



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

August 8th, 2024, • 6:30 PM

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

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS FOR HYBRID ATTENDEES

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

SPOKEN PUBLIC COMMENTS FOR HYBRID ATTENDEES:

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

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

CALL TO ORDER BY CHAIR

ROLL CALL BY CLERK

AGENDA REVIEW

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

PUBLIC OPEN TIME

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

CONSENT CALENDAR ITEMS (discussion and possible action)

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

1. Approval of Minutes for June 13, 2024, Regular Meeting
2. Commission Ratification of Payments from June 1, 2024, to July 31, 2024
3. Accept and File Marin LAFCo Audit for Fiscal Year 2022-2023 and Authorization of Audit for Fiscal Year 2023-2024

PUBLIC HEARING

4. Approval or Resolution 24-03, Annexation of 2 Hansen Rd., Novato (146-061-14) into Novato Sanitary District. (LAFCo File #1384) with Waiver of Notice, Hearing, and Protest Proceedings and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15319
5. Approval of Multi-Regional Services Municipal Service Review
 - a. Approve Workplan From Report

- b. Adopt Resolution 24-04 Approving Final Draft of the Multi-Regional Services Municipal Service Review and Finding it Exempt from CEQA pursuant to State CEQA guidelines Section 15306, Class 6
- c. Adopt Resolution 24-05 Amending the Sphere of Influence of North Marin Water District and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
- d. Adopt Resolution 24-06 Reaffirming the Sphere of Influence of Marin County Open Space District and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
- e. Adopt Resolution 24-07 Reaffirming the Sphere of Influence of Marin Healthcare District and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
- f. Adopt Resolution 24-08 Reaffirming the Sphere of Influence of the Marin Municipal Water District and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)
- g. Adopt Resolution 24-09 Establishing the Sphere of Influence of Marin County Service Area No. 31 and Finding it Exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3)

BUSINESS ITEMS (discussion and possible action)

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

- 6. Discussion and Possible Approval of Items Related to CALAFCO Annual Conference
 - a. Nomination to CALAFCO Board of Directors
 - b. Nominations for CALAFCO Annual Awards
 - c. Nominations of Marin LAFCo Voting Delegates to Annual Conference
- 7. Discussion and Possible Approval of the New Contract with Davis Farr for Auditing Services for FYE '25 Through FYE '29
- 8. Discussion and Possible Changes to Policy Handbook

EXECUTIVE OFFICER REPORT

- a) Budget Update FY 2023-2024 and 2024-2025
- b) Current and Pending Proposals
- c) Marin LAFCo Work Plan

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

ADJOURNMENT TO NEXT MEETING

October 10th, 2024, at 6:30 P.M. | Marin Wildfire Prevention Authority

Attest: Claire Devereux
Clerk/Jr. Policy Analyst

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

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

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

T: 415-448-5877
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W: marinlafco.org



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8th, 2024

Item No. 1 (Consent Item)

TO: Local Agency Formation Commission

FROM: Claire Devereux, Clerk/Junior Analyst

SUBJECT: Approval of Minutes for June 13th, 2024 Regular Meeting

Background

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

Discussion

The action minutes for the June 13th 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 June 13th, 2024 meeting with any desired corrections or clarifications.
2. Alternative option – Continue consideration of the item to the next regular meeting and provide direction to staff, as needed.

Procedures for Consideration

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

Attachment:

- 1) Draft Minutes for June 13th, 2024

Administrative Office
Jason Fried, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
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Dennis Rodoni, Vice-Chair
County of Marin

Eric Lucan, Regular
County of Marin
Stephanie Moulton-Petersa, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kious, Regular
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

DRAFT

NOTICE OF REGULAR MEETING MINUTES Marin Local Agency Formation Commission

Thursday, June 13th, 2024

CALL TO ORDER

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

ROLL CALL BY COMMISSION CLERK

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

Commissioners Present: Barbara Coler
Dennis Rodoni
Lew Kious
Craig Murray
Larry Chu
Eric Lucan
Steve Burdo (arrived at 6:42)

Alternate Commissioners Present: Roger Smith

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

Marin LAFCo Counsel Present: Malathy Subramanian

Commissioners Absent: N/A

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

AGENDA REVIEW

No requests for changes to the Agenda were made.

Chair Coler opened the meeting for public comment. Seeing no hands raised Chair Coler closed public comment.

