	\$47,967,000	\$39,785,000
Expenses	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
General Governmt	\$11,950,364	\$6,184,000	\$6,056,000	\$5,335,000	\$5,479,000
Public Saety	\$15,729,443	\$12,165,000	\$11,422,000	\$10,975,000	\$10,474,000
Sanitaryewer	\$5,054,507	\$5,760,000	\$6,508,000	\$7,223,000	\$3,476,000
Public Wrks	\$11,640,823	\$13,662,000	\$13,098,000	\$10,463,000	\$9,069,000
Library	\$2,710,113	\$3,367,000	\$3,051,000	\$2,846,000	\$2,710,000
Recreatio/Cult ure	\$4,944,086	\$6,207,000	\$5,937,000	\$5,822,000	\$4,835,000
Parking	\$501,126	\$566,000	\$520,000	\$361,000	\$365,000
Other	\$492,394	\$568,000	\$610,000	\$634,000	\$619,000
Total	\$53,022,856	\$48,479,000	\$47,202,000	\$43,649,000	\$37,027,000

Figure 5-2: City of Mill Valley Statement of General Fund

STATEMENT OF REVENUE AND EXPENDITURES					
GENERAL FUND					
March 31, 2022					
2021-2022 Forecast					
BUDGET 2022-2024					
	Actual	Revised		Proposed	Proposed
	06/30/2021	Budget	Forecast	Budget	Budget
		2021/2022	2021/2022	2022/2023	2023/2024
REVENUE					
Property Tax	21,338,863	21,330,267	21,942,301	22,879,090	24,130,134
Sales Tax	3,223,369	3,290,000	3,530,000	3,580,000	3,630,000
Other Taxes	1,502,050	1,292,380	1,320,500	1,490,000	1,570,000
Franchise Fees	1,474,853	1,477,074	1,477,074	1,517,500	1,552,015
Fines & Penalties	118,646	277,000	225,000	52,000	57,000
Licensing & Permits	1,260,150	1,203,688	1,221,688	1,176,000	1,116,000
Investment Income	42,031	45,000	30,000	35,000	35,000
Rents	292,505	800,097	892,875	872,075	948,547
State Subventions	785,850	494,135	741,603	111,050	112,050
Revenue from Other Agencies	1,826,851	2,811,159	3,163,619	2,366,245	668,996
Charges Current Services	1,028,663	1,482,997	1,346,822	1,884,600	1,839,140
Donations	195,638	193,820	200,195	206,000	204,000
Other	190,250	33,500	40,840	33,500	33,500
Aquatic Fees	46,217	132,500	230,000	260,000	315,000
Passes	(49,844)	260,000	290,000	490,000	560,000
Programs-Community Center	364,858	285,000	357,000	425,000	480,000
Fitness/Aquatics Classes	6,672	195,000	65,000	75,000	85,000
Programs-Other	168,900	195,000	170,000	275,000	300,000
Tennis Fees	278,920	225,000	200,000	210,000	220,000
On-Site Day Fees	127,707	175,000	50,000	85,000	110,000
Parks Services	1,755	800	800	800	800
Golf Fees	772,379	675,838	475,838	675,496	727,175
Golf Sales, Rentals & Lessons	60,908	93,877	64,539	106,382	173,930
Enrichment	305,774	310,000	310,000	430,000	480,000
Teens and Seniors	54,550	89,250	94,625	124,000	159,000
Merchandise	1,405	2,000	2,810	3,000	3,000
Total Revenue	35,419,923	37,370,382	38,443,129	39,362,738	39,510,287

STATEMENT OF REVENUE AND EXPENDITURES

GENERAL FUND

March 31, 2022

2021-2022 Forecast

BUDGET 2022-2024

	Actual 06/30/2021	Revised Budget 2021/2022	Forecast 2021/2022	Proposed Budget 2022/2023	Proposed Budget 2023/2024
EXPENDITURES					
10 City Council	101,281	67,483	67,483	62,363	82,358
12 City Manager	493,036	677,188	533,708	632,582	735,384
13 City Clerk	241,897	259,217	260,989	263,034	323,549
14 Finance	873,001	960,007	1,037,309	1,176,144	1,214,685
16 City Attorney	977,598	334,425	534,425	382,600	382,400
18 Planning	905,651	1,340,704	1,340,704	1,342,181	1,232,518
21 Non Departmental	2,693,912	3,000,193	3,000,193	3,166,621	3,266,551
40 Police Services	6,260,483	6,660,308	6,660,308	7,056,963	7,367,407
42 Fire Services	8,130,462	7,459,863	7,695,863	7,963,462	8,357,551
44 Building	1,499,530	1,589,389	1,536,585	1,818,563	1,707,000
50 City Engineer	477,012	659,813	659,813	873,484	894,406
52 Street Maintenance	742,101	979,656	979,656	1,104,582	1,137,115
70 Library	2,316,211	2,809,137	2,793,809	3,276,625	3,391,791
80 Recreation	518,606	518,000	518,000	839,916	829,903
81 Parks Maintenance	1,270,241	1,268,496	1,268,496	1,656,457	1,714,904
84 Community Programs	354,192	563,611	563,861	603,028	632,047
85 Golf Course	721,199	825,080	775,080	930,857	969,164
86 Recreation Services	812,294	788,947	788,947	923,254	1,027,962
87 Aquatics & Fitness	649,140	1,108,182	1,107,382	1,300,565	1,432,861
88 Community Center	734,297	922,047	922,047	1,103,096	1,174,384
65 Corpyard Outside Services	36,587	45,000	45,000	45,000	45,000
Total Operating Expenditures	30,808,731	32,836,745	33,089,657	36,521,377	37,918,942
General Fund CIP Current Year	-	2,099,528	2,099,528	1,705,528	-
General Fund CIP Carryover	-	-	-	-	-
Net Funds Available	4,611,192	2,434,109	3,253,943	1,135,833	1,591,346

Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. High debt levels can overburden a municipality, while low debt levels may indicate underutilized capital investment capacity. The totality of the City’s long-term debt obligations (not including pension and OPEB obligations) for the fiscal year ended June 30, 2020, are \$17,147,594.⁸ The Town’s current long-term debt obligations are as follows:

- **Local Agency Refunding Revenue Bonds (Public Library Project)** –The City of Mill Valley Public Financing Authority, on January 20, 2016, issued \$2,885,000 in local agency refunding revenue bonds with an interest rate of 2.75% to provide funds primarily

for the advance of refunding and purchasing the City of Mill Valley Community Facilities District 1996-1 Local Agency Revenue Bonds 2006 Series A. The refunding revenue bonds are secured by a voter-approved special tax levy on dwelling units of no more than \$64 per dwelling unit annually. Under the arrangement, the 2006 bonds are considered to have been defeated and refunded, and the liability for the 2006 bonds has been removed from the financial statements.

- **Certificates of Participation 2011 Community Center Refinancing** – The City in 2011 entered into a site and project lease arrangement with the Mill Valley Facilities Financing Corporation to enable the Corporation to issue \$4,115,000 of Certificates of Participation to provide funds for the refunding of the 1999 certificates issued to fund construction of the City’s new Community Center. Interest on the certificates bear interest rates of 3.4% to 4.25%.
- **Certificates of Participation 2012 Sewer System** – The City in 2012 entered into a site and project lease arrangement with the Mill Valley Facilities Financing Corporation to enable the Corporation to issue \$5,620,000 of Certificates of Participation to provide funds to finance improvements to the City’s wastewater collection system. The certificates consist of \$885,000 in serial certificates and \$4,735,000 in term certificates maturing at various dates.
- **Pension Obligation Bonds** – On May 7, 2008, the City issued \$6,775,000 of taxable Pension Obligation bonds, Series 2008 for the purpose of obtaining financing to refund and pay down the unfounded actuarial accrued liability to the State of California Public Employees Retirement System (PERS) applicable to the police and fire employee groups and the non-safety employee group. The pension obligation bonds bear interest at the rate of 5.76% compared to the 7.75% rate of the unfounded actuarial accrued liability. The bonds are not an obligation for which the City is obligated to levy or pledge any form of taxation. The City has agreed to pay the debt service on these bonds, but it has not pledged any specific source of revenue or funds for such repayments.
- **Direct Borrowings Financed Purchases** – The City entered into purchase arrangements for the purchase of a parcel of land in an original amount of \$652,500, fire engines for \$576,015 (2012) and \$427,239 (2017), construction of solar power facilities in an original amount of \$843,537, and \$237,569 for parking meters. Under the arrangements, the City is obligated to appropriate in its annual budget sufficient amounts to provide for the debt payments. The solar facilities arrangement is payable in annual installments with zero interest. The land parcel lease bears interest at 4.6%.

The City also provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee’s years of service, age, and final compensation. As of June 30, 2020, the City’s Net Pension Liability was \$41,470,544.⁹ As of the most recent CalPERS actuarial Valuation on June 30, 2018, the City’s pension funded ratio was 70.8%. In addition to the pension plan, the City provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2020, the Town carried a net OPEB liability of \$22,934,294. The City currently has 178 employees, both active and inactive, in its OPEB plan.

5.9 SUSTAINABILITY

In 2007, the Mill Valley City Council adopted resolution number 44/07 which designated the City as a participant in the Cities for Climate Protection Campaign. The campaign is highlighted by five milestones for participants to reduce their greenhouse gas and air pollution emissions within the community by way of the following:

- Conduct a greenhouse gas emissions inventory and forecast to determine the source and quantity of greenhouse gas emissions in the jurisdiction;
- Establish a greenhouse gas emissions reduction target;
- Develop an action plan with both existing and future actions which when implemented will meet the local greenhouse gas reduction target;
- Implement the action plan;
- Monitor and report progress

In accordance with these action items, in 2009, the City approved its 2005 Greenhouse Gas Emissions Inventory and directed staff to complete a Climate Action Plan to reduce both government and community greenhouse gas emissions (GHG) over the course of the following ten years. In 2014, the City Council adopted the City's Climate Action Plan as well as a target of reducing the City's GHG by 15% below the 2005 recorded levels by the year 2020. As of 2020, the City had reduced its community GHG emissions by over 37,000 metric tons¹⁰ of CO₂e (carbon dioxide equivalent) from an estimated 105,000 in 2005 to 67,779 in 2020. The last government operations inventory of GHG emissions was completed in 2018 and showed that emissions from municipal operations had declined 15% from 2005 levels. This was a total reduction of approximately 35%. The City was presented with the Beacon Award by the Institute for Local Governments in 2018. The award (at that time) had only been received by a total of 31 jurisdictions (approximately 6% of all California jurisdictions). The award recognizes an agency's achievements in community greenhouse gas reductions, agency greenhouse gas reductions, energy savings, and sustainability best practices. Some of the steps taken by the City to achieve this goal include:

- In 2017, the City began purchasing 100% renewable electricity (Deep Green) from Marin Clean Energy for all municipal facilities.
- The City has converted nearly 80% of its streetlights to LED fixtures, which use approximately 50% less electricity of conventional lighting.
- The City has adopted green building regulations that exceed State building code requirements.
- In 2017, the City adopted an updated Bicycle and Pedestrian Plan that provides for a city-wide network of bicycle and pedestrian facilities, including new and upgraded sidewalks, multi-use paths, and bicycle lanes and routes. Mill Valley is also a silver-designated bicycle-friendly community.
- The City partners with the organization Resilient Neighborhoods to provide outreach and education on ways residents can reduce their carbon footprint.

The City is currently in the process of updating its original Climate Action Plan with a target of the end of 2022 for the formal presentation of the plan and updated plan priorities to the City Council.

6.0 CITY OF SAUSALITO

6.1 OVERVIEW

The City of Sausalito is Marin County’s southernmost municipality. The City’s eastern border is flanked by the Richardson Bay, while the remainder of the City is landlocked by unincorporated lands. To the south and to the west, the City’s boundary is contiguous with the Golden Gate National Recreation Area (GGNRA). To the north of the City lies the census-designated place of Marin City. Highway 101 runs throughout the western edge of the City, connecting it to the rest of Marin County. The jurisdictional boundary of the City of Sausalito is approximately 2.12 square miles and, on the basis of the City’s current zoning standards, is predominantly built out¹ at this time with very few vacant parcels remaining that are zoned for development and many of those face significant physical constraints. According to the United States Census Bureau², the City had a population of 7,269 as of the 2020 U.S. Census.

The City provides a range of municipal services including parks and recreation, street maintenance, community development, library, police, and sewage collection. Other municipal services to the City are provided by various special districts.

Table 6-1: City of Sausalito Overview

City of Sausalito Overview	
City Manager:	Chris Zapata
Main Office:	420 Litho Street, Sausalito
Council Chambers:	420 Litho Street, Sausalito
Formation Date:	September 4, 1893
Services Provided:	Police, Street Maintenance, Parks and Recreation, Library, Sewer Collection
City Boundary:	2.12 sq. mi city limit; 3.41 sq. mi SOI
Population Served:	7,269

6.2 FORMATION AND DEVELOPMENT

Originally inhabited by the Coast Miwoks, the City of Sausalito began taking shape in the late 1830s as a place where ships could pick up fresh water near San Francisco. One of the area’s most popular locations was a stand of small willow trees where fresh water ran down to the bay. The original Spanish name for the area was Saucelito, pronounced sow-say-LEE-to, which was ultimately changed to Sausalito in 1887. In 1838, an Englishman by the name of William Richardson married the daughter of the Commander of the Mexican military garrison in San Francisco and was gifted a 19,571 acre land grant that spanned a large portion of current day southern and western Marin County. Richardson constructed his primary estate in the area of

Sausalito's present-day Caledonia Street. The bay that sits adjacent to the land, Richardson Bay, was named in his honor. Richardson would ultimately lose the majority of his estate, and the bulk of the plot of land that included Sausalito was sold in 1868 to the Sausalito Land and Ferry Company. The company laid out streets and subdivided lots and then purchased a small ferry, the Princess, to bring in prospective buyers from San Francisco.

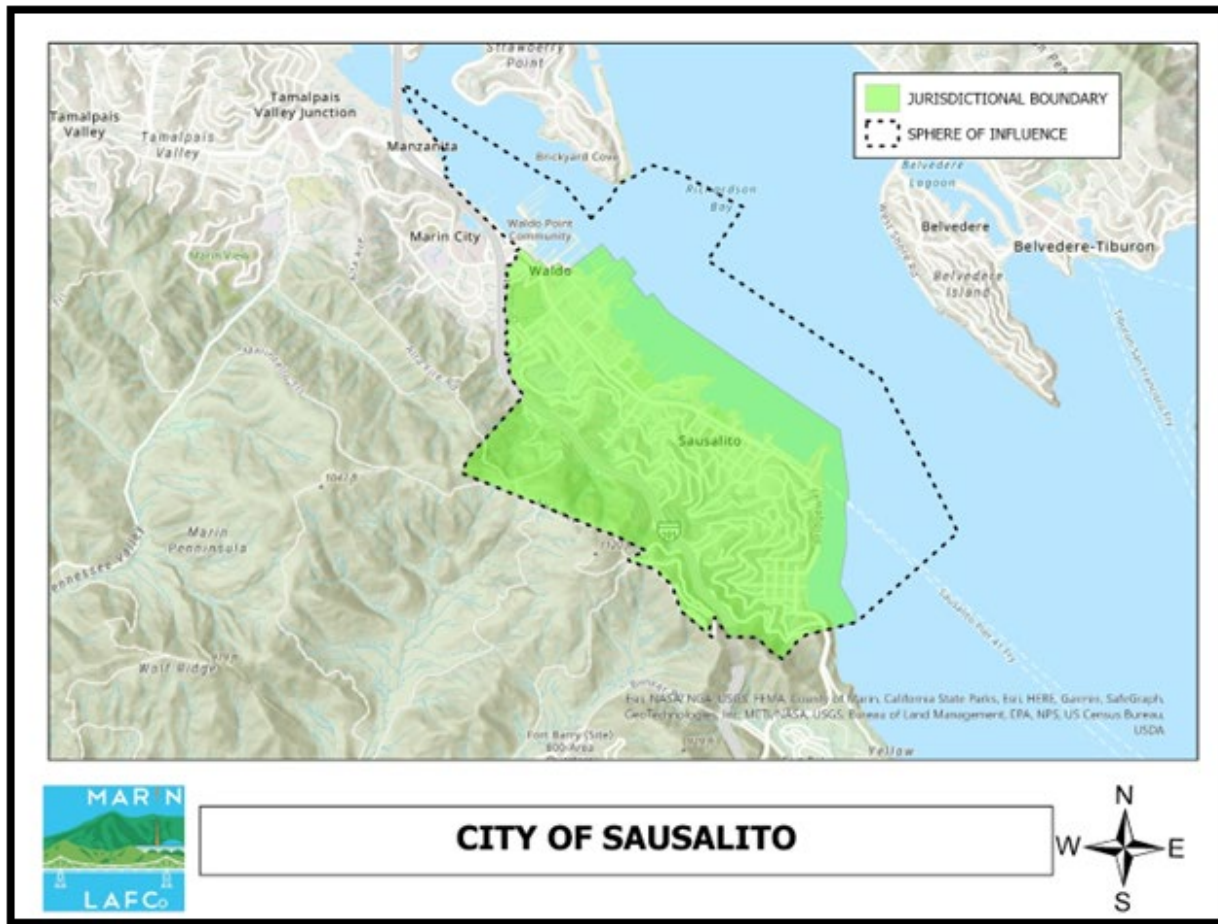
The community grew throughout the mid-1800's into a small fishing, boat repair, and ranching center. In the late 1800s the railroad construction reached Sausalito, linking the area to the northern portion of California. With the railroad connecting to the north and the numerous ferry boats that sailed to San Francisco, Sausalito became a growing transportation hub and at the time was the second largest community in Marin County, with only San Rafael having a greater population. The City of Sausalito was officially incorporated on September 4, 1893.

With the completion of the Golden Gate Bridge in 1937, Sausalito's train and ferry services were discontinued, with the final southbound passenger train arriving in 1941. This was also the time that car ferry service came to an end. With the onset of World War II, a marshy area to the north of the city center of Sausalito was filled in with dredgings from the Richardson Bay in order to construct a major shipyard of the Bechtel Corporation called Marinship. Thousands of laborers descended upon the area from across the country, in particular the deep south, to work in the shipyard producing merchant ships to carry supplies around the world. The majority of the workers were housed in a nearby community, Marin City, that had been constructed to accommodate the influx. The City's population grew by over 36% between 1940 and 1950. The Marinship yard operated 24/7 until September of 1945 and produced 93 Liberty Ships and tankers for the war effort. In honor of the City's contribution to the war effort, a Tacoma-class frigate was christened the USS Sausalito in 1943. The USS Sausalito was not built in Sausalito, however, but at one of the shipyards in Richmond.

After the war ended the shipyard was abandoned in short order and the Army Corps of Engineers was given control of the property which was sold off in portions. By the late 1960s multiple houseboat communities had formed in the waterfront along Sausalito's shore. In the 1970s, what is commonly referred to as the "houseboat wars" broke out between houseboat owners and local authorities over the safety and legality of the houseboats. Over time, legal houseboat marinas were created, and the houseboat community became an established part of the fabric of Sausalito. Three main houseboat communities remain in the area today.

In 1965, the City of Sausalito sued the County of Marin and a private developer for the illegal zoning of 2,000 acres of land to build a city named Marincello adjacent to Sausalito. Marincello was planned as a bedroom community for San Franciscans in the interior landscape of the Marin Headlands. Originally, the community was designed to house over 150,000. This vision was eventually scaled down through the planning process and settled on the creation of a municipality of 30,000. Between the lawsuit and other financial issues for the developers, the land was ultimately sold to the Nature Conservancy in 1972 for the newly established Golden Gate National Recreation Area. The only architectural evidence of the project, the planned community's entry gates, were demolished in 1976. Passenger ferries returned to the City in 1970, and Sausalito quickly became a popular tourist destination for visitors to the greater Bay Area.

6.3 JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE



The current jurisdictional boundary for the City of Sausalito is approximately 2.12 square miles (1,358 acres). A majority of the City's northern border is shared with the census-designated place (CDP) of Marin City as well as the Waldo Point area. The eastern edge of the City extends beyond the shoreline and into the Richardson Bay. The western and southern regions of the City's boundary are surrounded by the Golden Gate National Recreation Area.

Originally established in 1984, the City's current sphere of influence (SOI) is a fair amount larger than the jurisdictional boundary at approximately 3.41 square miles (2,186 acres). The total area included in the sphere that is outside of the city limits encompasses the entirety of the Waldo Point area and extends north up Highway 101 to the Richardson Bay Bridge and also encompasses the floating homes between Waldo Point and the bridge. The SOI extends east across the Richardson Bay to be contiguous with the western edge of the jurisdictional boundary of the City of Belvedere. The original sphere of influence that was adopted for the City in 1984 also included the unincorporated community of Marin City as well as the Fort Baker area of the GGNRA and the Manzanita/Heliport area, which created an overlap with the City of Mill Valley's SOI. In 2004, the sphere was amended by Marin LAFCo to remove Marin City, Fort Baker, and the Manzanita/Heliport area as it was deemed that annexation and/or extension of the

City's services to those areas was improbable. This sphere of influence was reaffirmed by the Commission in 2010.

The City's current sphere of influence is contiguous to a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as "inhabited territory" that constitutes all or a portion of a disadvantaged community. "Inhabited territory" may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by "commission policy".

6.4 POPULATION AND GROWTH

The City of Sausalito saw its greatest population boom between 1940 and 1950 when the total population of the City grew from 3,540 to 4,828. The City continued to see steady growth until roughly 1980 when it reached its peak population of 7,338. Since then, population has seen a slight decline with the 2020 U.S. Census showing the City to have a population of 7,269. This number, however, is an increase of 2.9% from the 2010 Census number of 7,061. The City is essentially built³ out at this time, with few remaining vacant lots zoned for development, and those that are face significant topographical development difficulties. The City is shown to have 4,425 housing units, with 433 of those units being vacant. The maximum development allowed by the current General Plan policies would give the City 5,134 dwelling units. A map of the zoning for the City can be seen below in Figure 6-1.

Table 6-2: City of Sausalito City Council

Member	Position	Term End
Janelle Klman	Member	2024
Melissalaustein	Mayor	2024
Jill Hoffn	Member	2026
Ian Sobiski	Vice-Mayor	2026
Joan Cox	Member	2026

Administration

The City Manager is appointed by the City Council and is responsible for City operations management and policy implementation on behalf of the City Council. The City Manager is an at-will employee and administers the City of Sausalito’s departments through the support of multiple department heads such as (but not limited to) the City Librarian/Director of Communications, Director of Planning and Building, Finance Director, Community and Economic Development Director, Director of Public Works, and Police Chief. The City Manager is also charged with appointing a City Attorney who is retained on a contract basis.

6.6 ACCOUNTABILITY AND TRANSPARENCY

When conducting service reviews and reviewing proposals, LAFCo considers an agency’s accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access. The City offers multiple ways to keep the public informed about services, meetings, finances, and decision-making processes. The City Council’s meeting agendas are posted on the City website at least 72 hours prior to each scheduled meeting. Past meeting agendas and meeting minutes can be found in the City’s “Archive” page on its website that is linked from the City Council page. The public may also provide verbal comments or concerns by phone or in person at City Hall during business hours and/or at City Council meetings during the public comment period. Given the current issues with public gatherings due to COVID-19, the City offers its residents the ability to attend all public meetings remotely and offers recordings of its meetings on the City’s website as soon as possible after the meeting. All City Council meetings are broadcast on Marin TV which is available with both Comcast (Channel 27) and AT&T (Channel 99) cable subscriptions.

The City offers a variety of digital newsletters that residents can sign up to automatically receive ranging from broader citywide news, to departmental specific updates. Within the Finance Department’s section of the website, the City also offers a unique transparency tool that displays multiple areas of the City’s finances with easily digestible images and graphics. At this time, all legal requirements for public agency transparency are being met or exceeded.

6.7 MUNICIPAL SERVICES

The City of Sausalito provides its residents with the municipal services of police, parks and recreation, public works, community development, sewage collection, and library. The City also partners with outside agencies for the provision of certain municipal services including municipal water, wastewater treatment and disposal, fire and emergency medical, and garbage collection. A description of these services is provided below.

Law Enforcement

The City of Sausalito provides law enforcement services to all areas within the jurisdictional boundary. The Sausalito Police Department headquarters is located at 29 Caledonia Street in Sausalito, directly adjacent to the Southern Marin Fire Protection District Fire Station #1. The projected expenditures for police services in FY 2022-23 are \$6,749,208 which accounts for 31.1% of the City’s budgeted operating expenditures for the year. This appropriation is a decrease of \$585,277 (8%) from the previous fiscal year. The City Council has maintained the prior approval of the freezing of 2 Police Officer positions in an effort to minimize expenditures across all City departments to slow the depletion of General Fund reserves.

The Police Department employs a total of 18 FTE (full-time equivalent) employees with 13 sworn officers and five professional staff. The City’s annual crime statistics as well as the Department’s calls for service for the past five years can be seen below in Table 6-2.

Table 6-3: City of Sausalito Crime Statistics

Category	2021	2020	2019	2018	2017
Calls for Service	11,797	11,750	12,739	14,084	14,419
False Ala	423	432	621	590	677
Extra Patol	449	845	635	928	1,380
Assault Battery	25	11	9	23	23
Domesti Violence	11	12	7	9	12
Residentl Burglary	21	14	9	8	21
Burglar Other	122	58	122	68	74
Theft (Grand a Petty)	132	142	100	108	104
Auto The	24	25	18	10	19
DUI	10	20	34	19	19
Arrests	151	17	198	301	241

Traffic Accidents	40	62	70	79	80
Moving Violations	40	146	399	633	354
Parking Violation	8,790	8,188	15,145	12,917	13,265

Fire and Emergency Response

The City of Sausalito’s fire and emergency medical response services are provided by the Southern Marin Fire Protection District. In 2004, the City formed a Joint Powers Agreement (JPA) with the District in order to share personnel. This agreement, over time, ultimately evolved into the District annexing the City of Sausalito in June of 2012. The Southern Marin Fire Protection District receives a full review in Section 3 of this document.

Parks & Recreation

The City of Sausalito offers its residents a broad scope of recreation programming and facilities despite operating with very lean staffing levels. As was the case for a number of municipalities around the state, the Covid-19 pandemic had significant impacts on both the City’s and the Recreation Department’s finances. As many recreation departments are dependent upon program offerings to generate a good apportionment of their annual revenue streams, the inability to do so during Covid-19 restrictions forced many departments to reassess their program offerings and staffing levels. As part of the effort to slow the depletion of General Fund reserves in FY 2021-22, the Sausalito City Council approved the reorganization of the Parks and Recreation Department by phasing out the Parks and Recreation Director position and downsizing the Recreation Superintendent position to a Recreation Coordinator, offering the City a sizable savings in the Department’s staffing expenditures.⁴ The Department utilizes the services of a number of independent contractors in order to provide the community with high quality recreation programming while still maintaining lean staffing levels.

Some of the programming and services that the Parks and Recreation Department offers includes (but not limited to):

- Tai Chi
- Pickleball Clinics
- Tennis Lessons
- Line Dancing
- After School Enrichment Classes
- Youth Day Camps
- Taekwondo
- Bocce Ball League
- Edgewater Seniors Club

The City of Sausalito also offers a number of parks within its jurisdictional boundary as well as sport courts and indoor facility space, many of which are available for rental. The City's parks include the following:

- Cloud View Park
- CazneauPark
- Dunphy Park
- Gabrielson Park
- Lagendorf Playground
- Marinship Park
- Mary Ann Sears Park
- MLK Park
- Remington Dog Park
- Robin Sweeny Park
- Southview Park
- Tiffany Park
- Yee Tock Chee Park

Library

The City of Sausalito provides its residents with comprehensive library services. The City's library, located at 420 Litho Street in Sausalito, was originally Formed in 1906 on the second floor of the Sausalito Land and Ferry Company building on Brigeway. In 1974, the Library was moved to its current location at 420 Litho Street. Since that time, the Library has undergone two remodels with one in 1979 and most recently in 2013. The Sausalito Public Library offers programming for all ages, from early childhood programming such as Story Time In The Park, to it's Read To A Dog program in partnership with the Marin Humane Society to help aid reading and literacy, as well as a Banned Books Club literature program for middle school and high school students.

The Sausalito Library is a member of MARINet, a Joint Powers Authority established in June of 1991. The JPA is governed by a board of directors consisting of the nine member libraries: Belvedere-Tiburon Library, Larkspur Public Library, Marin County Free Library, Mill Valley Public Library, San Anselmo Public Library, San Rafael Public Library, Sausalito Public Library, College of Marin Library, and Dominican University Library. The consortium share access to each of the members' catalogs and an automation system.

The adopted operating expenditure budget for the Sausalito Public Library for FY 2022-23 is \$1,203,596, an increase of \$343,082 (39%) from FY 2021-22.

Water

The water services to the City of Sausalito are provided by the Marin Municipal Water District (MMWD), an independent special district, which is a separate local agency from the City. The

District's services are reviewed separately in Marin LAFCo's Countywide Water Service Study (2016). This study can be viewed at marinlafco.org.

MMWD's jurisdictional boundary spans 148 square miles. 61% of this area is unincorporated and the additional 39% lies in 10 cities/towns, including the entirety of Sausalito and its surrounding unincorporated areas. MMWD is currently authorized to provide three specific services within its jurisdictional boundary: (1) domestic water; (2) non-potable water; (3) and recreation. The district's governing board is comprised of five members who are elected by electoral divisions to staggered 4-year terms. The City of Sausalito is represented by electoral Division 4. Jed Smith is the elected official holding the seat for Division 4. MMWD currently meets on the first and third Tuesday of each month at 7:30 p.m. at the District's Administrative Office at 220 Nellan Avenue in Corte Madera.

Wastewater

The City of Sausalito provides the wastewater collection system within the City's jurisdictional boundary which leads to the treatment plant of the Sausalito-Marin City Sanitary District (SMCSD). The City has maintained the same original agreement for these services that it has had with SMCSD since 1953. The City's collection system is made up of approximately 21 miles of sewer pipes as well as four pump stations that the City contracts with SMCSD to provide operation, maintenance, and rehabilitation. The entirety of the City's jurisdictional boundary lies within the jurisdictional boundary of SMCSD. The sewer service operations are housed within the City's Public Works Department under the Sewer Maintenance Division.

In 2019, the City enlisted the services of the consulting firm NBS to perform a sewer rate study. The study was completed in April of 2019 and presented to the Sausalito City Council for review. After the completion of the Proposition 218 process, the City Council adopted the proposed rate adjustments on June 18, 2019. The previously adopted rates were adopted in 2014. The updated sewer service rates can be seen below in Table 6-4.

In 2019, the Board of Directors for SMCSD and the City Council authorized the City to seek proposals for a joint study on consolidation from qualified consultants and that they would share the cost of a Phase 1 Consolidation Feasibility Study. On January 28, 2020, the contract for the study was awarded by the Sausalito City Council to Causey Consulting. In June of 2020, the completed Phase 1 Feasibility Study exploring the possibility of consolidating the City's collection services and infrastructure to the District was presented to both agencies. The study ultimately recommended two options for the agencies: formal consolidation or, as an alternative, an updating of the current service agreement with a potential expansion of the current scope of services. Phase 2 of the feasibility study, the Operational Plan, has also been completed. Most recently on October 11th, a committee of both City and District staff (as well as the study's consultant) presented at the Sausalito City Council Meeting and informed the Council that after the recent televising and review of the City's collection system, it appears that the City's collection system is in need of approximately \$18 million in repairs. With the City's current revenue of \$1.7 million annually, improvements can be accomplished over a 14-year period (not

including possible inflation costs). A consensus from both agencies after the report was that the District and the City will continue to move the consolidation effort forward and next steps will include seeking legal assistance to develop the procedure for consolidation, including consultation with Marin LAFCo staff. A joint committee of members from the City and the District is continuing to meet to consider the recommendations, with the hope that a final decision will be reached in the near future.

Table 6-4: City of Sausalito Sewer Service Rate Schedule

Land Use of Premises	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Residential Customers (Fixed and Volumetric)					
Single Family	\$624.24	\$649.21	\$675.18	\$702.19	\$730.27
Single-Family Attached	\$339.22	\$352.79	\$366.91	\$381.58	\$396.84
Duplexes	\$339.26	\$352.83	\$366.95	\$381.62	\$396.89
Multi-Family	\$300.41	\$312.43	\$324.93	\$337.93	\$351.44
Residential Volumetric Charge	\$1.09	\$1.13	\$1.18	\$1.22	\$1.27
Commercial/Industrial Customers (Fixed and Volumetric)					
Fixed Charge	\$561.67	\$584.14	\$607.51	\$631.81	\$657.08
Volumetric Charge	\$1.09	\$1.13	\$1.18	\$1.22	\$1.27

Public Works

The City of Sausalito’s Public Works Department fulfills its municipal service responsibilities through the maintenance and operation of the public facilities and public rights of way throughout the City’s boundary. In addition to the standard operations and maintenance of things such as parks maintenance, streets, storm drains, street lights, traffic signals, and public buildings that a municipality’s public works department would typically oversee, the City of Sausalito’s Public Works Department also manages the City’s wastewater collection system by performing minor repairs, locating mains and laterals for utility requests, clearing and preventing stoppages within the lines, and responding to emergency sanitary sewer overflows.

The Public Works Department oversees the formation and implementation of the City’s Capital Improvement Program (CIP). The program is a five-year planning tool that identifies anticipated capital improvements as well as their funding sources and is re-evaluated on an annual basis towards the end of each fiscal year. The Department works to identify both priority projects that they deem to be infrastructure issues that warrant immediate attention as well as secondary projects that are tackled when the resources become available. For FY 2022-23 the Sausalito City Council approved an amount of \$4.4 million⁵ to be allocated to capital improvements. The operating expenditure budget for the City’s Public Works Department (combined Engineering, Maintenance, and Landscaping) for FY 2022-23 is \$3,660,830.

6.8 FINANCIAL OVERVIEW

The City of Sausalito prepares an annual report on the City's financial statements in accordance with established governmental accounting standards. The most recent audited financial statement was prepared by the independent certified accounting firm, Maze & Associates, which issued an unqualified, or "clean", opinion on the City's financial statements for the fiscal year ending in June 30, 2021.

Previously working under a biennial budget process, the City Council moved to a one year budget adoption in FY 2020-21 due to the Covid-19 pandemic. The City annually adopts an operating budget which is adopted no later than the end of the active fiscal year and is effective July 1st through June 30th. The budget reflects estimated revenues and expenditures.

Appropriations and spending authorizations are approved by the City Council. The City Council may amend the budget by resolution during the fiscal year in order to respond to emerging needs, changes, or shifting priorities. Expenditures may not exceed appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts of operational expenditure categories within funds as deemed necessary in order to meet the City's operational needs. City Council approval is required for all inter-fund transfers, fund reserve to appropriations transfers, new revenue sources with offsetting appropriations, and for transfers to/from the capital expenditure category.

Revenues and Expenditures

The FY 2022-23 Citywide expenditure budget for the City of Sausalito is \$35,650,620. The expenditure budget is supported predominantly by a projected revenue of \$34,423,886. For the FY 2022-23, the City projects that citywide expenditures will be \$5,007,929 (12.3%)⁶ less than the adopted amount in the previous fiscal year. The City's total citywide revenues in FY 2022-23 is projected to be \$3,693,729 (10.2%)⁷ lower than the total for FY 2021-22. The City derives revenue from several sources. The primary sources of revenue are generated by different types of taxes, with property taxes being the most significant percentage at approximately 35% of General Fund revenues. What makes Sausalito so financially unique in comparison to the other municipalities in Marin County is its reliance on sales tax and transient occupancy tax (TOT) to make up a large apportionment of its annual General Fund revenues with sales tax annually providing approximately 20% of the City's total revenues and TOT making up approximately 11%. These two areas were appreciably impacted over the past couple of fiscal years due to Covid-19 restrictions.

In FY 2020-21, these impacts posed a considerable challenge within the City's budget, creating an identified \$4.5 million gap in revenues and expenditures for FY 2021-22. Staff presented a plan to the City Council which in turn adopted a budget for FY 2020-21 that was balanced by using \$1.7 million in Federal American Recovery Act Funds, \$1.2 million from Measure O (the City's voter approved 0.5% sales tax levy), \$1 million dollars from the City's Parking Fund, and \$930,000 from the General Fund Reserve. In addition to these one-time revenue adjustments, the City identified and enacted areas for cost reductions such as downsizing the City Manager

Office by eliminating the Assistant City Manager position, lowering the City Manager compensation package, freezing two vacant Police Officer positions, and phasing out the Parks and Recreation Director position and downsizing the Recreation Superintendent position to Recreation Coordinator. This budget allowed the City to maintain their current service levels as well as avoiding layoffs. In October of 2021, staff presented to the City Council projecting additional budget deficits in coming years as well as considerable basic infrastructure needs. In an effort to bolster revenues, the Council approved the hiring of grant writing resources as well as the hiring of a property manager.

In preparation for FY 2022-23, the City Manager presented to Council the significant factors that would continue to impact the City’s budget in the coming fiscal year such as rising pension costs and increasing debt service costs for Police, fire stations, and major park improvements. Through the best efforts of staff and the Council, the adopted budget gap of revenues to expenditures was closed from \$4 million to \$2.6 million. This gap will be filled by funds from the city’s unassigned General Fund Reserve in lieu of service and staff cuts. This amount leaves the City’s undesignated general fund balance at approximately \$2.5 million. Combined with the current funds in the Budget Stabilization fund and the Shortfall fund, the City has approximately \$5.8 million, or 26% of the General Fund operating expenditures, which exceeds the recommended two-month operating threshold. In addition to the previously mentioned measures taken by the Council to generate additional revenue, approval was also given to go forward with a ballot measure to renew and replace Measure O sales tax. Measure L was put before the voters in November of 2022 and was approved. The measure extends the pre-existing tax measure for ten years and raises it from 0.5% to 1%, generating a projected \$2.8 million annually.

A table of General Fund revenues and expenditures for the most recently available five audited fiscal years can be seen below in Table 6-4.

Table 6-5: City of Sausalito General Fund Revenues and Expenditures

Revenues	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Propertyax	\$6,310,385	\$5,977,754	\$5,704,360	\$5,295,149	\$5,060,976
Sales Tax	\$4,071,720	\$3,845,633	\$3,607,786	\$3,600,023	\$3,480,087
Other Ta	\$1,650,159	\$2,084,090	\$2,699,645	\$2,378,416	\$2,432,321
Licensesnd Permits	\$1,443,537	\$1,763,872	\$631,060	\$641,887	\$564,123
Fines and Forfeitur	\$344,804	\$504,712	\$676,406	\$558,573	\$532,679
Use of Moey and Propy	\$655,332	\$616,242	\$522,884	\$392,971	\$385,217
Intergovmen tal	\$86,521	\$11,738	\$12,823	\$12,923	\$12,823
Charges fr Services	\$1,386,263	\$1,256,004	\$1,757,075	\$1,630,106	\$1,481,313
Other Renue	\$635,145	\$150,243	\$1,092,407	\$216,536	\$112,081
Total	\$16,583,866	\$16,210,288	\$16,704,446	\$14,726,584	\$14,061,620

Expenses	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
General Government	\$6,418,953	\$5,019,891	\$4,021,872	\$3,864,252	\$3,487,116
Library	\$684,278	\$859,080	\$913,151	\$888,923	\$880,082
Police	\$6,178,011	\$5,672,031	\$5,242,137	\$5,225,737	\$4,773,520
Community Development	\$1,568,392	\$1,685,301	\$1,923,504	\$1,643,279	\$1,576,144
Public Works	\$1,912,411	\$1,976,807	\$1,967,910	\$1,764,648	\$1,797,401
Parks and Recreation	\$1,377,580	\$1,497,017	\$824,193	\$779,468	\$715,871
Capital Outlay	\$58,000	\$0	\$58,000	\$58,000	\$0
Total	\$18,197,625	\$16,710,127	\$14,950,767	\$14,224,307	\$13,230,134

Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. High debt levels can overburden a municipality, while low debt levels may indicate underutilized capital investment capacity. The totality of the City's long-term debt obligations (not including pension and OPEB obligations) for the fiscal year ended June 30, 2021, are \$32,300,609.⁸ The City's current long-term debt obligations are as follows:

- **Southern Marin Fire Protection District Annexation Agreement** – In September 2011, the City entered into an annexation agreement with the Southern Marin Fire Protection District (SMFPD). The City agreed to pay SMFPD \$58,000 annually for 30 years, a total of \$1,740,000 which represented the retiree medical costs of the nine firefighters who worked for the City prior to annexation. The first payment was made in 2013 and the final payment is due in FY 2042.
- **Department of Boating and Waterways** – Between April 1995 and March 1996, the City borrowed \$1.2 million from the California Department of Boating and Waterways to finance certain improvements. The loan bears interest at 4.5%. The payments on the loan are in annual installments of \$72,156 with the final payment scheduled for August 1, 2025.
- **Building Acquisition Lease** – On October 1, 2020, the City entered into a lease agreement with the Sausalito Financing Authority in the amount of \$1,858,000 to finance the acquisition of a former Bank of America building located at 750 Bridgeway. This lease agreement was assigned to Zions Bancorporation. The lease bears interest at a rate of 2.79%. Payments are due semi-annually with the final payment scheduled for 2035.
- **General Obligation Bond 2006 Series A** – On November 16, 2006, the City issued General Obligation Bonds Series A in the amount of \$8,205,000. The bond proceeds from this series and the bond proceeds from Series B (listed below) are being used to

finance the demolition and replacement of a police building and fire station. Interest payments are due each February 1 and August 1, and principal payments are due each August 1 with the final payment scheduled for August 1, 2026.

- **General Obligation Bond 2006 Series B (Capital Appreciation Bonds)** – On November 16, 2006, the City issued General Obligation Bonds Series B in the amount of \$7,293,894. Repayments of the accreted principal will commence August 1, 2026, with the final repayment scheduled for August 1, 2041.
- **2015 Sewer Revenue Bonds** – In January 2015, the City, via the Sausalito Financing Authority, issued the 2015 Sewer Revenue Bonds in the amount of \$6,750,000. The proceeds are being used to finance the acquisition and construction of sewer improvements and facilities, fund a reserve fund for the bonds, and pay issuance costs. The Bonds are payable from the net revenues of the City’s Sewer Enterprise fund. The final payment is scheduled for August 1, 2044.
- **California State Water Resources Control Board Project Finance Agreement** – On September 28, 2011, the City entered into a project finance agreement with the State Water Resources Control Board in the amount of \$1,036,480 to replace existing sewer pipe and build a new grease interceptor.
- **2016 Certificates of Participation** – In January 2016, the City, via the Sausalito Financing Authority, issued the 2016 Certificates of Participation in the amount of \$6,940,000. The bond proceeds are being used to finance capital improvements to the City’s MLK Campus and Robin Sweeny, Southview, and Dunphy Parks. Payments are made on May 1 and November 1 annually with the final payment scheduled for May 1, 2030.