PUBLIC OPEN TIME

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

CONSENT CALENDAR ITEMS

1. Approval of Minutes for April 11, 2024, Regular Meeting
2. Commission Ratification of Payments from June 1, 2024, to May 31, 2024

Approved: M/S by Commissioners Murray and Kious to approve the consent calendar

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

Nays:

Abstain:

Absent: Burdo

Motion approved unanimously.

PUBLIC HEARING ITEMS

1. Adoption of Final Operating Draft Budget for Fiscal Year 2024-2025

Vice-Chair Rodoni (Chair of the Budget Committee) stated he had no additional comments.

EO Fried presented the staff report, stating minor technical adjustments, with a lowering of requests to member agencies from 9.8% to 7.11%.

Commissioner Murray inquired about professional services increases.

EO Fried clarified that professional services costs have been increasing, and we are slightly over this year, so an adjustment was necessary. Much of the increase is due to GIS work being taken in-house.

Commissioner Murray asked what the difference between conference and travel was.

EO Fried stated travel covers travel to conferences and workshops or if Jeren or Claire drive to something on behalf of Marin LAFCo.

Chair Coler opened public comment. Seeing no members of the public present public comment was closed.

Approved: M/S by Commissioners Chu and Lucan to approve the adoption of the 2024-2025 Budget

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

Nays:

Abstain:

Absent: Burdo

Motion approved unanimously.

2. Presentation of the Multi-Regional Service Review Public Draft. This is a hearing for the commission to review and make recommendations. (The hearing will be continued to the next meeting.)

DEO Seibel presented the staff report on the MSR.

Commissioner Kious stated he did not disagree with comments on recycled water in Southern Marin. However, stated that the topic is not new and that 7 to 8 years ago SASM and MMWD worked together to have a report created on recycled water which deemed recycled water in the area as not financially feasible from a storage standpoint. This was revisited and the same conclusion was made.

DEO Seibel asked if the study included Sausalito and Marin City Sanitary District.

Commissioner Kious stated that they were not directly involved but were consulted with and concurred with the findings.

Chair Coler stated she works with Marin County Open Space District and that MCOSD is understaffed, and a shared services agreement may not be in the cards. Coler stated changing it to having MMWD emulate and look into how they can provide some of those services.

DEO Seibel stated that the intention was to not stretch them further than they already are, but that grant funding to better expand this would be better served if a collaboration between the two is shown. Seibel stated that he is happy to update the wording to reflect that.

Chair Coler responded saying that MMWD can learn from the experiences from MCOSD and should seek to consider it.

Vice-Chair Rodoni stated that Marin County Parks are separate from Marin County Open Space, and inquired if there was an opportunity to say so.

DEO Seibel stated that he tried to be intentional with his wording to make sure that was clear.

Vice-Chair stated that both MMWD and MCOSD are both stretched out, but it is good to point out areas of collaboration. Rodoni also clarified that in Dillon Beach and Oceana Marin NMWD provides sewer services.

Commissioner Murray stated the recommendations in the front were nice to see. Murray recommended placing GIS Maps of where the DUCs are that are included in the report. Moving on to Marin Healthcare District section may benefit from a graphic pointing out they are in the red.

Chair Coler opened public comment. Seeing no members of the public present public comment was closed.

Approved: M/S by Commissioners Murray and Burdo to continue the item to the next meeting on August 8th.

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

Nays:

Abstain:

Absent:

Motion approved unanimously.

3. Ratification of Approval of LAFCo File #1377 - Emergency Out of Service Agreement to Novato Sanitary District for 2 Hansen Road in Novato, CA For One Year

EO Fried presented the staff report.

Commissioner Murray inquired about the City's response regarding the Urban Growth Boundary.

EO Fried stated they are within the City's boundaries.

Commissioner Burdo expressed gratitude to the staff, and this is a beneficial policy for both homeowners and the environment.

Commissioner Lucan seconded Burdo's comments and that policy is well thought out.

Chair Coler gave kudos to EO Fried,

Chair Coler opened public comment. Seeing no members of the public present public comment was closed.

Approved: M/S by Commissioners Burdo and Lucan to ratify the Emergency OSA for sanitary service connection of 2 Hansen Road

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

Nays:

Abstain:

Absent:

Motion passes unanimously.

BUSINESS ITEMS

1. Election of Chair and Vice Chair

EO Fried gave a brief staff report.

Chair Coler stated she was fortunate to serve as chair and expressed gratitude to staff and the commission and would love to be considered to serve again.

Commissioner Burdo inquired on the process of expressing interest in becoming chair.