The City also provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee’s years of service, age, and final compensation. As of June 30, 2021, the City’s Net Pension Liability was \$31,924,136.⁹ As of the most recent CalPERS actuarial valuation the City’s pension funded ratio was approximately 78%¹⁰. In addition to the pension plan, the City provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2021, the Town carried a net OPEB liability of \$4,372,838. The City currently has 145 employees, both active and inactive, in its OPEB plan.

6.9 SUSTAINABILITY

February 26, 2008, the Sausalito City Council adopted resolution number 4935 which designated the City as a participant in the Cities for Climate Protection Campaign. The campaign is highlighted by five milestones for participants to reduce their greenhouse gas and air pollution emissions within the community by way of the following:

- Conduct a greenhouse gas emissions inventory and forecast to determine the source and quantity of greenhouse gas emissions in the jurisdiction;
- Establish a greenhouse gas emissions reduction target;

- Develop an action plan with both existing and future actions which when implemented will meet the local greenhouse gas reduction target;
- Implement the action plan;
- Monitor and report progress

In accordance with these action items, on June 7, 2011, the City approved its 2005 Greenhouse Gas Emissions Inventory and directed staff to complete a Climate Action Plan to reduce both government and community greenhouse gas emissions (GHG) over the course of the following ten years. On June 16, 2015, the City Council accepted and adopted the City's Climate Action Plan as well as a target of reducing the City's GHG by 25% below the 2005 recorded levels by the year 2020. As of 2019, the City had reduced its community GHG emissions by over 16,800 metric tons¹¹ of CO₂e (carbon dioxide equivalent) from an estimated 73,763 in 2005 to 56,909 in 2019.

The City formed a Sustainability Commission to advise the City Council issues and impacts related to the current climate emergency and assist in the implementation of the City's Climate Action Plan and Low Emissions Action Plan. The Low Emissions Action Plan was authored by the seven-member commission in April of 2019 and provides recommendations to aid in the City meeting or exceeding the statewide goal of reducing emissions by 40% below the 2005 baseline by 2030. The Low Emissions Action Plan as well as the Climate Action plan were both incorporated in the City's updated General Plan within the Sustainability – Climate Change Mitigation and Resiliency Element.

On February 8, 2022, the City adopted a Climate Emergency Resolution, which established climate change as a high priority for the City Council. It directs the City Manager to pursue grant funding and resourcing to implement the City's goals. On August 30th, the City Council unanimously approved a new ordinance banning gas-powered lawn mowers, hedge trimmers, weed trimmers, and weed whackers which goes into effect January 31, 2023. The City will also ban gas-powered chainsaws and pole-mounted trimmers effective December 31, 2023.

7.0 SOUTHERN MARIN FIRE PROTECTION DISTRICT

7.1 OVERVIEW

The Southern Marin Fire Protection District (SMFPD) was established on April 8, 1999,¹ as an independent special district by way of the consolidation of the Alto-Richardson Fire Protection District and the Tamalpais Fire Protection District. The SMFPD boundary surrounds just over 5.9 square miles of the southern portion of Marin County’s Highway 101 corridor. The District maintains contracts for service with the National Park Service (NPS) that expand the District’s full area of service to 20.5 square miles. The district serves a population of approximately 25,000² persons. The last Municipal Service Review that included the SMFPD was conducted in April of 2004 as part of the Southern Marin Service Review and Sphere of Influence Update.

The primary function of SMFPD is to provide structural fire protection, emergency medical response, water rescue, and disaster planning and response to the census-designated places (CDP) of Strawberry and Tamalpais-Homestead Valley, as well as the City of Sausalito and the northwestern area of the Town of Tiburon, with the City of Mill Valley recently approved for annexation to the District with the District taking operational control of the City’s Fire Department services in July of 2023. The District also provides services to the Marin Headlands and the Fort Baker areas of the Golden Gate National Recreation Area by way of a contract with the National Park Service. The SMFPD participates in the Marin County and California Mutual Aid System with nearby fire districts and responds to wildland fires as needed. The District is also a member agency of the Southern Marin Emergency Medical Paramedic System (SMEMPS) as well as the Marin Wildfire Prevention Authority (MWPA). SMEMPS has a board of directors that is comprised of representatives from the City of Mill Valley, Town of Tiburon, Southern Marin Fire Protection District, City of Sausalito, and the County of Marin. The City of Belvedere is also a non-voting member. Meanwhile, MWPA’s 17 member agencies throughout Marin County receive funding for fuel removal projects, defensible space evaluations, and other helpful resources by way of a voter-approved parcel tax that was passed in March of 2020.

Table 7-1: Southern Marin Fire Protection District Overview

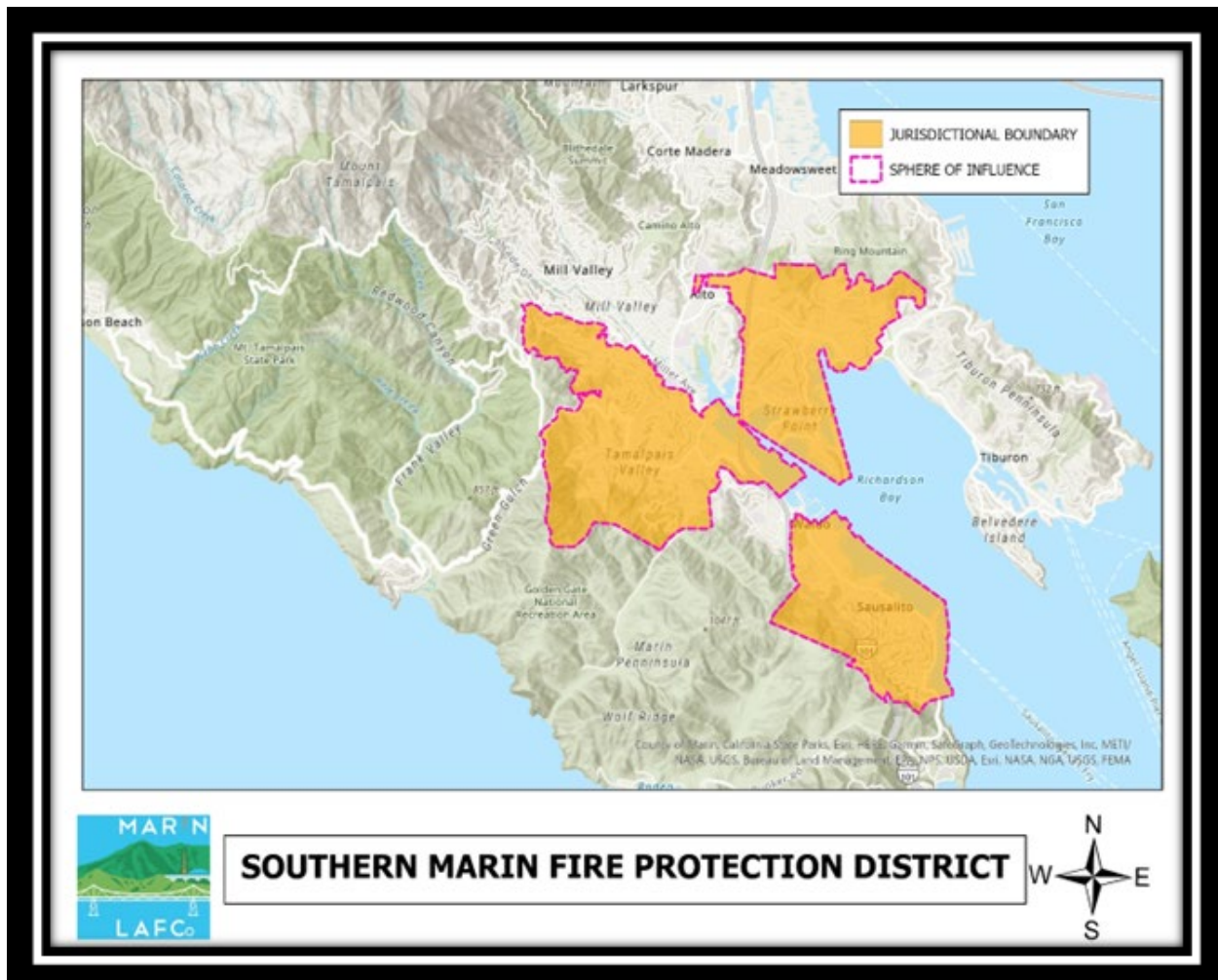
Southern Marin Fire Protection District			
Primary Contact:	Chief Chris Tubbs	Phone:	(415)-388-8182
Headquarters:	28 Liberty Ship Way, Suite 2800, Sausalito, CA		
Formation Date:	April 8, 1999		
Services Provided:	Fire Protection and Emergency Medical/Rescue		
Service Area:	3,830 acres	Population Served:	≈25,000

7.2 FORMATION AND DEVELOPMENT

The Southern Marin Fire Protection District was established as an independent Special District whose legal authority and responsibilities are contained in the State of California Health and Safety Code Sections 13800-13970. While the official formation of the Southern Marin Fire Protection District took place on April 8, 1999, the two departments that were consolidated in order to form the District, the Alto-Richardson Bay Fire Protection District and the Tamalpais Fire Protection District (with the Tamalpais Fire Protection District also having been the product of a previous consolidation with the Homestead Fire Protection District), were spawned back in the early 1940s. In 1942 the Alto Fire Department was set up by three local residents, Mabel Berger, Joe Reis, and Clinton Thoney (the former Fire Chief to the City of Mill Valley), who had recently received civil defense service training. The training was a five-week course instructing members of the public on how to battle fires and administer first aid. The training was provided by Marin County Fire Chief Lloyd De La Montanya. With no formal fire fighting equipment, the founders of the Alto Fire Department would carry fire hoses, hand tools, and any other piece of equipment that could be used to control a small fire in the trunks of their cars. In September of 1946, volunteers began construction on the first fire station for the department, located on Shell Road. The building was 700 square feet which was just large enough to house the old fire truck that had been purchased from the Muir Woods Improvement Club.

In 2004, the District formed a Joint Powers Agreement (JPA) with the City of Sausalito in order to share personnel. This agreement, over time, ultimately evolved into the District annexing the City of Sausalito Fire Department in June of 2012. In October of 2010, the District entered into a service agreement with the National Park Service to provide service to the Marin Headlands and Fort Baker areas of the Golden Gate National Recreation Area.

In the early part of 2015, the District entered into an operational cost-sharing agreement with the City of Mill Valley Fire Department in order to reduce administrative redundancies, reduce command redundancy, and create a single shared Training Division. In 2020 this agreement grew into a greater shared services agreement that combined the administrative and prevention components of both agencies to form a single management with the SMFPD Fire Chief serving as the Chief for both agencies. Most recently the District and the City of Mill Valley have submitted a formal application to Marin LAFCo for the District to annex the City and take over fire and emergency response services beginning in July of 2023. The application was approved at Marin LAFCo's regular meeting on December 8, 2022.



7.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Southern Marin Fire Protection District’s service boundary, which currently encompasses just under six square miles, includes all of the census-designated places (CDP) of Strawberry and Tamalpais-Homestead Valley, as well as the City of Sausalito and the northwestern area of the Town of Tiburon. A large apportionment of SMFPD’s boundary is contiguous with the City of Mill Valley’s southern boundary. The District’s sphere of influence is coterminous with its jurisdictional boundary. The sphere of influence was last updated on November 10, 2011³.

7.4 GROWTH AND POPULATION

The Southern Marin Fire Protection District’s jurisdictional boundary encompasses the entirety of the jurisdictional boundary of the City of Sausalito and will soon include the City of Mill Valley. The District encompasses unincorporated spaces as well, such as the census-designated

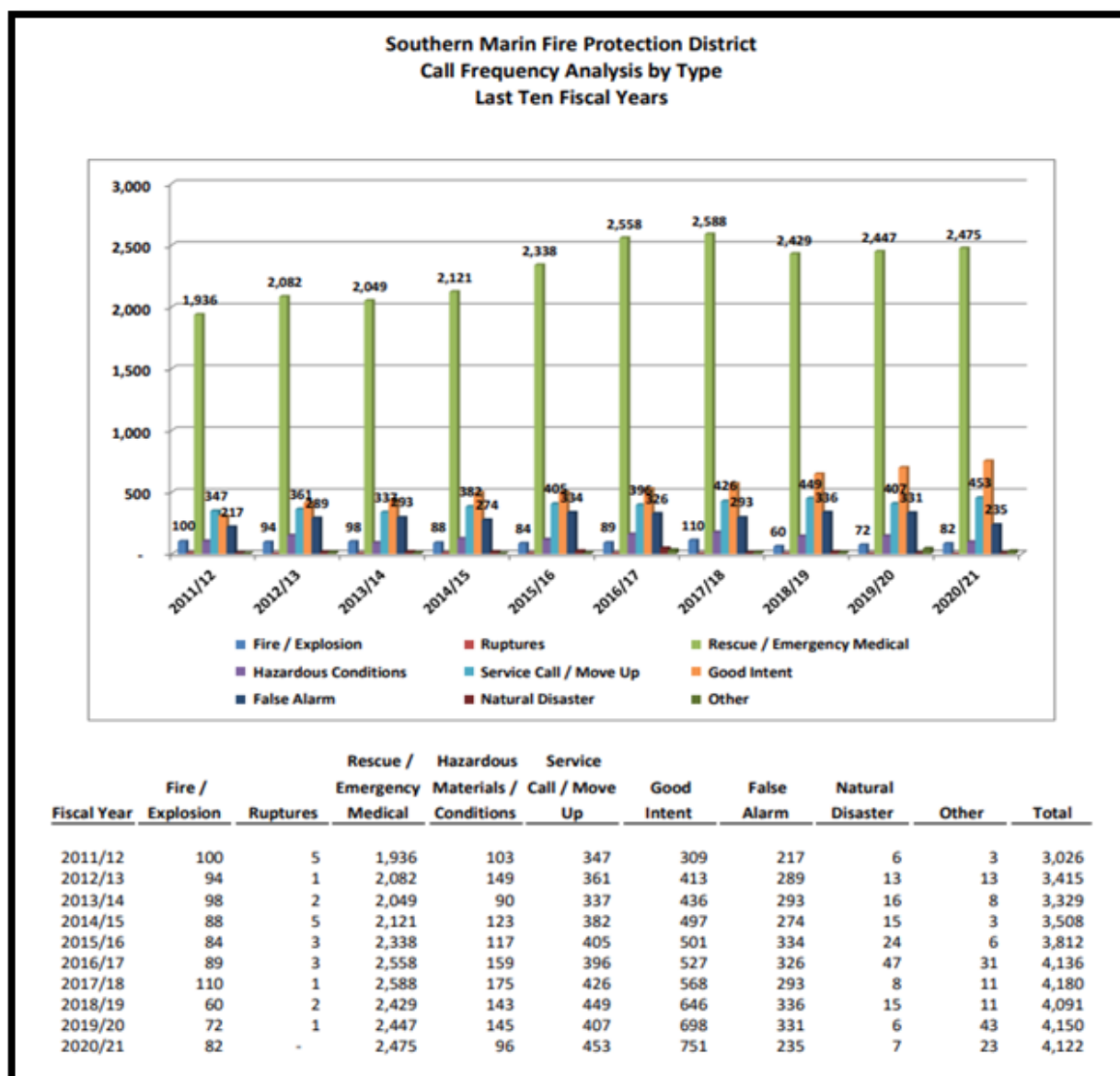
places (CDP) of Tamalpais-Homestead Valley and Strawberry. The District also includes the area on the northwestern end of the Town of Tiburon. According to 2020 U.S. Census Redistricting Data, the population of the Tamalpais-Homestead CDP is 11,492, which is approximately a 7% increase from the 2010 population number of 10,735⁴. The most recent census data shows the CDP to have 4,678 total housing units, with 218 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the Community Plan make the area essentially built out. According to 2020 U.S. Census Redistricting Data, the population of the City of Sausalito is 7,269, which is approximately a 2.9% increase from the 2010 population number of 7,061. The City is shown to have 4,425 housing units, with 433 of those units being vacant. The maximum development allowed by the current General Plan policies would give the City 5,134 dwelling units. The City of Mill Valley's official count from the 2020 Census put the City's population at 14,231. The City is essentially built⁵ out at this time, with few remaining vacant lots zoned for development that have not already been given a prospective project designation. The total population of the CDP of Strawberry as of the 2020 Census was 5,447, which was an increase from 5,393 in 2010. While there is still some room for development in the northern pocket of the CDP, the majority of the CDP is essentially built out and shows little growth potential.

7.5 MUNICIPAL SERVICES

Fire Protection and Emergency Response

The SMFPD provides fire protection, emergency medical response, water rescue, and disaster planning and response services. Incident call types fielded by the agency include rescue/emergency medical response, fire/explosion, service calls, good intention calls, natural disasters, false alarm, and hazardous conditions (no fire). Over the past 10 years, the District has averaged 3,777 calls for service annually. The majority of those calls (approximately 60% annually) are for rescue/emergency medical response. On average, the District receives 2,302 rescue/emergency medical calls each year. A breakdown of the District's calls for service between FY 2011/12 and 2020/21 can be seen below in Figure 7-1.

Figure 7-1: Southern Marin Fire Protection District Calls for Service Statistics



On July 25, 2016, Southern Marin Fire Protection District was given a Class 1/1x Public Protection Classification (PPC) rating by the Insurance Services Office (ISO), an organization that independently evaluates municipal fire-protection efforts throughout the United States. Ratings range on a scale of 1 to 10. Class 1 generally represents superior property fire protection, and class 10 indicates that the area’s fire suppression program does not meet ISO’s minimum criteria.⁶ While many communities receive a single number classification, many smaller and more rural communities receive a split classification to reflect the risk of loss more precisely. In the case of a split classification, the first number refers to the classification of properties within five road miles of a fire station and within 1,000 feet of a creditable water supply. The second number, with either the X or Y designation, applies to properties within five road miles of a fire station but beyond 1,000 feet of a creditable water supply (i.e. fire hydrant).

ISO generally assigns Class 10 to properties beyond 5 road miles. The majority of insurance agencies throughout the country use the PPC classification for underwriting and calculating premiums on residential, commercial, and industrial properties. SMFPD's rating of 1/1x puts the district in the top 1% of fire protection agencies in the country. The District's PPC rating is currently under review by the ISO.

Facilities and Apparatuses

The SMFPD owns, operates, and maintains three fire stations. The stations are:

- Station 1 – 333 Johnson Street, Sausalito
- Station 4 – 309 Poplar Avenue, Mill Valley
- Station 9 – 308 Reed Boulevard, Mill Valley

The District leases space for its administrative, prevention, and preparedness operations in a building at 28 Liberty Ship Way in Sausalito. The SMFPD also has a variety of apparatus that serves the community ranging from support vehicles to paramedic trucks. SMFPD's apparatus listed by station is provided below.

Station 1: 1 Type 1 Engine, 1 Advanced Life Support Ambulance, 1 Inflatable Rescue Boat, 1 Dive Team Tender, 1 40' Metalcraft Fire Boat, 2 Rescue Watercraft, 1 Utility Vehicle

Station 4: 1 Type 1 Engine, 1 Aerial Ladder Truck, 1 Type 3 Engine, 1 Advanced Life Support Ambulance, 1 Utility Vehicle

Station 9: 2 Type 1 Engine (1 in reserve), 1 Medium Duty Rescue Truck, 2 Utility Vehicles, 1 Rescue Water Craft, 1 Utility Vehicle

The District maintains a long-range (12-year) capital improvement plan (CIP) and allocates funding to the plan annually based on the estimated replacement cost of major assets in addition to any funds needed for forecasted facilities' upgrades. In FY 20/21 the District allocated \$1,534,500 to the CIP fund from its net revenue for the year.

7.6 ORGANIZATION STRUCTURE

Board of Directors

The Southern Marin Fire Protection District is governed by a seven-member board that is elected to four-year terms through an at-large election. All directors are required to live within the District's jurisdictional boundary. The Board of Directors maintains current certificates for the AB 1234 Ethics Training Compliance as well as AB 1666 Sexual Harassment Prevention Training. Certificates for each of the board members can be viewed on the SMFPD website. Over the course of the last 10 years (five Board of Directors election cycles), the District's Board of Directors has experienced fairly regular turnover with a total of nine new Board members being either elected or appointed in that span. In November 2020, the Marin County

Board of Supervisors made an appointment to the District’s board as the empty seat had no candidate running for the seat. The only other occurrence of this in the District’s history came in 2005. The Board of Directors meets regularly on the 4th Wednesday of each month at 5:00 p.m. at the SMFPD Administration Headquarters located at 28 Liberty Ship Way, Suite 2800, in Sausalito.

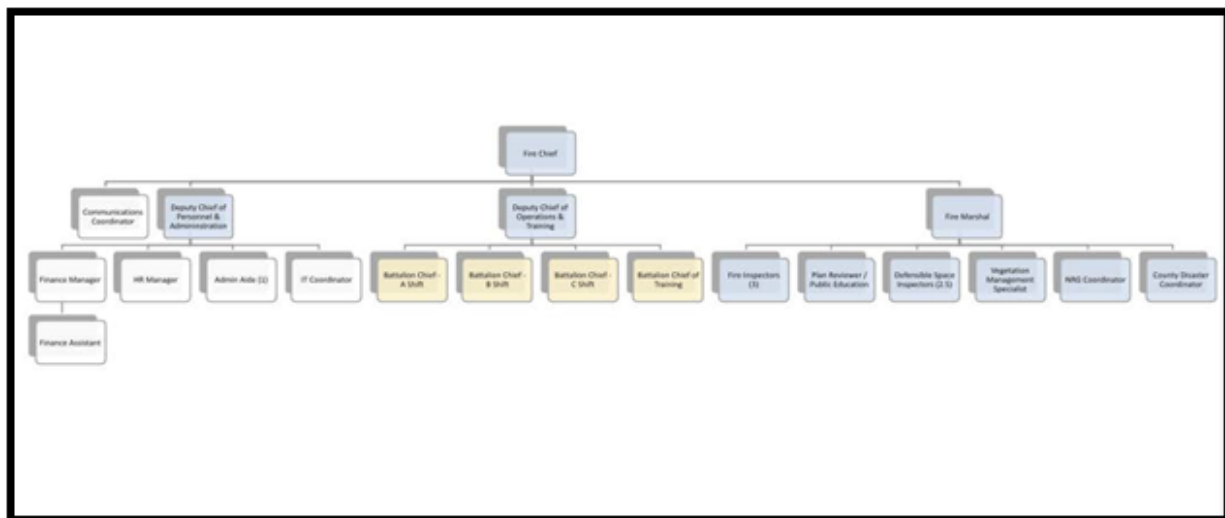
Table 7-2: Southern Marin Fire Protection District Board of Directors

Member	Position	Term Expiration
Tom Per	President	November 2022
Cristineoto DeBerry	Vice President	November 2022
Kurt C	Director	November 2022
Stephenillis	Director	November 2024
Peter Fleg	Director	November 2022
Cathrynilliard	Director	November 2024
Ashleyaveche	Director	November 2024

Staffing and District Operations

The SMFPD currently carries a staffing equivalent of 62.5 full-time employees. This staffing level includes a Fire Chief, Deputy Fire Chief, Battalion Chiefs, Fire Marshal, Fire Inspectors, Prevention Administrative Aide, Fire Captains, Paramedic Engineers, Firefighters, and administrative staff members. An organization chart for the District can be seen below in Figure 7-2.

Figure 7-2: SMFPD Organization Chart



Operations for the full service area (not limited to the jurisdictional boundary) are divided into three distinct zones in order to streamline responses and shorten response times. The first zone, Zone 1, includes the City of Sausalito and the Marin Headlands area of the Golden Gate National Recreation Area. The second zone, Zone 4, includes Tamalpais Valley and Homestead Valley. The third zone, Zone 9, encompasses the areas of Alto and Strawberry. The three zones have a minimum daily on-duty staff of 15 personnel cross-staffing four firefighting apparatus.

7.7 ACCOUNTABILITY AND TRANSPARENCY

The Southern Marin Fire Protection District offers a very informationally expansive website. The website (smfd.org) gives members of the public access to the District's financial, operational, historical, and preventative information. It offers a wealth of different offerings for disaster preparation instructions for homes, families, and businesses, as well as access to PulsePoint, which is a 911-connected app that offers real-time information on emergencies occurring locally. The District also contracts with a private firm to ensure that the website is ADA compliant and that all links throughout the website are functional.

Meetings and Agendas

The SMFPD Board of Directors meets regularly on the 4th Wednesday of each month at 5:00 p.m. at the SMFPD Administration Headquarters located at 28 Liberty Ship Way, Suite 2800, in Sausalito. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the SMFPD website (<https://www.smfd.org/our-district/district-overview/board-of-directors/meeting-documents>).

Annual Budget Review

The District's budget, 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 Bookkeeper produces monthly reports on expense activity that assist the Chief in monitoring activities and programs. These reports are reported to the Board every month to assure budgetary compliance.

7.8 FINANCIAL OVERVIEW

The Southern Marin Fire Protection District has ended the year with a budget surplus in four of the past five fiscal years with completed financial audits. The District has seen a steady increase in its net position annually over the course of the past four fiscal years. The District's Board of Directors has established a policy of funding an Unallocated Reserve Fund for Financial Emergencies, with a target of 40% of annual operating costs available in the fund. As of June 30, 2021, the fund balance was \$6.7 million⁷ which represents a value of approximately 37% of the annual expenditure figure over the course of the study period (previous five audited fiscal years). The SMFPD recently received a Certificate of Completion from the Government Finance Officers Association (GFOA) for its first-ever Annual Comprehensive Financial Report (ACFR) submittal.

Revenues and Expenditures

The primary revenue source for the SMFPD comes primarily from the portion of the 1% property tax on residents within its district boundaries. Of the 1% property tax, the SMFPD receives between 10.8% and 17.9% dependent upon the area of the District, which amounts to approximately \$15.96 million for FY 2020-21, and a projected amount of approximately \$17.26 million for FY 2022-23. The District's total operational revenues for FY 2020-21 were \$25.2

million. Other fundamental sources of annual revenue for the District include the charges for service, special assessments, and interest income. The charges for service saw a significant increase of \$1,598,693 from FY 2019-20 to FY 2020-21 due to the addition of the reimbursements from the City of Mill Valley for the shared Battalion Chiefs and Administrative Clerk, as well as charges to the Marin Wildfire Prevention Authority for finance and administrative services. The special assessment line item also saw an increase between FY 2019-20 and 2020-21 of \$3,127,923 thanks to the passage of Measure U in November of 2018 that went into effect in July of 2019. Measure U is a special tax that is levied annually at a rate of \$200 per residential parcel, \$150 per undeveloped parcel, and \$0.18 per improved square foot of business parcels. Measure U was passed with an agreed upon automatic 5% annual elevator to account for inflation which can be adjusted by the Board of Directors to be less than that amount if deemed appropriate. To date, the Board of Directors has not utilized the automatic elevator of 5%.

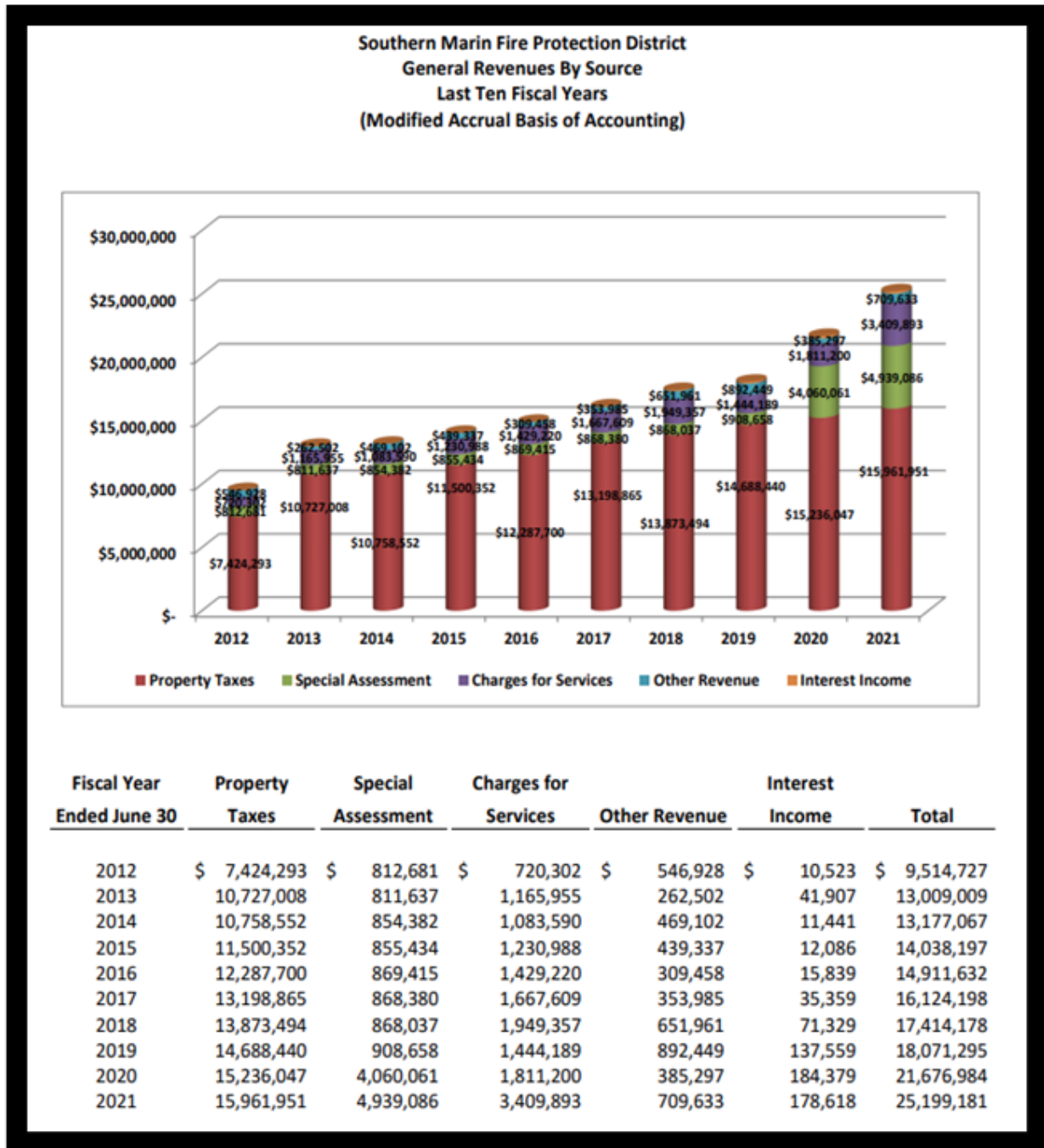
The primary expense for the District comes in the form of personnel costs (salaries, benefits, overtime), accounting for approximately 78% of the District's \$21.9 million in total expenditures in FY 2020-21. The other primary expenditures annually for the District are materials and services, equipment, and capital outlay and debt service. Expenses and revenues over the course of ten previous fiscal years can be seen below in figure 7-3.

Debt

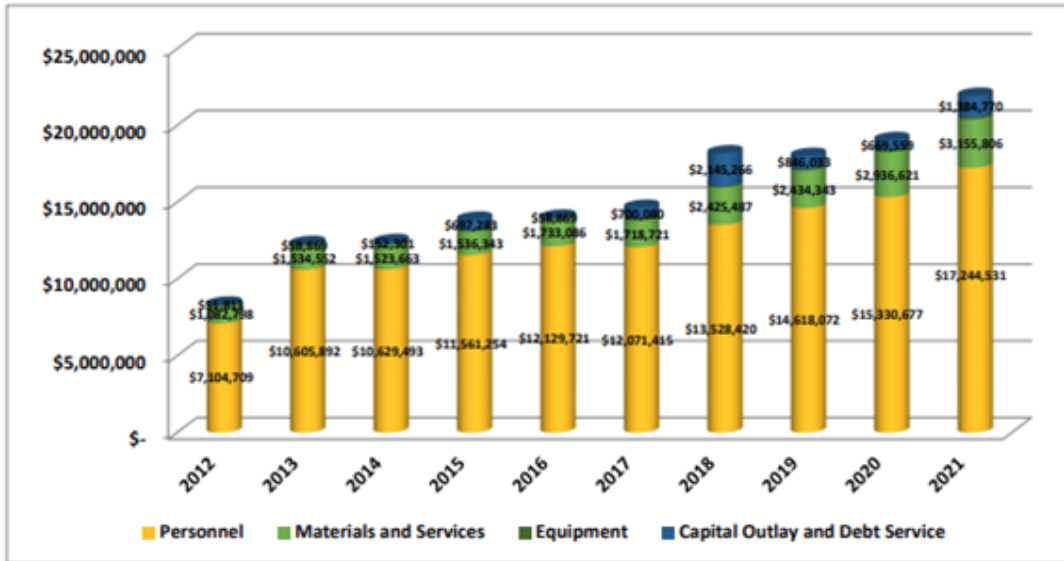
The SMFPD currently does not utilize long-term debt to fund operations or growth⁸.

The SMFPD also provides a pension plan for employees and is part of the Marin County Employees' Retirement Association (MCERA). MCERA provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the SMFPD Net Pension Liability⁹ was \$13,296,989. The SMFPD pension funded ratio is approximately 85% which is above average for fire districts. In addition to the pension plan, the SMFPD previously provided other post-retirement health care benefits (OPEB) to its retirees. In 2014, the District ceased providing OPEB benefits and switched to offering its employees the option of health savings accounts (HSA) as a means of trying to address its OPEB liability. As of June 30, 2021, the District carried a Net OPEB liability¹⁰ total of \$5,427,113. The District currently has 65 employees, both active and inactive, in their OPEB plan. The District also currently carries a total of \$1,192,141 in compensated absences. The District's general revenues and expenditures can be seen in greater detail below in Figure 7-3.

Figure 7-3: SMFPD Revenues and Expenditures Detail



**Southern Marin Fire Protection District
Expenditures By Function
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



Fiscal Year Ended June 30	Capital Outlay and Debt				Total
	Personnel	Materials and Services	Equipment	Service	
2012	\$ 7,104,709	\$ 1,082,798	\$ 86,939	\$ 51,813	\$ 8,326,259
2013	10,605,892	1,534,552	71,257	58,869	12,270,570
2014	10,629,493	1,523,663	87,058	152,301	12,392,515
2015	11,561,254	1,536,343	55,081	697,283	13,849,961
2016	12,129,721	1,733,086	68,902	58,869	13,990,578
2017	12,071,415	1,718,721	138,119	700,080	14,628,335
2018	13,528,420	2,425,487	81,349	2,145,266	18,180,522
2019	14,618,072	2,434,343	112,056	846,033	18,010,504
2020	15,330,677	2,936,621	102,875	669,559	19,039,732
2021	17,244,531	3,155,806	143,269	1,384,770	21,928,376

Financial Audit

The Southern Marin Fire Protection District annually contracts with an outside accounting firm, most recently Badawi & Associates, to audit the District’s financial statements. The most recent audited financial statement made publicly available on the District’s website was prepared for the fiscal year ending June 30, 2021.

Table 7-3: SMFPD Financial Audit Summary

Revenues	FY 2020-2021 Audit	
Property Taxes	\$15,961,951	
Special Assessment	\$4,041,799	
MWPA Revenue	\$243,356	
Charges for Services	\$1,501,576	
Grants	\$243,356	
Other Revenue	\$466,277	
Investment Earnings	\$119,344	
Interest Income	\$59,274	
Total Revenues		\$25,199,181

Expenditures	FY 2020-2021 Audit	
Salaries and Benefits	\$17,244,531	
Operating Expenditures	\$3,299,075	
Grant Related Expenditures	\$218,924	
Capital Outlay	\$1,165,846	
Total Expenditures		\$21,928,376

7.9 WILDLAND FIRE PREPAREDNESS

Local agencies such as the Southern Marin Fire Protection District play a critical role in protecting natural resources and the environment. Extended periods of drought, changing climate patterns, wind, and low humidity has the potential to increase the occurrence and severity of wildland fires which could threaten structures and lives in the Wildland Urban Interface.

The SMFPD participated in the Community Wildfire Protection Plan that was published in 2016 by way of a \$123,200 grant from the State Resource Area Fire Prevention Fee Fund. The plan was most recently updated again in 2020. This was a collaborative effort among fire agencies in the county, local fire organizations including FIRESafe Marin, land management agencies, and community stakeholders. Through this effort, areas of concern throughout the county were identified based on population, fire behavior, vegetation, and other factors.

The SMFPD, with a significant area within its jurisdictional boundary being a part of the wildland-urban interface, is taking steps on multiple fronts to aid in the safeguarding of the communities it serves. Some of these efforts include (but are not limited to) the following:

- Targeted vegetation management program
- Conducting multiple public education events annually
- Providing inspection services
- Processing and permitting new construction and improvement projects

- Partnering with the Southern Marin Community Emergency Response and NRG teams
- Offering neighborhood chipper events
- Creating fuel breaks and buffer zones in high-risk areas

8.0 TAMALPAIS COMMUNITY SERVICES DISTRICT

8.1 OVERVIEW

The Tamalpais Community Services District (TCSD) was established in 1967 as an independent special district under Section 61000 of the California State Government Code. The District provides wastewater, solid waste management, and parks and recreation services to the unincorporated community of Tamalpais Valley which makes up a portion of the census-designated place (CDP) of Tamalpais-Homestead Valley. The full CDP includes the unincorporated communities of Tamalpais Valley, Homestead Valley, Almonte, and Muir Woods Park. The community is considered by the County of Marin as part of the greater Richardson Bay planning area¹.

The District is a member agency of the Joint Powers Agency of the Sewerage Agency of Southern Marin, and also contracts for service with the Sausalito-Marin City Sanitary District for wastewater treatment. The District's jurisdictional boundary encompasses just under 3.02 square miles. The last municipal service review that included the TCSD was conducted in 2011.

Table 8-1: Tamalpais Community Services District Overview

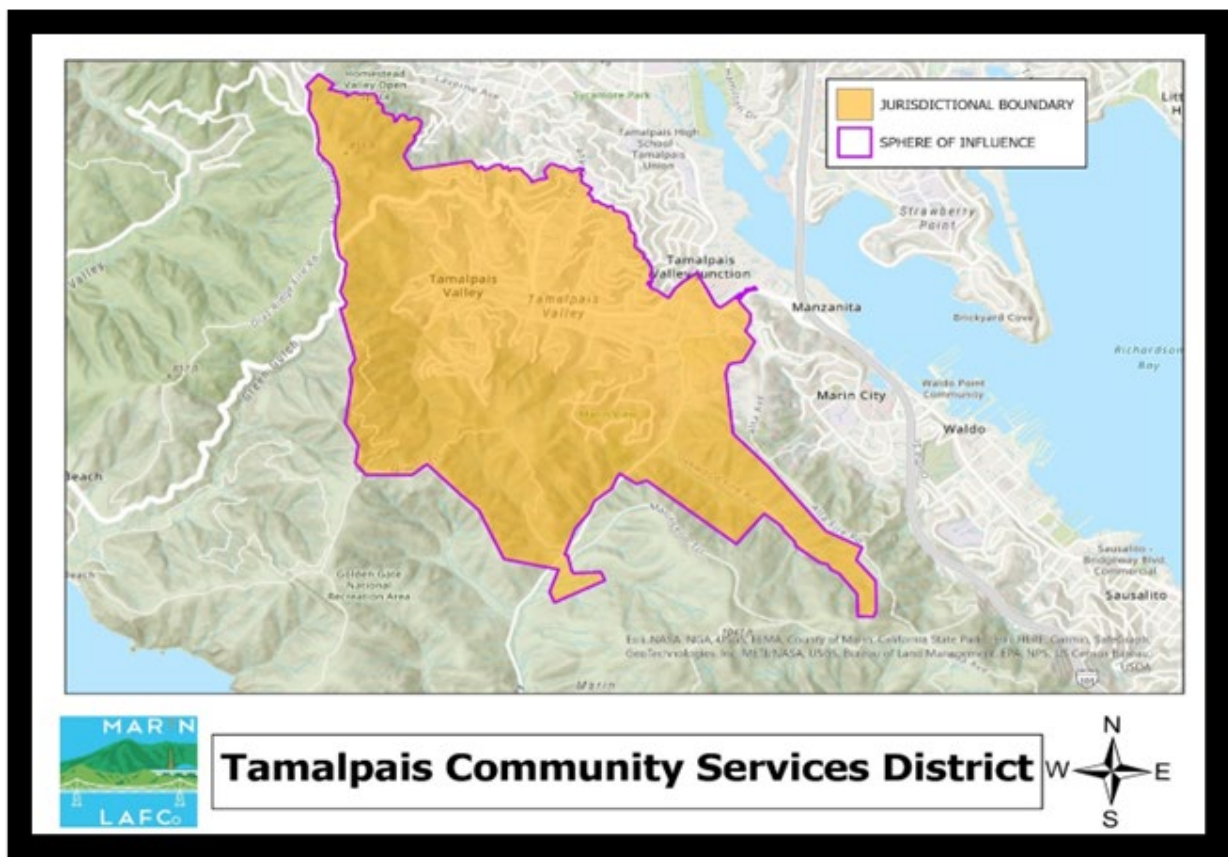
Tamalpais Community Services District			
Primary Contact:	Garrett Toy	Phone:	(415)-388-6393
Mailing Address:	305 Bell Lane, Mill Valley, CA 94941		
Formation Date:	August 4, 1967		
Services Provided:	Wastewater Collection, Solid Waste Management, Parks and Recreation		
Service Area:	1,933 acres	Population Served:	≈7,000

8.2 FORMATION AND DEVELOPMENT

The Tamalpais Community Services District was formed in 1967, but the District's original service roots date back to 1954 when the Tamalpais Valley Sanitary District was formed. The original sanitary district was petitioned in 1966 to be reorganized as a community services district primarily out of the desire of residents within the District to be able to increase the public availability of parks, recreation, and open space preservation in the community. This came following the purchase of an 11-acre property at 203 Marin Avenue by the Tamalpais Valley Improvement Club (which was also the entity that penned and submitted the petition). The original petition states the following reasons for the reorganization request:

“1. There is a great need for recreation and park facilities in Tamalpais Valley. The Tamalpais Valley Improvement Club has purchased eleven acres suitable for a park and recreation facility. 2. The district proposed is the most effective, efficient, and equitable way to construct park and recreation facilities on this land, and will also aid long-range planning for both park and recreation as well as sanitation facilities in our community. 3. The natural and feasible area for such long-range planning is the entire watershed of the Tamalpais and Tennessee Valleys.”