EO Fried stated he leaves it up to the commission and the meeting to decide and act on nominating and electing.

Chair Coler opened public comment. Seeing no members of the public present comment period was closed.

Alt. Commissioner Smith expressed the need for procedure regarding elections of chair and vice-chair to avoid uncomfortable situations.

Chair Coler stated that this commission is not burdened by process. However, this can be discussed at the personnel and policy committee.

Commissioner Murray suggested having the EO present at the meeting with commissioners who expressed interest in being nominated.

EO Fried stated he could do that.

Commissioner Burdo stated he is comfortable with keeping the chair and vice-chair as it is now.

Approved: M/S by Commissioners Murray and Lucan to re-elect Commissioner Rodoni as Vice-Chair

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

Nays:

Abstain:

Absent:

Motion passes unanimously.

Approved: M/S by Commissioners Burdo and Lucan to re-elect Commissioner Coler as Chair

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

Nays:

Abstain:

Absent:

Motion passes unanimously.

2. Approval of First Amendment to Executive Officer Employment Agreement

Legal Counsel Subramanian presented the staff report.

Chair Coler thanked the commission for earlier discussions.

Vice-Chair Rodoni asked if merit kicks in before or after COLA.

Counsel Subramanian stated merit will be put in and COLA placed on top of it.

Chair Coler opened public comment. Seeing no members of the public present comment period was closed.

Approved: M/S by Commissioners Chu and Burdo to approve the first amendment to Executive Officer Agreement.

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

Nays:

Abstain:

Absent:

Motion passes unanimously.

3. Discussion and Possible Approval of Items Related to CALAFCO Annual Conference

EO Fried stated that at the staff workshop the ADA Compliance presentation created by both EO Fried and Clerk/Jr. Policy Analyst Devereux received the highest review.

a) Nomination to CALAFCO Board of Directors

EO Fried reported on nominations for CALAFCO Board of Directors. Both County and Special District seats are open for nominations.

Commissioner Murray stated he has run in the past and that there is one member from Contra Costa who has run for a very long time. Murray expressed interest in bringing up rotating who holds those roles.

b) Nominations for CALAFCO Annual Awards

EO Fried reported on CALAFCO Annual awards nominations.

Chair Coler stated nominations were made in the past, and the nominations were not successful, but we should not be deterred by that.

Commissioner Burdo asked for clarifications on if nominations were for individuals or LAFCOs.

EO Fried stated that it depends on the Award Category.

Commissioner Burdo inquired if older work/policies could be nominated.

EO Fried stated that the award window is for work done in the past 12 months.

c) Nominations of Marin LAFCo Voting Delegates to Annual Conference

Chair Coler and EO Fried Inquired as to who wanted to attend.

Some commissioners expressed conflicting conferences, and some had been in the past.

Chair Coler said it is a great location and opportunity.

EO Fried stated he would be in attendance.

Commissioner Murray stated it is important to have representation, and that he can be available to attend if others are not able to attend.

EO Fried stated that we can circle back on the topic at the next meeting.

Chair Coler suggested booking two rooms to reserve space and circle back at the next meeting.

Chair Coler opened public comment. Seeing no members of the public present comment was closed.

EXECUTIVE OFFICER REPORT (discussion and possible action)

a) Budget Update FY 2023-2024

EO Fried stated we are still under budget. However, professional services have gone over.

Vice-Chair Rodoni inquired into if that is an ongoing expense.

EO Fried stated it is not, but there could be one more year of needed changes. This is in part due to applications not being updated in the system by predecessors.

The Vice-Chair inquired if this was in part due to leaving Marin Map.

EO Fried stated that it is not.

b) Current and Pending Proposals

EO Fried stated that an OSA was ratified today and there is a potential application awaiting an easement but otherwise has all materials for an application prepared.

c) Marin LAFCo Workplan

Sanitary District 2 boundary cleanup is making progress with meetings happening this week and next to ensure parcels are correctly districted and full applications are submitted.

Belvedere has formerly expressed interest in joining Tiburon Fire District. Meetings are currently being organized.

San Rafael Sanitary District has expressed interest in having Central Marin Sanitary District take over the day to day. Meetings with Ross Valley Regarding the topic in coming weeks regarding SRFD and CMSA in addition to what and how MSRs work.

EO Fried stated he went to Marin City CSD and had discussions on what LAFCo is and how they can work together.

d) Correspondence

Chair Coler expressed appreciation for Murray's Report

Commissioner Murray discussed current developments and circulation issues and if LAFCo regulates that.

EO Fried stated we are not involved in planning processes. We get notified for comment and look at future growth in MSRs and how that may affect agencies.

Commissioner Murray stated it could be good for Jeren to look at how to mitigate impacts of growth.

EO Fried stated that some of the suggested topics fall under the roles of cities and towns.

Chair Coler stated that Novato is well-staffed and positioned.

Commissioner Murray stated that Richardson Bay has non-operational facilities that the Town of Tiburon is taking over and asked if we are involved.

EO Fried stated we are not because there are no boundary or jurisdictional issues.

COMMISSIONER ANNOUNCEMENTS AND REQUESTS

Chair Coler asked for any announcement or requests. Seeing none Chair Coler adjourned the meeting at 8:35 P.M.

ADJOURNMENT TO NEXT MEETING

Thursday, August 8th, 2024



Attest: Claire Devereux
Clerk/Junior Analyst

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Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2024

Item No. 2 (Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Commission Ratification of Payments from June 1, 2024, to July 31, 2024.

Background

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

The following item is presented for the Commission to consider the ratification of all payments made by the Executive Officer between June 1, 2024, to July 31, 2024, totaling \$94,877.84. The payments are detailed in the attachment.

Staff Recommendation for Action

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

Procedures for Consideration

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

Attachment:

- 1) Payments from June 1 to July 31

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

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

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

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

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

Marin Local Agency Formation Commission Expenses by Vendor Detail June through July 2024

07/29/24

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
BURDO, STEVE						
Check	06/19/2024	21040	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total BURDO, STEVE					125.00	125.00
CALAFCO						
Check	07/01/2024	10052	Invoice 2024-20	30 · Memberships &...	5,360.00	5,360.00
Total CALAFCO					5,360.00	5,360.00
Cardmember Services						
Credit Card Charge	06/18/2024		adobe	20 · IT & Communic...	71.97	71.97
Credit Card Charge	06/18/2024		mac tech	20 · IT & Communic...	1,013.70	1,085.67
Credit Card Charge	06/18/2024		marin ij	50 · Office Supplies ...	10.87	1,096.54
Credit Card Charge	06/18/2024		streamline	20 · IT & Communic...	126.00	1,222.54
Credit Card Charge	06/18/2024		zoom	20 · IT & Communic...	15.99	1,238.53
Credit Card Charge	06/18/2024		krieger	25 · Legal Services	2,204.12	3,442.65
Credit Card Charge	06/18/2024		verizon	20 · IT & Communic...	105.77	3,548.42
Credit Card Charge	06/18/2024		comcast	20 · IT & Communic...	130.02	3,678.44
Credit Card Charge	06/18/2024		amazon	40 · Office Equipme...	28.39	3,706.83
Credit Card Charge	06/18/2024		mulberry st	50 · Office Supplies ...	59.35	3,766.18
Credit Card Charge	07/18/2024		adobe	20 · IT & Communic...	71.97	3,838.15
Credit Card Charge	07/18/2024		mac tech	20 · IT & Communic...	1,013.70	4,851.85
Credit Card Charge	07/18/2024		marin ij	50 · Office Supplies ...	17.78	4,869.63
Credit Card Charge	07/18/2024		streamline	20 · IT & Communic...	126.00	4,995.63
Credit Card Charge	07/18/2024		zoom	20 · IT & Communic...	15.99	5,011.62
Credit Card Charge	07/18/2024		krieger	25 · Legal Services	729.80	5,741.42
Credit Card Charge	07/18/2024		verizon	20 · IT & Communic...	105.77	5,847.19
Credit Card Charge	07/18/2024		tenya lodging	10 · Conferences	465.36	6,312.55
Credit Card Charge	07/18/2024		calafco	10 · Conferences	700.00	7,012.55
Credit Card Charge	07/18/2024		comcast	20 · IT & Communic...	130.02	7,142.57
Total Cardmember Services					7,142.57	7,142.57
CHU, LAURENCE						
Check	06/19/2024	21041	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total CHU, LAURENCE					125.00	125.00
Coler, Barbara						
Check	06/19/2024	21039	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total Coler, Barbara					125.00	125.00
COMMUNITY MEDIA CENTER OF MARIN						
Check	06/25/2024	21045	Invoice # 190...	55 · Professional Se...	275.00	275.00
Total COMMUNITY MEDIA CENTER OF MARIN					275.00	275.00
CONNECT YOUR CARE						
Check	06/21/2024	eft	COBRA ADMIN	126 · Health Insuran...	1.11	1.11
Check	07/19/2024	eft	COBRA ADMIN	126 · Health Insuran...	1.11	2.22
Total CONNECT YOUR CARE					2.22	2.22
Davis Farr LLP						
Check	07/02/2024	21047	Invoice # 1676	55 · Professional Se...	2,000.00	2,000.00
Total Davis Farr LLP					2,000.00	2,000.00
Delta Dental of California						
Check	06/13/2024	eft		122 · Dental Insuran...	72.63	72.63
Check	06/20/2024	eft		122 · Dental Insuran...	72.63	145.26
Check	07/17/2024	eft		122 · Dental Insuran...	72.63	217.89
Total Delta Dental of California					217.89	217.89
Kaiser Foundation Health Plan						
Check	07/18/2024	eft		126 · Health Insuran...	474.40	474.40
Total Kaiser Foundation Health Plan					474.40	474.40