On August 4, 1967, the Certificate of Completion was received from the California Secretary of State for the reorganization by way of detaching territory from the Sausalito-Marín City Sanitary District and dissolving of the Tamalpais Valley Sanitary District in order to complete the formation of the Tamalpais Community Services District with the activated powers of wastewater collection, solid waste management, and parks and recreation. In 1968, The Hall, which is now referred to as the Tamalpais Valley Community Center, was constructed by the Tamalpais Valley Improvement Club (TVIC) and opened to residents. In 1994, TVIC signed a 50-year lease with the District to manage the property and the community center. In 2017, TCSD purchased the community center and land from TVIC for the agreed upon price of \$1 as well as agreement for the construction of a new historical archive room by the District, which has since been completed adjacent to the community center. The agreement was made “... in order to keep the Community Center in use for the public benefit in perpetuity.”²



8.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Tamalpais Community Services District’s jurisdictional boundary encompasses approximately 3.02 square miles of unincorporated lands within the census-designated place of Tamalpais-Homestead Valley. Marin LAFCo has no record of changes in the District’s jurisdictional boundary. In 2005, the District’s leadership began exploring the possibility of annexation of lands within the jurisdictional boundary of the Almonte Sanitary District strictly for the purposes of expanding its recreation services. The area would have included the commercial area east of Shoreline Highway at Tam Junction and the Manzanita/Heliport areas. TCSD inquired to Marin LAFCo about the process and how to proceed. The action was staunchly opposed by both the leadership of the Almonte Sanitary District as well as the Almonte District Improvement Club. In addition, LAFCo as a matter of best practice does not encourage two districts that provide the same municipal service to have overlapping jurisdictional boundaries. Ultimately, the District decided against formally moving forward with any application for annexation.

The District’s sphere of influence was established by Marin LAFCo in 1983 as being an “interim sphere” that is coterminous with its jurisdictional boundary. The sphere was last reaffirmed in 2005.

8.4 GROWTH AND POPULATION

The Tamalpais Community Services District jurisdictional boundary encompasses an apportionment of the census-designated place (CDP) of Tamalpais-Homestead Valley. According to 2020 U.S. Census Redistricting Data, the population of the Tamalpais-Homestead CDP is 11,492, which is approximately a 7% increase from the 2010 population number of 10,735³. The most recent census data shows the CDP to have 4,678 total housing units, with 218 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the Community Plan make the area essentially built out. While the U.S. Census Bureau does not directly recognize the community of Tamalpais Valley, population estimates for the community are approximately 7,000 residents. The two agencies that provide the District with wastewater treatment, the Sausalito-Marín City Sanitary District and the Sewerage Agency of Southern Marin, each have sufficient remaining treatment capacity to support the District’s wastewater collections at the currently projected buildout.⁴ In the past five years (scope of the study window) the District has only added a total of four service connections for wastewater collection.

8.5 MUNICIPAL SERVICES

Wastewater Collection

TCSD provides wastewater collection to the residents and businesses within its jurisdictional boundary. The majority of the collections flow to the Sausalito-Marín City Sanitary District’s (SMCSD) treatment plant, with the remainder flowing to the Sewerage Agency of Southern

Marin’s (SASM) treatment plant. A map of the District’s collection system showing the areas that flow to each treatment plant can be seen below in Figure 8-1. The District is one of the six member-agencies that make up the Joint Powers Agency of SASM, along with the City of Mill Valley, Alto Sanitary District, Almonte Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District. The treatment plant is jointly owned by each of the six member agencies, with the different agencies' ownership shares measured in equivalent dwelling units (EDU) of the treatment plant’s capacity. An EDU has been determined in the joint powers agreement to be the “average flow of wastewater produced by a single-family equivalent dwelling unit, which has been agreed equates to 200 gallons per day.” The TCSD is allocated at 0.01%, or 252 EDUs.

The District currently has 2,180 service connections, with 2,161 of those consisting of residential connections, 16 being commercial, and three additional connections for Muir Woods, Tamalpais Elementary School, and the community fire station. The system’s infrastructure consists of approximately 29 miles of gravity sewer line, four miles of force main, and four pump stations. The average age of the District’s sewer lines is approximately 67 years, and is in need of rehabilitation. In 2020, the District enlisted the services of Nute Engineering to assist in the formulation of an accelerated Capital Improvement Program. This accelerated program was adopted in August of 2020, and provides the District with a five-year road map of capital improvement projects.

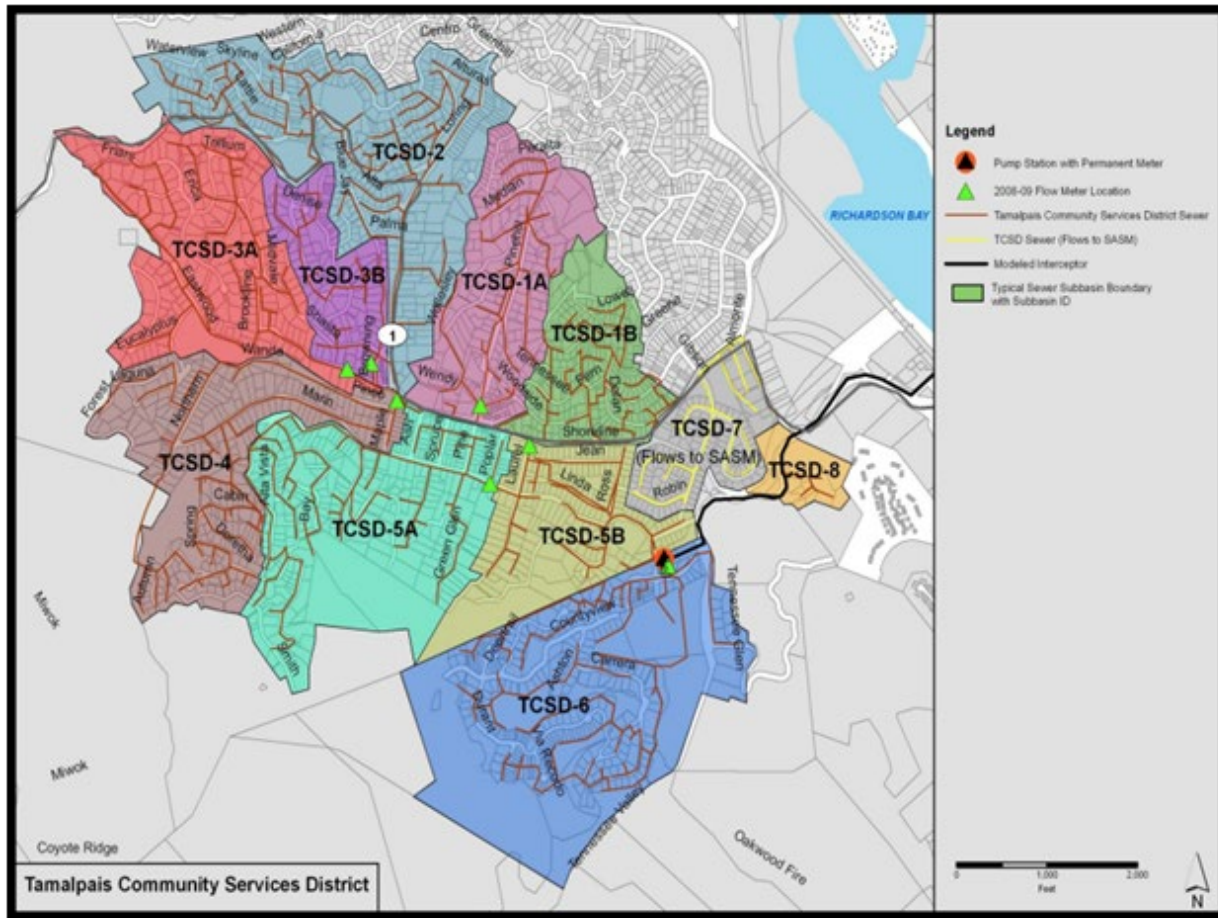
On May 12, 2021, the District updated its five-year sewer rate plan. The charges for service fund the District’s sewer collections operations and capital improvements. The plan runs through FY 2025/26, at which time the District will engage in a new rate study and completion of the Proposition 218 process. The current charges for annual sewer service can be seen below in Table 8-2.

In 2017, the District and the Sausalito-Marín City Sanitary District (SMCSD) had unresolved disputes over the interpretation of a number of terms and conditions contained within the two district’s 2013 services agreement which led to the filing of a complaint by SMCSD and a cross-complaint by TCSD in the Marin County Superior Court. On June 11, 2018, SMCSD and TCSD submitted their disputes to mediation. The two agencies reached a settlement during the course of mediation of all the disputes that was ultimately agreed to by both of the district’s Board of Directors. In February of 2020, both of the districts accepted the updated settlement agreements into an amended and restated agreement which supersedes and replaces the 2013 agreement that the districts had been operating under.

Table 8-2: TCSD Sewer Service Rate Schedule

	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Base Sewer System Charge	\$1,374.88	\$1,429.86	\$1,487.04	\$1,546.52	\$1,608.40
Usage Charge	\$33.42	\$34.74	\$36.12	\$37.56	\$39.06

Figure 8-1: TCSD Wastewater Treatment Plant Flow Designation Map



Parks and Recreation

The District’s initial petition to reorganize from a sanitation district to a community services district was born out of the community’s intrinsic value in parks, recreation, and open space preservation. Today, the Tamalpais Community Services District continues to prioritize its parks and recreation service provisions with renewed emphasis on long-term planning. In September of 2020, the Board of Directors for TCSD approved a contract for services with the consulting firm, Management Partners, to specifically review and make recommendations for the sustainability and growth of the District’s parks and recreation services. The consultants returned to the District in February of 2021 with a full study of the District’s parks and recreation services that included a list of 23 recommendations. The primary recommendations made included the creation of a one-year and five-year strategic plan, as well as the formation of a 25-year master plan.

In April of 2021, the Board adopted the District’s first financial reserves policy specifically for parks and recreation of maintaining two-months of operating expenditures in reserves, per the consultant’s recommendation. In June of 2021, the Board held a work session to examine the District’s operations with the intention of working towards a five-year plan. In October of 2022,

the Board conducted another work session at which time District staff reported on the status of the progress of each of the 23 recommendations that the 2021 study had contained. Most recently, in December of 2022, the Board adopted an ordinance establishing the TCSO Parks and Recreation Commission (as well as the Commission’s powers and duties) and replacing the Parks and Recreation Advisory Commission. In early 2023, the Board and staff plan to convene for a retreat at which time the initial discussions of the 5-year strategic plan are set to take place.

TVCSD provides a variety of community classes and programs as well as a number of annual community events. The District maintains eight major parks and recreation facilities. The facilities are listed below:

- Tam Valley Community Center
- Cabin Facility
- Kay Park
- Eastwood Park
- Hawk Hill
- Jim Knott Park
- Flamingo Park
- McGlashan Park

The District makes four of the listed facilities, specifically the Community Center, Eastwood Park, Kay Park, and the Tennessee Valley Cabin, available for private rentals. The District owns a total of 54 parcels of open space and miscellaneous lands that amount to approximately 46 acres. Within these areas, the District also maintains a number of trailheads, access points, and open space. The District works in close concert with local volunteers to procure grant funding for open space maintenance and wildland fire fuel management. Since 2010, the District has received over just under \$500,000 from State and Federal grants to address fire mitigation within the District’s jurisdictional boundary. The District also had a Tree Inventory and Management Plan completed in June of 2019 by Bartlett Tree Experts. The inventory and plan includes the areas of Kay Park, McGlashan Park, Eastwood Park, the Cabin Facility, and the area surrounding the Community Center.

Solid Waste Management

Tamalpais Community Services District provides solid waste management to both commercial and residential properties within its jurisdictional boundary. While most other small special districts in Marin County and elsewhere throughout the state that offer solid waste management typically do so by way of a contract for services with an outside agency, TCSO is fairly unique in providing this service by way of its own staff and collection fleet in house. The District provides residential collection services, commercial collection services, and other services such as drop-off programs for E-waste, sharps, batteries, and other items, as well as collection day events for paper shredding, green waste, and household debris. The District staff that is dedicated solely to waste management services operates the fleet of solid waste collection vehicles that are customized to navigate the narrow roads and steep terrain within the District’s boundary. The District also provides services to a handful of hard-to-service residences with a small pickup truck.

The District adopted its current rate schedule for solid waste management services in May of 2018⁵ after enlisting the services of R3 Consulting Group to perform a Financial Plan and Rate Study. The rate schedule is in place from FY 2018-20 – FY 2022-23. The rates for FY 2020-21 – FY 2022-23 can be seen below in Figure 8-2.

Figure 8-2: TCSD Solid Waste Rate Schedule

SERVICE*	FY 2020-21 CHARGES	FY 2021-22 CHARGES	FY 2022-23 CHARGES
SMALL CART SERVICE RESIDENTIAL (35-GAL)	\$789.06/YR	\$852.20/YR	\$920.36/YR
LARGE CART SERVICE RESIDENTIAL (1, 65-GAL OR 2, 35-GAL)	\$1,191.34/YR	\$1,286.66/YR	\$1,389.58/YR
1 LG & 1 SM CART SERVICE RESIDENTIAL (1, 65-GAL + 1, 35-GAL)	\$1,616.36/YR	\$1,745.68/YR	\$1,885.32/YR
TWO LARGE CART SERVICE RESIDENTIAL (2, 65-GAL)	\$2,023.18/YR	\$2,185.04/YR	\$2,359.84/YR
ADDITIONAL 65-GAL CARTS (3+)	\$1,213.20/YR	\$1,310.24/YR	\$1,415.06/YR
1.44 CUBIC YARD BIN	\$5,227.70/YR	\$5,645.90/YR	\$6,097.58/YR
**HILL (SURCHARGE)	\$32.76/YR	\$35.38/YR	\$38.22/YR
**PRIVATE DRIVEWAY (SURCHARGE)	\$76.44/YR	\$82.56/YR	\$89.16/YR

8.6 ORGANIZATION STRUCTURE

Board of Directors

The Tamalpais Community Services 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. Over the course of the last 10 years (five Board of Directors election cycles), the District’s Board of Directors has experienced minimal turnover with a total of two new Board Members in that span with no directors needing to be appointed by the Marin County Board of Supervisors.

Table 8-3: Tamalpais Community Services District Board of Directors

Member	Position	Term Expiration
Matt McMahon	President	December 2024
Jeff Brown	Vice-President	December 2026
Steffen Bartschat	Director	December 2024
Steven Levine	Director	December 2024
James Jacobs	Director	December 2026

Administration

The Board of Directors of TCSD appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager conducts the day-to-day management of the District as specified by Board policy, and is supported administratively by an Assistant General Manager. The General Manager also oversees the work of the Superintendent, and Programs and Finance Manager, and District Clerk, who oversee the remaining full and part-time staff members as well as contract workers. In total, the District employs 13 full-time equivalent (FTE) employees.

8.7 ACCOUNTABILITY AND TRANSPARENCY

The Tamalpais Community Services District makes a concerted effort to maintain high accountability and transparency with all its activities. The TCSD website (www.tamcsd.org) provides documentation and information on Board meetings, financial reports, services, facility rentals, contracts, sewer system management plan, and more. At this time the District is meeting, if not exceeding, all the transparency requirements of special districts for the State of California.

Meeting and Agendas

The TCSD Board of Directors meets regularly on the 2nd Wednesday of each month at 7:00 p.m. at the Tam Valley Community Center at 203 Marin Drive in Mill Valley. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the TCSD website (tamcsd.org/board-of-directors).

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.

8.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years), TCSD has maintained increases in total net position each year for both governmental activities and business-type activities, with the one exception coming in FY 2017-18 with the decrease in net position coming as a result of the District implementing Governmental Accounting Standards Board Statement No. 75 (GASB 75). The District's funds are reported in a manner that separates governmental activities and Business-type activities. Governmental activities include services financed mainly through property taxes. The District's parks and recreation, community center services, and Measure A services comprise its governmental activities. Business-type activities include services financed, in whole or in part, by fees paid by those who directly benefit from the service. The District's business-type activities include wastewater collection and treatment and solid waste collection and disposal.

The District's revenues have outpaced expenditures in each of the past four fiscal years, by an annual average of approximately \$2.4 million. The average annual operating revenues for the District over the five-year period were \$7,188,304. The primary revenue sources for the District amongst governmental activities are property taxes (75%) and charges for services (12%) with operating grants and contributions supplementing the District's total revenues at approximately 10%. The primary revenue source for the District amongst the business-type activities is charges for service (98%). The primary annual operating expenses for TCSD are contract services as well as salaries and wages. The projected total revenue for the District for fiscal year 2022-23 is \$9,679,600. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 8-4.

Table 8-4: TCSD Operating Revenues and Expenditures

Operating Revenue	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average
Charges for Services	\$4,352,764	\$5,131,875	\$5,852,402	\$7,099,748	\$7,395,570	\$5,966,472
Operating Grants	\$50,195	\$162,645	\$35,291	\$69,403	\$141,986	\$91,904
Capital Grants			\$876,984			\$175,397
Property Taxes	\$789,385	\$870,414	\$915,534	\$970,319	\$997,750	\$908,680
Investment Earnings	\$4,699	\$7,911	\$8,979	\$45,693	\$62,677	\$25,992
Miscellaneous	\$51,396	\$24,746	\$12,257	\$7,905	\$5,994	\$20,460
Total	\$5,245,439	\$6,197,591	\$7,701,447	\$8,193,068	\$8,603,977	\$7,188,304

Operating Expenses	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Averages
Parks and Recreation	\$1,095,406	\$1,287,036	\$1,049,513	\$1,102,747	\$1,091,026	\$1,125,146
Community Center	\$31,068	\$37,858				\$13,785
Measure A	\$52,661	\$40,375	\$26,321	\$77,839	\$57,958	\$51,031
Sanitation	\$2,827,448	\$2,687,274	\$3,896,471	\$4,061,134	\$4,033,004	\$3,501,066
Refuse	\$1,648,879	\$1,894,997	\$1,719,462	\$1,743,854	\$1,628,023	\$1,727,043
Total	\$5,655,202	\$5,947,540	\$6,691,767	\$6,985,574	\$6,810,011	\$6,418,019

Debt

As of June 30, 2020, TCSD was carrying \$3,471,632 in long-term liabilities. This amount is not inclusive of net pension, other post-employment benefits (OPEB), and compensated absences liabilities. The sources of the District's long-term liabilities are outlined below.

- 2013 Loan Agreement** - In December of 2013, the District entered into a loan agreement with Municipal Finance Corporation for the purpose of refinancing the costs to upgrade and replace certain wastewater collection improvements to the District's sanitation enterprise system. The District also entered into a loan agreement with Municipal Finance Corporation at the same time for the purpose of obtaining financing for the acquisition and construction of additional enterprise facilities consisting generally of sewer line replacements and improvements to the inflow and infiltration system. Municipal Finance Corporation assigned both loans to City National Bank. The loans carry note payable in semi-annual principal and interest payments of \$204,884 and \$17,737 respectively.
- 2020 Loan Agreement** - In May of 2020 the District entered into a loan agreement with Mercedes-Benz Financial Services for the purpose of obtaining financing for the acquisition of two refuse collection trucks. The note payable in annual principal and interest payments of \$44,804 annually.
- Net Pension Liability** - The TCSD provides a pension plan for employees and is part of the Marin County Employees' Retirement Association (MCERA). MCERA provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2020, the TCSD's Net Pension Liability was \$1,304,834. TCSD's pension-funded ratio is approximately 88%.
- Other Post-Employment Benefits (OPEB)** – TCSD provides other post-employment benefits to its retirees. As of June 30, 2020, the District carried a Net OPEB liability of \$1,674,934. There are 18 total employees, both active and inactive, within the District's OPEB plan.
- Compensated Absences** – The District provides its employees with different forms of paid leave. As of June 30, 2021, the total liability of the District's compensated absences totaled \$130,317.

Financial Audit

The Tamalpais Community Services District annually has its financial statements audited and contracts with an outside accounting firm, Croce, Sanguinetti, & Vander Veen. The most recent publicly available audited financial statement was prepared for the fiscal year ending June 30, 2020.

8.9 SUSTAINABILITY

Local agencies such as the Tamalpais Community Services District play a critical role in protecting natural resources and the environment. Extended periods of drought and increasingly unpredictable climate patterns have significantly increased the importance for local agencies to step up their own conservation and long-term planning measures as well as making a concerted effort towards higher levels of public outreach.

The District has recently taken an aggressive approach to expedite the rehabilitation of its collection system infrastructure. This prioritization towards the replacement of aging pipes will assist the District in minimizing future sewer system overflows that can have significant ecological impacts.

9.0 MARIN CITY COMMUNITY SERVICES DISTRICT

9.1 OVERVIEW

The Marin City Community Services District (MCCSD) was established in January of 1958 as an independent special district. The MCCSD jurisdictional boundary is composed of approximately 0.6 square miles of Marin County’s southern Highway 101 corridor. The district serves a population of approximately 2,993¹ persons. The District’s most recent inclusion in a municipal service review came in April of 2004 in the Southern Marin Service Review and Sphere of Influence Update. The primary function of MCCSD is to provide parks and recreation, solid waste disposal, and street lighting services to the census-designated place (CDP) of Marin City.

Table 9-1: Marin City Community Services District Overview

Marin City Community Services District			
Primary Contact:	Juanita Edwards	Phone:	(415)-332-1441
Headquarters:	640 Drake Avenue, Marin City, CA		
Formation Date:	January 27, 1958		
Services Provided:	Parks & Recreation, Solid Waste Disposal, Street Lighting		
Service Area:	384.5 acres	Population Served:	2,993

9.2 FORMATION AND DEVELOPMENT

The census-designated place (CDP) of Marin City was founded in 1942, when housing was built for employees who worked at the nearby Marinship Corporation during World War II, building ships for the war effort. Marinship was one of many early 1940’s emergency shipyards established on the West Coast to fuel America’s need for oil tankers and war cargo ships. In the early 1940s, many African Americans migrated from southern states such as Louisiana and Mississippi in search of shipbuilding work after being excluded from higher-paying industrial jobs back home as it was not uncommon for a shipbuilder to make in an hour what they formerly would make in a day back in the South. Shipbuilding had gained a reputation as steady work that paid generous wages and included family housing, and it was ultimately these benefits that made the lengthy migration worthwhile². The community of Marin City was formed by building housing, churches, and schools to accommodate the influx of approximately 6,000 newly arrived workers.

Despite such a diverse workforce and blossoming community, racial discrimination was rampant within the Marinship organization. Workers of color were only allowed as “auxiliary” members to the Boilermakers Union, which meant they were unable to vote on union matters and received smaller insurance benefits³. In November of 1943, African American Marinship workers from

Marin City as well as Richmond and Oakland all went on strike and refused to pay their auxiliary member dues. This matter went all the way to the Supreme Court and in 1945 it was found that it was “readily apparent that the membership offered to minorities is discriminatory and unequal.” Marinship ultimately closed in May of 1946 and as the war wound down, African American employment also plummeted. In July of 1945, approximately 20,000 African American Marinship workers were employed, and by September of the same year, there were less than 8,000. When Marinship ultimately closed, many African American Marin City residents found they could not afford to leave, and those that could afford it were unable to relocate due to the discriminatory rental and homeowner statutes that stipulated against renting to minorities that were common throughout the Bay Area until the 1960s.

On February 16, 1944, residents formed the Marin City Council, Inc., in an effort to provide basic services to Marin City residents. The Marin City Community Services District (MCCSD) was formed in January of 1958 under California State Government Code section 61000 with the activated service powers of providing recreation, parks and landscape management, street lighting, and solid waste management.

In the early 1990s, MCCSD gave up its lease of land used for a flea market in order to allow for the implementation of the Marin City Redevelopment Plan. At that time the operation of the flea market provided the District with its largest source of revenue. The Redevelopment Plan included financing for a variety of public infrastructure improvements and facilitated the development of the Gateway Shopping Center. In return, it was agreed that the District revenues from the flea market would be replaced by a percentage share of profits from the operation of the Gateway Shopping Center. The Gateway Shopping Center, however, did not prove to produce the level of profit that had been anticipated, and as such those revenues did not flow to the District. Additionally, the increased property tax revenue from the development of the shopping center did not flow to the District, but rather to the Redevelopment Agency to finance the cost of public improvements. The County of Marin provided loans to the District to continue operation at a minimal level until the sale of the Gateway Center was completed in 2003. The terms of sale included a lump-sum distribution to MCCSD of \$450,000 over three years.

In 2004, the District started planning for the development of a new state-of-the-art community center to replace the existing Manzanita Center. In 2009, a Master Plan for the project was developed and submitted to the County of Marin for approval. The proposed project’s cost was approximately \$30 million. In early 2010, the proposed project was deemed economically unfeasible by District staff and the Board of Directors due to the economic downturn. As such, the focus shifted to renovating in a more phased manner with the top priority in the process being a new gymnasium and teen center.

In 2014, the District, in partnership with the Trust for Public Land, broke ground on a 1.095 acre plot of land in Marin City that would be developed into the community’s first and only outdoor recreational space, Rocky Graham Park. The development of the park was made possible by way of a grant in the amount of \$4.93 million from the Proposition 84 California Parks Bond Act. The construction of the park was completed in May of 2015 and today the park is managed

9.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Marin City Community Services District’s service boundary, which currently encapsulates just over 384 acres, includes all of the residential area of the census-designated place of Marin City. The entirety of the District’s western border is contiguous with the jurisdictional boundary of the Tamalpais Community Services District. The District’s boundary is separated from the City of Sausalito to the southeast by Highway 101. Previously, MCCSD staff has reported that the District’s board has explored expanding the jurisdictional boundary to include the unincorporated houseboat area and commercial center immediately to the north of the City of Sausalito’s boundary at Gate 6 (which is currently within the City’s sphere of influence). To date, no application has been submitted to LAFCo.

The District’s current jurisdictional boundary surrounds a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as “inhabited territory” that constitutes all or a portion of a disadvantaged community. “Inhabited territory” may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by “commission policy”.

The District’s sphere of influence was originally set by Marin LAFCo in 1984 as an “interim” sphere of influence as the Marin City community was included in the sphere of influence of the City of Sausalito with the anticipation of the continued operation of MCCSD until the annexation of Marin City to the City of Sausalito which then would have dissolved the District and its services into the City. In 2004, Marin LAFCo concluded that annexation of the area to the City of Sausalito was improbable and designated a coterminous sphere of influence for the District with its boundary and simultaneously removed the District from the sphere of influence of the City of Sausalito. The sphere of influence was last reaffirmed in 2010.

9.4 GROWTH AND POPULATION

The Marin City Community Services District jurisdictional boundary encompasses the entirety of the census-designated place (CDP) of Marin City. According to 2020 U.S. Census Redistricting Data, the population of the Marin City CDP is 2,993, which is approximately a 12% increase from the 2010 population number of 2,666¹. The most recent census data shows the CDP to have 1,337 total housing units, with 34 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the current Community Plan make the area essentially built out. Since 2000, only 28 units have been added to the planning area, making the annual residential unit additions approximately 1.4 units per year.

9.5 MUNICIPAL SERVICES

Recreation and Parks

The Marin City Community Services District offers the residents within its jurisdictional boundary assorted recreation programs and facility rentals. Programs are offered by way of community partnerships, independent contractors, and in-house staff. Some of the programs offered by the District include:

- Boxing/Fitness Class
- Teen Social Group
- Midnight Basketball
- Intergenerational Garden
- Computer Classes
- Zumba Dance Class
- Sunshine Club – Senior Social Group

One of the District’s biggest strengths is its collaborative efforts with other local entities, both public and private, throughout Marin County in order to offer as many opportunities as possible to residents within the District. Some of the local partners the district works in concert with include:

- Age Friendly Sausalito
- Marin Center for Independent Living
- Innovative Health and Human Services
- Vivalon
- Marin City Library
- Dominican University
- County of Marin Health and Human Services
- Zero Waste Marin

As well as the main Community Center location, the District also oversees the programming of the area of Rocky Graham Park. The District has a cooperative operations agreement with the Marin County Parks Department for maintenance and needed improvements of the park.

Solid Waste Management

The District contracts with Bay Cities Refuse for residential and commercial trash removal and recycling services. The current contract for services was entered into in March of 2019 and is good for ten years, with an option to review the terms in year eight. As part of the contract for services, Bay Cities Refuse also provides street-sweeping services within the District.

9.6 ORGANIZATION STRUCTURE

Board of Directors

The Marin City Community Services District has a five-member board that is elected to four-year terms through an at-large election. As of the writing of this document, the Board has one vacant seat that has been open since May of 2022. All directors are required to live within the District’s jurisdictional boundary. Over the course of the last 10 years (five Board of Directors election cycles), the District’s Board of Directors has experienced fairly regular turnover with a total of six new Board Members being either elected or appointed in that span. In addition, a recent occurrence has been noticed. Both in 2020 and 2022 they have not had enough candidates filing to run for office which is causing the Board of Supervisors to make an appointment to fill empty seats.

The Board of Directors meets regularly on the 1st Thursday of each month at 6:30 p.m. at the Marin City Community Center located at 640 Drake Avenue in Marin City.

Table 9-2: Marin City Community Services District Board of Directors

Member	Position	Term Expiration
Lynettegenluaf	Chair	November 2024
Henry Mm	Vice-Chair	November 2024
Terrie Geen	Director	November 2026
Angela Hnes	Director	November 2026
Kevin Das	Director	November 2026

9.7 ACCOUNTABILITY AND TRANSPARENCY

The Marin City Community Services District has made great strides recently in increasing its public transparency. During the initial meetings that Marin LAFCo staff had with MCCSD staff in preparation for this municipal service review, the District’s website was shown to be out of compliance with numerous State requirements for public agencies as well as being fairly informationally outdated. The District worked with LAFCo in finding a new website provider that works specifically with public agencies and ensures they are compliant with all current requirements and regulations and updated the website to its current state. The MCCSD website (www.marincitycsd.com) provides information on Board meetings, financial reports, district history, district staff, and more. While the District has made a good faith effort to make the necessary change to be in compliance with the minimum requirements by state law, further public transparency could be offered with the addition of the District’s budgets for the current and recent fiscal years as well as Board meeting minutes and Board meeting agenda packet materials. The District is also aware of and actively working towards ensuring that the uploaded documents on its site are compliant with the Americans with Disabilities Act (ADA).

Meeting and Agendas

The MCCSD Board of Directors meets on the 1st Thursday of each month at 6:30 p.m. at the Marin City Community Center located at 640 Drake Avenue in Marin City. Special meetings are held as needed to go over specific topics such as the annual budget. Meeting agendas can be found on the MCCSD website (www.marincitycsd.com/board-meetings).

Annual Budget Review

The District's budget, 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 Bookkeeper produces monthly reports on expense activity that assist the General Manager in monitoring activities and programs. These reports are reported to the Board every month to assure budgetary compliance.

9.8 FINANCIAL OVERVIEW

Revenue sources for the MCCSD come primarily from grants and contributions from outside agencies, accounting for an average annual revenue percentage of approximately 74% over the past five fiscal years. This figure becomes a bit skewed towards the latter stages of the study window due to the inclusion of the anomalistic Prop 84 funding. That average will also be impacted in the near term by the recent exhausting of the Marin City Community Services District Trust Fund. In June of 2013, the County of Marin Established the Marin City Community Services District Trust Fund with the proceeds from the sale of the Gateway Shopping Center. When initially established, the fund reserved \$774,932 for MCCSD operations. Annual payments were made of \$115,000. The balance of this fund was exhausted in June of 2020.

The other main source of revenue for the District is its apportionment of the 1% of property tax that it receives, as well as Measure A funding and charges for services and rentals. Over the course of the study window, the District has seen revenues outpace expenditures in three of the five fiscal years. As of the writing of this document, despite a good faith effort on the part of LAFCo staff to collect financial documentation from the District as well as collaboration with the District's auditor over the course of the past nine months, the District has been unsuccessful in providing LAFCo with the requested copies of its adopted operating budgets for any fiscal year within the study window. As such, determining the specific sources of annual operating income as well as the expenditures has been rendered to a certain level of ambiguity without the full picture provided by viewing the District's annual finances at a line-item level. One of the more recent recommendations made by the District's auditor that the auditor has reported that the District has implemented is that "... the Board participate in the District budget process and help put in place policies that facilitate the District's ability to overtake the negative fund balances." The auditor reported in July of 2021 that the District had implemented this recommendation for the General Fund, but there were two other funds with deficit fund balances still needing to be addressed.

Debt

At this time, the District does not utilize long-term debt to fund operations or growth. The MCCSD provides a pension plan for employees and is part of the Marin County Employees' Retirement Association (MCERA). MCERA provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the MCCSD Net Pension Liability was \$0.

The District grants employees' vacation and sick leave in varying amounts. In the event of retirement or termination, an employee is reimbursed at full salary rates for accumulated vacation days. The current portion of accumulated vacation and sick leave is recognized in the General Fund. All compensated absences are accrued when incurred in the government-wide financial statements. The liability for accrued vacation, administrative, and compensatory time off leave was \$7,346 for the year ended June 30, 2021.

Financial Audit

The Marin City Community Services District annually contracts with an outside accounting firm, most recently R.J. Ricciardi, Inc., to audit the District's financial statements in accordance with established governmental accounting standards. The firm has been the District's auditor for the past seven fiscal years and has made several financial best practices recommendations to the District in that time span. In addition to the recommendations made, when auditing the financial statements for the fiscal year ending June 30, 2018, the auditing firm was compelled to include a disclaimer of opinion, stating, "Marin City Community Services District does not maintain accounting records sufficient to assure that all transactions are recorded. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the assets and liabilities of Marin City Community Services District and changes in their net position are recorded in the financial statements referred to above. We were unable to obtain sufficient appropriate audit evidence about the completeness, accuracy and occurrence of revenue and expense accounts or subsequent events by other auditing procedures. In addition, we were unable to obtain written representations from management of the Marin City Community Services District as required by generally accepted auditing standards. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph." In the three fiscal years following this disclaimer, the auditor has received the necessary documentation to confidently offer an opinion on the District's financial statements as having presented fairly in all material respects.

Some of the most recent recommendations that the accounting firm has made that have been implemented by the District include the following:

- Recommendation that the District implement policies and procedures to maintain copies of employee's timesheets to substantiate labor costs and to complete employee personnel records.
- Recommendation that the District develop an operating reserve of at least \$250,000 through budget monitoring and reducing expenses when possible (in process).

- Recommendation that the District keep and maintain copies of all checks, check stubs, and related supporting documents for all checks and revenues received by the District.

The most recent audited financial statement was prepared for the fiscal year ending June 30, 2021.

Table 9-3: Marin City Community Services District Financial Audit Summary

Revenues	FY 2021	2020-20	FY 2019-19	FY 2018-18	FY 2017-17	FY 2016-16
Taxes	\$484,903	\$350,224	\$428,910	\$197,420	\$162,640	
Grant and Contributions	\$624,439	\$980,654	\$762,947	\$1,178,729	\$2,127,336	
Total Revenues	\$1,109,342	\$1,330,878	\$1,191,857	\$1,376,149	\$2,289,976	
Expenditures						
Services and Supplies	\$1,351,485	\$1,102,739	\$902,188	\$1,872,757	\$1,691,763	
Total Expenditures	\$1,351,485	\$1,102,739	\$902,188	\$1,872,757	\$1,691,763	
Change in Net Position	\$(242,143)	\$228,139	\$289,669	(\$496,608)	\$598,213	

10.0 SAUSALITO-MARIN CITY SANITARY DISTRICT

10.1 OVERVIEW

The Sausalito-Marin City Sanitary District (SMCSD) was established in 1950 as an independent special district under Section 6400 of the California State Government Code. The District provides wastewater conveyance and treatment to the City of Sausalito by way of a 1953 services agreement and wastewater collection, conveyance, and treatment to unincorporated areas, primarily the census-designated place of Marin City, within the District’s jurisdictional boundary. Additionally, the District maintains contracts for wastewater conveyance and treatment service with the Tamalpais Community Services District and the National Park Service including Fort Baker, Fort Barry, Fort Cronkite, the Marine Mammal Center, and the Cavallo Point Resort.

The District’s jurisdictional boundary encompasses just under 3.4 square miles. The last municipal service review that included the SMCSD was conducted in 2004.

Table 10-1: Sausalito-Marin City Sanitary District Overview

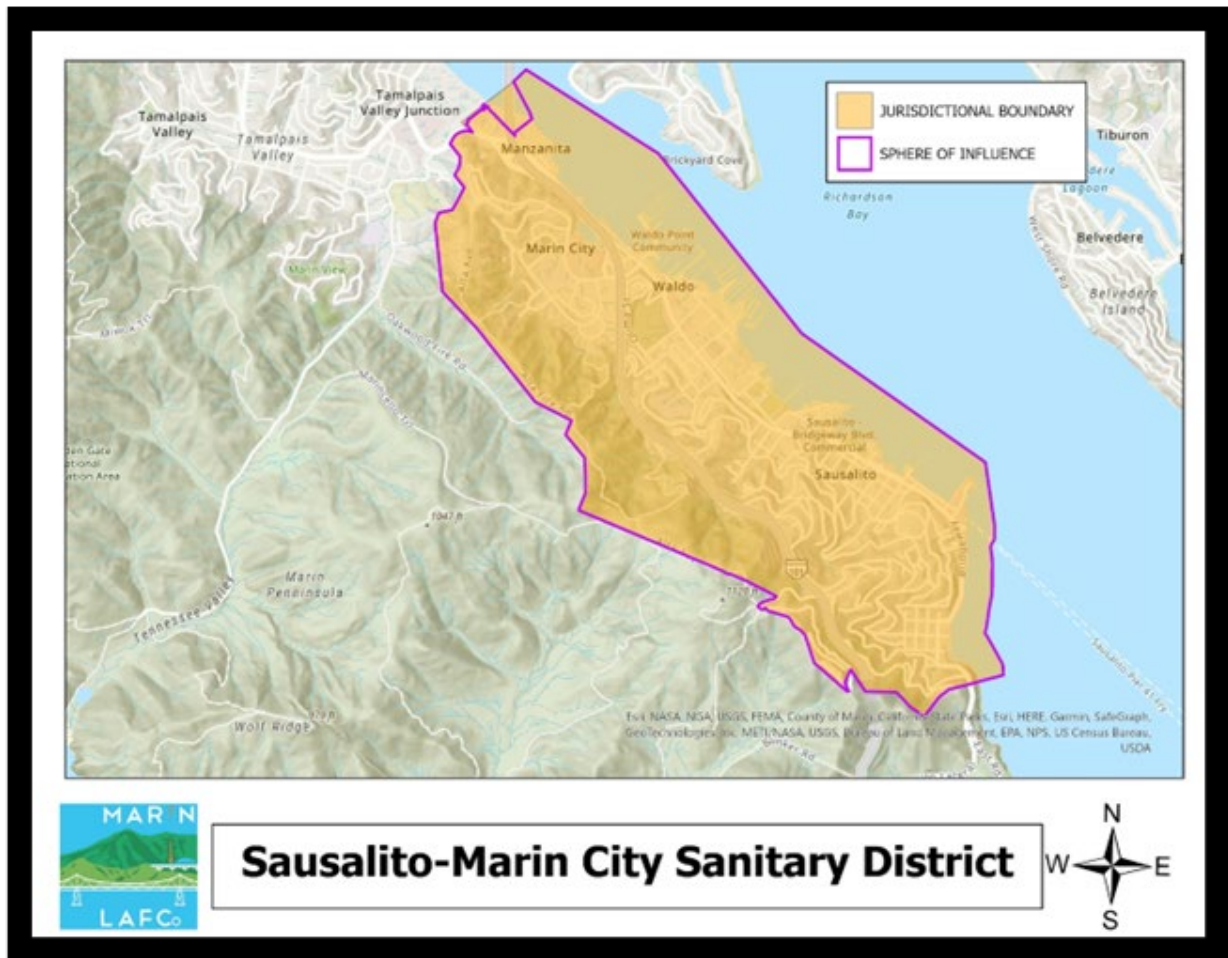
Sausalito-Marin City Sanitary District			
Primary Contact:	Jeffrey Kingston	Phone:	(415)-332-0244
Mailing Address:	1 East Road, Sausalito, CA 94965		
Formation Date:	1950		
Services Provided:	Wastewater Collection, Conveyance, and Treatment		
Service Area:	2163 acres	Population Served:	≈18,000

10.2 FORMATION AND DEVELOPMENT

The Sausalito-Marin City Sanitary District was formed in 1950 out of a necessity to accommodate the influx of workers who had migrated to the area during World War II to work for the nearby Marinship Corporation building ships for the war effort. By the late 1940s, the Marin City community area had seen an influx of approximately 6,000 newly arrived workers, and the community of Marin City was taking shape by way of the building of housing, churches, and schools. The City of Sausalito also saw a nearly 40% growth in population from 1940 to 1950. The SMCSD treatment facility was constructed in 1953 at 1 East Road, just south of the jurisdictional boundary of the City of Sausalito, on land that was at that time under the jurisdiction of the United States Army. The Army authorized the construction of the facility and an easement in 1953 that was updated in 1967 for a 50-year term to accommodate the facility’s secondary treatment upgrade project. The area of the treatment facility, as well as other surrounding areas of Fort Baker and the Marin Headlands, had their easements transferred to the

National Park Service on March 10, 1986. The District recently renewed its property lease agreement with the National Park Service which continues in effect through 2049.

The original facility consisted of a primary treatment plant and a system of pump stations and lines. A sludge dewatering facility was added in 1974. The facility underwent a major renovation in 1987 in order to increase capacity needs and comply with state and federal regulatory requirements. These upgrades included the addition of a secondary treatment with fixed film reactors on top of the new secondary sedimentation tanks. Two contact tanks were constructed to improve the facility's chlorination/dechlorination processes, and a sludge thickener and secondary digester were added to better manage the flow of solids. Most recently, the District completed a major renovation of the facility in 2020 to address updated discharge regulations, better manage peak wet weather flows, and improve the treatment plant's performance and reliability. The upgrade increased the plant's secondary treatment capacity to 9 million gallons per day (MGD) and increased tertiary treatment capacity to 6 MGD.



10.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Sausalito-Marín City Sanitary District’s jurisdictional boundary encompasses approximately 3.4 square miles of both incorporated lands in the City of Sausalito as well as unincorporated Marin County. Marin LAFCo has no record of changes in the District’s jurisdictional boundary.

The District’s current jurisdictional boundary surrounds a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as “inhabited territory” that constitutes all or a portion of a disadvantaged community. “Inhabited territory” may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by “commission policy”.

The District’s sphere of influence was established by Marin LAFCo in 1984 as being coterminous with its jurisdictional boundary. The sphere was amended in 2005 to be an interim sphere of influence designation coterminous with the District’s existing jurisdictional boundary. The purpose of the interim designation was to “...express this Commission’s expectation that Sausalito-Marín City 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.”

10.4 GROWTH AND POPULATION

The Sausalito-Marín City Sanitary District jurisdictional boundary encompasses the entirety of the jurisdictional boundary of the City of Sausalito as well as the census-designated place (CDP) of Marin City and another smaller area of unincorporated territory to the north of Sausalito (primarily floating homes). According to 2020 U.S. Census Redistricting Data, the population of the Marin City CDP is 2,993, which is approximately a 12% increase from the 2010 population number of 2,666¹. The most recent census data shows the CDP to have 1,337 total housing units, with 34 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the current Community Plan make the area essentially built out. Since 2000, only 28 units have been added to the planning area, making the annual residential unit additions approximately 1.4 units per year. According to 2020 U.S. Census Redistricting Data, the population of the City of Sausalito is 7,269, which is approximately a 2.9% increase from the 2010 population number of 7,061. The City is shown to have 4,425 housing units, with 433 of those units being vacant. The maximum development allowed by the current General Plan policies would give the City 5,134 dwelling units. While SMCS D’s wastewater infrastructure has the capacity to support growth within the planning area that is beyond the planning area’s potential buildout², minimal growth is projected in the area.

The District's total equivalent dwelling units (EDU) served has only increased by a total of 13 over the course of the study window (past five fiscal years).

10.5 MUNICIPAL SERVICES

Wastewater Collection and Treatment

SMCSD provides wastewater conveyance, treatment, and disposal to all residents and businesses within its jurisdictional boundary. Although the City of Sausalito is within the District's current boundary, the District provides sewer service to the City as well as operates and maintains the four pump stations owned by the City by way of a services agreement that was formed in 1953. The District also maintains agreements for conveyance and treatment service with the Tamalpais Community Services District and the National Parks Service including Fort Baker, Fort Barry, Fort Cronkhite, the Marine Mammal Center, and Cavallo Point Resort. The District has experienced zero sanitary sewer overflows in the past five years.

In addition to the conveyance, treatment, and disposal provided to the other previously mentioned areas, the District provides collection services to the unincorporated areas within its jurisdictional boundary, primarily the census-designated place of Marin City. The District oversees the operations, maintenance, and capital improvements of the sewer collection system in the unincorporated territory within its jurisdictional boundary, as well as the seven pump stations that it owns. The District engaged in a significant rehabilitation of that system in 2012, rehabilitating approximately 36% of the system in total.

The District currently has 7,241 service equivalent dwelling units (EDU), with 5,728 of those consisting of residential EDU and 1,513 being commercial. On July 8, 2019, the District updated its five-year sewer rate plan. The charges for service fund the District's operations and capital improvements. The plan runs through FY 2023/24, at which time the District will engage in a new rate study and completion of the Proposition 218 process. The current charges for annual sewer service and the supplementary charges for collections services to unincorporated residents can be seen in Table 10-2.

In 2017, the District and the Tamalpais Community Services District (TCSD) had unresolved disputes over the interpretation of a number of terms and conditions contained within the two district's 2013 services agreement which led to the filing of a complaint by SMCSD and a cross-complaint by TCSD in the Marin County Superior Court. On June 11, 2018, SMCSD and TCSD submitted their disputes to mediation. The two agencies reached a settlement during the course of mediation of all the disputes that was ultimately agreed to by both of the district's Board of Directors. In February of 2020, both of the districts accepted the updated settlement agreements into an amended and restated agreement which supersedes and replaces the 2013 agreement that the districts had been operating under.

In June of 2020, the District and the City of Sausalito completed a [Phase 1 Feasibility Study](#) by way of a contracted consulting firm to explore the possibility of consolidating the City's collection services and infrastructure to the District. The study ultimately recommended two options for the agencies: formal consolidation or, as an alternative, an updating of the current service agreement with a potential expansion of the current scope of services. Phase 2 of the

feasibility study, the Operational Plan, has also been completed. Most recently on October 11th, a presentation by City staff (as well as the study’s consultant) presented at the Sausalito City Council Meeting and informed the Council that after the recent televising and review of the City’s collection system, it appears that the City’s collection system is in need of approximately \$18 million in repairs. With the City’s current revenue of \$1.7 million annually, improvements can be accomplished over a 14-year period (not including possible inflation costs). The information presented by the City was neither confirmed or agreed to by the District prior to presentation and both the cost and term of improvements need to be resolved prior to any further consolidation process. The terms of the report and approach to consolidation are to be further evaluated as consolidation efforts proceed. A joint committee of members from the City and the District is continuing to meet to consider the recommendations, with the hope that a final decision will be reached in the near future.

Table 10-2: SMCSD Sewer Service Charges for Conveyance and Treatment Only

Customer Class	FY 2019/20	FY 202/21	FY 2021/22	FY 2022/23	FY 2023/24
Single-Family	\$866	\$906	\$942	\$970	\$999
Multi Family	\$771	\$793	\$824	\$849	\$875
Floating Homes	\$659	\$683	\$710	\$731	\$753
Non-Residentia	\$866	\$906	\$942	\$970	\$999

10-3: SMCSD Collection Supplemental Charge for Unincorporated Areas (Additional to Conveyance)

Customer Class	FY 2019/20	FY 202/21	FY 2021/22	FY 2022/23	FY 2023/24
Single Family	\$192	\$198	\$220	\$291	\$387
Multi Family	\$169	\$174	\$194	\$256	\$341
Floating Homes	\$144	\$148	\$165	\$218	\$290
Non-Residentia	\$192	\$198	\$220	\$291	\$387

10.6 ORGANIZATION STRUCTURE

Board of Directors

The Sausalito-Marín City 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. Over the course of the last 10 years (five Board of Directors election cycles), the District’s Board of Directors has experienced minimal turnover with a total of two new Board Members in that span with one being appointed by the Marin County Board of Supervisors.

Table 10-4: Sausalito-Marín City Sanitary District Board of Directors

Member	Position	Term Expiration
Dan Rhner	President	December 2026
Williaing	Vice-President	December 2024
Ann Art	Director	December 2026
Donaldeers	Director	December 2024
James Dano	Director	December 2026

Administration

The Board of Directors of SMCS D appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager conducts the day-to-day management of the District as specified by Board policy, and is supported administratively by a Board Secretary/Office Manager. The General Manager also oversees the work of the Operations Superintendent, and District Engineer, who oversee a total of seven other employees. In total, the District currently employs 10 full-time equivalent (FTE) employees.

10.7 ACCOUNTABILITY AND TRANSPARENCY

The Sausalito-Marín City Sanitary District makes a concerted effort to maintain high accountability and transparency with all its activities. The SMCS D website (www.sausalitomarincitysanitarydistrict.com) provides extensive documentation and information on Board meetings, financial reports, services, history, contracts, sewer system management plan, and more. At this time the District is meeting, if not exceeding, all the transparency requirements of special districts for the State of California.

Meeting and Agendas

The SMCS D Board of Directors meets regularly on the 1st Tuesday of each month at 12:00 p.m. by virtual meetings until further notice. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the SMCS D website (www.sausalitomarincitysanitarydistrict.com/about-us/board/agendas-and-minutes/).

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.

10.8 FINANCIAL OVERVIEW

Over the course of the study window (past five fiscal years), SMCSO has maintained increases in total net position each year, with an average annual increase over that span of 4.46%. Strictly operationally, the District's revenues have outpaced expenditures in each of the past five fiscal years, by an annual average of approximately \$2.4 million. The average annual operating revenues for the District over the five-year period were \$9,004,426. The primary revenue sources for the District are sewer service charges (70%) and service contracts (23%) with property taxes supplementing the District's total revenues at approximately 6%. The primary annual operating expenses for SMCSO are salaries and benefits (60%), operations and maintenance (30%), and general and administrative costs (10%). The projected total revenue for the District for fiscal year 2022-23 is \$10,471,493. A breakdown of the past five years of operational revenues and expenses can be seen below in Table 10-4.

The District maintains fiscal reserve policies that were most recently updated by the Board of Directors in 2018. The reserve policy takes a five-pronged approach to ensuring the multiple areas of the District are prepared for any sort of funding shortage. The different reserves are as follows:

- Operating – Provides working capital for operating expense cash flow during the year. Target balance threshold of six-months of annual operation and maintenance expenses. Minimum balance threshold equivalent to two months of annual operation and maintenance expenses. Also funding to cover any restricted reserve obligations.
- Capital – Provide capital for major capital projects in 10-year capital program. Target balance threshold equivalent to 1.5 times the average annual 10-year CIP expense. Includes debt service payments. Minimum balance threshold equivalent to funding to cover the 10-year capital improvement program debt service and other restricted reserve obligations.
- Repair and Replacement – Provide capital for renewal and replacement of equipment and appurtenances assets. Target balance threshold of two-years annual renewal replacement costs. Minimum balance threshold equivalent to one-year of average annual renewal and replacement costs.
- Disaster Recovery – Provide additional capital funding for emergency recovery until long-term funding is arranged from rate increases, loan, or debt. Target balance threshold of one-year of average annual 10-year capital improvement program cash-funded capital expense. Minimum balance threshold of \$1,250,000.

- Self-Insurance and Deductible – Provide funding for the deductibles of the various insurance policies carried by the District. Target balance threshold of \$100,000 to be adjusted if there are changes to policy coverages or deductibles. Minimum balance threshold of \$100,000.

Table 10-5: SMCSO Operating Revenues and Expenditures

Operating Revenue	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Averages
Service Charges	\$6,081,006	\$6,284,135	\$6,386,328	\$6,530,609	\$6,762,935	\$6,409,003
TCSO Service Contract	\$1,648,912	\$2,409,451	\$2,893,082	\$2,107,451	\$2,201,773	\$2,252,134
NPS Service Charges	\$158,683	\$263,569				\$84,450
Sausalito Service Contract	\$78,820	\$367,710	\$102,851	\$116,347	\$228,568	\$178,859
Other Operating Revenues	\$2,845	\$1,621	\$79,438	\$212,822	\$132,176	\$85,780
Total	\$7,970,266	\$9,315,486	\$9,443,699	\$8,967,229	\$9,325,452	\$9,004,420

Operating Expenses	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Averages
Salaries and Benefits	\$2,737,082	\$2,540,801	\$2,431,730	\$2,697,454	\$2,860,733	\$2,653,560
Plant Operations	\$647,082	\$799,129	\$817,482	\$827,007	\$856,276	\$789,395
Repairs and Maintenance	\$298,194	\$242,886	\$91,896	\$81,246	\$70,856	\$157,016
Permit Testing and Monitoring	\$54,394	\$53,508	\$68,430	\$57,587	\$66,851	\$60,154
Depreciation and Amortization	\$2,133,667	\$2,190,449	\$2,194,231	\$2,178,260	\$3,034,449	\$2,346,211
Utilities and Telephone	\$306,826	\$277,659	\$302,514	\$292,176	\$332,585	\$302,352
General Administrative	\$292,756	\$387,363	\$298,923	\$199,017	\$330,145	\$301,641
Total	\$6,470,016	\$6,491,795	\$6,205,206	\$6,332,747	\$7,551,895	\$6,610,332

Debt

As of June 30, 2021, SMCSO was carrying \$38,910,150 in long-term liabilities. This amount is inclusive of net pension and other post-employment benefits (OPEB) liabilities as well as

compensated absences. During the fiscal year 2020/21, the District paid off two long-term liabilities in full. The first was to the State Water Resource Control Board which was originally agreed to in August of 2011 to finance the Locust Street Pump Station Improvements project. The second was to City National Bank which was originally agreed upon in April of 2008 for the acquisition and construction of wastewater system improvements. The sources of the District's remaining long-term liabilities are outlined below.

- **2017 Revenue Bonds** - In April of 2017, the District issued \$33,630,000 in Series 2017 Revenue Bonds through the Marin Public Financing Authority. The bonds were issued to provide funds to finance capital improvements to the District's wastewater system and to provide a debt service reserve for the bonds, which may be funded through the deposit of a reserve surety, and to pay the costs of issuing the bonds. The bonds carry an interest rate ranging from 3.0% - 4.0% and are expected to be fully repaid in 2046.
- **Net Pension Liability** - The SMCSO provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee's years of service, age, and final compensation. As of June 30, 2021, the SMCSO's Net Pension Liability was \$3,893,670. The SMCSO's pension-funded ratio is approximately 79%.
- **Other Post Employment Benefits (OPEB)** – SMCSO provides other post-employment benefits to its retirees. As of June 30, 2021, the District carried a Net OPEB liability of \$912,949. There are 24 total employees, both active and inactive, within the District's OPEB plan.
- **Compensated Absences** – The District provides its employees with different forms of paid leave. As of June 30, 2021, the total liability of the District's compensated absences totaled \$161,221.

Financial Audit

The Sausalito-Marín City Sanitary District annually has its financial statements audited and contracts with an outside accounting firm, Chavan and Associates, LLP. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2021.

10.9 SUSTAINABILITY

Local agencies such as the Sausalito-Marín City Sanitary District play a critical role in protecting natural resources and the environment. Extended periods of drought and increasingly unpredictable climate patterns have significantly increased the importance for local agencies to step up their own conservation and long-term planning measures as well as making a concerted effort towards higher levels of public outreach.

SMCSO operates its wastewater treatment facilities with a focus on long-term planning and programs designed to safeguard the local environment. The District's proactive approach to both regular maintenance as well as capital improvements helps to ensure the minimization of opportunities for any instance of sanitary sewer overflows. These efforts have aided the District in recording zero sanitary sewer overflows over the course of the study window.

11.0 COUNTY SERVICE AREA 14

11.1 OVERVIEW

Marin County Service Area 14 (CSA 14) is a dependent special district that provides parks and recreation services as well as open space management to the unincorporated community of Homestead Valley. The CSA is funded by a special assessment that was approved by the voters within the District's boundary in 2009 (Measure A) as well as an apportionment of the ad valorem within the jurisdictional boundary. The revenues accrued by the assessment are split between two local non-profits, The Homestead Valley Community Association (HVCA) and the Homestead Valley Land Trust (HVLTL), with 60% going to HVCA for maintenance and improvements to its Community Center and 40% going to HVLTL for wildland fire hazard reduction projects, ongoing vegetation management, trail maintenance, and trail improvements to open space areas, and park improvements to Three Groves and Stolte Grove. CSA 14 has a local advisory board that advises the Marin County Parks Department and the Marin County Board of Supervisors on all matters relating to its services in the CSA.

Table 11-1: County Service Area 14 Overview

County Service Area 14 Overview	
Primary Contact:	Jim Chayka, Superintendent Marin County Parks
Main Office:	3501 Civic Center Drive, Suite 260 San Rafael, CA
Contact Information:	(415)-473-3639
Formation Date:	December 12, 1967
Services Provided	Parks & Recreation, Open Space Management

11.2 FORMATION AND DEVELOPMENT

Marin County Service Area (CSA) 14 was formed on December 12, 1967, by way of the adoption of Resolution 9445 by the Marin County Board of Supervisors. The CSA was formed with the intention of preserving and maintaining the open space within the District's jurisdictional boundary. In the mid-1960s, there was a push by a private developer to develop a large apportionment of the land in the southern Marin Headlands. The proposed development, known as Marincello, was originally designed to form a new city in Marin County that would house upwards of 150,000 residents. Ultimately the development failed after multiple lawsuits as well as local protests. The land was eventually sold to the Nature Conservancy in 1972 for the newly established Golden Gate National Recreation Area.

With this attempt at large-scale development happening right in their backyard, the residents of Homestead Valley were eager to protect the natural environment surrounding their small community, so a group petitioned the Marin County Supervisors and in December of 1967, CSA

14 was formed with the activated powers of parks and open space maintenance. On September 18, 1973, the voters within the CSA's boundary passed a \$600,000 bond measure to purchase approximately 80 acres of land in conjunction with Marin County and the Trust for Public Land with a significant amount bordering the Golden Gate National Recreation Area. The Homestead Valley Community Association sold Brown's Hall on Miller Avenue, and with matching funds from Marin County, the site of the current Homestead Valley Community Center was purchased. Local residents also donated additional parcels of land, bringing the total to approximately 85 acres. After the purchase, all of the lands were deeded to the Marin County Open Space District. In 1974 the Homestead Valley Land Trust was formed in conjunction with CSA 14 and the County of Marin and the entity became the caretaker of the open space and parklands in Homestead Valley.

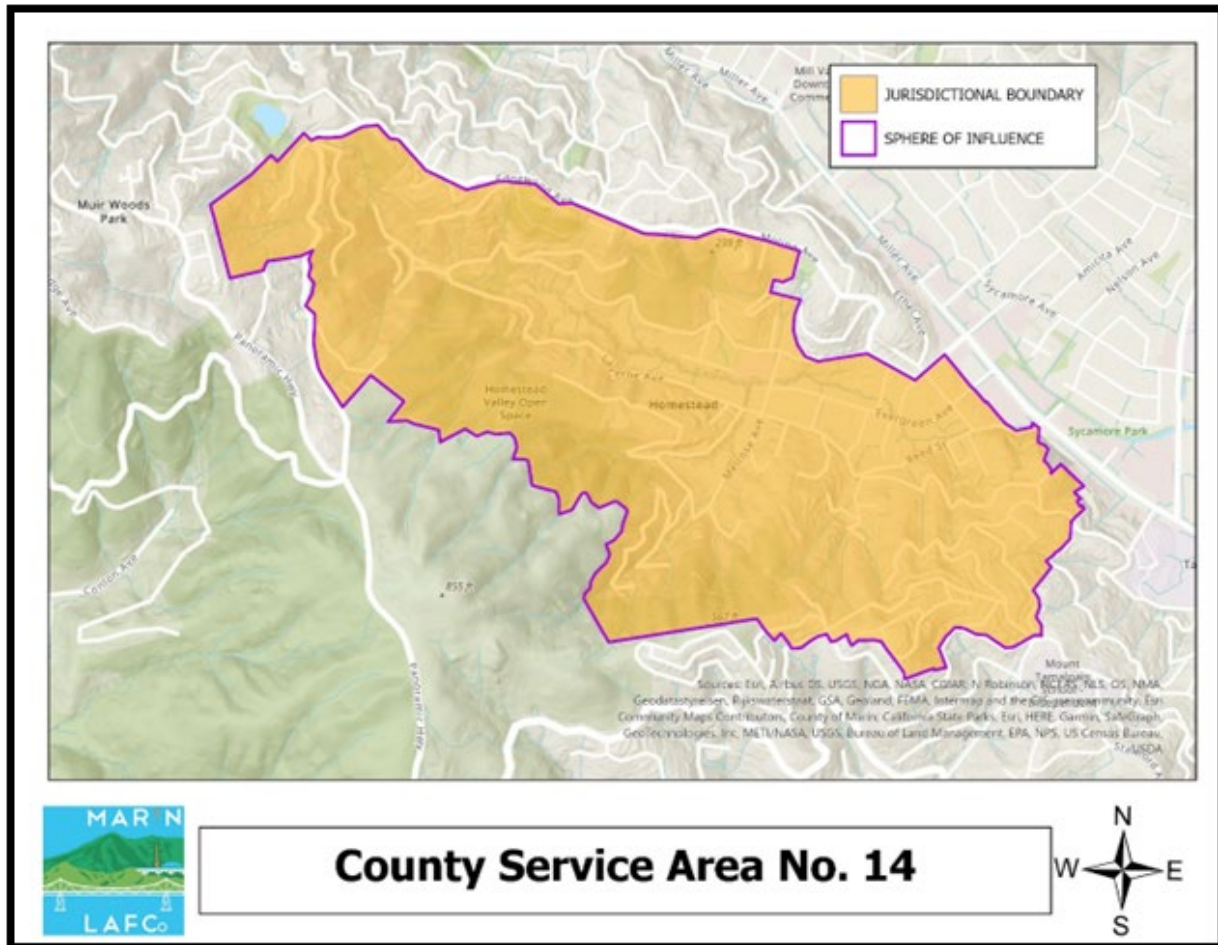
On September 28, 1976, the Homestead Valley Community Association entered into an agreement with the County of Marin to provide recreation programming in Homestead Valley. This agreement was updated in June of 1984. The agreement leases the Community Center to HVCA for \$1.00. In return, the HVCA is charged with the recruitment, hiring, supervision, and pay of a Program Director for the Community Center and its programs. The HVCA also agrees to develop recreation programming, as well as provide supervision and maintenance for both the pool located at the Community Center, as well as the Community Center itself.

In 1993, the voters within CSA 14 approved another bond measure totaling \$300,000 to provide improvements to the Community Center. These bonds were paid off in 2001. In 2009, the CSA voters approved a parcel tax measure, Measure A, to maintain open space, reduce wildland fire hazards, maintain and improve trails and parks, and renovate and update the Community Center. The tax is levied on every improved parcel within the CSA's boundary (952 parcels in total) for \$125 annually with an annual inflation increase of 2% with an agreed upon 60% of the proceeds going to HVCA and 40% of the proceeds towards HVLTL projects. The tax has no sunset.

In 2011, the County of Marin on behalf of CSA 14 agreed to a loan in the amount of \$925,000 to fund needed updates and renovations to the Community Center with the loan being serviced from the Measure A tax. In 2013, the Community Center underwent a \$1.2 million renovation including a new foundation. In 2020, Marin County arranged a combination of new financing as well as refinancing for the remaining balance on the 2011 financing (approximately \$545,487 at that time) for a total amount of \$1,339,000 to fund improvements to the Community Center Pool. In 2021, the Board of Supervisors approved an amendment to the financing amount due to additional costs to the project which updated the principal amount to \$1,417,475. The loan is serviced through Westamerica Bank for a term of 19.5 years at a fixed interest rate of 2.85%. The renovation was completed in 2022 and includes a new saltwater filtration system, patio, and changing rooms, among other updates.

11.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Marin County Service Area 14’s service boundary, which currently encompasses just under 472 acres (0.74 square miles), includes the entire unincorporated community of Homestead Valley. Approximately 40% of its jurisdictional boundary is contiguous with the City of Mill Valley. The District’s sphere of influence is coterminous with its jurisdictional boundary. The sphere of influence was originally established by Marin LAFCo in 1983, with the Commission expecting the CSA to eventually be annexed by the City of Mill Valley. The sphere of influence has not been amended since its original establishment.



11.4 GROWTH AND POPULATION

CSA 14’s jurisdictional boundary encompasses the unincorporated community of Homestead Valley which makes up an apportionment of the census-designated place (CDP) of Tamalpais-Homestead Valley. According to 2020 U.S. Census Redistricting Data, the population of the Tamalpais-Homestead CDP is 11,492, which is approximately a 7% increase from the 2010 population number of 10,735³. The most recent census data shows the CDP to have 4,678 total

housing units, with 218 of those units vacant. The remaining development potential in the planning area is minimal as current zoning regulations designated by the Community Plan make the area essentially built out. While the U.S. Census Bureau does not directly recognize the community of Homestead Valley, block group two within Marin County census tract 1282 approximately encompasses it. The population for the block group according to 2020 U.S. Census data is 2,222.

11.5 MUNICIPAL SERVICES

Parks and Recreation

As an extension of the County of Marin, CSA 14 has a written agreement with the Homestead Valley Community Association. In exchange for the County of Marin leasing the Community Center to HVCA for the charge of \$1.00, the HVCA agrees to provide the following services:

1. Recruit, hire, supervise, and pay a Director for the Community Center and its programs;
2. Develop a comprehensive recreation program to be operated at the Community Center, the Homestead Elementary School, and such other sites as the parties mutually upon;
3. Provide Supervision and maintenance for the pool located at the Community center;
4. Provide security and maintenance for the Community Center building and grounds.

In accordance with this agreement, the HVCA (by way of CSA 14 funding) provides the community of Homestead Valley with a wide array of community recreation programs for all ages year-round. The organization also hosts multiple community events throughout the year as well as an annual music festival. The HVCA makes multiple areas of the Community Center facility as well as the pool available for private party rental.

Open Space Management

Since its formation in 1974, the Homestead Valley Land Trust has been the custodian of the county-owned open space and parklands within CSA 14. In December of 2013, HVLT and the County of Marin executed a memorandum of agreement that helped to more clearly define the roles and responsibilities for the management of those lands. The agreement is in place for 10 years, with an update set to be discussed in the coming fiscal year. The agreement also facilitated the implementation of a Land Management Plan (LMP) specific to Homestead Valley. The LMP was adopted in 2014 and provides a comprehensive list of land management actions as well as procedures for prioritizing land management actions and developing annual work plans.

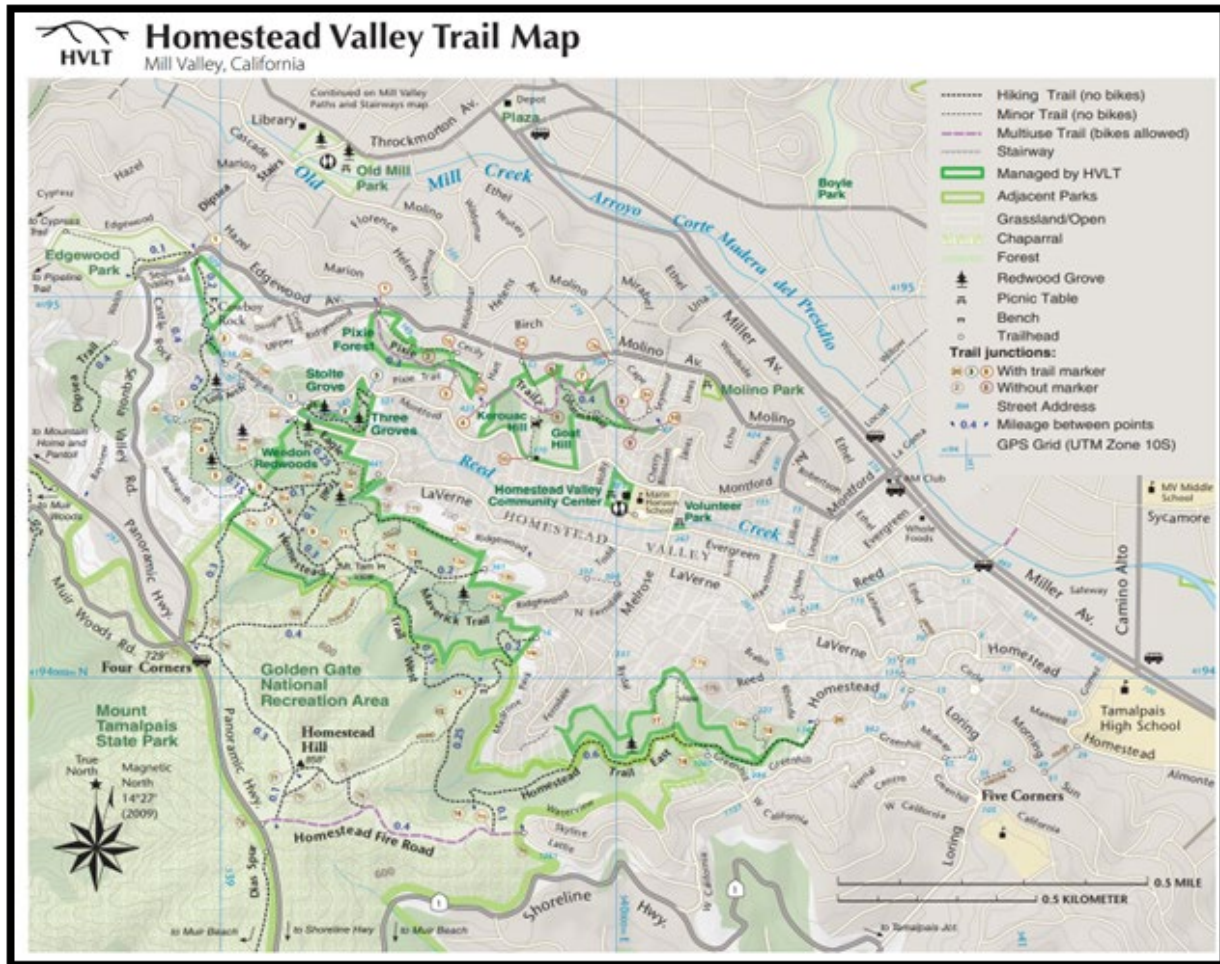
The HVLT is active throughout the CSA 14 boundary in numerous functions such as (but not limited to) the following:

- Fire fuel mitigation (including residential efforts such as chipper day programs and neighborhood debris boxes);
- Servicing local trails;
- Contracting tree professionals;
- Maintenance of the community's three parks: Stolte Grove, Three Groves, and Volunteer Park;

- Mitigation of invasive and non-native plants

In 2020, the HVLТ created a detailed map of the trails in and around the community of Homestead Valley in order to better educate residents on all of the opportunities afforded to them by all of the efforts of those involved in CSA 14. The map can be seen below in Figure 11-1.

Figure 11-1: Homestead Valley Trail Map



11.6 ORGANIZATION STRUCTURE

Board of Supervisors

As a dependent special district, the Marin County Board of Supervisors serves as the CSA’s governing body. The five-member Board of Supervisors meets the second and fourth Tuesday every month at 9:00 am in the County of Marin Civic Building located at 3501 Civic Center Drive, Suite 260 in San Rafael. The Board of Supervisors determines policy, adopts annual budgets, fixes salaries, and is responsible for overseeing mandated district functions as carried out by various county departments.

CSA 14 also has a local advisory board that is comprised of members who reside within the CSA’s boundaries. The advisory board is made up of seven members, four of whom are appointed by the Marin County Department of Parks and Open Space, one of whom is appointed by the Homestead Valley Sanitary District, one member appointed by the Homestead Valley Community Association, and one member appointed by the Homestead Valley Land Trust. The Board acts in an advisory capacity to Marin County Parks staff and the Board of Supervisors on matters relating to projects and programs that can be conducted with funding from the CSA 14 budget and that affect county land contained within the boundaries of CSA 14. The Advisory board typically meets twice a year, unless there is a need to schedule a special meeting for more urgent matters, with the first meeting generally on the third Thursday of February and the second meeting on the third Thursday of September. Advisory Board meetings are typically held at the Homestead Valley Community Center at 315 Montford Avenue in Mill Valley.

Table 11-2: Marin County Board of Supervisors

Member	Position	Term Expiration
Katie Rice	Supervisor	January 2, 2025
Stephanie Moulton-Peters	President	January 2, 2025
Dennis Rodoni	Vice President	January 2, 2025
Eric Lucan	Supervisor	January 2, 2027
Mary Sackett	2 nd Vice President	January 2, 2027

Table 11-3: CSA 14 Advisory Board

Member
Alan Cowan
Andy Stoelting
Devi Brown
Brian Spring
Leslie Dixon
Marabeth Grahame
Al Wuthnow

Staffing and District Operations

As a dependent district of the County, all administrative services are provided by County departments, including legal counsel and compilation of financial transaction reports for the State Controller’s Office required under Government Code Section 53891. CSA 14 is provided general oversight and management by the Marin County Parks Department with input and project guidance from the CSA 14 Advisory Board.

11.7 ACCOUNTABILITY AND TRANSPARENCY

When conducting service reviews, LAFCo considers an agency's accountability for community service needs, including governmental structure, operational efficiencies, financial resources, and promoting public access. Currently, while both the Homestead Valley Community Association and the Homestead Valley Land Trust each have their own websites that offer information on each of the entities, there is no dedicated page for CSA 14 itself (as is the case with multiple other CSAs in Marin County). As such, information such as meeting agendas and minutes is difficult to come by without a direct request for them to Marin County staff. While the County does offer a page within its own website that offers two links to different PDFs for information on special districts within Marin County, information on many of the CSAs is sparse, and the contact information listed is very dated, with all of the CSAs directing the public to Marin LAFCo's former web address that is no longer active. With that said, a number of the other CSAs that are under the umbrella of Marin County Parks offer a significant amount of information on the CSAs and their advisory boards within the Marin County Parks website. The HVCA has its Board meeting minutes posted on its website, however, the most recent posts are from October of 2021. The HVLT does not have meeting agendas or minutes available on its site.

11.8 FINANCIAL OVERVIEW

The funding for CSA 14's annual operating budget has two primary sources of annual revenue for the District. The first source is the voter-approved tax assessment, Measure A, which levies \$125 per parcel per year in the District's service area. The second source of revenue is the ad valorem property tax the District collects annually as well as the small amount of excess ERAF tax. Each of these sources produces approximately \$225,000 in revenue annually. The District's combined total projected revenues for FY 2022-23 are \$448,446. The HVLT and HVCA each present annual expenditure budgets to the CSA for review around February of each year. After review, the budget is submitted to the Board of Supervisors for approval. A breakdown of CSA 14's Measure A revenues and expenditures for the past 13 years as well as an estimate of the non-Measure A fund balance can be seen below in Figure 11-2.

Figure 11-2: CSA 14 Measure A Data

CSA 14 Measure A													
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actual	Actual	Actual	Actual	Budget
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22
Measure A Revenue	118,750	120,743	123,668	126,008	128,535	131,100	133,722	136,401	139,137	141,910	144,742	147,630	150,596
Measure A 60%	71,250	72,446	74,201	75,605	77,121	78,660	80,233	81,841	83,482	85,146	86,845	88,578	90,358
Measure A 40%	47,500	48,297	49,467	50,403	51,414	52,440	53,489	54,560	55,655	56,764	57,897	59,052	60,238
Loan proceeds, board contribution and plans recovery			925,000	150,000	2,920	0	0	0	0	0	0	0	0
Total Revenue	118,750	120,743	1,048,668	276,008	131,455	131,100	133,722	136,401	139,137	141,910	144,742	147,630	150,596
Measure A 60%		4,750	141,176	276,766	852,918	143,957	99,311	99,090	79,212	79,212	85,657	71,582	119,968
Measure A 40%		47,600	42,639	29,483	10,674	25,301	52,546	89,186	77,722	32,488	59,312	47,910	103,460
Total Expenses	0	52,350	183,815	306,249	863,592	169,258	151,857	188,276	156,934	111,700	144,969	119,492	223,428
Measure A 60% Balance	71,250	138,946	996,971	945,810	172,933	107,636	88,558	71,300	75,579	81,513	82,701	99,697	75,487
Measure A 40% Balance	47,500	48,197	55,025	75,945	116,685	143,824	144,767	110,141	88,074	112,350	110,935	122,077	82,455
Measure A Total Balance	118,750	187,143	1,051,996	1,021,755	289,618	251,460	233,325	181,450	163,653	193,863	193,636	221,774	157,942

At A Glance - Fund Balance	
FY2021 6/30 Fund Balance	526,159
FY2022 Revenue Budget	424,958
FY2022 Expense Budget	(543,866)
Unbudgeted Fund Balance:	407,251
Measure A 60%	75,487
Measure A 40%	82,455
6/30/2022 Estimate of Non Measure A Fund Balance	249,309

12.0 FLOOD CONTROL ZONE NO. 3

12.1 OVERVIEW

Flood Control Zone No. 3 (FCZ 3) is an area of the greater Marin County Flood Control and Water Conservation District that encompasses approximately 13.3 square miles surrounding Richardson Bay. The zone includes the City of Mill Valley as well as the unincorporated communities of Marin City, Alto, Sutton Manor, Almonte, Tamalpais Valley, Homestead Valley, and a majority of the community of Strawberry. The boundaries of FCZ 3 were formed by the Marin County Flood Control and Water Conservation District and approved by the Board of Supervisors. The Zone was established in 1956 in an effort to address the impacts of flooding in the area tributary to the upper end of Richardson Bay.

Flood Control Zone 3			
Primary Contact:	Hannah Lee, Senior Civil Engineer	Phone	(415)-473-2671
Main Office:	3501 Civic Center Drive, San Rafael		
Formation Date:	April 17, 1956		
Services Provided:	Reduce flood risk within its boundaries		
Service Area:	8,535 acres		
Population Served:	≈34,000		

12.2 FORMATION AND DEVELOPMENT

The Marin County Flood Control and Water Conservation District was established in 1953 by the State Legislature through the Marin County Flood Control and Water Conservation District Act. The boundaries of the District coincide with the County's boundaries, with the exception of the Town of Corte Madera not being included in the District. Within the District, several flood control zones have been created which are located principally in populated areas. The zones raise money through property taxes and assessment overrides. The zones fund their own flood control projects and contribute funds to the central administration of the Flood Control District. Funds raised within any particular zone may only be spent on efforts within that zone. Flood Control Zone 3 was formed on April 17th, 1956, in an effort to minimize the impacts of flooding events in a large apportionment of the Richardson Bay Watershed.

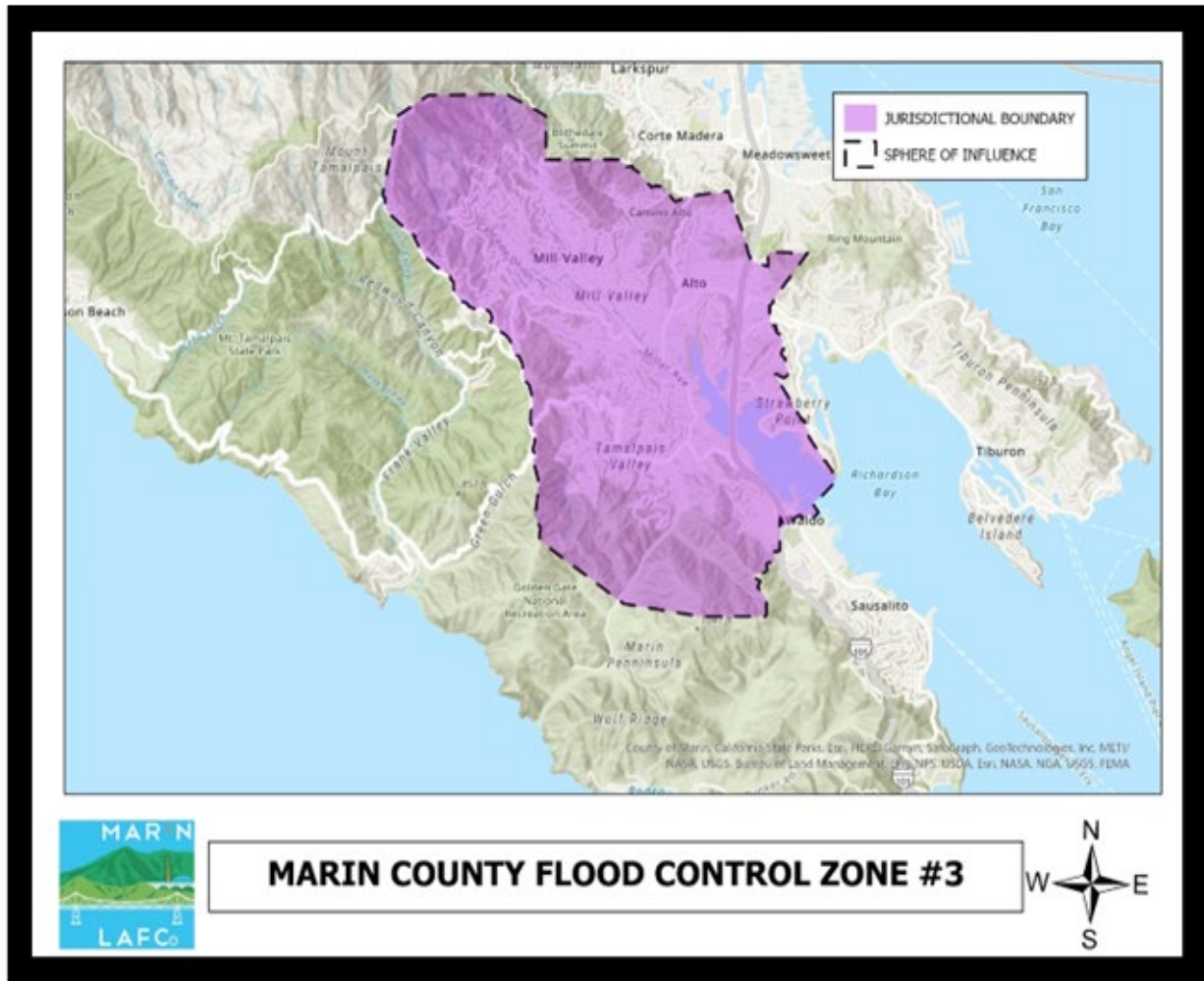
Since its formation, the Zone has annually performed impactful maintenance and larger-scale projects within its boundary, with some of the most impactful being the construction of pump stations at Cardinal Road, Marin Avenue, Shoreline Highway at Coyote Creek, and Ryan Creek. In addition to the significant infrastructure additions and maintenance work throughout the Zone, the District has been instrumental in a number of critical regional studies and planning

documents, many of which have led to significant project work, that have been both completed previously and some that are currently in progress. These studies/documents include (but are not limited to):

- Marin City Comprehensive Watershed and Flood Mitigation Plan (received an additional \$2 million in funding on January 24, 2023)
- Marin City Pond Flood Reduction Project
- Manzanita Area Flood Reduction Study
- Richardson Bay Shoreline Study
- Southern Marin Watershed Guide
- Coyote Creek Levee Evaluation Geotechnical Report
- Coyote Creek to Bothin Marsh Dredge Sediment Beneficial Reuse Feasibility Study
- Mill Valley Flood Management and Storm Drain Master Plan

12.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

FCZ 3's jurisdictional boundary encompasses approximately 8,535 acres (13.3 square miles). The Zone encompasses the entirety of the City of Mill Valley, as well as the unincorporated communities of Marin City, Alto, Sutton Manor, Almonte, Tamalpais Valley, Homestead Valley, and a majority of the community of Strawberry. Within the jurisdictional boundary lies the sub-watersheds of the Arroyo Corte Madera del Presidio, Ryan Creek, Sutton Manor/Alto/Strawberry, Marin City, and Coyote Creek, each draining to the Richardson Bay. FCZ 3's sphere of influence is coterminous with its jurisdictional boundary.



12.4 GROWTH AND POPULATION

Flood Control Zone 3 encompasses the City of Mill Valley as well as the unincorporated communities of Marin City, Alto, Sutton Manor, Almonte, Tamalpais Valley, Homestead Valley, and a majority of the community of Strawberry. According to the 2020 U.S. Census, the population of the City of Mill Valley is 14,231. The City is essentially built out at this time, with few remaining vacant lots zoned for development that have not already been given a prospective project designation. The census-designated place (CDP) of Marin City has a current population of 2,993. Based on the current zoning within the Community Plan, the CDP is primarily built out at this time. The CDP of Tamalpais-Homestead Valley encompasses the unincorporated communities of Tamalpais Valley, Homestead Valley, Almonte, and Sutton Manor. According to the 2020 Census, the population of the CDP is 11,492. The remaining development potential within the CDP is minimal as current zoning within the Community Plan makes the CDP essentially built out at this time. The CDP of Strawberry has a population of 5,447. While there is still some room for development in the northern pocket of the CDP, the majority of the community is essentially built out and shows little growth potential.