Marin Local Agency Formation Commission
Expenses by Vendor Detail
June through July 2024

07/29/24

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
KIOUS, LEWIS						
Check	06/19/2024	21038	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total KIOUS, LEWIS					125.00	125.00
LUCAN, ERIC						
Check	06/19/2024	21042	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total LUCAN, ERIC					125.00	125.00
MARIN INDEPENDENT JOURNAL						
Check	06/12/2024	21034	Invoice # 000...	60 · Publications/No...	220.86	220.86
Total MARIN INDEPENDENT JOURNAL					220.86	220.86
MURRAY, CRAIG K						
Check	06/19/2024	21037	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total MURRAY, CRAIG K					125.00	125.00
PAYCHEX						
Check	06/07/2024	eft		35 · Misc Services	76.45	76.45
Check	06/21/2024	eft		35 · Misc Services	76.45	152.90
Check	07/05/2024	eft		35 · Misc Services	76.45	229.35
Check	07/19/2024	eft		35 · Misc Services	76.45	305.80
Total PAYCHEX					305.80	305.80
PAYROLL						
Check	06/07/2024	eft	5/12-5/25/24	105 · Sal - Regular ...	13,644.38	13,644.38
Check	06/07/2024	eft	5/12-5/25/24	124 · Auto Allowance	350.00	13,994.38
Check	06/07/2024	eft	5/12-5/25/24	125 · Unused Fringe...	100.00	14,094.38
Check	06/07/2024	eft	5/12-5/25/24	131 · Co Ret Cont Ti...	1,610.04	15,704.42
Check	06/21/2024	eft	5/26-6/8/24	105 · Sal - Regular ...	13,644.38	29,348.80
Check	06/21/2024	eft	5/26-6/8/24	124 · Auto Allowance	0.00	29,348.80
Check	06/21/2024	eft	5/26-6/8/24	125 · Unused Fringe...	100.00	29,448.80
Check	06/21/2024	eft	5/26-6/8/24	131 · Co Ret Cont Ti...	1,610.04	31,058.84
Check	07/05/2024	eft	6/9-6/22/24	105 · Sal - Regular ...	13,644.38	44,703.22
Check	07/05/2024	eft	6/9-6/22/24	124 · Auto Allowance	350.00	45,053.22
Check	07/05/2024	eft	6/9-6/22/24	125 · Unused Fringe...	100.00	45,153.22
Check	07/05/2024	eft	6/9-6/22/24	131 · Co Ret Cont Ti...	1,610.04	46,763.26
Check	07/19/2024	eft	6/23-7/6/24	105 · Sal - Regular ...	13,644.38	60,407.64
Check	07/19/2024	eft	6/23-7/6/24	124 · Auto Allowance	0.00	60,407.64
Check	07/19/2024	eft	6/23-7/6/24	125 · Unused Fringe...	100.00	60,507.64
Check	07/19/2024	eft	6/23-7/6/24	131 · Co Ret Cont Ti...	1,610.04	62,117.68
Total PAYROLL					62,117.68	62,117.68
PAYROLL TAXES						
Check	06/07/2024	eft	5/12-5/25/24	111 · Medicare Tax	205.01	205.01
Check	06/21/2024	eft	5/26-6/8/24	111 · Medicare Tax	199.93	404.94
Check	07/05/2024	eft	6/9-6/22/24	111 · Medicare Tax	205.01	609.95
Check	07/19/2024	eft	6/23-7/6/24	111 · Medicare Tax	199.93	809.88
Total PAYROLL TAXES					809.88	809.88
RODONI, DENNIS JAMES						
Check	06/19/2024	21036	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total RODONI, DENNIS JAMES					125.00	125.00
SCHIFFMANN, ALYSSA						
Check	06/04/2024	21032	Invoice # 252	55 · Professional Se...	740.00	740.00
Total SCHIFFMANN, ALYSSA					740.00	740.00
SECURITY MORTGAGE GROUP 2						
Check	06/04/2024	21031	June 2024 Rent	45 · Office Lease/Rent	2,956.00	2,956.00
Check	07/01/2024	21046	July 2024 Rent	45 · Office Lease/Rent	3,074.00	6,030.00
Total SECURITY MORTGAGE GROUP 2					6,030.00	6,030.00

**Marin Local Agency Formation Commission
Expenses by Vendor Detail
June through July 2024**

07/29/24

Accrual Basis

Type	Date	Num	Memo	Account	Amount	Balance
SMITH, ROGER						
Check	06/19/2024	21043	June 2024 Co...	05 · Commissioner ...	125.00	125.00
Total SMITH, ROGER					125.00	125.00
SPECIAL DISTRICT RISK MANAGEMENT AUTHORIT						
Check	07/01/2024	10053	Invoice # 758...	15 · General Insuran...	6,049.06	6,049.06
Total SPECIAL DISTRICT RISK MANAGEMENT AUTHORIT					6,049.06	6,049.06
Teamsters Local 856 Health & Welfare						
Check	06/11/2024	eft		126 · Health Insuran...	944.08	944.08
Check	06/13/2024	eft		126 · Health Insuran...	944.08	1,888.16
Total Teamsters Local 856 Health & Welfare					1,888.16	1,888.16
The Hartford						
Check	06/06/2024	eft		121 · Life Insurance	89.78	89.78
Check	07/05/2024	eft		121 · Life Insurance	89.78	179.56
Total The Hartford					179.56	179.56
Town of Fairfax						
Check	06/12/2024	21035	June MCCMC...	10 · Conferences	55.00	55.00
Total Town of Fairfax					55.00	55.00
VSP						
Check	06/05/2024	eft		123 · Vision Service ...	4.88	4.88
Check	07/05/2024	eft		123 · Vision Service ...	4.88	9.76
Total VSP					9.76	9.76
TOTAL					94,877.84	94,877.84



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8th, 2024

Item No. 3 (Business/Consent Item)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Accept and File Marin LAFCo Audit for Fiscal Year 2022-2023 Audit and Authorize Audit for Fiscal Year 2023-2024

Background

Marin LAFCo annually performs an independent audit. For the fourth 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 2022-2023. 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 22-23, they had no issues to report. This is the first time we have gotten a 100% clean audit done since LAFCo started doing its own audits starting with the FY 12-13 audit.

In the FY 21-22 Auditor's Report, they made one recommendation regarding our annual closing process. 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. This has been an item listed since moving to Davis Farr and since it is not mentioned this time, it looks like they are satisfied with it.

With the completion of the Fiscal Year 22-23 Audit, we will be looking to get our Fiscal Year 23-24 Audit done once books get closed out at the end of this calendar year. Staff would recommend that we use them for the fifth and final year of our current contract with them 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 23-24 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 22-23 Audit
2. Significant Audit Findings
3. Independent Auditor's Report

Administrative Office
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www.marinlafco.org

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

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

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

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

MARIN LOCAL AGENCY FORMATION COMMISSION
Basic Financial Statements
Year ended June 30, 2023
(With Independent Auditor's Report Thereon)

MARIN LOCAL AGENCY FORMATION COMMISSION

Basic Financial Statements

Year ended June 30, 2023

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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, 2023, 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, 2023, 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.

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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 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 July 1, 2024, 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
July 1, 2024

MARIN LOCAL AGENCY FORMATION COMMISSION

Statement of Net Position

June 30, 2023

(With prior year comparative information)