12.5 MUNICIPAL SERVICES

FCZ 3 provides a myriad of flood abatement services within its jurisdictional boundary. These services include (but are not limited to):

- Regular servicing of 13 pumps at five pump stations
- Maintenance of 1.3 miles of flood protection levees
- Maintenance of tide gates and trash racks
- Annual vegetation maintenance program along three miles of creek
- Periodic dredging of lower Coyote Creek to remove accumulated sediment in the concrete channel to improve flow conveyance

The Zone operates four pump stations: Ryan Creek pump station, Shoreline pump station, Cardinal Road pump station, and Crest Marin pump station. Within the Mill Valley city limits, the City and Zone 3 share some responsibilities for flood abatement. The City operates one pump station and numerous tide gates, and partners with the Zone in some of the creek maintenance efforts. The City also provides regular roadway and drain inspections. The area within the Zone includes the entirety or portions of the Coyote Creek Watershed, the Arroyo Corte Madera del Presidio Watershed, the Ryan Creek Watershed, the Sutton Manor/Alto/Strawberry Watershed, and the Marin City Watershed. Each of the watersheds contains unique topography and hydrological resources that present a multitude of challenges in the flood control efforts throughout the area. A description of each of these distinctive watershed areas is given below along with some of the broader issues the District faces in the area in its flood control efforts.

Ryan Creek Watershed – Ryan Creek flows only after storms and winds through a multitude of ditches, culverts, and pipes in the neighborhood south of Blithedale Avenue and east of Camino Alto in Mill Valley. Downstream of Nelson Avenue, Ryan Creek conveys flows in an open channel which is interrupted by short culverted sections at Camino Alto and two pathways at the Mill Valley Middle School. At the edge of the school, stormwater enters the intake of the Ryan Creek Pump Station where it is pumped into Richardson Bay. A concrete tidal barrier wall at the pump station equipped with a manually operated tide gate regulates tides within the creek. The watershed is impacted by the lack of extensive storm drains to move stormwater which results in ponding and, during intense rainfall, uncontrolled runoff flowing down gutters and streets. Additionally, some storm drain outfalls in areas of the creek are not equipped with tide gates making some low-lying areas upstream of these outfalls susceptible to tidal flooding.

Sutton Manor/Alto/Strawberry Watershed – A majority of the Sutton Manor/Alto/Strawberry Watershed lies within Zone 3's jurisdictional boundary. The watershed includes the Sutton Manor Creek Watershed and lands on the Strawberry Peninsula that drain directly through very small drainages into Richardson Bay. In addition to the street drainage system, major drainage facilities include a series of both earthen and concrete-lined open channels, pipes, culverts, and a wetland retention facility. Flows upstream of Ashford Avenue concentrate in a T-shaped ditch, then flow into a concrete-lined channel that discharges into a marsh adjacent to Hauke Park. The area is faced with a storm drain system that is undersized and easily overwhelmed by storm

runoff. Isolated ponding occurs in areas that are lacking storm drains, and extreme high tides can inundate roadways, trails, and parking lots along the Richardson Bay shoreline.

Marin City Watershed – The Marin City watershed is the southernmost watershed and consists mostly of the unincorporated community of Marin City with the National Park Service owning most of the upper watershed and the lower watershed is a mix of housing and commercial development. Small channels drain down the hillsides to the valley floor where they meet the developed areas and enter underground storm drain pipes which converge in a small marsh known as the Marin City Pond. Water levels in the pond can be manipulated by a manually controlled tide gate that drains into Richardson Bay. A second tide gate on the southeast side of the marsh controls drainage between the marsh and the Highway 101 off-ramp. Often times the Marin City Pond’s stormwater drainage can be limited by high tides. Additionally, the areas in the lower watershed are former tidal marshes and have subsided which inhibits draining, and causes localized ponding. Finally, while the trash racks in small channels collect debris which helps to reduce blockage of downstream pipes, the debris caught can block flow and flood the surrounding areas if there is a lack of regular debris cleaning, inspection, and maintenance. This has posed a consistent issue with the channel, trash rack, and stormwater drain residing outside of the public right-of-way.

Coyote Creek Watershed – The Coyote and Nyhan Creeks collect and convey stormwater runoff from the steep areas in the upper watershed through to the valley floor and join approximately a half mile from the Richardson Bay in a lowland area that was formerly a tidal marsh. This area is home to the Coyote Creek Flood Control Project, which was an effort to reduce frequent flooding by the U.S. Army Corps of Engineers that was completed in the 1960s. The project involved the construction of a concrete channel and earthen levee. This channel and levees area now the District’s responsibility for ongoing operation and maintenance. In the 1970s and 1980s, the addition of stormwater pump stations and floodwalls also helped to reduce flooding frequency. Within this watershed the flood control facilities require frequent maintenance to address the continued settlement of the levees, aging culverts and floodwalls, impeding vegetation, and sediment accumulation. Additionally, high tides regularly flood the area east of Shoreline Highway. While the original Coyote Creek Flood Control Project extended downstream past Shoreline Highway, the development of the lands behind the levees was never realized and the majority of the levee was not maintained to its original design elevation. This subsequent tidal flooding consistently leads to the closure of the Shoreline Highway, Manzanita Park-and-Ride lot, and the Mill Valley-Sausalito Pathway.

Arroyo Corte Madera del Presidio Watershed – The Arroyo Corte Madera del Presidio watershed collects and drains from the peak of Mount Tamalpais to the Pickleweed Inlet on Richardson Bay. The Cascade Creek, Old Mill Creek, Reed Creek, Warner Canyon Creek, and Arroyo Corte Madera del Presidio Creek (ACMPC) all flow within this area. The ACMPC can spill over its banks at relatively low flows, causing flooding of homes and businesses several times over the past century. With a large apportionment of the area having undersized storm drains and debris-choked pipes in combination with the differential settlement of inlets and

pipes, stormwater overflow throughout the watershed is a consistent issue. Finally, extreme high tides can frequently inundate low-lying areas near the shoreline.

12.6 ORGANIZATION STRUCTURE

Board of Supervisors

Flood Control Zone 3 was formed as a part of the dependent special district of the Marin County Flood Control and Water Conservation District with the Marin County Board of Supervisors as its governing body. County Supervisors are elected to four-year terms of office, with no term limits. The members are elected by district and they are required to live in the district they represent. The Board serves as the legislative and executive body of Marin County.

Table 12-2: Marin County Board of Supervisors

Member	Position	Current Term
Katie Rice	Supervisor	Expires January 2025
Stephanie Moulton-Peters	President	Expires January 2025
Dennis Rodoni	Vice-President	Expires January 2025
Eric Lucan	Supervisor	Expires January 2027
Mary Sackett	2 nd Vice President	Expires January 2027

Advisory Board

The FCZ 3 Advisory Board consists of seven members that are residents within the zone’s jurisdictional boundary and are appointed by the Board of Supervisors. Members serve four-year terms. The Board holds an annual meeting on the third Thursday of March. At the annual meeting, the Advisory Board and the District Engineer schedule additional regular meetings to be held throughout the year and as the date approaches if there is no business to be conducted, the meeting can be canceled by the Engineer by noticing the Advisory Board and providing a written update on the Zone activities. Special meetings may be called by the District Engineer as well as at the request of the Advisory Board president when needs dictate such actions. Current advisory board members can be seen below in Table 12-3.

Table 12-3: Flood Control Zone 3 Advisory Board

Member	Position
Garry Lion	Chair
Kevin Conger	Vice-Chair
Terrie Green	Member
John McCauley	Member
Charles Oldenburg	Member
Janice Bosenko	Member
Kim Rago	Member

Staffing and District Operations

As a dependent district of the County, all administrative services are provided by County departments, including legal counsel and compilation of financial transaction reports for the State Controller's Office required under Government Code Section 53891.

12.7 ACCOUNTABILITY AND TRANSPARENCY

Meeting and Agendas

Advisory Board meetings are held annually on the third Thursday of March as well as any additional meetings that are deemed necessary by the District Engineer or the Board Chair. Advisory Board meeting notices are posted in three public places. Meeting notices and meeting documents are posted on the District's website (marinflooddistrict.org). The meeting date, time, and location are posted on the Marin County Flood Control District website. Also posted on the website are agendas, staff reports, and prior meeting minutes. The most recent meeting was on April 13, 2022.

Annual Budget Review

FCZ 3 posts draft budgets on the Marin County Flood Control District website as part of the advisory board meeting packet materials. The proposed baseline budget is reviewed by the Advisory Board at its annual meeting in March and then presented to the Board of Supervisors for adoption. The baseline budgets are within the Final Budget for the County of Marin. Starting in FY 2020-2021 the County Administrator, consistent with other funds they oversee, requested a baseline budget to start out the fiscal year and for the budget to be adjusted throughout the year for major project expenses as contracts are approved by the District Board of Supervisors. This means the advisory board will review an expenditure plan for the upcoming fiscal year and that the baseline budget submitted to the District Board will be adjusted as contracts are awarded for design and implementation. The FCZ is included in the County of Marin Comprehensive Annual Financial Report as a line item under Public Protection of the Budgetary Comparison Schedule.

12.8 FINANCIAL OVERVIEW

Annual operations for Flood Control Zone 3 are funded in their entirety by the ad valorem it receives from properties within its jurisdictional boundary. The annual tax revenue for the Zone is approximately \$2.3 million for FY 2022-23. The Zone also receives grant funding when applicable to help supplement the expenditures of large projects and capital improvements within the zone. Expenditures for large projects that exceed annual revenues and grant funding are budgeted with the Zone's total fund balance. The projected fund balance for the end of FY 2022-23 is \$7,323,058. The baseline budget for FCZ 3 for FY 2022-23 and 2023-24 can be seen below in figure 12-1.

Figure 12-1: FCZ 3 Baseline Budget Detail

PROPOSED Flood Zone 3 Baseline Budget FY 2022-2023 and 2023-2024		NOTE: REVENUES ARE REPRESENTED AS NEGATIVE NUMBERS AND EXPENDITURES AS POSITIVE, BUT A POSITIVE FUND BALANCE IS POSITIVE								
Record No.	Description	2022 Original Budget	2022 Revised Budget*	2022 Encum/Req	2022 Available	2023 Proposed Budget	2024 Proposed Budget	2022 Actual as of 02/07/22	2021 Actual	2020 Actual
1	Property Tax - Current Unsecured	-35,000.00	-35,000.00	0.00	4,590.47	-40,000.00	-40,000.00	-39,590.47	-99,252.36	-37,377.85
2	Property Tax - Current Secured	-1,975,000.00	-1,975,000.00	0.00	-787,327.35	-2,000,000.00	-2,000,000.00	-1,187,672.65	-2,068,728.47	-1,947,224.58
3	Property Tax - Current Secured - Uni	-8,194.00	-8,194.00	0.00	213.07	-8,194.00	-8,194.00	-8,407.07	-14,073.16	-13,560.23
4	Property Tax - Prior Unsecured	-1,300.00	-1,300.00	0.00	962.25	-1,500.00	-1,500.00	-2,262.25	-1,174.64	-1,472.30
5	Supplemental Property Tax - Current	-30,000.00	-30,000.00	0.00	5,499.86	-40,000.00	-40,000.00	-35,499.86	-42,196.49	-43,110.29
6	Supplemental Property Tax - Current Unsecured	-500.00	-500.00	0.00	1,096.08	-500.00	-500.00	-1,596.08	-799.36	-1,674.58
7	Supplemental Property Tax - PR Redm	-1,400.00	-1,400.00	0.00	-367.86	-1,400.00	-1,400.00	-1,032.14	-1,377.96	-1,468.68
8	Res property tax - RP1TF ABX1	-5,000.00	-5,000.00	0.00	1,650.14	-10,000.00	-10,000.00	-6,650.14	-14,167.60	-10,360.24
9	Current Educational Revenue Augmentation Fund	0.00	0.00	0.00	25,525.53	-25,000.00	-25,000.00	-25,525.53	-8,628.68	-14,785.56
10	Excess ERAF	-150,000.00	-150,000.00	0.00	-53,730.68	-150,000.00	-150,000.00	-96,269.32	-165,431.00	-154,179.51
11	Investment income - interest pooled	-50,000.00	-50,000.00	0.00	-48,249.81	-50,000.00	-50,000.00	-1,750.17	-90,667.60	-248,221.48
12	Investment income - ERAF interest	-200.00	-200.00	0.00	-146.24	-200.00	-200.00	-53.76	60.65	-282.14
13	Investment income - unrealized gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,000.19
14	Rents and concessions from properties	0.00	-38,000.00	0.00	-8,000.00	0.00	0.00	-30,000.00	0.00	0.00
15	Caltrans	0.00	0.00	0.00	24.88	0.00	0.00	-24.88	-29.22	-38.54
17	Homeowner Property Tax Relief	-9,000.00	-9,000.00	0.00	-4,640.30	-9,000.00	-9,000.00	-4,359.70	-8,782.63	-8,797.13
18	Federal (typically grants)	0.00	0.00	0.00	21,672.64	0.00	0.00	-21,672.64	0.00	0.00
20	58257 Admin Fee	21,000.00	21,000.00	0.00	6,871.52	30,000.00	30,000.00	14,128.48	29,538.84	26,179.03
21	Misc. Revenue	-900.00	-900.00	0.00	-900.00	-900.00	-900.00	0.00	0.00	-33,007.29
	Total Revenue Budget/Actuals:	-2,245,494.00	-2,283,494.00	0.00	-435,255.82	-2,306,694.00	-2,306,694.00	-1,448,238.18	-2,425,830.98	-2,477,361.18
22	Maintenance of Buildings and Improvements	500,000.00	747,660.10	395,542.49	150,303.91	500,000.00	500,000.00	201,813.70	174,268.97	310,466.43
30	Miscellaneous Expenses	50,000.00	85,000.00	35,000.00	48,947.50	50,000.00	50,000.00	1,052.50	39,995.22	14,740.50
32	Professional Services	75,000.00	1,076,145.42	875,266.41	20,827.64	75,000.00	75,000.00	180,051.37	227,024.47	271,416.99
33.1	Feasibility Study for Bypass Drainage Project on Donahue		50,000.00							
33.2	Marin City Stormwater Master Plan		600,000.00							
33.3	Bothin Marsh Restoration Planning		50,000.00							
34	Construction	100,000.00	153,660.48	53,660.48	100,000.00	100,000.00	100,000.00	0.00	1,598.75	0.00
46	Utilities	20,600.00	20,600.00	0.00	8,066.21	0.00	0.00	12,533.79	20,991.10	17,685.41
47	Utilities - Electric	0.00	0.00	0.00	-368.80	20,000.00	20,000.00	368.80	0.00	0.00
48	Utilities - Water	0.00	0.00	0.00	-1,109.46	2,000.00	2,000.00	1,109.46	0.00	0.00
54	Staff Costs	638,600.00	638,600.00	0.00	497,942.31	786,400.00	771,700.00	140,657.69	301,885.70	295,742.80
55	Building Maintenance Staff Costs	92,700.00	92,700.00	0.00	90,325.62	0.00	0.00	2,374.38	14,642.25	23,544.53
57	Engineering Division Staff Costs	77,250.00	77,250.00	0.00	77,250.00	0.00	0.00	0.00	0.00	0.00
58	Print Shop Staff Costs	0.00	0.00	0.00	-82.50	0.00	0.00	82.50	0.00	0.00
60	Real Estate Staff Costs	82,400.00	82,400.00	0.00	82,400.00	0.00	0.00	0.00	0.00	0.00
63	Roads Division Staff Costs	123,600.00	123,600.00	0.00	123,600.00	0.00	0.00	0.00	16,939.70	12,518.53
64	Indirect Cost Allocation (A&T)	25,192.00	25,192.00	0.00	25,192.00	59,044.75	60,816.09	0.00	57,325.00	0.00
66	Transfer Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	0.00
65.1	Lomita Drive Storm Drain		170,000.00							
	Total Expenditure Budget/Actuals:	1,785,142.00	3,992,808.00	1,359,469.38	1,223,294.43	1,592,444.75	1,579,516.09	540,044.19	869,671.16	905,715.19
67	Set aside for PUMP STATIONS	0.00	0.00	0.00	0.00	4,000,000.00		0.00	0.00	0.00
68	Set aside for MARIN CITY	0.00	0.00	0.00	0.00	1,000,000.00		0.00	0.00	0.00
	Total Project Designations:	0.00	0.00	0.00	0.00	5,000,000.00	0.00	0.00	0.00	0.00
	Projected Fund End Balance:	\$ 11,608,809.64			\$ 7,323,058.89	\$ 8,050,236.80				

12.9 SUSTAINABILITY

Local agencies play a critical role in protecting natural resources and the environment through land conservation, water recycling, preserving open space, and renewable energy projects. FCZ 3’s purpose is to reduce the risk of flooding for the protection of life and property while utilizing sustainable practices. The work within the Zone to date has both endeavored to combat seasonal flooding as well as looking to the future and the impacts of climate change in the area. A myriad of assets within the region are regularly impacted by localized flooding and stand to be vulnerable to sea level rise in the future, including regional transportation on US-101 and SR-1 at the Manzanita and Marin City interchanges. Flooding in this area impacts not just the local community and residents’ ability to commute and even access their homes, it also critically limits north-south connections for all of Marin County and the Northern Bay Area as a whole.

While the Zone has been proactive in flood prevention infrastructure since its formation, with sea level rise, the gravity drainage system will become less effective and the pumping system may need to be expanded in addition to other regional mitigation efforts. A rising bay tide level also makes direct coastal flooding more difficult and costly to manage, ultimately requiring longer and higher coastal barriers and drainage systems behind the barriers. Multiple sea level rise models show the significant impacts of 12” sea level rise to shoreline areas as well as 36” sea level rise to multiple communities within the Zone which would have severe consequences to a projected 889 parcels in the area with a combined land value of just under \$737.5 million.¹ The continued work within the Zone is both endeavoring to prevent next winter’s creeks from overflowing their banks as well as planning mitigation efforts that will protect these low-lying communities and the sensitive ecological habitats that surround them in 10, 25, and even 50 years from now.

MARIN LAFCO WORK PLAN ADDITIONS FOR THE GOLDEN GATE REGION MUNICIPAL SERVICE REVIEW

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

- Collaboration in the continuing consolidation discussions between the City of Sausalito and the Sausalito-Marín City Sanitary District.
- Exploration of alternatives to current model of project funding between the City of Mill Valley and Flood Control Zone 3 with Marin LAFCo staff possibly participating as a neutral third-party mediator.

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-04

ADOPTION OF THE GOLDEN GATE CORRIDOR 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 Wednesday, January 18, 2023; 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 April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-04

- 1) Exhibit "A"

EXHIBIT A**GOLDEN GATE CORRIDOR 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. Both of the municipalities in the study area are essentially built out at this time with minimal growth potential remaining under current zoning policies. The City of Mill Valley has been growing at an average annual rate of less than 0.24% over the past decade, while the City of Sausalito experienced an annual growth rate over the same span of approximately 0.29%. The projected annual growth rate for the City of Mill Valley through 2040 is less than 0.38%, and the City of Sausalito is projected to experience approximately a 0.34% growth rate over the same timeframe.

b) The projected annual population growth rate in unincorporated spaces around the study area is just over 0.23% through 2040. The census-designated place of Marin City experienced the highest annual growth rate over the past decade with a 1.2% annual population increase between 2010 and 2020 and the census-designated place of Tamalpais-Homestead Valley has seen an annual growth rate of less than 0.66% during that same window.

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

a) A census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data has been identified within the study area. The block group is situated within the census-designated place of Marin City. A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income of less than 80 percent of the statewide annual median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as “inhabited territory” that constitutes all or a portion of a disadvantaged community. “Inhabited territory” may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by “commission policy”.

Per Marin LAFCo’s policy, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district sphere of influence in statements of written determinations of municipal service reviews. Marin LAFCo will prohibit the approval of city annexations greater than

10 acres that are contiguous to a disadvantaged unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well. At this time Marin LAFCo has no applications for annexation for any lands contiguous to the identified DUC. Should LAFCo in the future get such a request then it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not within the community's best interest, then they would not be included with that application.

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 agencies reviewed in this study have shown to have the capacity, both in infrastructure and service levels, to continue to provide adequate levels of service to the areas within their jurisdictional boundaries as well as for the capacity for additional services given current growth projections for the area.

As noted above, there is one census block group within the study area that has been identified and designated by Marin LAFCo as a disadvantaged unincorporated community (DUC). The municipal services within that block group are provided by the County of Marin, Marin City Community Services District, Sausalito-Marin City Sanitary District, and the Marin Municipal Water District. All of the agencies mentioned have shown to have the capacity, both in infrastructure and service levels, to both continue to provide adequate levels of service to the area as well as for the capacity for additional services given current growth projections for the area. While recently concerns have been raised by residents within the block group regarding the quality of the drinking water being provided, to date there has been no official testing done that presented contaminant readings that proved to be outside the maximum contaminant level (MCL) set by the Office of Environmental Health Hazard Assessment of the State of California.

4. Financial ability of agencies to provide services.

a) The City of Mill Valley, City of Sausalito, Southern Marin Fire Protection District, Tamalpais Community Services District, Sausalito-Marin City Sanitary District, Marin City Community Services District, County Service Area 14, and Flood Control Zone 3 all prepare annual budgets and prepare financial statements in accordance with established governmental accounting standards. The City Councils, SMFPD, SMCS, TCSD, MCCSD Boards, and the County Board of Supervisors, acting as the Board for CSA 14 and the Marin County Flood Control and Water Conservation District, 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) The City Managers, Fire Chief, District General Managers, and County Administrative Officer are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the City Councils, Special District Boards, and County Board of Supervisors, acting as the Board for the Marin County Flood Control and Water Conservation District as well as CSA 14, 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.
- c) While additional revenues are needed to provide some services and maintain infrastructure covered in this MSR, each agency meets its financial responsibilities to provide services. In the short term, as fiscal recovery from the Covid-19 pandemic continues, governing bodies for each agency should remain judicious in maintaining and, when possible, increasing reserve funds to guard against the possibility of future economic downturns.
- d) While no significant financial concerns were raised by the available financial documentation from both the independent auditor and the State Controller regarding the Marin City Community Services District, the District's inability to provide Marin LAFCo with more granular financial data (specifically, adopted operating budgets for any of the past 5 fiscal years or the current fiscal year) leaves a level of ambiguity for Marin LAFCo in these determinations. As such, Marin LAFCo must abstain from making any determination on the District's financial ability to provide services beyond the study window.
- 5. Status of, and opportunities for, shared facilities.**
- a) With the recent approval by LAFCo of consolidation of the SMFPD and Mill Valley Fire Departments, no other specific opportunities for shared facilities that would prove advantageous to both participating parties were identified in the course of this study.
- 6. Accountability for community service needs, including governmental structure and operational efficiencies.**
- a) The City of Sausalito and the Sausalito-Marín City Sanitary District have been engaged in discussions and, ultimately, full feasibility studies surrounding the possible consolidation of the City's sewer collection services to the District. At this time, Marin LAFCo is in full support of the conclusions and recommendations made within the feasibility study for the continued pursuit of the consolidation and/or, at a minimum, a complete reworking of the original agreement between the two agencies in an effort to continue to provide the best possible service to the community as well as addressing the significant capital improvements that have been identified.

In the continuation of this process, it is the recommendation of Marin LAFCo that as both agencies continue to meet and explore possibilities, that staff from Marin LAFCo be included in future discussions in order to provide technical expertise on the overall process. The recent consolidation of the City of Mill Valley's fire services into the Southern Marin Fire Protection District has created a model of success that both agencies asserted was significantly easier due to the early involvement of Marin LAFCo staff in the process as a whole.

b) Flood Control Zone 3 (FCZ 3) is funded by ad valorem collected throughout its jurisdictional boundary, which includes the City of Mill Valley, the unincorporated communities of Marin City, Almonte, Tamalpais Valley, Homestead Valley, Sutton Manor, and an apportionment of the community of Strawberry. The approximate annual percentages (and the exact percentage for FY 22-23) of the jurisdiction from which that funding is generated is 51.51% from within the City of Mill Valley and 48.06% from the unincorporated spaces. In March of 2021, the consulting firm of Schaaf & Wheeler completed the Mill Valley Flood Management and Storm Drain Master Plan which was subsequently adopted by the City in April of 2021. The plan was funded by FCZ 3 and is intended to function as a multipurpose flood management and storm drain system resource guide for the City's staff and leadership. The plan presents a myriad of potential projects and mitigation measures within the City's boundary in the continued effort to avert significant future flooding events.

In September of 2021, the City submitted a request for funds to FCZ 3 for a total of seven projects and cited the Flood Management and Storm Drain Master Plan in the request. The total estimated funds requested was \$4,480,000, which is approximately double what the Zone's annual baseline budget is, but well within that fiscal year's fund balance. This total estimated amount covered just six of the seven projects listed in the request, as one of the projects was still "too early to develop a scope and cost estimate". Two weeks after the funding request was submitted, the FCZ 3 Advisory Board met and agreed to establish an ad-hoc subcommittee of advisory board members with the established purpose of recommending an investment strategy for Zone 3 and responding to the funding request from the City. The subcommittee met in March of 2022 to review a draft proposal for prioritizing Zone 3 fund investments which was presented at the full Advisory Board meeting in April of 2022. Since that meeting, no additional meetings have been publicly posted on the Flood Control District's web page.

Leadership from the City has expressed concerns regarding the differences in the number of projects funded by the Zone within City boundaries in juxtaposition to

the amount of the Zone's annual revenue that is generated from within the City. As such, given the Zone's relatively steady annual revenue stream, Marin LAFCo recommends a collaborative exploration between the Zone and the City, in conjunction with the currently established investment strategy subcommittee efforts, towards the creation of a longer-term (5 or 10-year as opposed to the current 3-year) project plan in order to ensure that these critical services continue to be provided in an equitable and fully transparent manner.

c) The City of Mill Valley completely surrounds a small pocket of inhabited unincorporated space (Alto). Access to the unincorporated area can be gained only by way of going directly through the City itself, which creates what LAFCo classifies as an unincorporated island. 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. At this time, Marin LAFCo recommends that City staff members explore the willingness of residents within the Alto unincorporated space to consider annexation by way of meeting with community groups within the area, as well as examining its own ability to extend services to the area if they are not already doing so unofficially.

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

a) The City of Mill Valley's current sphere of influence includes the unincorporated communities of Homestead Valley, Almonte, and Alto. When originally adopted in 1984, the sphere of influence also included Tamalpais Valley. Tamalpais Valley was removed from the City's sphere in 2004 when Marin LAFCo deemed there to be no probable chance of future annexation of the area to the City for a multitude of reasons. The definition of a sphere of influence in State Government Code is "A plan for the probable physical boundaries and service area of a local agency". At this time both the Homestead Valley and Almonte communities, despite sharing a border with the City, are unlikely to be annexed to the City in the foreseeable future as both are distinct communities in and of themselves with other agencies providing necessary services. In addition, the annexation of the two communities would result in a population increase to the City of over 25% which would create a significant strain on the City's delivery of services. As such, it is recommended that the City's sphere of influence be amended to remove the communities of Homestead Valley and Almonte, and retain the area of Alto as a majority of the area is surrounded by the City, creating an unincorporated island. The area currently in the City's sphere along Edgewood Avenue should also be retained within the updated sphere.

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-05

RESOLUTION AMENDING THE SPHERE OF INFLUENCE OF THE CITY OF MILL VALLEY

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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 City of Mill Valley is hereby amended 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 amending of the sphere of influence of the City of Mill Valley 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-05

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

EXHIBIT A

CITY OF MILL VALLEY 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 Mill Valley and the Marin Countywide Plan. On the basis of currently adopted zoning standards, the City is essentially built out at this time with few remaining vacant lots zoned for development that have not already been given a prospective project designation.

- 2) The present and probable need for public facilities and services in the area.

The City of Mill Valley's current facilities and services included in the City of Mill Valley sphere of influence are sufficient to provide those services to the area within the designated city sphere of influence.

- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

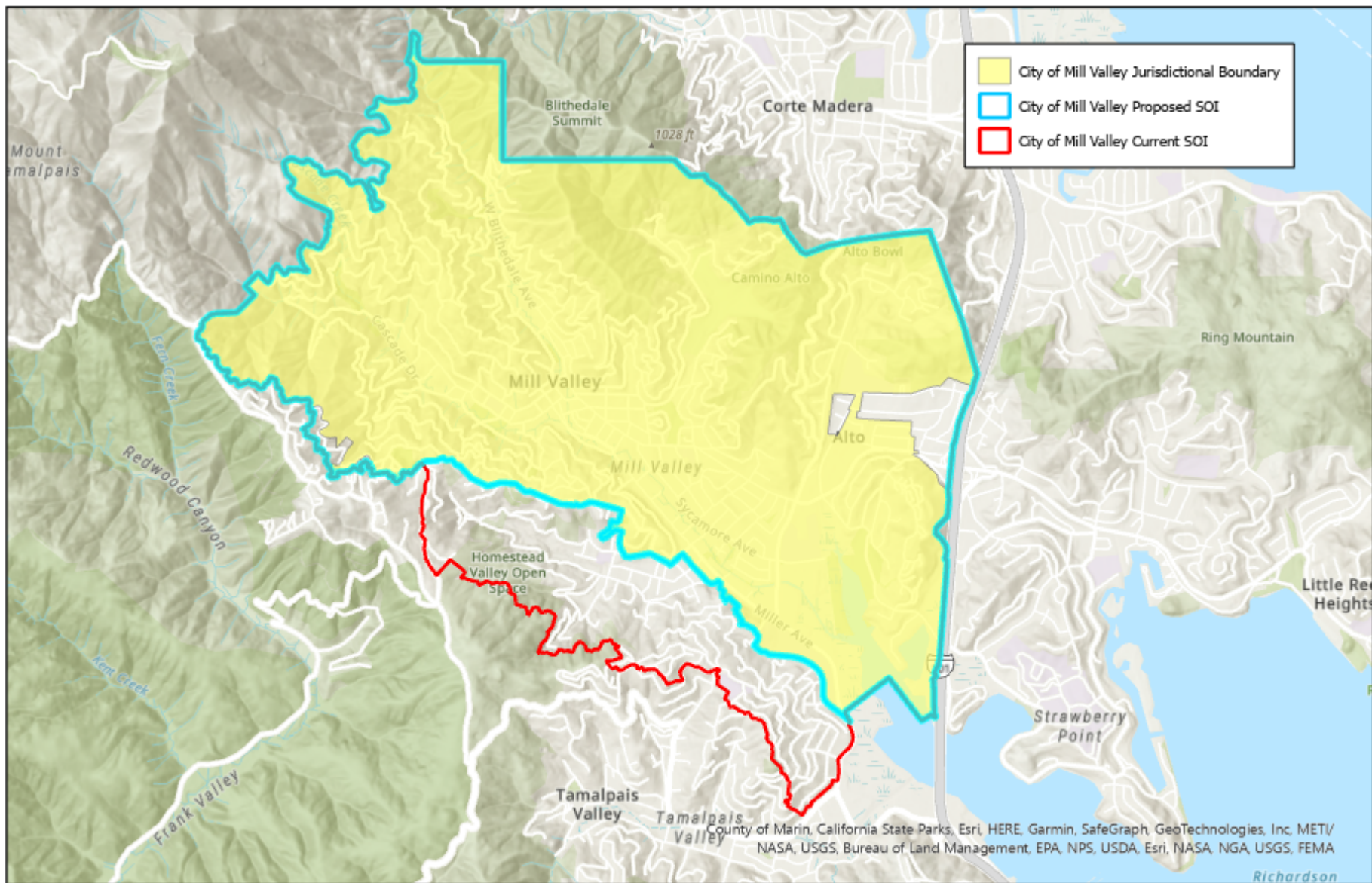
The operating departments and public facilities of the City of Mill Valley are adequate to provide service to the City's currently incorporated area and areas within its sphere of influence as amended. Unincorporated areas included in the sphere of influence are located close to City facilities and may already be deemed to benefit from City services and facilities. The City of Mill Valley would provide services and facilities at service levels that are the same as or higher than currently provided by the County in the currently unincorporated area of the 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 city.

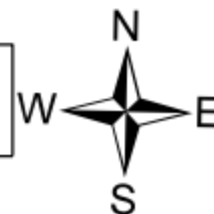
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the City of Mill Valley and the area surrounding its jurisdiction are not relevant to the determination of the City's sphere of influence.

- 5) For an update of a sphere of influence for a city 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 existing sphere of influence that have been identified as disadvantaged.



City of Mill Valley



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-06

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE CITY OF SAUSALITO

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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 City of Sausalito is hereby reaffirmed 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 reaffirming of the sphere of influence of the City of Sausalito 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-06

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

EXHIBIT A

CITY OF SAUSALITO 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 Sausalito and the Marin Countywide Plan. Based upon the currently adopted zoning regulations, the City is essentially built out at this time, with few remaining vacant lots zoned for development, and those that are face significant topographical development difficulties.

- 2) The present and probable need for public facilities and services in the area.

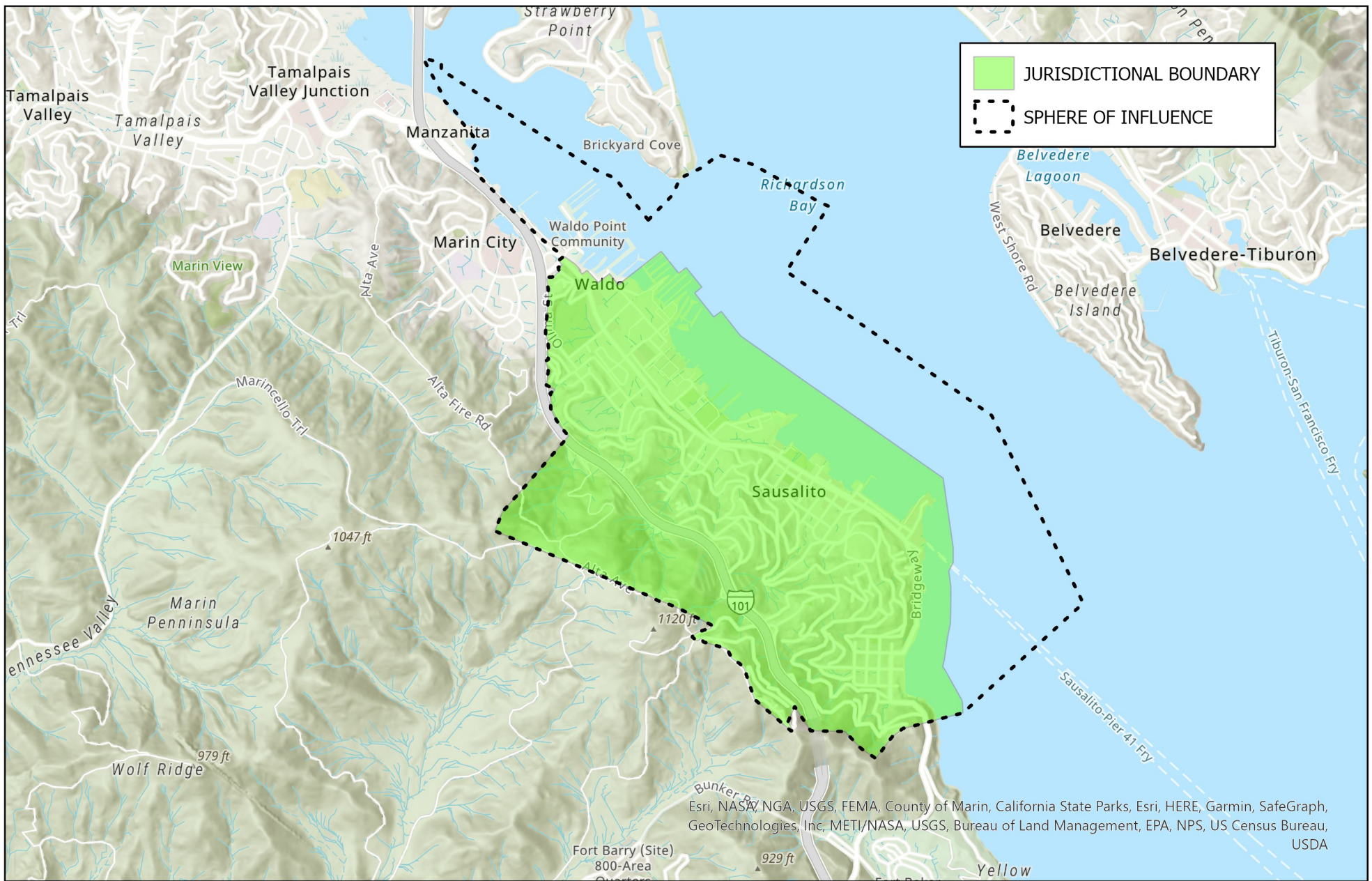
The City of Sausalito's current facilities and services included in the City of Sausalito sphere of influence are sufficient to provide those services to the area within the designated sphere of influence.

- 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 City of Sausalito are adequate to provide service to the City's currently incorporated area and areas within its sphere of influence. Unincorporated areas included in the sphere of influence are located close to City facilities and may already be deemed to benefit from City services and facilities. The City of Sausalito would provide services and facilities at service levels that are the same as or higher than currently provided by the County in the currently unincorporated area of the 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 city.

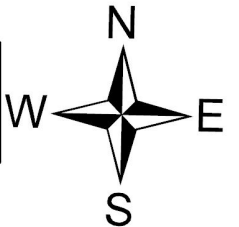
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the City of Sausalito and the area surrounding its jurisdiction are not relevant to the determination of the City's sphere of influence.

- 5) For an update of a sphere of influence for a city 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.



CITY OF SAUSALITO



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-07

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE SAUSALITO-MARIN CITY SANITARY 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, 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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 Sausalito-Marin City Sanitary District is hereby reaffirmed 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 reaffirming of the sphere of influence of the Sausalito-Marin City Sanitary 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-07

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

EXHIBIT A

SAUSALITO-MARIN CITY SANITARY 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 Sausalito and the Marin Countywide Plan. The areas within the sphere of influence, including the City of Sausalito and the unincorporated community of Marin City, are primarily built out at this time

- 2) The present and probable need for public facilities and services in the area.

The Sausalito-Marín City Sanitary District's current facilities and services included in the District's sphere of influence are sufficient to provide those services to the area within the designated sphere of influence. The District has service capacity that can extend beyond its current levels being offered, including (but not limited to) the projected buildout total within the 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 Sausalito-Marín City Sanitary District are adequate to provide service to the District's designated service area and areas within its sphere of influence. Additionally, the District has the capacity to continue to provide collection services to those areas of Tamalpais Community Services District which lie outside of the District's 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.

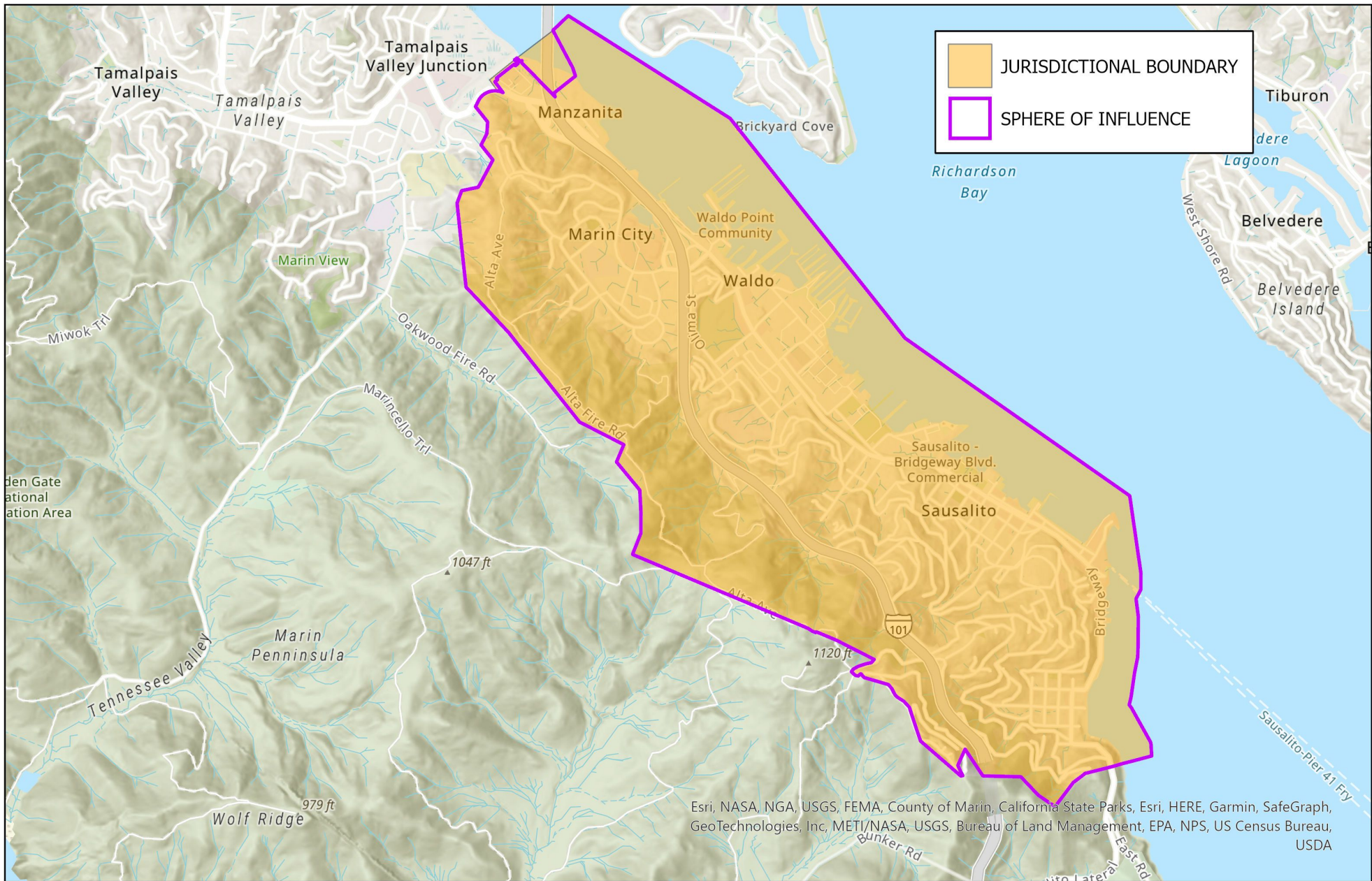
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Sausalito-Marín City Sanitary District and the area surrounding its jurisdiction are not relevant to the determination of the district's sphere of influence.

- 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.

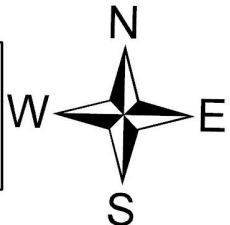
The operating departments and public facilities of the Sausalito-Marín City Sanitary District are adequate to provide service to the District's designated service area and areas within its sphere of influence as well as the capacity to handle the service increases that would come with projected future growth within the service boundary. Additionally, the District has the capacity to continue to provide collection services to those areas of Tamalpais Community Services District which lie outside of the District's sphere of influence.

The District's current jurisdictional boundary surrounds a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as "inhabited territory" that constitutes all or a portion of a disadvantaged community. "Inhabited territory" may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by "commission policy".

Per Marin LAFCo's policy, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district sphere of influence in statements of written determinations of municipal service reviews. Marin LAFCo will prohibit the approval of city annexations greater than 10 acres that are contiguous to a disadvantaged unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well. At this time Marin LAFCo has no applications for annexation for any lands contiguous to the identified DUC. Should LAFCo in the future get such a request then it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not within the community's best interest, then they would not be included with that application.



Sausalito-Marín City Sanitary District



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-08

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE SOUTHERN MARIN 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, 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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 Southern Marin Fire Protection District is hereby reaffirmed 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 reaffirming of the sphere of influence of the Southern Marin 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-08

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

EXHIBIT A

SOUTHERN MARIN 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 Plans of the City of Sausalito, Town of Tiburon, and the City of Mill Valley, as well as the Marin Countywide Plan. Based on currently adopted zoning standards, each of the municipalities within the sphere of influence as well as each of the unincorporated census-designated places are essentially built out at this time.

- 2) The present and probable need for public facilities and services in the area.

The Southern Marin Fire Protection District's current facilities and services included in the sphere of influence are sufficient to provide those services to the area within the designated sphere of influence for the foreseeable future.

- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

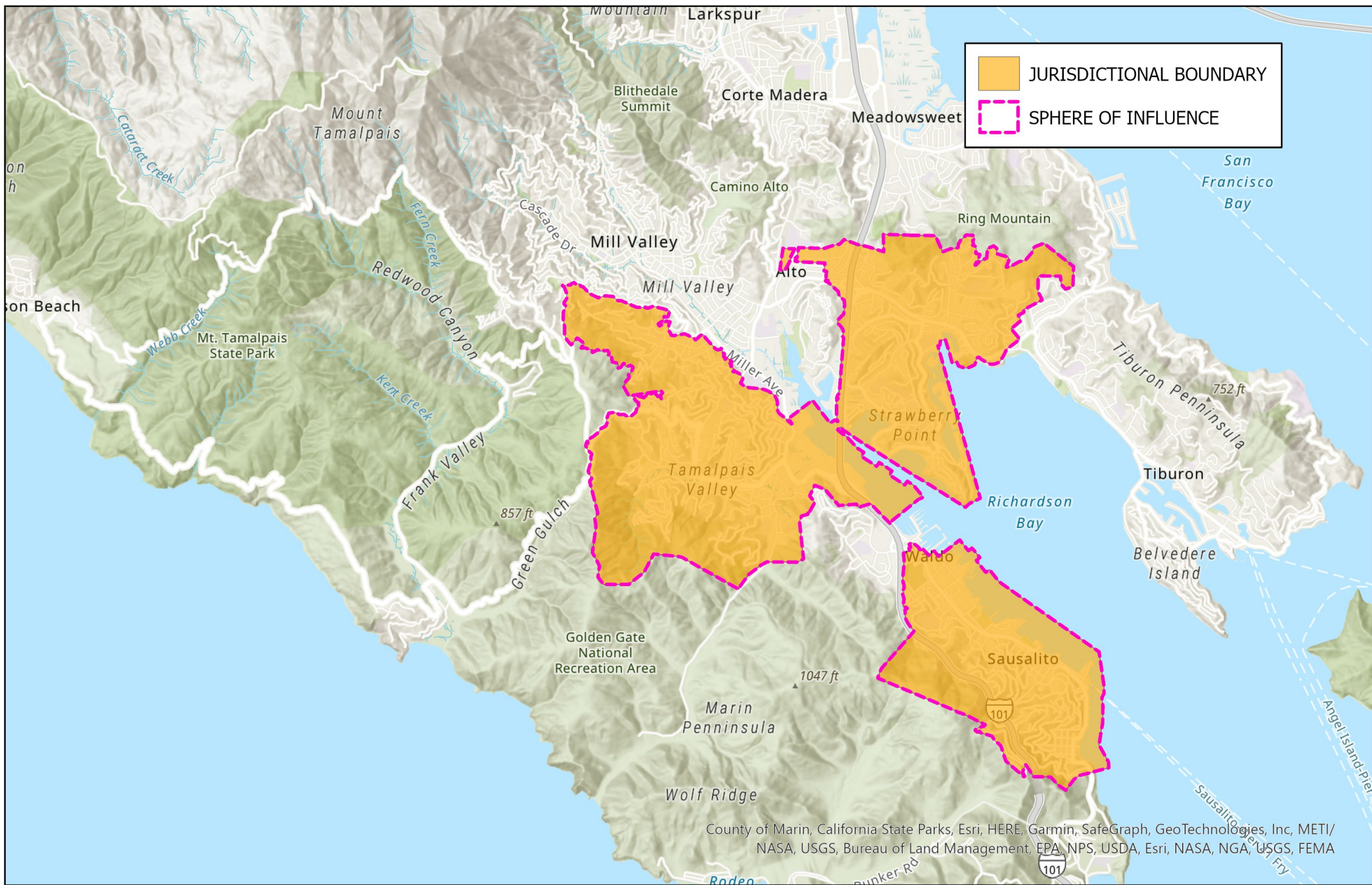
The operating departments and public facilities of the Southern Marin Fire Protection District are adequate to provide service to the District's currently established boundary and areas within its sphere of influence.

- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the city.

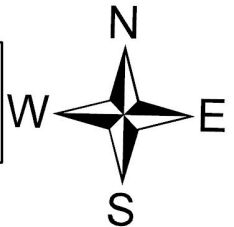
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Southern Marin Fire Protection District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

- 5) For an update of a sphere of influence for a city 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 existing sphere of influence that have been identified as disadvantaged.



SOUTHERN MARIN FIRE PROTECTION DISTRICT



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-09

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE MARIN CITY COMMUNITY SERVICES 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, 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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 Marin City Community Services District is hereby reaffirmed 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 reaffirming of the sphere of influence of the Marin City Community Services 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-09

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

EXHIBIT A

MARIN CITY COMMUNITY SERVICES 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 Marin Countywide Plan and the Marin City Community Plan. The remaining development potential in the planning area is minimal, as current zoning regulations designated by the current Community Plan make the area essentially built out. Since, 2000, only 28 units have been added to the planning area, making the annual residential unit additions approximately 1.4 units per year.

- 2) The present and probable need for public facilities and services in the area.

The Marin City Community Services District's current facilities and services included in the sphere of influence are sufficient to provide those services to the area within the designated sphere of influence. The District has recently received a sizeable grant allocation for the construction of new recreational facilities on District properties, as well as having retained the services of an architectural firm for project design.

- 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 Marin City Community Services District are adequate to provide service to the District's current boundary and areas within its sphere of influence. Ongoing discussions with the County of Marin to rent District facilities for County provided programming would provide an additional influx of stable revenue for the District to maintain and explore expanding service offerings.

- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the city.

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Marin City Community Services District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

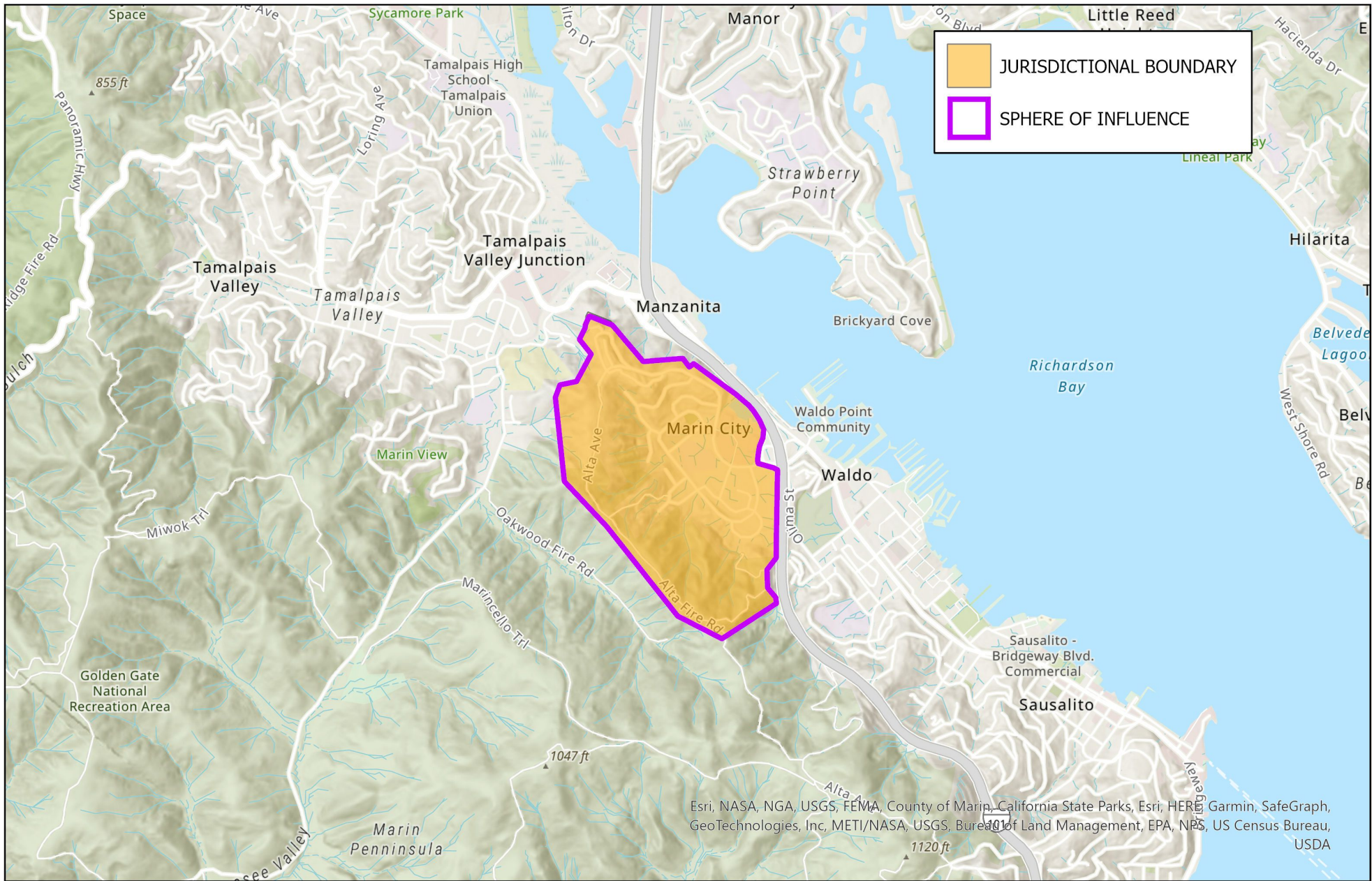
- 5) For an update of a sphere of influence for a city that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs on or after July 1, 2012, the present and probable need for those public facilities

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

The operating departments and public facilities of the Marin City Community Services District are adequate to provide service to the District's current boundary and areas within its sphere of influence and have the capacity to compensate for projected future growth within the service boundary.

The District's current jurisdictional boundary surrounds a census tract block group (Tract 1290, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2020 U.S. Census Bureau Redistricting Data. A disadvantaged community is defined in Water Code Section 7905.5(a) as a community with an annual median household income of less than 80 percent of the statewide median household income. The statutory definition of DUCs comes from Government Code Section 56033.5, which defines DUCs as "inhabited territory" that constitutes all or a portion of a disadvantaged community. "Inhabited territory" may be defined by Government Code Section 56046 as having at least 12 registered voters, or it can be determined by "commission policy".

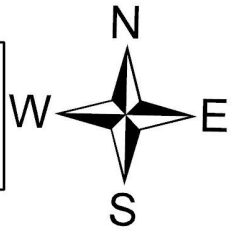
Per Marin LAFCo's policy, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district sphere of influence in statements of written determinations of municipal service reviews. Marin LAFCo will prohibit the approval of city annexations greater than 10 acres that are contiguous to a disadvantaged unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well. At this time Marin LAFCo has no applications for annexation for any lands contiguous to the identified DUC. Should LAFCo in the future get such a request then it will work with the community to determine if it is in the best interest of those living within the DUC to be annexed. If it is not within the community's best interest, then they would not be included with that application.



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



Marin City Community Services District



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-10

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE TAMALPAIS COMMUNITY SERVICES 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, 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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 Tamalpais Community Services District is hereby reaffirmed 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 reaffirming of the sphere of influence of the Tamalpais Community Services 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-10

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

EXHIBIT A

TAMALPAIS COMMUNITY SERVICES 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 Tamalpais Area Community Plan and the Marin Countywide Plan. Based upon the approved zoning regulations within the plan, the census-designated place that the District serves is essentially built out at this time.

- 2) The present and probable need for public facilities and services in the area.

The Tamalpais Community Services District's current facilities and services included in the Tamalpais Community Services District's sphere of influence are sufficient to provide those services to the area within the designated sphere of influence. The recently updated agreement with the Sausalito-Marin City Sanitary District ensures that necessitated outside services will continue for the foreseeable future without impacting the District.

- 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 Tamalpais Community Services District are adequate to provide service to the District's boundary and areas within its sphere of influence. The two agencies that provide the District with wastewater treatment, the Sausalito-Marin City Sanitary District and the Sewerage Agency of Southern Marin, each have sufficient remaining treatment capacity to support the District's wastewater collections at the currently projected potential buildout.

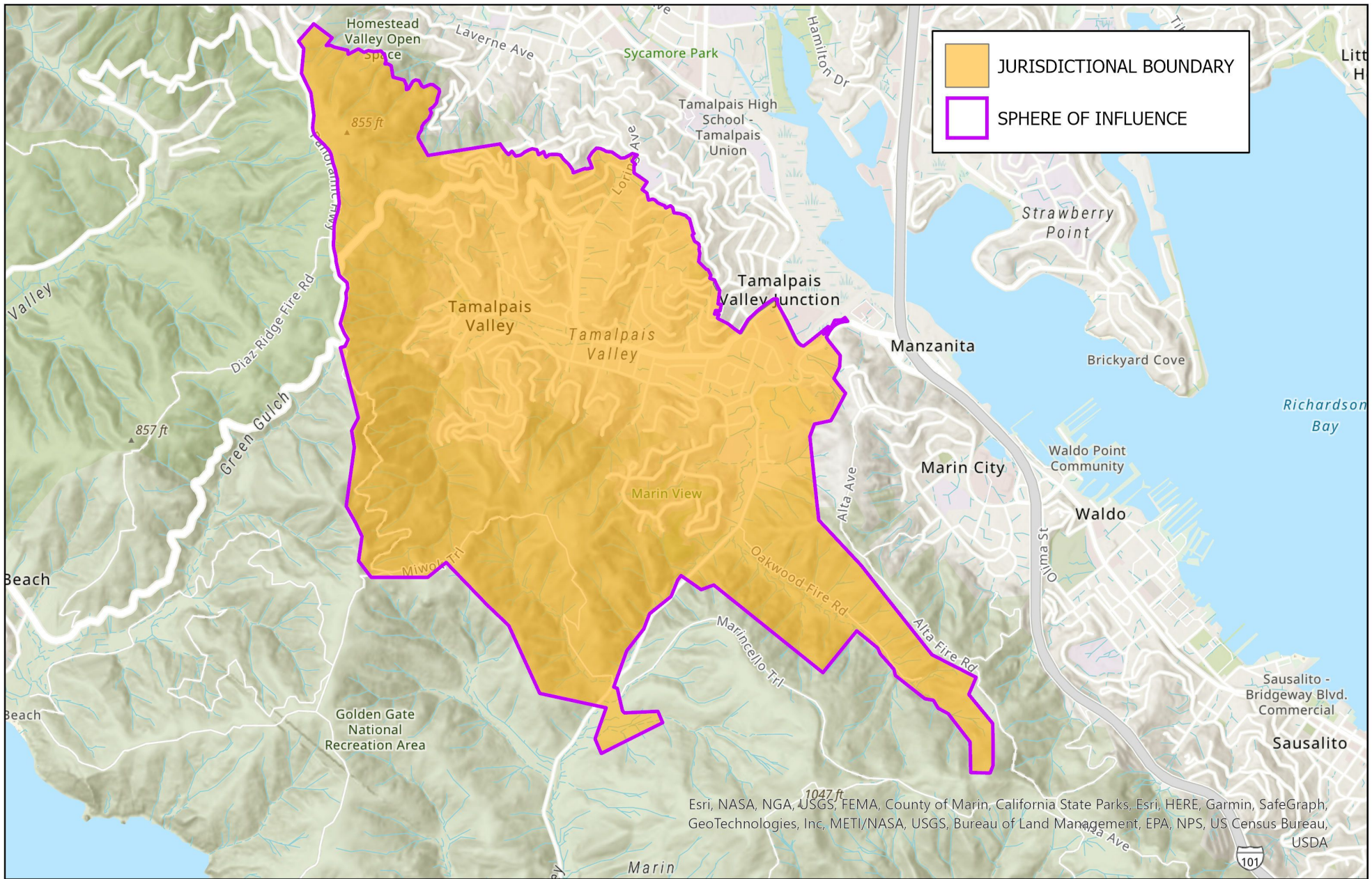
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the city.

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Tamalpais Community Services District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

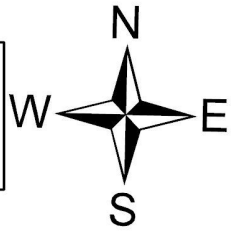
- 5) For an update of a sphere of influence for a city that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs on or after July 1, 2012, the present and probable need for those public facilities

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

There are no unincorporated communities within the existing sphere of influence that have been identified as disadvantaged.



Tamalpais Community Services District



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 23-11

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE MARIN COUNTY SERVICE AREA NO. 14

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 Golden Gate Corridor area, prepared a summary, *Golden Gate Corridor 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 *Golden Gate Corridor 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 Marin County Service Area No. 14 is hereby reaffirmed 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 reaffirming of the sphere of influence of the Marin County Service Area No. 14 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 Golden Gate Corridor area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on April 6, 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Lew Kious, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 23-11

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

EXHIBIT A

MARIN COUNTY SERVICE AREA NO. 14 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 Tamalpais Area Community Plan and the Marin Countywide Plan. Based on the approved zoning regulations within the plan, the unincorporated community of Homestead Valley that Marin County Service Area No. 14 serves is essentially built out at this time.

- 2) The present and probable need for public facilities and services in the area.

The Marin County Service Area No. 14's current facilities and services included in the sphere of influence are sufficient to continue providing those services to the area within the designated District's sphere of influence.

- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

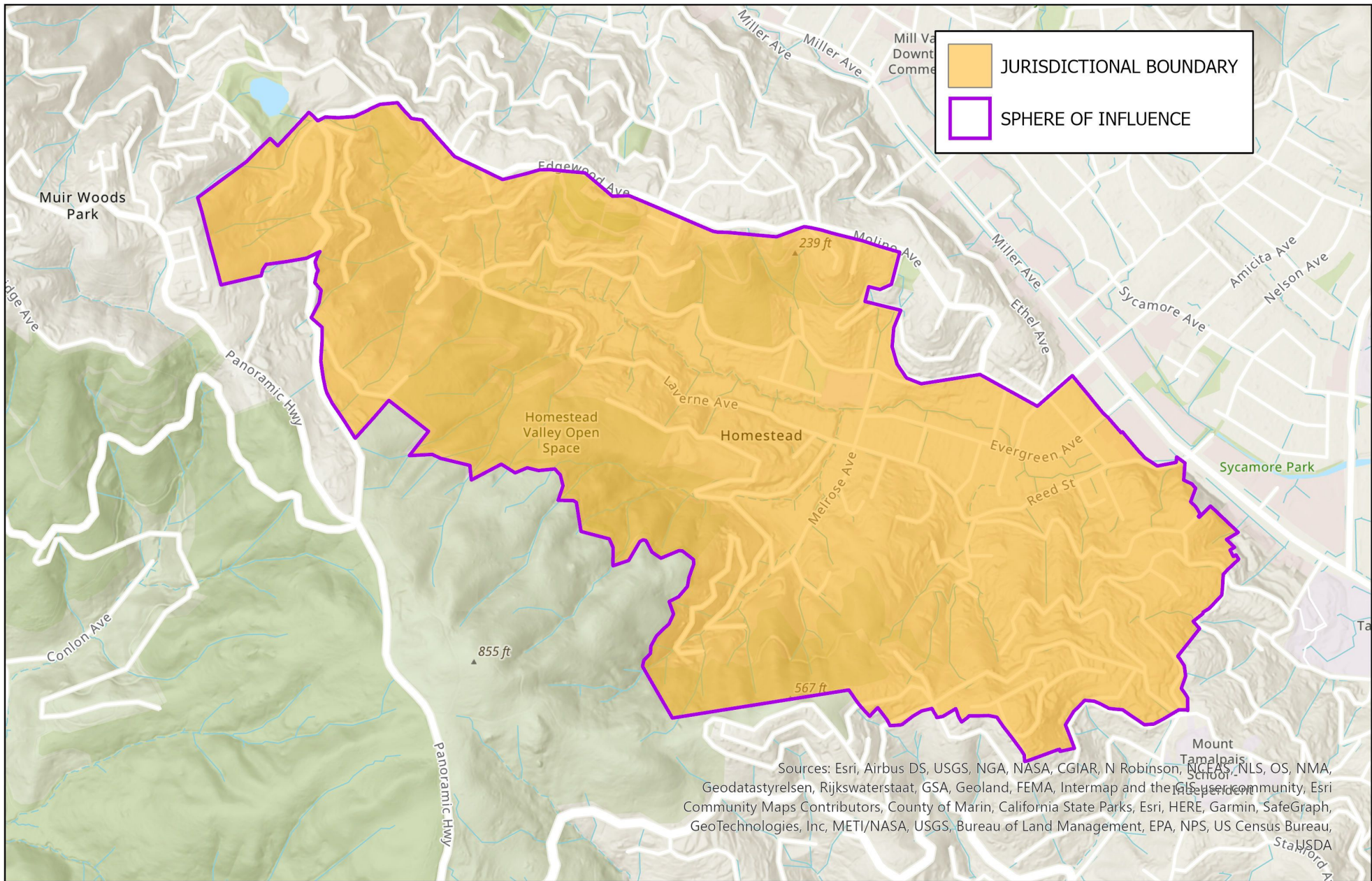
The operating departments and public facilities of the Marin County Service Area No. 14 are adequate to provide service to the District's current boundary. Recent significant renovations and additions to the District's facilities have expanded the District's ability to continue to provide services into the foreseeable future.

- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the city.

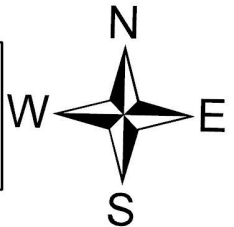
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Marin County Service Area No. 14 and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

- 5) For an update of a sphere of influence for a city 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 existing sphere of influence that have been identified as disadvantaged.



County Service Area No. 14





Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Item No. 6 (Public Hearing)

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
(On behalf of Budget and Workplan Chair Rodoni and members Burke and Moody)
SUBJECT: Review and Approval of Proposed Budget for Fiscal Year 2023-2024

Background

At the March 15, 2023 Budget and Workplan Committee meeting, the Fiscal Year 23-24 budget and work plan was discussed. For the proposed budget in the expenditures section, staff presented to the committee what I think is the highest amount needed for each line item. Then to fund that we look to both agency contribution and carry forward amount. Finally, when we get closer to the June Commission meeting, staff will revisit all numbers in the proposed budget to make sure they are the best numbers available as part of the final approval.

Staff's and the Committee's goal with this budget started with what LAFCo is requesting from our contributing agencies to keep the agency request at or below the agency contribution for FY 19-20 budget of \$559,522.51. The budget being presented does that.

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

- Salary – LAFCo generally follows the County on COLA and step increases for its staff. Marin County will be giving a 3% increase plus possible step increases. Last year the Commission gave a little more than the County increase due to high CPI-U which staff appreciated. While not as bad as last year the year-to-year is still above average with an increase in January for the previous 12 months that was 6.5%. Our budget increase is to allow for a COLA as well as step increases for staff that have earned it. This will be helpful in the retention of the staff and would benefit LAFCo in the long run. The number given during the proposed budget process has always been higher than what is in the final budget. When the June meeting comes this number will likely be lower given all staff reviews will have been completed and the Commission has negotiated the salary for the Executive Officer position, so a more accurate number gets presented with final approvals. In addition, the percent increase may seem high but that is partly due to last year's budget being based on Olivia's salary, but based on the open position, wanted to leave a little more room to allow the hiring of a more senior person to the position this time.
- Benefits – Next year's benefits are not known so we always have a small increase to allow benefit costs to go up.
- Pension – Similar to the salary line item, this will likely be lowered prior to the final budget once actual staff salaries are known. The increase is mainly to mirror staff salary increases which it is directly tied to. In addition, MCERA has a small increase in the rates that agencies need to pay from the current fiscal year (11.63%) to the next fiscal year (11.80%).
- Conferences (Line Item 10) – This line item has remained flat during COVID but given the increase in cost and the fact the next annual conference is in Monterey, CA, which is close to us staff is suggesting a little more money to allow Commissioners who wish to attend the ability to do so.

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San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
www.marinlafco.org

Dennis Rodoni, Regular
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Chair
Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

-
- IT & Communications Services (Line Item 20), Membership and Dues (Line Item 30), and Professional Services (Line Item 55) – All these line items have major changes due to our departure from Marin Map and the creation of our own system. The reduction in line item 30 is the removal of our Marin Map dues while allowing an increase for our other memberships. The increase in line item 20 is to cover software licenses and other such needs for our new mapping system along with other increases in this area. For example, our website provider for the first time is increasing its monthly fee. The increase in line item 55 will help cover consultant staff time to maintain the new mapping system and some additional funds to help cover general cost increases I would expect to see from other services that fall into this category.
 - Office Lease/Rent (Line Item 45) – Our office lease is under contract until May 2023 and at the April meeting I will be presenting two options for us to extend our current lease. One option is for a 3-year extension and the other is for a 5-year extension. The amount shown is for the more expensive option but if the Commission goes with the lower increase that goes with the 5-year extension then this amount will be lower.
 - Rent – Storage (Line Item 65) – With the large digitization project we completed last year we no longer have any boxes in offsite storage so this line item was zeroed out and will be retired with the new budget.

On the income side, we have two main line items: Agency Contribution and the Carryforward Fund Balance. The carryforward fund right now is made up of three parts, with \$16,500 from previous years' unspent funds, \$22,565.94 from interest and application fees collected so far this year, and an estimated \$50,000 in unspent funds from our current year. The interest and application fees line item has been updated since the budget committee packet was prepared due to two new applications being received. The second two numbers are simply a placeholder until we get closer to the end of the year and can put in an updated number for what is expected to be left over from this year's unspent fund and how much we have collected in application fees and interest.

Overall, the total estimated expenditure for FY 23-24 is a 6.14% increase with the understanding that once salary is better known, that number should decrease a little in the final budget. With the high estimate for the budget line items we see the agency contribution being \$543,661 which is a 6.83% increase which is still below the FY 19-20 amount of \$559,522. Staff would anticipate the increase will be decreased by 1%-2% when a final budget is brought to the June Commission meeting.

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

1. There has been a lot of discussion recently about higher inflation than normal with the CPI-U going up 6.5% from Jan. 2022 to Jan. 2023. As mentioned in the salary discussion above, does the Commission want to recommend a higher COLA increase to assist staff with the larger-than-normal CPI-U increase that has been seen over the last year as it did with last year's budget?

Staff Recommendation for Action

1. Staff Recommendation – Approve the proposed budget presented in today's meeting with any needed amendments.
2. Alternate Option - Continue consideration of the item to a future commission meeting and provide direction to staff, as needed.

Attachment:

1. Proposed Budget FY 23-24

Line Items	Final FY 23-24	Draft FY 23-24	Approved FY 22-23	Change FY 22-23 to FY 23-24
Expense				
5110110 · Salary		\$373,000.00	\$340,000.00	8.85%
5130120 · Benefits		\$36,500.00	\$35,500.00	2.74%
5130500 · Pension		\$44,000.00	\$40,250.00	8.52%
5130525 · Retiree Health		\$6,000.00	\$6,000.00	0.00%
05 · Commissioner Per Diems		\$10,000.00	\$10,000.00	0.00%
10 · Conferences		\$6,000.00	\$5,000.00	16.67%
15 · General Insurance		\$6,500.00	\$6,500.00	0.00%
20 · IT & Communications Services		\$23,000.00	\$18,000.00	21.74%
25 · Legal Services		\$37,500.00	\$37,500.00	0.00%
30 · Memberships & Dues		\$8,000.00	\$17,500.00	-118.75%
35 · Misc Services		\$3,000.00	\$2,000.00	33.33%
40 · Office Equipment Purchases		\$4,139.00	\$4,139.00	0.00%
45 · Office Lease/Rent		\$36,888.00	\$35,670.08	3.30%
50 · Office Supplies and Postage		\$4,000.00	\$4,000.00	0.00%
55 · Professional Services		\$27,000.00	\$24,000.00	11.11%
60 · Publications/Notices		\$2,000.00	\$2,000.00	0.00%
65 · Rent – Storage		\$0.00	\$650.00	
70 · Training		\$1,700.00	\$1,700.00	0.00%
75 · Travel - Mileage		\$3,500.00	\$3,500.00	0.00%
Total Expense	\$0.00	\$632,727.00	\$593,909.08	6.14%
Income				
Carry Forward Balance		\$89,065.94	\$87,360.91	
4710510 · Agency Contributions		\$543,661.06	\$506,548.17	6.83%
Total Income	\$0.00	\$632,727.00	\$593,909.08	
	Amount	Notes		
General Reserve Fund	\$158,181.75	25% of total expenses - fully funded		
Consultant Reserve Fund	\$50,000	Per Marin LAFCo policy 3.10(B)(ix) - fully funded		
Technology Replacement Fund	\$5,758	Prior FY unspent funds from line item 40, not to exceed \$20,000 (through FYE 22)		



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Item No. 7 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jeren Seibel, Deputy Executive Officer

SUBJECT: Interview for LAFCo Regular and Alternate Public Member Seats and Possible Appointment

Background

Based on State Government Code section 56331, LAFCos are to appoint a member of the general public to a regular voting seat and can choose to appoint an alternate public member. Marin LAFCo last appointed the regular public member in 2019 to a four-year term and the alternate public member in 2021 to a two-year term. There are no term limits on the public seat and they can be reappointed as many times as they apply as long as the Commission approves the reappointment. Marin LAFCo has historically appointed an alternate public member and makes appointments for both public seats to four-year terms with the two seats being selected in different years. After the conclusion of the 2019 appointment of the regular public seat member, the Commission wanted to look at how to align both the regular and alternate seats so they both are chosen at the same time. In 2019 after staff research and Commission discussion, it was decided that when the next alternate seat opening for an appointment occurred in 2021 it would be only for a two-year term, rather than the normal four-year term, with a return to a four-year term once the seats were aligned in 2023. This now allows for both the regular and alternate public members to have their seats up at the same time this year.

Earlier this year, staff started the public noticing process for the alternate public seat according to State Government Code and Marin LAFCo policy. The official public noticing was sent to all LAFCo member agencies, posted in the Marin Independent Journal, and other local newspaper web posting sites. We have eight people applying for the position. Upon receipt of each application, staff reviewed that each applicant met the minimum qualifications to serve in this seat. That being they are a resident of Marin County and do not work for, or serve on, any local government body within LAFCo jurisdiction. The eight applicants meeting the minimum qualification have been invited to the Commission meeting for an interview. See the attachments for each application.

The Commission's Policies, Procedures, and Guidelines call for the Commission to use a set of uniform questions during interviews for the public member selection. Staff proposes the attached sample questions for the Commission to use at the meeting. These are the same questions presented two years ago. The Commission can alter any of the questions suggested in the attachment prior to the commencement of interviews. Commissioners may ask follow-up questions in order to elicit a more complete response from the candidates.

Administrative Office
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San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
www.marinlafco.org

Dennis Rodoni, Regular
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Chair
Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

Last time we had a large number of candidates the Commission decided that instead of each Commissioner asking a question that one question would be asked by each group (County, City/Town, and Special District). Last time question 1 was given to all applicants then each group chose one person to ask a question to the applicants. Before starting the interview, the Commission should decide if each Commissioner will ask a question or if it will use the process used last time with one question coming from each group. All candidates are asked to answer the same question in the order presented. The first person to answer each question shall be rotated between the eight candidates.

State Government Code section 56325(d) indicates that in order for a person to be appointed they must receive a majority of the Commission's approval. In addition, the approval must consist of at least one Commissioner from each of the three governing groups (County, City/Town, and Special District) voting in the affirmative for any candidate to get the appointment.

Possible Action(s) – Staff does not make recommendations in the decision of the appointment for the Public Member seat, as it is strictly at the discretion of the Commission. Here are possible outcomes the Commission may choose to take.

1. Appoint one candidate to fill the regular seat and one member to fill the alternate seat, each of which will start on the first Monday in May based on State Government Code section 56334.
2. Make no decision today and make a determination at a future meeting giving staff any needed instruction prior to the next meeting.

Attachment:

1. Questions for each candidate
2. Application from each candidate
3. Public comments received on this item

MARIN LOCAL AGENCY FORMATION COMMISSION

Public Member Interview Questions

The Commission's Policies, Procedures, and Guidelines call for the Commission to use a set of uniform questions during interviews for public member and alternate public member selection. Staff proposes the following questions for the Commission's use at its April 6 meeting. The Commission can (of course) delete or replace any of the questions suggested below prior to the commencement of interviews. During interviews, members of the Commission may also ask follow-up questions in order to elicit more complete responses from candidates.

1. Please tell the Commission something about yourself and the reasons why you have applied for the LAFCo Regular Public Member position.
2. Are you presently a member of the governing board of any city or special district in Marin County? If Yes are you willing resign your seat if appointed to LAFCo?
3. What experience have you had in land use planning?
4. What experience have you had with the delivery of local government services?
5. What is your understanding of LAFCo's role in local government?
6. What is your understanding of the Public Member's function on LAFCo?
7. How can your background be of assistance to LAFCo?
8. Do you foresee any problem with your availability to attend LAFCo meetings and hearings?
9. Do you understand the role that the Alternate member position has with LAFCo and can you tell us what that role is?



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

APPLICATION FOR APPOINTMENT

Public Member Seats

Name: LARRY CHU

Telephone: (Home/Cell) 415-924-5815/806-5556 415 Email: LCHU@PACBELL.NET

Is your Primary Residence in Marin County? Yes [checked] No

Home Address: 116 ALEXANDER AVE, LARKSPUR, CA 94939

Employers Name: FEDERAL RESERVE BANK OF SAN FRANCISCO

Present Occupation: BUSINESS CONTINUITY SPECIALIST (LEGAL + RISK GROUP)

Summary of Qualification: LARKSPUR CITY COUNCIL (2003-2019); CHAIR OF THE

MCCMC JPA OVERSIGHT COMMITTEE (2004-2010); TWIN CITIES POLICE

AUTHORITY COUNCIL WHEN SAN ANSELMO ADDED; COMMITTEE TO FORM

THE CENTRAL MARIN FIRE AUTHORITY; FINANCE, ACCOUNTING, AND TAX BACKGROUND.

Reason For Applying: I RAN FOR PUBLIC OFFICE IN PART TO FIND GREATER

FINANCIAL EFFICIENCIES AND GREATER ECONOMIES OF SCALE. I BELIEVE

THERE ARE ABUNDANT OPPORTUNITIES TO ACHIEVE THIS IN A COUNTY OF OUR SIZE.

Please list organizations of which you are an officer or employee: EMPLOYEE: BLOCK ADVISORS (TAX ANALYST)

OFFICER (NON-PROFITS): MARIN COUNCIL BOY SCOUTS OF AMERICA (TREASURER);

MARIN HEALTHY YOUTH PARTNERSHIP (TREASURER); PRSP INSTITUTE (TREASURER);

Please return to: Marin LAFCo LARKSPUR COMMUNITY FOUNDATION (BOARD MEMBER)

1401 Los Gatos Drive, Suite 220
San Rafael, CA 94903
Fax: 415-785-7897
staff@marinlafco.org

Additional information may be attached. (MORE AVAILABLE UPON REQUEST)



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

APPLICATION FOR APPOINTMENT

Public Member Seats

Name: Veda Flores

Telephone: (Home/Cell) 415.299.0035 Email: Vedaart9@gmail.com

Is your Primary Residence in Marin County? Yes No

Home Address: 114 Sycamore Ave, Apt 8
San Anselmo, CA 94960

Employers Name: Side By Side

Present Occupation: Director of Development & Communications

Summary of Qualification: I have lived in North + Central Marin for 12-years.
I enjoy regional service planning + solving planning issues.
I follow local issues & I am available for the meetings.

Reason For Applying: My background in growth management makes
me the ideal candidate. I would also like to see
greater diversity amongst the commission.

Please list organizations of which you are an officer or employee: League of Women Voters
of the Bay Area Board Member; Public Advisory Council
Metropolitan Transportation Agency

Please return to: Marin LAFCo
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903
Fax: 415-785-7897
staff@marinlafco.org

Additional information may be attached.



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

APPLICATION FOR APPOINTMENT

Public Member Seats

Name: Nancy T. McCarthy

Telephone: (Home/Cell) 415-488-7207 Email: MacZord@aol.com

Is your Primary Residence in Marin County? Yes No

Home Address: 15 Wellington Avenue, San Anselmo
CA 94960

Employers Name: Self- McCarthy Law Offices

Present Occupation: Attorney

Summary of Qualification: See attached

Reason For Applying: See attached

Please list organizations of which you are an officer or employee: See attached

Please return to: Marin LAFCo
1401 Los Gatos Drive, Suite 220
San Rafael, CA 94903
Fax: 415-785-7897
staff@marinlafco.org

Additional information may be attached.

Nancy P. McCarthy, Esq.
LAW OFFICES OF NANCY P. MCCARTHY
1000 DRAKES LANDING ROAD, GREENBRAE, CA 94904
PHONE (415) 485-1220 FAX (415) 454-9633 E-MAIL: maczord@aol.com

EDUCATION

Juris Doctorate - Tulane University, New Orleans, LA. (1976) Moot Court Honors Graduate;
Member of Founding Editorial Board – *Tulane Maritime Lawyer*
Bachelor of Science - Cornell University, School of Industrial & Labor Relations, Ithaca NY (1973)

LICENSED TO PRACTICE

State of California – 1983. State of Louisiana – 1976. Admitted to practice: Fifth Circuit Court of Appeals; U.S. District Court- E.D. Louisiana; U.S. District Court for the Northern, Eastern and Central Districts of California and the Ninth District Court of Appeals California, U.S. Supreme Court

PROFESSIONAL ACTIVITIES

In California:

- Judge Pro Tem Marin Superior Court
- Prior Member of State Bar of California Committee on Administration of Justice
- Arbitrator for Marin Superior Court- mandatory arbitration panel (9 years)
- Arbitrator – Marin County Bar Association Fee {MCBA} Arbitration Panel (7 years)
- Prior Board Member of the Marin County Bar Assn & Marin County Women Lawyers
- CEB panelist “Strategic Tips on Written Discovery” – multiple dates
- Recognized by MCBA - Pro Bono services; presently serve as UD pro bono attorney

EXPERIENCE

Active litigator for over 35 years in both State and Federal Courts; drafted Healthcare legislation.

2023-1983 - Solo practice in Marin County California litigating cases involving commercial disputes, labor & employment, employment counseling and investigation, contract disputes for employers and individuals, Public Sector employment, NLRB, EEOC administrative appearances, including jury and appeals cases. Represent Physicians in 805 hearings and Quality reviews and re CA Medical Board proceedings in connection with licensure; land use.

1982-1976 - Practiced litigation, primarily antitrust, maritime, gas pipeline and natural resources supply litigation, and Labor Law (NLRB, EEOC, labor arbitrations and collective bargaining) as an associate and then a partner at large New Orleans, Louisiana law firm (1976-1982, Deutsch, Kerrigan & Stiles, then Simon, Peragine, Smith & Redfearn,), including practice pro hac vice in Texas federal courts for a major antitrust case for 1.5 yrs.

1992 – Drafted amendments to CA Health & Safety Code; voting rights and gifts of public funds.

CIVIC, COMMUNITY ACTIVITIES

2013- 2023 (at different times) Oversight Committee Member (Prop 36) of \$500+ million of public bonds in Marin County: Tamalpais Union HS District; Ross School; Coll. Of Marin.) **1986 –1994**, publicly elected official - Marin Hospital District Board. **2002- 2011** Citizen’s Advisory Committee Marin County Sheriff’s Office. Legal Aid of Marin, Pro Bono provider 12 years to present. Previously, Boards of MCBA and Marin Women Lawyers. Pro bono Litigation for non-profit and public interest groups. Unlawful Detainer, pro bono attorney to assist those without counsel facing eviction.

LAFCO APPLICATION OF NANCY P. MCCARTHY

Summary of Qualifications:

I have attached my CV for your review. I have practiced law for 45 years in California and Louisiana. I have lived in Marin County for 40 years and while my mailing address is 15 Wellington Avenue San Anselmo; my home is located in the Town of Ross. I am one of about 20 properties that are able to get residential mail delivery through San Anselmo since my home borders San Anselmo. Ross has only P.O. Box delivery. So, I understand "boundary issues."

I have been and involved and interested community member in Marin County from the moment I arrived here from New Orleans, Louisiana. I was involved in the Beryl Buck litigation with the Marin Coalition, seeking to keep the Buck Trust in Marin to serve the needs of this community versus having it distributed to the entire Bay Area and/or State though the Cy Pres doctrine. I then was elected to the Marin General Hospital Board of Directors and served for 8 years at which time I personally wrote the legislation, sponsored by Senator Russell of Pasadena, that kept all District Hospitals in the State of California (72) from being taken over by "non-profit" healthcare corporations that had significant for profit ties and had no responsibility to local communities. Marin County has benefited from that legislation by retaining local control over what is now Marin Health which has successfully partnered with UCSF.

I have consistently been involved in local governmental matters, including having served on many Citizens' Oversight Committees for the bond funds for TUHSD, College of Marin (on which I now serve again), Ross School, and Edna McGuire School in Mill Valley. I am familiar with Roberts Rules, the Brown Act and how to conduct public meetings. I have done land use work in my practice, including advising clients regarding easements, and years ago I worked on litigation involving pipelines. I have served on HOAs at my family property in Utah, a co-owned ranch property above Park City and am familiar with ranch property issues, and governance issues, as well as what is required for maintenance of rural properties and rivers.

My legal background assists me in digesting complex materials, including applications for land use that involves technical language and often detailed legal descriptions. I have a competent background in California property law that could be of assistance in this position for LAFCO.

I enjoy learning and participating in complex issues involving governance, law, practical solutions and working to improve my local community. I am now semi retired and have the time to devote to important community challenges, which I see on the horizon for LAFCO with all of the unprecedented development coming due to recent California law mandating a significant increase in housing.