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets:		
Cash and investments (note 3)	\$ 445,503	620,797
Prepaid items	-	3,464
Capital assets, net (note 4)	174,430	31,129
Net OPEB asset (note 8)	<u>5,440</u>	<u>13,633</u>
Total assets	<u>625,373</u>	<u>669,023</u>
Deferred outflow of resources:		
Deferred outflow-pension (note 7)	182,082	102,725
Deferred outflow-OPEB (note 8)	<u>10,002</u>	<u>3,687</u>
Total deferred outflow of resources	<u>192,084</u>	<u>106,412</u>
Liabilities:		
Accounts payable	13,275	6,027
Unearned revenue	-	178,101
Accrued liabilities	17,325	25,914
Noncurrent liabilities:		
Due within one year:		
Compensated absences (note 6)	7,613	8,969
Lease liability (note 6)	30,571	32,032
Due in more than one year:		
Compensated absences (note 6)	22,841	26,908
Lease liability (note 6)	146,766	-
Net pension liability (note 7)	<u>94,745</u>	<u>-</u>
Total liabilities	<u>333,136</u>	<u>277,951</u>
Deferred inflow of resources:		
Deferred inflow-pension actuarial (note 7)	17,145	29,118
Deferred inflow-OPEB actuarial (note 8)	<u>9,865</u>	<u>8,803</u>
Total deferred inflow of resources	<u>27,010</u>	<u>37,921</u>
Net position:		
Net investment in capital assets	(2,907)	(903)
Unrestricted	<u>460,218</u>	<u>460,466</u>
Total net position	<u>\$ 457,311</u>	<u>459,563</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

Statement of Activities

Year ended June 30, 2023

(With prior year comparative information)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	
					<u>2023</u>	<u>2022</u>
Governmental activities:						
General government	\$ 535,563	22,435	-	-	(513,128)	(506,760)
Interest	<u>933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(933)</u>	<u>(1,502)</u>
Total governmental activities	<u>\$ 536,496</u>	<u>22,435</u>	<u>-</u>	<u>-</u>	<u>(514,061)</u>	<u>(508,262)</u>
		General revenues:				
		Assessments			506,548	506,548
		Interest income			<u>5,261</u>	<u>334</u>
		Total general revenues			<u>511,809</u>	<u>506,882</u>
		Change in net position			(2,252)	(1,380)
		Net position, beginning of year			<u>459,563</u>	<u>460,943</u>
		Net position, end of year			<u>\$ 457,311</u>	<u>459,563</u>

See accompanying notes to the basic financial statements

MARIN LOCAL AGENCY FORMATION COMMISSION

Balance Sheet - Governmental Fund

June 30, 2023

(With prior year comparative information)

	<u>General Fund</u>	
	<u>2023</u>	<u>2022</u>
	<u>Assets</u>	
Cash and investments	\$ 445,503	620,797
Prepaid items	-	3,464
Total assets	<u>\$ 445,503</u>	<u>624,261</u>
	<u>Liabilities and Fund Balance</u>	
Liabilities:		
Accounts payable	\$ 13,275	6,027
Unearned revenue	-	178,101
Accrued liabilities	17,325	25,914
Total liabilities	<u>30,600</u>	<u>210,042</u>
Fund balance:		
Nonspendable:		
Prepaid items	-	3,464
Unassigned	414,903	410,755
Total fund balance	<u>414,903</u>	<u>414,219</u>
Total liabilities and fund balance	<u>\$ 445,503</u>	<u>624,261</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, 2023

Fund balances of governmental fund	\$ 414,903
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	
Right-to-use assets	242,426
Accumulated amortization	(67,996)
Net OPEB asset	5,440
<i><u>Long-Term Liability Transactions</u></i>	
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	(30,454)
Lease liability	(177,337)
Net pension liability	(94,745)
<i><u>Deferred Outflows and Inflows of Resources</u></i>	
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	182,082
Deferred outflows - OPEB related	10,002
Deferred inflows - pension related	(17,145)
Deferred inflows - OPEB related	<u>(9,865)</u>
Net position of governmental activities	<u>\$ 457,311</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, 2023

(With prior year comparative information)

	General Fund	
	2023	2022
Revenues:		
Intergovernmental	\$ 506,548	506,548
Charges for services	22,435	22,487
Interest income	5,261	334
Total revenues	<u>534,244</u>	<u>529,369</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	391,729	397,359
Services and supplies	108,866	113,067
Debt service:		
Principal	32,032	33,057
Interest	933	1,502
Total expenditures	<u>533,560</u>	<u>544,985</u>
Net change in fund balances	684	(15,616)
Fund balances at beginning of year	<u>414,219</u>	<u>429,835</u>
Fund balances at end of year	<u>\$ 414,903</u>	<u>414,219</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, 2023

Net changes in fund balances - total governmental funds \$ 684

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.

 . Amortization expense (34,036)

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	(3,415)
Net change in OPEB related items	(2,940)
Payment on lease liability	32,032
Lease proceeds	-
Net change in compensated absences	<u>5,423</u>

Change in net position of governmental activities \$ (2,252)

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(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, 2023

(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, 2023

(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

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, 2023 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, 2023

(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:

Non-spendable 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, 2023

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

(h) 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.