REASON FOR APPLYING:

I enjoy learning and participating in complex issues involving governance and law, and finding practical solutions that will improve my local community. I am now semi retired and have the time to devote to important community challenges, which I see on the horizon for LAFCO with all of the unprecedented development coming due to recent California laws mandating significant increases in housing. I am genuinely interested in local issues and I am very up to date on all developments in Marin County including following the Board of Supervisors meetings, the Marin Coalition speakers' programs, belonging to the Marin Conservation League and the COC for the College of Marin which has spent over

\$500 million in bonds substantially rebuilding both campuses, as well as being a member of the Marin County Bar Association where I served as a Director for 4 years and still serve as a panelist for the Marin County Superior Court assisting in settling cases before trial and resolving/mediating discovery disputes, and doing pro bono work for indigents in the community.

ORGANIZATIONS

I am a member of the Marin County Bar Association, a member of the COC of the College of Marin, a member of the Marin Conservation League, a member of the California Bar Association and a member of the Louisiana Bar Association.

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

APPLICATION FOR APPOINTMENT - Public Member Seats

Name: **Richard Savel**

Telephone: (Home/Cell) **415-479-4466, no texting.**

Email: **skypilot4u2@yahoo.com**

Is your Primary Residence in Marin County? **YES**

Home Address: **29 Oak Ridge Road, San Rafael, CA 94903**

Employers Name: **self**

Present Occupation: **Antiquarian and Contemporary Asian garden statuary**

Summary of Qualification: **see attached**

Reason For Applying: **see attached**

Please list organizations of which you are an officer or employee: **NONE**

Please return to: Marin LAFCo 1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903 Fax: 415-785-7897 staff@marinlafco.org

Additional information may be attached

Summary of Qualification

1984 Penngrove Specific Plan (public participant)
1989 Sonoma County General Plan (public participant)
1984-2020 Penngrove Specific Plan community representative - liaison to the Sonoma County Water Agency for administration of the (*PSZ*) Penngrove Sanitation Zone and Sonoma County PRMD and DTPW for administration of the Penngrove Specific Plan goals and policies.

Lead participant in the technical development of the CEQA cumulatively considerable traffic impact analysis for the successful S.C.R.P.C. (Penngrove) *South County Resource Preservation Committee* vs. City of Rohnert Park General Plan CEQA EIR lawsuit.

2001- 2006 2nd District Representative County of Sonoma 2000-2020 General Plan update
*Subcommittee leader for development of County General Plan regional traffic analysis and cumulatively considerable impact "*thresholds of significance.*" (Supervisor appointment)

2001- 2006 County General Plan liaison - City of Cotati General Plan
2001- 2006 County General Plan liaison - City of Rohnert Park General Plan
2001- 2006 County General Plan liaison - City of Petaluma General Plan

*** Received honors and commendations from the Sonoma County Board of Supervisors for coordinating multi-agency sub-regional policies regarding traffic, storm water runoff and groundwater supplies as liaison between the County and the cities of Cotati, Rohnert Park, and Petaluma during the General Plan update processes. (see attached Board awards)

Board of Supervisors
Resolution #08-1034
Dated: December 16, 2008
Honoring and Commending Rick Savel for his Service to the County of Sonoma.

Excerpt: "Whereas Rick was an active member and representative of the 2nd District on the General Plan Update Citizen's Advisory Committee from its inception in 2001 until its work was completed in 2006. As part of that effort Rick was one of three committee members working on the Circulation and Transit Subcommittee, with particular emphasis on addressing traffic congestion in the Penngrove Community. *This effort was very successful in finding a balance between the county's future transportation needs and the desires of the local residents and businesses.* Rick was also keenly interested in air transportation, flooding, groundwater, and sewer service issues."

"NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Board of Supervisors do hereby acknowledge and congratulate Rick Savel on his achievements, his dedication, and recognize him for the highly exceptional asset he has been to the Zone 2A committee, the Citizens Advisory Committee, and the County of Sonoma."

2000-2008 Chairman of the Sonoma County Water Agency Zone2A Petaluma Watershed Flood Control Advisory Committee (Supervisor appointment - see attached Board award)

2015-2016 Greenbelt Alliance staff representative for southern Sonoma County campaign for the successful Sonoma County *Community Separator Measure K* ballot initiative.

2016-2021 Sonoma County Comp. Airport Land Use Commission Supervisor appointment

2021-2023 Marin LAFCo Commission, *Alternate Public Member* - Commission appointment

Reason for applying:

My working experience includes: developing and coordinating multi-agency sub-regional County General Plan policies with LAFCo (Sonoma), City, County, and special districts regarding land use, boundary changes, sphere of influence, annexations, Urban Growth boundaries and Community Separators. I also have experience with sub-regional traffic impact analysis and mitigation policies, flood control project analysis and watershed management, sanitation system capacity analysis and management, and CEQA environmental analysis development and litigation. *I believe the scope and range of my working experience uniquely qualifies me for the Public Member position and that I would be a valuable asset for the County of Marin as a Public Member representative with the Marin LAFCo Commission.*

References:

Jared W. Huffman, U.S. Representative, 2nd California Congressional District.
Damon Connolly, State Assemblymember, 12th California Assembly District.
Mike Kerns, Sonoma County Supervisor, 2nd District (retired)
Kent Gylfe, Principal Engineer, Sonoma County Water Agency
Michael T. Healy, Councilmember, City of Petaluma
Susan Adams, Councilmember, City of Rohnert Park
Teri Shore, North Bay Regional Director, Greenbelt Alliance
Marlene Pappas Getchell, Attorney At Law

Thank you for your consideration!

Richard Savel

Resolution No. 08-1034

Dated: December 16, 2008

Resolution
OF THE
BOARD OF SUPERVISORS
OF THE
COUNTY of SONOMA, STATE of CALIFORNIA

HONORING AND COMMEMENDING RICK SAVEL
FOR HIS SERVICE TO THE COUNTY OF SONOMA

WHEREAS, Rick Savel was appointed to the Zone 2A Flood Advisory Committee on September 26, 2000 and was Chairman from November 26, 2001 until February 7, 2008; in this role he was attentive to good financial stewardship of available Zone 2A funds; and

WHEREAS, Rick provided value coordination, review and input on flood control related matters involving updates to the City of Petaluma General Plan and County General Plan; he also raised awareness of unauthorized grading and fill practices affecting flood control issues; and

WHEREAS, Rick advocated to ensure that properties in the unincorporated areas of Zone 2A received fair/equal benefit from flood control projects. Several flood control related projects in the upper reaches of the watershed were implemented/approved during Rick's tenure. He also advocated for a zero-net-fill policy for the unincorporated County areas within Zone 2A to reduce flooding impacts; and

WHEREAS, Rick was an active member and representative of the 2nd District on the General Plan Update Citizens' Advisory Committee from its inception in 2001 until its work was completed in 2006. As part of that effort, Rick was one of the three committee members working on the Circulation and Transit Subcommittee, with particular emphasis on addressing traffic congestion in the Penngrove Community. This effort was very successful in finding a balance between the county's future transportation needs and the desires of the local residents and businesses. Rick was also keenly interested in air transportation, flooding, groundwater, and water and sewer service issues.

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Board of Supervisors do hereby acknowledge and congratulate Rick Savel on his achievements, his dedication, and recognize him for the highly exception asset he has been to the Zone 2A Committee, the Citizens Advisory Committee, and the County of Sonoma.



Valerie Brown

SUPERVISOR VALERIE BROWN

Tim Smith

SUPERVISOR TIM SMITH

Paul L. Kelley

SUPERVISOR PAUL L. KELLEY

Mike Rully

SUPERVISOR MIKE RULLY

Mike Kerns

CHAIR MIKE KERNS

SO ORDERED

Resolution No. 06-0400e

Dated: May 2, 2006

Resolution
OF THE
BOARD OF SUPERVISORS
OF THE
COUNTY of SONOMA, STATE of CALIFORNIA

**RECOGNIZING RICK SAVEL OF THE CITIZEN'S ADVISORY COMMITTEE
FOR HIS WORK ON THE SONOMA COUNTY GENERAL PLAN UPDATE**

WHEREAS, the Government Code of the State of California requires the County to adopt a comprehensive general plan to guide its future physical development; and

WHEREAS, the broad purpose of the Sonoma County 2020 General Plan (GP 2020) is to express policies which will guide decisions on future growth, development, and conservation of resources through 2020 in a manner consistent with the goals and quality of life desired by the county's residents; and

WHEREAS, pursuant to the Government Code, the Sonoma County Board of Supervisors (Board) formally initiated and approved a draft work plan for the GP2020 on March 13, 2001 to update the 1989 General Plan; and

WHEREAS, on June 19, 2001, to facilitate public discourse and deliberations focused on reviewing and establishing policies, the Board formally appointed 15 members of the public and one alternate member to serve and represent their community as a member of a Citizen's Advisory Committee (CAC); and

WHEREAS, the CAC was charged with holding public meetings on the GP2020, consider public comments and staff recommendations, and then formulate draft policy language, for the consideration of the Sonoma County Planning Commission and Board; and

WHEREAS, the CAC members have demonstrated an extraordinary commitment to the County by volunteering their time, energy, and wisdom to carry out the CAC duties while maintaining the highest standards and commitment to objective evaluation and listening and considering hours of public testimony on issues with multiple layers of complexity and controversy; and

WHEREAS, CAC members volunteered many hours of their own time reviewing information outside of meetings, and sacrificed their own personal and family time to carry out this public service without monetary compensation; and

WHEREAS, the CAC's final meeting on February 16, 2006 culminated a five-year process of working on the GP 2020 which included over 200 meetings, 1,000 hearing hours, and countless hours of preparation and study.

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Board of Supervisors wishes to thank Rick Savel representing the 2nd District for his exceptional service to the people of Sonoma County.



Valerie Brown
SUPERVISOR VALERIE BROWN

Mike Kerns
SUPERVISOR MIKE KERNS

Tim Smith
SUPERVISOR TIM SMITH

Mike Reilly
SUPERVISOR MIKE REILLY

Paul L. Kelley
CHAIRMAN PAUL L. KELLEY

SO ORDERED

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

APPLICATION FOR APPOINTMENT

Public Member Seats

Name: Edward R. Schulze

Telephone: (Home/Cell) C 415-987-8952 **Email:** edwardschulze@comcast.net

Is your Primary Residence in Marin County Yes (over 60 years)

Home Address: 1 Tenaya Lane, Novato, CA 94947

Employers Name: Retired

Present Occupation: Retired

Summary of Qualification: See list of current and previous Civic and Community Involvement.

Reason For Applying: I believe that I can positively contribute as a Team Member based upon my years of public service and ability to consider all concerns. As a member I will support and participate in the commission's effort relating to all issues as presented, without prejudice or bias.

Please list organizations of which you are an officer or employee: See attached list of current Civic and Community Organizations.

Please return to: Marin LAFCo
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903
Fax: 415-785-7897
staff@marinlafco.org

Additional information may be attached

Edward R. Schulze

edwardschulze@comcast.net

Current Civic and Community Involvement

- . Marin Co. Disaster and Citizens Corps Council
- . Novato Complete Streets and Pathways Oversight Committee
- . Marin Co. Fish and Wildlife Commission
- . Marin/Sonoma Mosquito and Vector Control Trustee

Previous Civic and Community Involvement

- . Volunteer Fireman in Kentfield for 10 plus years
- . Board Member of 322 Units H.O. A. for 20 plus years
- . Marin Co. Civil Grand Jury- 2 Terms
- . Provided Training and Orientation for Marin Co. Civil Grand Jury- 5 years
- . Marin Co. Parole Board- 5 plus years
- . Novato Street Improvement Oversight Committee
- . Novato Code Violation Appeals Board Member
- . Marin Co. Major Crimes Task Force Oversight Committee
- . Cal State Fish & Wildlife Abalone Advisory Committee
- . Novato's 2017 Citizen Of The Year

Current Form 700 and AB1234 Certificate on file.



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

APPLICATION FOR APPOINTMENT

Public Member Seats

Name: BRADFORD SHARP

Telephone: (Home/Cell) 415-342-2880 Email: BRADPS@COMCAST.NET

Is your Primary Residence in Marin County? Yes [X] No

Home Address: 246 COBBLESTONE DR
SAN RAFAEL, CA 94903

Employers Name: RESUME ATTACHED

Present Occupation: RETIRED

Summary of Qualification: 2021-2022 MARIN CIVIL GRAND JURY
LIVED IN MARIN 33 YEARS. 15 YEARS WORKING AT
AUTODESK (MARIN) AND 19 YEARS SOLAR PROJECTS FOR
FEDERAL GOVERNMENT.

Reason For Applying:

INVESTIGATED LAFco FOR MARIN CIVIL GRAND JURY 2021-2022
I GAINED INSITE INTO WORK LAFco DOES AND WOULD LIKE TO HELP

Please list organizations of which you are an officer or employee:

MARIN CIVIL GRAND JURY 2021-2022

Please return to: Marin LAFCo
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903
Fax: 415-785-7897
staff@marinlafco.org

Additional information may be attached.

Bradford Sharp

✉ brad.sharp@comcast.net ☎ 415.342.2880

Accomplished and results driven professional with over 25 years of experience in all facets of Business Development, Sales, Marketing, Product Development, Project Management and Training that contributed in driving growth and profitability within technology and energy companies. Built successful strategies for penetrating and expanding into new markets. Extensive government and international experience. **Areas of Expertise** includes but not limited to:

- Key Account Management
- Channel Development
- Local, State, Federal Government
- Vendor and Client Relations
- Event Planning
- Market Planning
- B2B
- Strategic Partnering
- Consultative Sales
- International

CAREER HIGHLIGHTS

- ✓ **Won over \$70 Million in solar photovoltaic projects with the federal government 2009 - 2018**
- ✓ **Won first GSA civilian agency 3rd party financed solar contract (7 federal sites in Northern CA/NV including 2 with battery storage)**
- ✓ **Developed multiple large scale solar projects for GSA, NREL, Department of Veterans Affairs, U.S. Forest Service, Department of Homeland Security and the US Marine Corps**
- ✓ **Standardized several federal agencies on Autodesk suite of products, generating Millions in sales**
- ✓ **Held key management roles on successful Autodesk bid team/sales team for \$500M Navy CAD-2 Contract**
- ✓ **Pioneered Autodesk mapping and GIS technology in Asia Pacific market**
- ✓ **Key role in development of personnel appraisal systems for US Coast Guard, USMC, USAF**

PROFESSIONAL EXPERIENCE

Tesla Inc formerly SolarCity Inc (San Mateo, CA) **2014-2018**
Federal Project Development Senior Manager

- Collaborated with Industry, Federal Agencies, Congress, and the Executive Branch in development of federal solar and resiliency policy.
- Developed federal opportunities for solar, storage and micro-grid technology.
- Actively pursued federal agencies to identify new solar and storage projects.
- Managed successful execution of GSA FASPP contract.
- Managed GSA contract and federal contracting websites such as SAM, ESPRS, CPARS.

REC Solar Inc (San Luis Obispo, CA) **2012-2014**
Manager, Federal and Strategic Accounts

- Pursued federal agencies and commercial strategic accounts to identify new solar projects.
- Managed and participated in proposal writing team responding to government RFPs.
- Developed growth strategies for sales of PV solar to federal government and large commercial accounts.
- Managed post award relationships with agencies to insure successful contract execution.

SunPower Corp (Richmond, CA) **2009-2012**
Manager, Federal Accounts

- Pursued federal agencies to identify and win new solar projects.
- Managed and participated in proposal writing team responding to government RFPs.
- Identified and developed growth strategies for federal sales of solar to federal government.
- Exceeded quota in quota-based system.

Bradford Sharp

✉ brad.sharp@comcast.net ☎ 415.342.2880

Acronis (Woburn, MA) **2012-2014**
Federal VAR Channel Manager & Global Strategic Alliances Manager

- Grew the federal sales program from an "inside the Beltway" direct sales model to a worldwide federal VAR channel model.
- Identified and developed relationships with key system integrators.
- Worked directly with partners to train and develop their sales teams
- Worked directly with federal agencies to promote widespread adoption of the technology.

Environmental Resolutions Inc (Petaluma, CA) **2006-2008**
Business Development and Marketing Manager

- Identified and developed new marketing/sales strategies for company to enter local, state, and federal markets.
- Built strategic alliances to lead company into new business opportunities.

Autodesk Inc. (San Rafael, CA) (Held multiple positions over 16 years) **1989-2004**
Program Manager

Public Safety, Emergency Response, and Homeland Security Program **2001-2004**

- Developed overall strategy for Autodesk to enter public safety, emergency response, and Homeland Security markets.
- Served as Product Manager for three Autodesk public safety software programs (Desktop and Internet based).

Senior Manager Industry Marketing and Business Development **1996-2001**
GIS and Mapping Division

- Worked with Autodesk business partners and customers to develop new solutions based on Autodesk GIS and Mapping products.

GIS Sales Development Director (one-year assignment) **1997-1998**
Asia Pacific Division

- Trained Autodesk and partner sales teams throughout Asia on new GIS and Mapping products.
- Assisted Asia Pacific sales teams with major account presentations and spoke at industry events.

Regional Sales Manager **1994-1996**
Federal Systems Group, Western Region

- Managed marketing, sales, and technical services team producing over \$13M/yr in revenue.
- Senior Autodesk representative on the multi-company bid team securing \$500M DOD-wide contract for computer-aided-design, GIS, mapping, and computer hardware technology.

Account Manager **1989-1991**
Federal Systems Group

- Original member of Autodesk Federal Sales and Marketing Team.
- Responsible for several federal agencies standardizing on Autodesk software (and file formats) for design, drafting, mapping and animation resulting in millions of dollars in sales.

U.S. Coast Guard (Washington DC) **1980-1984**
Assistant Chief, Performance Management Systems Staff

- Developed new and innovative behavioral based personnel evaluation systems for US Coast Guard.
- Assisted USMC and USAF performance evaluation development teams in revising their appraisal systems.

EDUCATION

Master of Public Administration Degree **1980**
American University (Washington, DC)

Bachelor's Degree, Double Major, Government and Geography **1976**
Clark University (Worcester MA)

Eagle Scout

APPLICATION FOR APPOINTMENT

2023 Public Member Seats

Name: Roger A. Smith

Phone: (Home) 415-453-9432 (Work) 415-990-8725

Home Address: 65 Moncada Way, San Rafael, CA 94901

Employer's Name and Address: Self-employed

Present Occupation: Commercial real estate investment and management

Do you reside in Marin County? Yes No

Summary of Qualifications: See attached.

Reason for applying: See attached.

Are you an employee or officer of any organization which is funded by or provides service to the County of Marin or any city or special in Marin County?

Yes No If yes, please list: _____

Please return to: Marin LAFCo
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903
Fax: 415-785-7897
staff@marinlafco.org

Additional information may be attached.

APPLICATION FOR APPOINTMENT – 2023 Public Member Seats

Additional Information – **Roger A. Smith**

Summary of Qualifications

I am a Marin native, originally from Fairfax but a resident of San Rafael for over 15 years. I was also a commercial real estate agent in San Rafael from 1983 to 2017. During my time as an agent, I was also an active investor and developer of properties in Marin and Sonoma Counties. I continue to be active in managing and owning commercial properties that house a wide variety of different businesses.

Throughout my career, I have served on numerous boards and committees, many of them dealing with planning and policy work for the City of San Rafael but almost all involving some facet of the development process and/or the built environment. A partial list follows:

- San Rafael General Plan 2040 Steering Committee
- San Rafael Parking & Wayfinding Committee
- North San Rafael SMART Station Area Plan Committee
- Citizens Advisory Committee on Economic Development and Housing
- San Rafael Critical Facilities Committee
- San Rafael General Plan 2020 Steering Committee
- Ad Hoc Committee on Homeless
- North San Rafael Plan Steering Committee
- Downtown Advisory Committee
- MarinSpace Board Member (non-profit property management)
- San Rafael Chamber of Commerce Board of Directors (current)
- San Rafael Chamber of Commerce Governmental Affairs Committee (current)
- San Rafael Chamber of Commerce Economic Vitality Committee
- Recipient, Elissa Giambastiani Advocacy Award, S.R. Chamber of Commerce, 2017
- Marin History Museum Board Member
- Friends of No. 9 Board Member (Mt. Tam locomotive restoration, current)
- College of Marin Foundation Finance Advisory Committee
- Mark Day School Board of Trustees
- Sleepy Hollow Fire Protection District Commissioner

Education includes B.S. University of California, Davis and MBA, University of California, Berkeley

Reasons for Applying

As a fourth generation “Marinite”, I feel strongly about helping to maintain the historically high quality of life in our community. I look for opportunities to apply my long experience in working on economic and planning issues in Marin and I believe LAFCo is one such opportunity. I have a solid understanding of the interconnectivity between Marin’s history and traditions, its regulatory framework and policies, and the disparate political forces that need to be addressed to drive its future. I am a pragmatic thinker always looking to find real world solutions to real world situations. I believe LAFCo is a place where knowledge, innovation and sound judgement have value. I think I can offer those attributes to make a positive impact.

Name: Clifford Waldeck

Phone/cell: 415-290-2008 Email: cliff.waldeck@gmail.com

Yes, Primary Residence is in Marin County

Home Address:425 East Blithedale Avenue, Mill Valley

Employers Name: Marin County Office of Education

Present Occupation(s): Substitute Teacher for preschool and K-12 Marin County public and private schools. Also, work for Indoff Inc., Law Offices of Mark J. Rice and as a consultant for permitting, advocacy and business development.

Summary of Qualification: Former elected and state appointed official. Mill Valley City Councilmember and Mayor. Regional Water Board member and Chair. BCDC Commissioner. Member and Chair, Regional Airport Planning Committee.

Effective and collegial, works well with fellow Board members, staff and stakeholders. Always prepared for meetings. Strives to keep comments short and to the point during meetings. Blindsides no one.

Reason for Applying: I am passionate about the work of LAFCO. It's detail oriented and a convergence of many disciplines and LAFCO's output is important to the vitality of our collective Marin community. I approach LAFCO with an open mind, a willingness to learn and the pride that I am representing the public of Marin County.

Please list organizations of which you are an officer or an employee: Presently, I do not serve on any boards, commissions or organizations. Serving as the Public Member of LAFCO would be my only extracurricular service. I have applied twice before; I hope this third time is a charm.

From: [Mayor Kate](#)
To: [Jason Fried](#)
Subject: LAFCo applicant
Date: Tuesday, February 7, 2023 6:35:12 PM
Attachments: [Outlook-2qbcn0k5.png](#)

Hi Jason - I hope this email finds you well. I saw that LAFCo has put out a call for applicants for the public seat and I respectfully request that the Commission consider appointing long-time community member and San Rafael resident Roger Smith. Roger has been deeply engaged in the community for decades and in working with him for over the years, I know he does his homework, asks great questions and always raises the bar on strategic discussions. He has a deep understanding of San Rafael and would bring a strong business, economic and community-oriented perspective. I recognize that continuing to keep a board 'fresh' with new faces and ideas is a balancing act with wanting to re-appoint incumbents and I can assure you that Roger would be an excellent addition to the board. Please let me know if this email suffices for enthusiastic support of Roger's application or if you'd prefer that I write a more formal letter.

Warmly,
Kate

Kate Colin (she/her/hers)
Mayor, City of San Rafael



Jason Fried

From: Joanne Webster <jwebster@srchamber.com>
Sent: Friday, February 10, 2023 9:52 AM
To: Jason Fried
Subject: LAFCo call for applications

Dear Mr. Fried,

It has come to my attention recently that LAFCo has put out a call for applicants for the public seat. I have never made a request to the Commission, but I feel very strongly about Roger Smith as a candidate. So, I respectfully request that the Commission consider appointing long-time community member and San Rafael resident Roger Smith. I have worked with Roger for years in various capacities including the San Rafael Chamber board, the general plan steering committee, Rotary club, economic development sub-committees and more.

Roger is smart, considerate, and fully engaged in the community. He always does his homework before making any comments leading to great conversation, and strategic thinking. He knows and cares about San Rafael and has a solid understanding of our challenges and opportunities. As a resident, business owner and property owner in San Rafael he would be a great asset to the Commission and bring a strong business and economic lens.

Thank you for considering Roger for this seat.

Please feel free to contact me directly on my mobile at 415-426-9042.

Joanne

Joanne Webster, President and CEO
E:jwebster@srchamber.com O: 415.454.4163 X 101

San Rafael Chamber of Commerce
817 Mission Ave., San Rafael, CA 94901





Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Item No. 8 (Business)

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
(On behalf of Budget and Workplan Chair Rodoni and members Burke and Moddy)
SUBJECT: Review and Approval of Work Plan for Fiscal Year 2023-2024

Background

At the March 15, 2023 Budget and Workplan Committee meeting, the Fiscal Year 23-24 work plan was discussed. This was done since the Commission this year decided not to do its workshop but instead, last July had a workshop focused on the next round of MSR's. This means the responsibility falls to the Committee to create a work plan for the Commission to approve. Past practice is to have our work plan be a living document that changes as needed so items can be added or changed as needed. In some cases, LAFCo may complete an item on this list prior to the end of the current fiscal year, such as approval of the West Marin MSR, but think it best to keep all items listed in one spot.

In drafting the current work plan, staff started with items that remain from the FY 22-23 work plan, then added new items so we have a complete list of items to be working on. The main additions to the work plan are upcoming MSR's that are scheduled to at least be started during FY 23-24 which are: Southern Marin Wastewater MSR, Multiple Region Services MSR. Additional items include the Dillon Beach Village Sewer, Central Marin Wastewater MSR, next full round of MSR, City of Sausalito merger into Sausalito-Marín City SD, Flood Zone 10 boundaries and responsibilities, Flood Zone 3 responsibilities, Marin RCD boundaries, and Stinson Beach Fire District boundaries.

In addition, staff is looking to discuss the status of items that came out of MSR's. While we have had success with some items, like the merger of Murray Park SMD into RVSD, other items may have come to a conclusion. When the Commission created the current MSR schedule it added two special studies to it, a countywide fire and countywide police study. Staff has been working, as time permits, on the fire study with the work mainly being done while Oliva was on staff. Since we talked about this item originally, we have seen fire agencies have discussions both with us and on their own so the question arises should we keep moving on this or stop working on this for now? In addition, the changing of Tiburon Fire Districts boundaries at this time seems to come to a conclusion that it is not likely to occur any time soon so staff has removed the item but if an opportunity arises we will move it at that time.

Items completed and removed from the work plan since reviewed last year include : West Marin Area MSR, CSA 18 Boundary Change, SMFPD and Mill Valley Fire consolidation, and DUC Committee work.

Staff Recommendation for Action

1. Staff Recommendation – approval of the attached work plan for Fiscal Year 2023–2024 with any changes as needed.
2. Alternate Option - Do not approve the work plan and give staff instruction on what the Commission would like to do.

Attachment:

1. Work plan for FY 2023-2024

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

Dennis Rodoni, Regular
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice-Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Chair
Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

Project	Responsible for work	Basic Description	Status
Golden Gate Area MSR	Staff	MSR for region.	Final Draft is ready for approval at the April 2023 meeting.
Southern Marin Wastewater Study	Staff	MSR for the SASM agencies	Research has started
Multi-Regional Services Study	Staff	MSR for agencies that cover multiple regions	Will be started once Southern Marin Wastewater study draft is completed
Central Marin Wastewater Study	Staff	MSR for agencies of CMSA	will be started once multi-Regional MSR is completed
Next Round of MSR	Staff	The review of what the next round of MSR will look like was started in July 2022 and staff will present a more formal workplan once we get closer to the end of the current round.	will be started once multi-Regional MSR is completed
Countywide Fire Study	Commissioner McEntee and Staff	To do a phased review of fire services in Marin County.	On hold given staff workload
Countywide Police Study	TBD	TBD	Once fire study is complete this will be revisited
SQVSMD consolidation with RVSD	Staff	Based on the Central Marin Wastewater MSR, work with district staff on the possibility of consolidating services with RVSD.	Staff is working with RVSD and County staff to resolve a few outstanding issues.
Property Tax Review For Special Districts	Staff	This is a low level item for staff to work on. Currently when parcels are annexed into a district they get zero of the current ad valorem so staff will research if there are options, without changing the Master Tax Exchange Agreement, for district to get additional revenue to cover the cost of service that they get from current parcels from the 1% ad valorem.	Will be worked on as time permits.

Project	Responsible for work	Basic Description	Status
Dillon Beach Sewer	Staff	Staff has been invited by both the County and NMWD to advise on the possible creation of a new sewer system for the residents of Dillon Beach Village which would require annexation of the area into NMWD	Early planning meetings are occurring and staff is attending as needed.
Strawberry Recreation District Reorganization of Dredging Services	Staff	Staff identified in Tiburon Peninsula MSR that SRD has dredging services that are an activity that State Government Code does not explicitly give to a recreation district. SRD and the County, with LAFCo help, are working to see if a CSA can be created to cover those services	SRD will be doing dredging over the summer. Work on this should start up again in the fall/winter once they are done.
Paradise Drive	Staff	As identified in the Tiburon Peninsula MSR, Paradise Drive goes through areas that are both incorporated and unincorporated as multiple unincorporated islands exist along it. The road itself does not reflect the parcels around it as far as which jurisdiction it is in.	Discussion between the County and Tiburon are ongoing
Ross Valley Fire Working Group	Staff	As identified in the Upper Ross Valley MSR currently fire services are provided by a JPA in the region. There is a desire to see if there is a different model that would work for the area.	Ross Valley Fire has started discussions about needing a new fire chief and mixed in that discussion is what governing type is best for them. Staff is fielding calls from people but has yet to be included in formal discussions.
City of Sausalito/Sausalito-Marín City SD Consolidation	Staff	Currently, the City of Sausalito collects wastewater and then transmits that wastewater into SMCSD pipes within the city limits. The city is looking to see if SMCSD can take over this process from them. In areas outside of the City limits SMCSD does what the City is looking to do within the City limits.	Staff will monitor this issue as it moves through review process and will assist as requested.

Project	Responsible for work	Basic Description	Status
Flood Zone 10	Staff	When doing the West Marin MSR it was noted that FZ10 was created to deal with an event that occurred in the area. It was given a pot of funds that are mostly spent. As noted in the MSR the zone does not have a funding source so either the Flood District, with help from its CAB, should determine if there is work that the local community is willing to fund.	Staff has been asked to attend meeting and help advise on best practices for changing boundaries.
Flood Zone 3	Staff	As noted in Golden Gate MSR there are some issues within the FZ. While not directly LAFCo related staff may be needed to help be a neutral advisor on dealing with these issues	Staff will monitor this issue as it moves through review process and will assist as requested.
Marin RCD and Stinson Beach Fire boundaries	Staff	As noted in West Marin MSR both agencies want to look at their current boundaries and make some adjustments.	Staff will work with both agencies in helping them with any changes they look to do.
Digital Library	Staff	Staff has learned how to make current documents ADA compliant and is looking to add more information to the website for applications and resolutions to make it easier for the public to access documents from us.	We recently found new software to help make this process easier. Once we are fully staffed this project will move forward again.



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Item No. 9 (Business)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Approval of Extension of Office Lease for 1401 Los Gamos Drive**

Background

Prior to current staff being on board the Commission approved moving to 1401 Los Gamos Drive with a multiple-year lease agreement. Our current office space is considered a full-service lease where all basic utilities, janitorial, and maintenance are included. That lease is set to expire at the end of May of this year. Starting in January staff started to research what alternative options are available in Marin County along with talking with our current building management about what a possible extension would look like. To help facilitate our research staff from the Town of Corte Madera shared with us whom they used to help them find temporary office space while their town hall is being redone. While staff did not visit other locations, we were given fact sheets that included information about the space including the rent amount. I was able to take this information and during February was able to negotiate with Keegan & Coppin (KC), a representative of the building owner, about a possible extension for our current space. I reviewed the units that would require us to move and realized that what we currently pay is well below what other buildings are charging for similar services provided. Our current lease price per square foot is more comparable to buildings that are not full-service.

Given the cost difference, I focused first on what a new lease would look like to stay in our current spot. KC stated that the building owner was very interested in keeping us in our space and had made us a very good offer. Not knowing the Commission's desire for the length of a new lease I asked KC for two different lengths so they are proposing either a 3-year or 5-year deal. Attached is the proposal from KC to remain in the current space. The 3-year agreement has about a 4% increase each year after. I was able to negotiate a slightly better deal for us if we go with a 5-year agreement. With a 5-year agreement, we will get free rent for the first month (June 2023) and then see only a \$0.16 a month increase in rent for the first year. Each year after that is about a 4% increase. While the attached proposal from KC has each year increase starting in June, I was able to get them to agree to change that to July. This both delays by one month an increase but also allows us to coordinate our increase with the fiscal year making it easier to budget. This will lead to either a 37 or 61-month lease extension.

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

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County of Marin

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Almonte Valley Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

Staff Recommendation for Action

- 1) Staff recommendation – Authorize the Executive Officer to extend our lease agreement for 61 months with Keegan and Coppin for office space at 1401 Los Gamos Drive, Suite 220, San Rafael, CA.

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

Attachment:

1. Keegan & Coppin Proposal to Extend Lease



February 22, 2023

Mr. Jason Fried
Marin County Local Agency Formation Commission
VIA EMAIL: jfried@marinlafco.org

Re: Proposal to Extend Lease at 1401 Los Gamos Road, San Rafael, CA

Dear Mr. Fried:

On behalf of the ownership of 1401 Los Gamos, I am pleased to present the following proposal to extend your lease for Suite 220 at 1401 Los Gamos:

1. BUILDING: 1401 Los Gamos Road, San Rafael, CA 94903
2. TENANT: Marin County Local Agency Formation Commission/Political Subdivision of the State of California
3. PREMISES: Suite 220 consisting of 1,301 square feet on the first floor of the building.
4. USE: Professional and administrative office
5. LEASE TERM: Thirty-Six (36) or Sixty (60) Months
6. COMMENCEMENT: June 1, 2023
7. BASE RENT: Rent during the initial term of the Lease shall be on a Full-Service basis, and shall be paid as follows:

36 month Term

June 1, 2023 through May 31, 2024: \$3,074 per month
June 1, 2024 through May 31, 2025: \$3,197 per month
June 1, 2025 through May 31, 2026: \$3,325 per month

60 month Term

June 1, 2023 through June 30, 2023: Rent Abated
July 1, 2023 through May 31, 2024: \$2,956 per month
June 1, 2024 through May 31, 2025: \$3,074 per month
June 1, 2025 through May 31, 2026: \$3,197 per month
June 1, 2026 through May 31, 2027: \$3,325 per month
June 1, 2027 through May 31, 2028: \$3,458 per month

8. SECURITY DEPOSIT: Per Lease
10. OPERATING EXPENSES: Per Lease
11. TENANT IMPROVEMENTS: Tenant accepts the Premises in its AS-IS condition.
15. BROKERAGE: Keegan & Coppin Co., Inc. represents Landlord and shall be paid a commission by Landlord pursuant to a separate written agreement between Landlord and Keegan & Coppin Co., Inc. No other brokers are involved in this transaction.
16. NON-BINDING: This proposal shall in no way bind either party. It is designed as a medium for negotiation only. Only a fully executed Lease shall bind parties to obligations provided within.

I look forward to hearing from you regarding this proposal.

Sincerely,



Nathan Ballard, Partner
CA DRE License # 01743417



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Item No. 10 (Business)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Accept and File Marin LAFCo Audit for Fiscal Year 2021-2022 Audit and Authorization Audit for Fiscal Year 2022-2023

Background

Marin LAFCo annually performs an independent audit. For the third year, we utilized Davis Farr LLP to perform our audit. Staff has been satisfied with the quality of work performed and today is presenting to the Commission the audit and supporting letters for Fiscal Year 2021-2022. The full audit can be read in attachment 1. In addition, they presented two letters, Significant Audit Findings (attachment 2) and Independent Auditor's Report (attachment 3).

In the Audit Findings for FY 21-22, they had just one item. The one item mentioned is in respect to the compensated absences amount which is something prior to Davis Farr that our previous auditor did for us. We are still learning how Davis Farr wants this matter presented to them. I am hopeful this will be correctly presented with our next audit.

In the FY 20-21 Auditor's Report, they made one recommendation regarding our annual closing process. Both myself and Alyssa learned from last year's audit and with FY 21-22 our auditor had no issues to report on this matter.

With the completion of the Fiscal Year 21-22 audit, we will be looking to get our Fiscal Year 22-23 audit done once books get closed out at the end of this calendar year. Staff would recommend that we use them for a fourth year as they were good at sticking to timelines they presented to staff for completion of the current audit.

Staff Recommendation for Action

1. Staff recommendation – Accept and File the audit giving staff any instructions on any issues they want to see addressed. Authorize the Executive Officer to enter into an agreement for the FY 22-23 audit with Davis Farr for a not-to-exceed amount of \$7,675.
2. Alternate Option – Continue consideration of the item to the next regular meeting, and provide direction to staff, as needed.

Attachment:

1. Fiscal Year 21-22 Audit
2. Significant Audit Findings
3. Independent Auditor's Report

Administrative Office
Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
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MARIN LOCAL AGENCY FORMATION COMMISSION
Basic Financial Statements
Year ended June 30, 2022
(With Independent Auditor's Report Thereon)

MARIN LOCAL AGENCY FORMATION COMMISSION

Basic Financial Statements

Year ended June 30, 2022

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Independent Auditor's Report

Board of Commissioners
Marin Local Agency Formation Commission
San Rafael, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Marin Local Agency Formation Commission (LAFCo), as of and for the year June 30, 2022, and the related notes to the financial statements, which collectively comprise Marin LAFCo's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Marin LAFCo, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marin LAFCo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described further in Note 6 to the financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Lease Accounting. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Marin LAFCo's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marin LAFCo's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Marin LAFCo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marin LAFCo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison information and pension and other post employment benefit schedules* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited Marin LAFCo's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on March 10, 2023 our consideration of Marin LAFCo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marin LAFCo's internal control over financial reporting and compliance.

DavisFarrLLP

Irvine, California
March 10, 2023

Marin Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

The Management's Discussion and Analysis (MD&A) provides an overview of the financial activities of the Marin Local Agency Formation Commission (LAFCo) for the fiscal year ended June 30, 2022. The required financial statements include the Statement of Net Position and Governmental Funds Balance Sheet; and the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balances.

These statements are supported by notes to the basic financial statements. All statements must be considered together to obtain a complete understanding of the financial picture at LAFCo.

Financial Highlights

- LAFCo finished June 30, 2022 with a net position of \$459,563. This amount represents an overall change of (\$1,380) from the prior fiscal year's total of \$460,943. The net position includes all pension and post-employment liabilities.

Fund Level

- LAFCo finished June 30, 2022 with a total fund balance of \$414,219. \$3,464 of the fund balance is assigned as prepaid items.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of LAFCo's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of LAFCo's activities as a whole and comprise the Statement of Net Position and Statement of Activities. The Statement of Net Position provides information about the financial position of LAFCo as a whole, including any capital assets and long-term liabilities on the full accrual basis. The Statement of Activities provides information about all of LAFCo's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of LAFCo's programs. The Statement of Activities explains in detail the change in Net Position for the year.

Marin Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

The Fund Financial Statements report LAFCo's operations in more detail than the Government-wide statements and focus primarily on short-term activities of LAFCo's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of LAFCo as a whole.

The Statement of Net Position and the Statement of Activities present information about the following: *Governmental Activities* – LAFCo's basic services are considered governmental activities. These services are supported by specific general revenues from local agencies.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of LAFCo's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of LAFCo for the year and may change from year-to-year as a result of changes in the pattern of LAFCo's activities.

In LAFCo's case, there is only one Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Marin Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Governmental Activities

Table 1
Governmental Net Position

	Governmental Activities		
	2022	2021	\$ Change
Current assets	\$ 620,797	\$ 455,375	\$ 165,422
Prepaid Items	3,464	-	3,464
Net OPEB Asset	13,633	7,593	6,040
Capital assets, net of accumulated depreciation	31,129	-	31,129
Total Assets	669,023	462,968	206,055
Deferred outflows of resources	106,412	105,268	1,144
Current liabilities	251,043	33,248	217,795
Non-current liabilities	26,908	55,168	(28,260)
Total Liabilities	277,951	88,416	189,535
Deferred inflows of resources	37,921	18,877	19,044
Net position:			
Net investment in capital assets	(903)	-	(903)
Unrestricted	460,466	460,943	(477)
Total net position	\$ 459,563	\$ 460,943	\$ (1,380)

Marin Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Table 2 summarizes program revenues, expenses and general revenues; All of these are elements in the Changes in Governmental Net Position summarized below. The change in net position is \$28,263 less this year than last year, due to several factors that do not impact LAFCo's long-term economic outlook: 1) LAFCo's salaries and benefits increased due to promotions and cost of living adjustments, 2) LAFCo digitized all applications dating back to 1963 for a total cost of \$14,271, and 3) LAFCo did not raise member agency contributions in alignment with anticipated increases in expenditures. LAFCo has the discretion to raise fees as necessary but chose to use prior years' unassigned fund balance to cover the shortfall this year.

Table 2
Changes in Governmental Net Position

	<u>Governmental Activities</u>		
	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>
<u>Revenues</u>			
Program revenues:			
Charges for Services	\$ 22,487	\$ 22,184	\$ 303
General revenues:			
Intergovernmental	506,548	503,570	2,978
Interest Income	334	3,763	(3,429)
Total revenues	<u>529,369</u>	<u>529,517</u>	<u>(148)</u>
<u>Program Expenses</u>			
General government	529,247	502,634	26,613
Interest	1,502	-	1,502
Total expenses	<u>530,749</u>	<u>502,634</u>	<u>28,115</u>
Change in Net Position	<u>(1,380)</u>	<u>26,883</u>	<u>(28,263)</u>
Net position, beginning of year	<u>460,943</u>	<u>434,060</u>	<u>26,883</u>
Net Position, end of year	<u>\$ 459,563</u>	<u>\$ 460,943</u>	<u>\$ (1,380)</u>

Marin Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Capital Assets

LAFCo's capital assets consist solely of a right-to-use lease (for office space) implemented during this year as a result of the implementation of GASB 87.

Debt Administration

LAFCo does not utilize long-term debt to fund operations or growth.

Economic Outlook

LAFCo is responsible under statute to annually review its organizational needs and adopt an operating budget accordingly with mandatory funding drawn from local agencies. State law also specifies the operating budget shall be equal to the budget adopted for the previous fiscal year unless LAFCo formally finds any reduced costs will allow the Commission to nonetheless meet its prescribed regulatory and planning duties. These statutory provisions provide LAFCo full discretion in setting and collecting local agency apportionments to meet budgeted expenses with the latter aligned to support annual workplans.

The economic condition of LAFCo as it appears on the balance sheet reflects financial stability. LAFCo will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

Contacting LAFCo's Financial Management

This financial report is intended to provide our citizens, taxpayers, and creditors with a general overview of LAFCo's finances. Questions about this report should be directed to 1401 Los Gamos Drive, Suite 220, San Rafael, CA 94903.

MARIN LOCAL AGENCY FORMATION COMMISSION

Statement of Net Position

June 30, 2022

(With prior year comparative information)

	Governmental Activities	
	2022	2021
Assets:		
Cash and investments (note 3)	\$ 620,797	455,375
Prepaid items	3,464	-
Capital assets, net (note 4)	31,129	-
Net OPEB asset (note 8)	13,633	7,593
Total assets	669,023	462,968
Deferred outflow of resources:		
Deferred outflow-pension (note 7)	102,725	104,734
Deferred outflow-OPEB (note 8)	3,687	534
Total deferred outflow of resources	106,412	105,268
Liabilities:		
Accounts payable	6,027	8,583
Unearned revenue	178,101	-
Accrued liabilities	25,914	16,957
Noncurrent liabilities:		
Due within one year:		
Compensated absences (note 6)	8,969	7,708
Lease liability (note 6)	32,032	-
Long-term liabilities:		
Compensated absences (note 6)	26,908	23,124
Net pension liability (note 7)	-	32,044
Total liabilities	277,951	88,416
Deferred inflow of resources:		
Deferred inflow-pension actuarial (note 7)	29,118	18,632
Deferred inflow-OPEB actuarial (note 8)	8,803	245
Total deferred inflow of resources	37,921	18,877
Net position:		
Net investment in capital assets	(903)	-
Unrestricted	460,466	460,943
Total net position	\$ 459,563	460,943

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

Statement of Activities

Year ended June 30, 2022

(With prior year comparative information)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2022	2021
Governmental activities:						
General government	\$ 529,247	22,487	-	-	(506,760)	(480,450)
Interest	<u>1,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,502)</u>	<u>-</u>
Total governmental activities	<u>\$ 530,749</u>	<u>22,487</u>	<u>-</u>	<u>-</u>	<u>(508,262)</u>	<u>(480,450)</u>
General revenues:						
Assessments					506,548	503,570
Interest income					<u>334</u>	<u>3,763</u>
Total general revenues					<u>506,882</u>	<u>507,333</u>
Change in net position					(1,380)	26,883
Net position, beginning of year					<u>460,943</u>	<u>434,060</u>
Net position, end of year					<u>\$ 459,563</u>	<u>460,943</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

Balance Sheet - Governmental Fund

June 30, 2022

(With prior year comparative information)

	<u>General Fund</u>	
	<u>2022</u>	<u>2021</u>
	<u>Assets</u>	
Cash and investments	\$ 620,797	455,375
Prepaid items	3,464	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 624,261</u>	<u>455,375</u>
	<u>Liabilities and Fund Balance</u>	
Liabilities:		
Accounts payable	\$ 6,027	8,583
Unearned revenue	178,101	-
Accrued liabilities	25,914	16,957
	<u> </u>	<u> </u>
Total liabilities	<u>210,042</u>	<u>25,540</u>
Fund balance:		
Nonspendable:		
Prepaid items	3,464	-
Unassigned	410,755	429,835
	<u> </u>	<u> </u>
Total fund balance	<u>414,219</u>	<u>429,835</u>
	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 624,261</u>	<u>455,375</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

**Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position**

June 30, 2022

Fund balances of governmental fund	\$ 414,219
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Non-current asset that have not been included in the governmental fund	
Capital assets	65,089
Accumulated amortization	(33,960)
Net OPEB asset	13,633
<u>Long-Term Liability Transactions</u>	
Long-term liabilities applicable to the LAFCo's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.	
Compensated absences	(35,877)
Lease liability	(32,032)
<u>Deferred Outflows and Inflows of Resources</u>	
Certain deferred outflows and inflows of resources are not due and payable in the current period and are not current assets or financial resources, therefore these items are not reported in the governmental fund.	
Deferred outflows - pension related	102,725
Deferred outflows - OPEB related	3,687
Deferred inflows - pension related	(29,118)
Deferred inflows - OPEB related	<u>(8,803)</u>
Net position of governmental activities	<u>\$ 459,563</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Fund**

Year ended June 30, 2022

(With prior year comparative information)

	General Fund	
	2022	2021
Revenues:		
Intergovernmental	\$ 506,548	503,570
Charges for services	22,487	22,184
Interest income	334	3,763
Total revenues	<u>529,369</u>	<u>529,517</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	397,359	351,137
Services and supplies	113,067	141,922
Debt service:		
Principal	33,057	-
Interest	1,502	-
Total expenditures	<u>544,985</u>	<u>493,059</u>
Net change in fund balances	(15,616)	36,458
Fund balances at beginning of year	<u>429,835</u>	<u>393,377</u>
Fund balances at end of year	<u>\$ 414,219</u>	<u>429,835</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities**

Year ended June 30, 2022

Net changes in fund balances - total governmental funds \$ (15,616)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. This is the amount of amortization expense in the current period. There were no capital outlays in the current period.

Amortization expense (33,960)

Long-Term Liability Transactions

Some expenses reported in the Statement of Activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds. Repayment of debt service is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balances because current financial resources have been used. For the LAFCo as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.

Net change in pension related items	19,549
Net change in OPEB related items	635
Net change in lease liability	33,057
Net change in compensated absences	<u>(5,045)</u>
Change in net position of governmental activities	\$ <u>(1,380)</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(1) **Reporting Entity**

(a) Organization of LAFCo

Marin Local Agency Formation Commission (LAFCo) was formed in 1963. LAFCo is responsible for coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, and preparing a sphere of influence for each city and special district within its county. LAFCo's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. LAFCo also conducts service reviews to evaluate the provision of municipal services within its county.

(b) Principles that Determine the Scope of Reporting Entity

LAFCo consists of seven voting members and exercises the powers allowed by state statutes. This follows section 56325 of the Government Code. The basic financial statements of LAFCo consist only of the funds of LAFCo. LAFCo has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by, or dependent on, LAFCo.

(2) **Summary of Significant Accounting Policies**

(a) Basis of Presentation

LAFCo's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

Government-wide Financial Statements

LAFCo's financial statements reflect only its own activities; it has no component units. The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through intergovernmental revenues and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of LAFCo's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services offered by the program. Revenues that are not classified as program revenues, including all intergovernmental revenues, are presented as general revenues.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. General Fund operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses) as appropriate. LAFCo's resources are accounted for based on the purposes for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of LAFCo or meets the following criteria: Total assets, liabilities, revenues or expenditures (or expenses) of the individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type. The General Fund is always a major fund.

Governmental Funds

General Fund: This is the operating fund of LAFCo. The major revenue source for this fund is intergovernmental revenues. Expenditures are made for intergovernmental revenues projects and administration.

(b) Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when "measurable and available." LAFCo considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual are intergovernmental, certain charges for services and interest revenue. Charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which LAFCo gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

LAFCo may fund programs with a combination of charges for services and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. LAFCo's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

(c) LAFCo Budget

Pursuant to Section 56381, et seq of the Government Code, LAFCo adopts a proposed budget by May 1 and a final budget by June 15 of each year.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Budget/actual comparisons in this report use this budgetary basis. These budgeted amounts are as originally adopted or as amended by LAFCo. Individual amendments were not material in relation to the original appropriations that were amended.

(d) Capital Assets and Leases

Physical assets acquired through purchase or contribution with an acquisition value in excess of \$1,500 are capitalized on the financial statements and accounted for at their historical costs.

LAFCo is a lessee for right to use assets as detailed in Footnote 6. LAFCo recorded a lease payable in the financial statements. At the commencement of the lease, LAFCo initially measures the lease payable at the present value of payments expected to be paid during the lease term. Subsequently, the lease payable is reduced by the principal portion of lease payments made. LAFCo used the estimated borrowing rate as the discount rate for leases and the lease term includes the noncancellable period of the lease.

Capital assets of LAFCo are depreciated using the straight-line method over the following estimated useful lives:

Furniture and fixtures	10 years
General office equipment	5 years
Computer hardware	5 years
Computer software	3 years
Right-to-use assets	Life of lease

(e) Compensated Absences

It is LAFCo's policy to permit employees to accumulate earned but unused vacation. The balance of unpaid vacation time at June 30, 2022 is recorded as a noncurrent liability. Vacation is accrued as earned.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

(f) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. There are pension and OPEB related items that meet this definition.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net assets by LAFCo that is applicable to a future reporting period. There are pension and OPEB related items that meet this definition.

(g) Fund Balance

In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Commissioners serve as LAFCo's highest level of decision-making authority and have the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by LAFCo for specific purposes, subject to change, as established either directly by the Commissioners or by management officials to whom assignment authority has been delegated by the Commissioners.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, LAFCo specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, LAFCo's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

Net Position

The net position reported on the Statement of Net Position in the government-wide financial statements consist of the following categories:

Net investment in capital assets describes the portion of net position that is represented by the current net book value of LAFCo's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that LAFCo cannot unilaterally alter.

Unrestricted describes the portion of net position that is not restricted to use.

(h) Use of Estimates

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

(i) Comparative Financial Statements

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the LAFCo's prior year financial statements, from which selected financial data was derived. The LAFCo's has reclassified certain prior year information to conform with current year presentations.

(j) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the LAFCo's Marin County Employee's Retirement Association (MCERA) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

The following timeframes are used for pension reporting:

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	June 30, 2020 to June 30, 2021

(k) Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, and information about the plan (OPEB Plan), have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to the liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

(3) Cash and Investments

LAFCo's cash is maintained with the Marin County Treasury in an interest-bearing account. LAFCo's cash on deposit with Marin County Treasury and Bank of Marin at June 30, 2022 was \$620,797.

Credit Risk, Carrying Amount and Market Value of Investments

LAFCo maintains specific cash deposits with Marin County. Marin County is restricted by state code in the types of investments it can make. Furthermore, the Marin County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, Marin County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. In addition, LAFCo has its own investment policy as well.

Marin County's investment policy authorizes Marin County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(3) Cash and Investments (Continued)

Fair Value Measurements – LAFCo categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, and Level 3 inputs are other significant unobservable inputs. LAFCo's investments in the County Treasurer's Pool was \$507,291 as of June 30, 2022 and are valued using Level 1 inputs as are the certificates of deposit, local government bonds and money market funds.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Deposits may be covered by federal deposit insurance. The California Government Code and the LAFCo's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure LAFCo's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at the end of the year are collateralized by securities held at the depository financial institution's trust department.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Marin Investment Pool).

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(4) Capital Assets

A summary of changes in capital assets is as follows:

	Balance at July 1, 2021*	Additions	Deletions	Balance at June 30, 2022
Capital assets being amortized:				
Right-to-use lease assets	\$ 65,089	-	-	65,089
Total capital assets being amortized	<u>65,089</u>	<u>-</u>	<u>-</u>	<u>65,089</u>
Less accumulated amortization:				
Right-to-use lease assets	-	(33,960)	-	(33,960)
Total accumulated amortization	<u>-</u>	<u>(33,960)</u>	<u>-</u>	<u>(33,960)</u>
Total capital assets being amortized, net	<u>\$ 65,089</u>	<u>(33,960)</u>	<u>-</u>	<u>31,129</u>

* Balance at July 1, 2021 was restated to include right-to-use lease assets added due to the implementation of GASB 87.

(5) Contingencies

LAFCo may be involved from time to time in various claims and litigation arising in the ordinary course of business. LAFCo management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters should not have a materially adverse effect on LAFCo's financial position or results of operations.

(6) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	Balance at July 1, 2021*	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
Compensated absences	\$ 30,832	15,634	(10,589)	35,877	8,969
Lease payable - Office	<u>65,089</u>	<u>-</u>	<u>(33,057)</u>	<u>32,032</u>	<u>32,032</u>
Total	<u>\$ 95,921</u>	<u>15,634</u>	<u>(43,646)</u>	<u>67,909</u>	<u>41,001</u>

*Balance at July 1, 2021 has been restated to include leases payable due to the implementation of GASB 87.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(6) Long-Term Liabilities (Continued)

Office Lease

During the fiscal year, LAFCo implemented Governmental Accounting Standards Board Statement No. 87 on lease accounting.

On January 5, 2016, LAFCo entered into a seven year lease agreement for the use of an office space. The total lease liability is \$65,089 at 3% interest. As of June 30, 2022, the value of the lease liability is \$32,032. LAFCo is required to make monthly principal and interest payments of \$2,873. The value of the right-to-use asset is \$65,089 and had an accumulated amortization of \$33,960 as of June 30, 2022.

The future principal and interest payments as of June 30, 2022, are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 32,032	482	32,514

(7) LAFCo's Employees' Retirement Plan

A. Plan Description

LAFCo's retirement plan is administered by the Marin County Employees' Retirement Association (MCERA), a retirement system established in July 1950 and governed by the California Constitution; the County Employees Retirement Law of 1937 (CERL or 1937 Act, California government Code Section 31450 et seq.); the Public Employees' Pension Reform Act of 2013 (PEPRA, Government Code Section 7522); the provisions of California Government Code Section 7500 et seq; and the bylaws, procedures, and policies adopted by MCERA's Board of Retirement. The Marin County Board of Supervisors may also adopt resolutions, as permitted by the CERL and PEPRA, which may affect the benefits of MCERA members.

MCERA operates as a cost-sharing multiple employers defined benefit plan for the County and eight other participating employers: City of San Rafael, Local Agency Formation Commission (LAFCo), Marin City Community Services District, Marin County Superior Court, Marin/Sonoma Mosquito and Vector Control District, Novato Fire Protection District, Southern Marin Fire Protection District, and Tamalpais Community Services District. Separate actuarial valuations are performed for these other agencies and districts, and the responsibility for funding their plans rest with those entities. Post-retirement benefits are administered by MCERA to qualified retirees.

Copies of MCERA's annual financial reports, which include required supplementary information (RSI) for the Plan may be obtained from their office at One McInnis Parkway, Suite 100, San Rafael, CA 94903 or online at www.mcera.org.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

Administration

Retirement system administration is managed by the Retirement Board. All Retirement Board members, except the County Director of Finance, serve for a term of three years. By statute, retirement Board members include the following:

- The Director of Finance of the County (ex-officio).
- Four members who are qualified electors of the County and not connected with County government in any capacity, except one may be a County Supervisor. The Board of Supervisors appoints these members.
- Two General members of MCERA elected by the General membership.
- One Safety member and one Safety member alternative elected by the Safety membership.
- One retired member and one retired member alternate elected by the retired membership.

Membership

MCERA provides service retirement, disability, and death and survivor benefits to its general and safety members. Safety membership primarily includes law enforcement and firefighters of MCERA, as well as other classifications as allowed under the CERL and adopted by the employer. General membership is applicable to all other occupational classifications. The retirement benefits within the plan are tiered based on the participating employer and the date of the member's entry into MCERA membership.

B. Benefit Provisions

Vesting

Members become vested in retirement benefits upon completion of five years of credited service.

Service Retirement

MCERA's service retirement benefits are based on the years of credited service, final average compensation, and age at retirement, according to the applicable statutory formula. Members who qualify for service retirement are entitled to receive monthly retirement benefits for life.

General members hired prior to January 1, 2013 are eligible to retire once they attain the age of 50 (except tiers 3a and 4, whereby the minimum age is 55) and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. A member who is age 70 or older is eligible to retire regardless of service credit. General members who are first hired on or after January 1, 2013 are eligible to retire once they have attained the age of 52, and have acquired 5 years of retirement service credit, or age 70, regardless of service.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

Disability Retirement

A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty is eligible to apply for a non-service connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty as a result of injury or disease arising out of and in the course of employment is eligible to apply for a service-connected disability retirement, regardless of service length or age.

Death Benefits

MCERA provides specified death benefits to beneficiaries and members' survivors. The death benefits provided depend on whether the member is active or retired. The basic active member death benefit consists of a members' retirement contributions plus interest plus one month's pay for each full year of service (up to a maximum of six month's pay). Retiring members may choose from five retirement benefit payment options. Most retirees elect to receive the unmodified allowance which provides the maximum benefit to the retiree and continuance of 60% of the retiree's allowance to the surviving spouse or registered domestic partner after the retiree's death. Other death benefits may be available based on the years of service, marital status, and whether the member has minor children.

Cost of Living Adjustment

Retirement allowances are indexed for inflation. Most retirees receive automatic basic cost of living adjustments (COLA's) based upon the Urban Consumer Price Index (UCPI) for the San Francisco Bay Area. These adjustments go into effect on April 1 of each year. Annual COLA increases are statutorily capped at 2%, 3%, or 4% depending upon the member's retirement tier. When the UCPI exceeds the maximum statutory COLA for the member's tier, the difference is accumulated for use in future years when the UCPI is less than the maximum statutory COLA. The accumulated percentage carryover is known as the COLA Bank.

As of June 30, 2022, LAFCo's reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous Plan as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020	\$ 215,816	183,772	32,044
Balance at June 30, 2021	-	-	-
Net changes during 2020-21	<u>\$ (215,816)</u>	<u>(183,772)</u>	<u>(32,044)</u>

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

LAFCo's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, updated to June 30, 2021. LAFCo's proportion of the net pension liability was based on a projection of LAFCo's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. LAFCo's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

Measurement Dates

Proportion - June 30, 2020	.0070%
Proportion - June 30, 2021	<u>.0000%</u>
Change - Increase (Decrease)	<u>(.0070%)</u>

For the year ended June 30, 2022, LAFCo recognized pension expense of \$14,722. At June 30, 2022, LAFCo reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 44,081	-
Adjustment due to differences in proportions	12,570	29,118
Differences between employer's contributions and proportionate share of contributions	<u>46,074</u>	<u>-</u>
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 102,725</u>	<u>29,118</u>

The \$44,081 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ 11,678
2024	17,655
2025	193
2026	-
2027	-
Thereafter	-

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date:	June 30, 2020
Timing:	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year
Actuarial Cost Method:	Entry Age Asset
Valuation Method:	Market Value
Amortization Method:	Closed 17 year period (10 years remaining as of 6/30/20)
Discount Rate:	6.75%
Price Inflation:	2.50%
Salary Increases:	3.00% plus merit component based on employee classification and years of service
Administrative Expenses:	Administrative expenses in the actuarial valuation are assumed to be \$5 million for FY 2020-21, to be split between employees and employers based on their share of the overall contributions. Administrative expenses shown in this report are based on the actual FY 2020-21 amounts.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

Postretirement COLA: Post retirement COLAs are assumed at the rate of 2.5% for members with a 4% COLA cap, 2.4% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap.

Mortality Rates for Healthy Members and Inactives: Rates of mortality for active Members are specified by the Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Project Scale MP-2020, with no adjustments.

A complete description of the methods and assumptions used to determine contribution rates for the year ended June 30, 2021 can be found in the June 30, 2020 actuarial report.

Discount Rate - The discount rate used to measure the total pension liability was 6.75% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions intended to fund benefits of current plan members and their beneficiaries are included.

Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32.0%	4.60%
Fixed Income	23.0%	(0.25%)
International Equity	22.0%	4.80%
Public Real Assets	7.0%	2.90%
Private Equity	8.0%	6.00%
Real Estate	<u>8.0%</u>	6.00%
Total	<u>100.0%</u>	

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents LAFCo's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what LAFCo's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.75%
Net Pension Liability	\$0
Current Discount Rate	6.75%
Net Pension Liability	\$0
1% Increase	7.75%
Net Pension Liability	\$0

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MCERA financial reports.

(8) Other Postemployment Benefit (OPEB)

Plan Description

LAFCo provides a defined benefit healthcare plan (the "Retiree Health Plan"). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through the CalPERS Health Benefit Program, which covers both active and retired members.

For retirees hired between October 1, 1993 and December 31, 2007 (Plan 3), LAFCo would pay a percentage of retirees' single-coverage premiums up to a dollar cap based on years of service at retirement, where the dollar cap is reviewed each year by the Board of Supervisors. Through January 1, 2007 the cap was increased to cover single Blue Cross Prudent Buyer Classic and Delta Dental premiums. The Board of Supervisors has implemented a policy to limit annual increases in the cap to no more than 3%, subject to annual approval regarding whether any increase will be granted and, if so, the amount of the increase. Cap increases were 3% effective January 1, 2008 and January 1, 2009. No cap increases have been adopted since that time. The dollar cap is currently \$442.65 per year of service up to \$8,853 per year.

For retirees hired on or after January 1, 2008 (Plan 4), LAFCo would pay \$150 per year of service up to \$3,000 per year for the retiree's single health plan premiums only.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(8) Other Postemployment Benefit (OPEB) (Continued)

Funding Policy

LAFCo's Board of Commissioners will not be funding the plan in the current year but will follow a pay-as-you-go approach. The Board will review the funding requirements and policy annually.

Membership of LAFCo as of the valuation date consisted of the following:

Active plan members	3
Inactive employees or beneficiaries currently receiving benefit payments	<u>1</u>
Total	<u><u>4</u></u>

Contribution

As of June 30, 2021, LAFCo has accumulated \$79,889 in an irrevocable trust toward this liability. With LAFCo's approval, the discount rate used in this valuation is 5.75% as of June 30, 2021; the long term expected return on trust assets.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Funding method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value of trust assets
Long term return on assets	5.75%
Discount rates	5.75%
Participants valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary increase	3.00%
General inflation	2.50% per year
Mortality improvements	MacLeod Watts Scale 2022 applied generationally
Healthcare trend	5.6% in 2023, fluctuates until ultimate rate of 4% in 2076

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(8) Other Postemployment Benefit (OPEB) (Continued)

Change in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net Position Liability (Asset)
Balance at June 30, 2020 (MD)	\$ 59,188	66,781	(7,593)
Service cost	2,226	-	2,226
Interest	3,505	-	3,505
Differences between actual and expected experience	3,595	-	3,595
Changes of assumptions	(1,360)	-	(1,360)
Benefit payments	(898)	(898)	-
Contributions - employer	-	898	(898)
Net investment income	-	13,132	(13,132)
Administrative expenses	-	(24)	24
Net Changes	<u>7,068</u>	<u>13,108</u>	<u>(6,040)</u>
Balance at June 30, 2021 (MD)	<u>\$ 66,256</u>	<u>79,889</u>	<u>(13,633)</u>

Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate and Medical Cost Inflation

The discount rate used for the fiscal year end June 30, 2022 is 5.75%. Medical Cost Inflation was assumed to start at 5.6% and grade down to 4.0% for years 2076 and thereafter. The impact of a 1% increase or decrease in these assumptions is shown in the table below.

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
(4.75%)	(5.75%)	(6.75%)
\$(8,385)	(13,633)	(18,229)

Plan's Net OPEB Liability/(Asset)		
Medical Trend - 1%	Current Medical Trend	Medical Trend + 1%
\$(14,488)	(13,633)	(12,724)

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(8) Other Postemployment Benefit (OPEB) (Continued)

Deferred Resources and Expected Future Recognition

For the fiscal year ended June 30, 2022, LAFCo recognized OPEB expense of \$263. At June 30, 2022, LAFCo reported deferred resources from OPEB from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,474	-
Net Difference between projected and actual earnings on investments	-	7,575
Changes in assumptions	<u>213</u>	<u>1,228</u>
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 3,687</u>	<u>8,803</u>

In addition, future recognition of these deferred resources is shown below.

<u>Fiscal Year Ending June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ (1,613)
2024	(1,667)
2025	(1,508)
2026	(1,547)
2027	286
Thereafter	933

(9) Risk Management

LAFCo is exposed to various risks of loss related to torts, theft of, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. LAFCo has purchased outside insurance coverage at the following amounts:

- General Liability coverage up to \$2,500,000 per occurrence
- Workers' Compensation coverage up to \$750,000 per occurrence
- Cyber coverage up to \$750,000 per occurrence
- Pollution Liability coverage up to \$2,000,000 per occurrence
- Personal Liability coverage for board members and directors up to \$500,000 per occurrence

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2022

(Continued)

(9) Risk Management (Continued)

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years, and there were no reductions in LAFCo's insurance coverage during the year ending June 30, 2022. Liabilities are recorded when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated net of the respective insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

MARIN LOCAL AGENCY FORMATION COMMISSION

Schedule of Plan Proportionate Share of the Net Pension Liability

Last Ten Years*

Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Proportion of the collective net pension liability	0.0000%	0.0070%	0.0000%	0.0104%
Proportionate share of the net pension liability	\$ -	32,044	-	34,351
Covered-employee payroll	280,726	271,662	113,308	123,490
Proportionate share of the net pension liability as a percentage of covered-employee payroll	0%	12%	0%	28%
Plan fiduciary net position as a percentage of the total pension liability	0%	85.15%	0%	88.34%
Measurement Date	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Proportion of the collective net pension liability	0.0088%	0.0021%	0.0000%	0.0750%
Proportionate share of the net pension liability	\$ 32,451	10,037	-	185,355
Covered-employee payroll	206,613	232,415	173,394	192,619
Proportionate share of the net pension liability as a percentage of covered-employee payroll	16%	4%	0%	96%
Plan fiduciary net position as a percentage of the total pension liability	86.27%	81.45%	84.31%	89.04%

* Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

MARIN LOCAL AGENCY FORMATION COMMISSION

Schedule of Contributions

Last Ten Years*

Fiscal Year Ending June 30	2022	2021	2020	2019
Actuarially determined contribution	\$ 44,081	37,025	50,702	13,234
Contributions in relation to the actuarially determined contributions	(44,081)	(37,025)	(50,702)	(13,234)
Contribution deficiency (excess)	\$ -	-	-	-
Covered payroll during the fiscal year	\$ 313,897	280,726	271,662	113,308
Contributions as a percentage of covered payroll	14.04%	13.19%	18.66%	11.68%
Fiscal Year Ending June 30	2018	2017	2016	2015
Actuarially determined contribution	\$ 14,430	46,997	68,104	48,485
Contributions in relation to the actuarially determined contributions	(14,430)	(46,997)	(68,104)	(48,485)
Contribution deficiency (excess)	\$ -	-	-	-
Covered payroll during the fiscal year	\$ 123,490	206,613	232,415	173,394
Contributions as a percentage of covered payroll	11.69%	22.75%	29.30%	27.96%

* Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

Notes to Schedule

Valuation Date 6/30/20 (to determine FY2021-22 contributions)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY 2020-21):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate periods for Extraordinary Actuarial Gains or Losses (18 years remaining as of 6/30/20), the remaining UAL as of June 30, 2013 (10 years as of 6/30/20), and additional layers for unexpected changes in UAL after 6/30/13 (24 years for gains and losses with a 5-year phase-in/out and 22 years for assumption changes with a 3-year phase-in/out).
Remaining Amortization period	10 years remaining as of June 30, 2020
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00% plus merit component based on employee classification and years of service
Investment Rate of Return	3.48%, net of investment expenses
Retiree Mortality	Rates of mortality for retired members and their beneficiaries are based on the Public General 2010 Health Retiree Mortality Table, with generational improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.
Disabled Mortality	Rates of mortality among disabled members are based on the Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.

MARIN LOCAL AGENCY FORMATION COMMISSION

Schedule of Change in the Net OPEB Liability(Asset) and Related Ratios

Last Ten Years*

Measurement Date	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	\$ 2,226	2,161	-	-	-
Interest	3,505	3,365	3,309	3,413	3,529
Change of benefit terms	-	-	-	-	-
Difference between expected and actual experience	3,595	-	372	-	-
Changes of assumptions	(1,360)	-	348	-	-
Benefit payments, including refunds of employee contributions	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Total OPEB liability - beginning of year	59,188	59,062	60,046	62,089	64,175
Total OPEB liability - end of year	\$ 66,256	59,188	59,062	60,046	62,089
Plan Fiduciary Net Position					
Net investment income	\$ 13,132	3,431	5,013	2,544	1,894
Contributions					
Employer	898	5,400	4,208	21,071	25,102
Benefit payments, including refunds of employee contributions	(898)	(5,400)	(5,013)	(5,456)	(5,615)
Administrative expense	(24)	(31)	(13)	(76)	(15)
Net change in plan fiduciary net position	13,108	3,400	4,195	18,083	21,366
Plan fiduciary net position - beginning of year	66,781	63,381	59,186	41,103	19,737
Plan fiduciary net position - end of year	\$ 79,889	66,781	63,381	59,186	41,103
Net OPEB liability(asset) - end of year	\$ (13,633)	(7,593)	(4,319)	860	20,986
Covered-employee payroll	\$ 280,829	229,570	125,319	144,601	217,782
Net OPEB liability as a percentage of covered-employee payroll	-4.85%	-3.31%	-3.45%	0.59%	9.64%

* Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

MARIN LOCAL AGENCY FORMATION COMMISSION

Schedule of Contributions - OPEB

Last Ten Years*

Fiscal year	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,606	1,801	2,036	1,526	15,615
Contributions in relation to the actuarially determined contributions	-	-	898	4,552	21,071
Contribution deficiency (excess)	<u>\$ 1,606</u>	<u>1,801</u>	<u>1,138</u>	<u>(3,026)</u>	<u>(5,456)</u>
Covered employee payroll	\$ 323,489	280,829	229,570	125,319	144,601
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.39%	3.63%	14.57%

Notes to Schedule:

Fiscal Year End: June 30, 2022

Valuation Date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar basis, open 30 years
Amortization period	30 years remain
Asset valuation method	Market value
Inflation	2.5%
Healthcare cost trend rates	5.6% in 2023, fluctuates until ultimate rate of 4% in 2076
Salary increases	3.0%
Investment rate of return	5.75%
Retirement age	From 55 to 75
Mortality	2017 CalPERS Experience Study
Mortality improvement	Projected with MW Scale 2022

* Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

MARIN LOCAL AGENCY FORMATION COMMISSION

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund**

Year ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 506,548	506,548	506,548	-
Charges for services	-	-	22,487	22,487
Investment income	-	-	334	334
Total revenues	<u>506,548</u>	<u>506,548</u>	<u>529,369</u>	<u>22,821</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	402,000	402,000	397,359	4,641
Services and supplies	159,548	159,548	113,067	46,481
Debt service:				
Principal	-	-	33,057	(33,057)
Interest	-	-	1,502	(1,502)
Total expenditures	<u>561,548</u>	<u>561,548</u>	<u>544,985</u>	<u>16,563</u>
Net change in fund balances	(55,000)	(55,000)	(15,616)	39,384
Fund balances at beginning of year	<u>429,835</u>	<u>429,835</u>	<u>429,835</u>	-
Fund balances at end of year	<u>\$ 374,835</u>	<u>374,835</u>	<u>414,219</u>	<u>39,384</u>

See accompanying notes to the required supplementary information

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Required Supplementary Information

Year ended June 30, 2022

(1) Budgetary Reporting

The LAFCO's established accounting control through formal adoption of an annual budget for the General Fund. The budget is prepared on a basis consistent with generally accepted accounting principles. The adopted budget can be amended by the LAFCo to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require LAFCO's's approval. However, the Executive Officer may authorize changes within funds. Expenditures may not exceed total appropriations at the individual fund level.

Board of Commissioners
Marin Local Agency Formation Commission

We have audited the financial statements of the governmental activities and each major fund of Marin Local Agency Formation Commission (LAFCo) as of and for the year ended June 30, 2022, and have issued our report thereon dated March 10, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 19, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Marin LAFCo solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting noted during our audit in a separate letter to you dated March 10, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence under the American Institute of Certified Public Accountants ("AICPA") Independence Standards, contained in the Code of Professional Conduct.

We identified self-review threats to independence as a result of non-attest services provided. The non-attest service included preparing the financial statements and proposing journal

entries. To mitigate the risk, management has compared the draft financial statements and footnotes to the underlying accounting records to verify accuracy and has reviewed a disclosure checklist to ensure footnotes are complete and accurate. Additionally, we utilize a quality control reviewer to perform a second review of journal entries and the financial statements. We believe these safeguards are sufficient to reduce the independence threats to an acceptable level.

Significant Risks Identified

We identified the implementation of Governmental Accounting Standards Board No. 87 – Leases as a significant risk. As a result, we reviewed the support for the lease liability and related right to use asset. We compared the terms of the agreement to the information included in the calculation of the lease payable.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Marin LAFCo is included in Note 2 to the financial statements. As described in Note 6 to the financial statements, Marin LAFCo changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in the fiscal year 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive accounting estimates affecting the financial statements include:

- Management’s estimate of transactions related to net pension and OPEB liabilities based on actuarial information.

We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Marin LAFCo’s financial statements were:

- The disclosure of pensions in note 7 to the financial statements

- The disclosure of OPEB in note 8 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no unusual transactions noted as a result of our audit procedures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We identified one material misstatement as a result of our audit procedures that was brought to the attention of, and corrected by, management relating to an entry to reduce compensated absences.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Marin LAFCo's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 10, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Marin LAFCo, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Marin LAFCo's auditors.

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

DavisFarrLLP

Irvine, California
March 10, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Marin Local Agency Formation Commission
San Rafael, California

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Marin Local Agency Formation Commission (LAFCo), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise LAFCo's basic financial statements, and have issued our report thereon dated March 10, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LAFCo's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAFCo's internal control. Accordingly, we do not express an opinion on the effectiveness of LAFCo's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of LAFCo's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of weaknesses, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiency in internal control to be a significant deficiency:

(1) Adjustments Detected During the Audit

During the audit, we detected and recorded journal entries to correct errors. We noted one material adjustment related to compensated absences.

Recommendation

We recommend LAFCo enhance its annual closing process to ensure the balances of the related accounts are adjusted prior to the audit.

Management Response

Marin LAFCo does not have a need to generate the compensated absences except for purposes of the audit process. Marin LAFCo will work to replicate the auditor's specifications for the compensated absences.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAFCo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Marin LAFCo's Response to Findings

LAFCo's response to the finding identified in our audit is described in the previous section. LAFCo's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarrLLP

Irvine, California
March 10, 2023



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Executive Officer Report – Section A

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Budget Report for FY 2022-2023

Background

Marin Local Agency Formation Commission (LAFCo) adopted a budget for FY 2022-2023 totaling \$593,909.08. As of March 27, 2023, LAFCo has spent \$378,527.00. This report covers 9 months, which is about 75% of the year. We have already spent 63.7% of our budget this year. You will note four line items are higher than the expected amount for where we are for being five months into the FY. As mentioned at previous meetings 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. A third item is Misc. Services (35). As mentioned at the previous meeting the amount listed is to cover the cost for the in-person workshop we held. This also has become the line item we use for costs associated with our payroll system that are charged now that we are not within the County system anymore. It is likely this line item will end up over budget for the year. The new line item that will likely end a little bit over originally budgeted is IT & Communications Services (20). This is due to us changing out of Marin Map and the use of a new system to help with document remediation along with increases for internet services.

Attachment:

- 1) FY 2022-2023 Budget Report

Administrative Office

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County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Vice Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Chair
Almonte Sanitary District

Craig K. Murray, Regular
Las Gallinas Valley Sanitary

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

Marin Local Agency Formation Commission

FY23 BUDGET REPORT

03/27/23

July 2022 through June 2023

Accrual Basis

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
410 · Prior Year Carryover	0.00	87,360.91	-87,360.91	0.0%
400 · Agency Contributions	506,548.17	506,548.17	0.00	100.0%
Total Income	506,548.17	593,909.08	-87,360.91	85.3%
Expense				
Services and Supplies				
05 · Commissioner Per Diems	3,875.00	10,000.00	-6,125.00	38.8%
10 · Conferences	3,943.86	5,000.00	-1,056.14	78.9%
15 · General Insurance	5,389.41	6,500.00	-1,110.59	82.9%
20 · IT & Communications Services	15,623.69	18,000.00	-2,376.31	86.8%
25 · Legal Services	13,075.20	37,500.00	-24,424.80	34.9%
30 · Memberships & Dues	16,471.00	17,500.00	-1,029.00	94.1%
35 · Misc Services	1,906.80	2,000.00	-93.20	95.3%
40 · Office Equipment Purchases	98.31	4,139.00	-4,040.69	2.4%
45 · Office Lease/Rent	26,602.56	35,670.08	-9,067.52	74.6%
50 · Office Supplies & Postage	1,587.98	4,000.00	-2,412.02	39.7%
55 · Professional Services	7,425.50	24,000.00	-16,574.50	30.9%
60 · Publications/Notices	200.88	2,000.00	-1,799.12	10.0%
65 · Rent - Storage	0.00	650.00	-650.00	0.0%
70 · Training	0.00	1,700.00	-1,700.00	0.0%
75 · Travel - Mileage	204.38	3,500.00	-3,295.62	5.8%
Total Services and Supplies	96,404.57	172,159.08	-75,754.51	56.0%
Salary and Benefit Costs				
100 · Salaries	230,142.69	340,000.00	-109,857.31	67.7%
120 · County of Marin - Group Health	26,537.81	35,500.00	-8,962.19	74.8%
130 · MCERA / Pension	25,441.93	40,250.00	-14,808.07	63.2%
140 · Retiree Health	0.00	6,000.00	-6,000.00	0.0%
Total Salary and Benefit Costs	282,122.43	421,750.00	-139,627.57	66.9%
Total Expense	378,527.00	593,909.08	-215,382.08	63.7%
Net Ordinary Income	128,021.17	0.00	128,021.17	100.0%
Other Income/Expense				
Other Income				
900 · Interest Earnings	1,532.94			
910 · Fees for Services	22,284.33			
Total Other Income	23,817.27			
Net Other Income	23,817.27			
Net Income	151,838.44	0.00	151,838.44	100.0%



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

April 6, 2023

Executive Officer Report – Section B

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Current and Pending Proposals**

Background

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

We have 2 applications on today's agenda. Please see Items 3 and 4 for more information on those applications.

In addition, we have 2 new applications that are under 30-day review and 1 application that has been deemed terminated.

LAFCo File 1372 was submitted to LAFCo by the City of Mill Valley in order to transfer a small section of East Blithedale from the County to the City to help simplify street maintenance in the area. This application is currently under the 30-day agency review period and will likely be presented at the June Commission meeting.

LAFCo File 1373 was submitted to LAFCo by the property owners of 10 Friendly Lane in the City of Novato so they can remove the property from its current septic system and connect to the Novato Sanitary District system. This application is currently under the 30-day agency review period and will likely be presented at the June Commission meeting.

As mentioned at the last meeting LAFCo File 1362 was approved by LAFCo at our 2/11/22 meeting with a condition that an easement is obtained from a neighboring property so they could connect to the Mill Valley sewer system. The applicant was never able to get an easement so was not able to meet the condition of approval so the application is automatically deemed terminated by state government code.

Attachment:

1) Chart of Current and Pending Proposals

Administrative Office

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Craig K. Murray, Regular
Las Gallinas Valley Sanitary

Tod Moody, Alternate
Sanitary District #5

Vacant, Regular
Public Member

Richard Savel, Alternate
Public Member

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1370	On todays agenda	Annexation of 255 Margarita Drive	Landowner (Paul Thompson) requesting annexation approval of 255 Margarita Drive (016-011-29) in the unincorporated island community of Country Club to the San Rafael Sanitation District. The affected territory is approximately 1.6 acres in size and currently developed with a single-family residence. It has also established service with the SRSD as part of a LAFCo approved outside service extension due to evidence of a failing septic system. The outside service extension was conditioned – among other items – on the applicant applying to LAFCo to annex the affected territory to the San Rafael Sanitation District as a permanent means to public wastewater service.	San Rafael Sanitation District	On todays agenda
1371	On todays agenda	Annexation of 3606 Paradise Drive	Landowner (Janet Strauss) requesting approval to annex a lot, approximately 1.02 acres, for construction of a new single family home and moving property off septic system to Sanitary District 5 (SD5). The parcel has a situs address of 3606 Paradise Drive (APN 058-011-13).	Sanitary District 5	On today's agenda
1372	In 30 day review period	Reorganization of East Blithdale right of way adjacent to 2,45, and 55 Kipling Drive	The City of Mill Valley and the County of Marin, to help simplify boundaries for street mainenance purposes, are requesting a small section of East Blithdale be moved from the County into the City. Since Mill Valley runs its own sewer system and this section of road in question is in Alto SD and Richardson Bay SD those boundaries are also being adjusted to remove their portion of this street.	City of Mill Valley; Alto Sanitary District; Richardson Bay Sanitary District	In 30 day review period, should be part of June 2023 meeting
1373	In 30 day review period	Annexation of 10 Friendly Lane	Landowners (Stephanie Osby and Mick Paggi) requesting approval to annex a lot, approximately .25 arces, so they can abandon a septic system and connect to Novato SD. The parcel has a situs address of 10 Friendly Lane (APN 141-101-23).	Novato Sanitary District	In 30 day review period, should be part of June 2023 meeting

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1362	Terminated	Outside Service Agreement with City of Mill Valley	Landowner Jon Grabham requests an Outside Service Agreement with the City of Mill Valley's sewer district for 11 Brighton Blvd., a parcel in an unincorporated area adjacent to the City of Mill Valley. The property has a failing septic, which County EHS has determined is a public safety hazard. The City of Mill Valley has taken board action in favor of this OSA, and has no interest in annexing the property at this time.	City of Mill Valley	Terminated on 2/11/23 for failure to meet conditions
1366	Completed	Annexation of 21 & 23 Church Street	Landowners Benjamin Hodges, Melissa Omand, and Sarah Hodges (applicants) submitted an application requesting the annexation of 21 & 23 Church Street to Tomales Village Community Services District for sewer service to support development on the approx. 13.25 acre lot.	Tomales Village Community Services District	Condition was met and the application is now considered completed
1367	Terminated	Annexation of 255 Margarita Drive	Landowner (Paul Thompson) requesting annexation approval of 255 Margarita Drive (016-011-29) in the unincorporated island community of Country Club to the San Rafael Sanitation District. The affected territory is approximately 1.6 acres in size and currently developed with a single-family residence. It has also established service with the SRSD as part of a LAFCo approved outside service extension due to evidence of a failing septic system. The outside service extension was conditioned – among other items – on the applicant applying to LAFCo to annex the affected territory to the San Rafael Sanitation District as a permanent means to public wastewater service.	San Rafael Sanitation District	Terminated on 12/10/22 for failure to meet conditions
1368	Completed	Annexation of 5030 Paradise Drive	Landowner Jun Shi requesting approval to annex a lot, approximately .87 acres, to connect a single-family home into the Corte Madera Sanitary District #2 (SD2) for 5030 Paradise Drive (APN 038-032-22). The proposal, as stated by the applicant, is for connection of a single-family home to SD2.	Sanitary District #2	Approved at Dec 2022 meeting

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1369	Completed	Annexation of Mill Valley into SMFPD	Mill Valley and Southern Marin Fire Protection District are looking to consolidate Mill Valley fire services into the district. SMFPD as the applicant needs to annex and update is SOI to include all of the City of Mill Valley into its district boundary as part of this process.	Southern Marin Fire Protection District	Approved at Dec 2022 meeting