(i) 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.

(j) 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.

(k) 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, 2023

(Continued)

(2) Summary of Significant Accounting Policies (Continued)

The following timeframes are used for pension reporting:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	June 30, 2021 to June 30, 2022

(l) 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, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

(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, 2023 consisted of the following:

Demand deposits	\$ 70,809
County Payroll Deposit	14,767
Marin County Investment Pool	357,768
Pooled County Investment	<u>1,799</u>
Total cash and investments	<u>\$ 445,503</u>

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 LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(3) Cash and Investments (Continued)

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.

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 \$357,768 as of June 30, 2023 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, 2023

(Continued)

(4) Capital Assets

A summary of changes in capital assets is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets being amortized:				
Right-to-use lease assets	\$ 65,089	177,337	-	242,426
Total capital assets being amortized	65,089	177,337	-	242,426
Less accumulated amortization:				
Right-to-use lease assets	(33,960)	(34,036)	-	(67,996)
Total accumulated amortization	(33,960)	(34,036)	-	(67,996)
Total capital assets being amortized, net	\$ 31,129	143,301	-	174,430

(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, 2023:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Compensated absences	\$ 35,877	4,767	(10,190)	30,454	7,613
Lease payable - Office	32,032	177,337	(32,032)	177,337	30,571
Total	\$ 67,909	182,104	(42,222)	207,791	38,184

Office Lease

On January 5, 2016, LAFCo entered into a seven year lease agreement for the use of an office space. The lease was extended on April 26, 2023 through June 30, 2028 which resulted in an increase of 177,337 to the lease liability. As of June 30, 2023, the value of the lease liability is \$177,337. LAFCo is required to make monthly principal and interest payments of \$2,956 up to \$3,458 through the life of the lease. The value of the right-to-use asset is \$242,426 and had an accumulated amortization of \$67,996 as of June 30, 2023.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(6) Long-Term Liabilities (Continued)

The future principal and interest payments as of June 30, 2023, are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,571	4,901	35,472
2025	32,936	3,952	36,888
2026	35,434	2,930	38,364
2027	38,068	1,832	39,900
2028	40,328	652	40,980
Total Lease Payments	<u>\$ 177,337</u>	<u>14,267</u>	<u>191,604</u>

(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.

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:

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

- 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.

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.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

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, 2023, 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, 2021	\$ -	-	-
Balance at June 30, 2022	1,006,738	911,993	94,745
Net changes during 2021-22	<u>\$ 1,006,738</u>	<u>911,993</u>	<u>94,745</u>

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, 2022, 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, 2021, updated to June 30, 2022. 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, 2021 and 2022 was as follows:

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

Measurement Dates

Proportion - June 30, 2021	0.0000%
Proportion - June 30, 2022	<u>0.0303%</u>
Change – Increase (Decrease)	<u>0.0303%</u>

For the year ended June 30, 2023, LAFCo recognized pension expense of \$48,821. At June 30, 2023, 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	\$ 35,749	-
Adjustment due to differences in proportions	65,569	13,222
Differences between expected and actual experience	2,482	3,923
Differences between projected and actual earnings on pension plan investments	27,445	-
Differences between employer's contributions and proportionate share of contributions	45,735	-
Changes in assumptions	<u>5,102</u>	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 182,082</u>	<u>17,145</u>

The \$35,749 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 48,837
2025	27,946
2026	19,084
2027	33,321
2028	-
Thereafter	-

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Actuarial Assumptions - The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date:	June 30, 2021
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 (9 years remaining as of 6/30/21)
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 \$5.1375 million for FY 2021-22, 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 2021-22 amounts.
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, 2022 can be found in the June 30, 2021 actuarial report.

Discount Rate - The discount rate used to measure the total pension liability was 6.75% as of June 30, 2022. 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

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(7) LAFCo's Employees' Retirement Plan (Continued)

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, 2022.

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%	1.40%
International Equity	22.0%	4.85%
Public Real Assets	7.0%	3.20%
Private Equity	8.0%	6.00%
Real Estate	<u>8.0%</u>	3.65%
Total	<u>100.0%</u>	

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	\$224,996
Current Discount Rate	6.75%
Net Pension Liability	\$94,745
1% Increase	7.75%
Net Pension Liability (Asset)	\$(12,516)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MCERA financial reports.

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(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.

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, 2022, LAFCo has accumulated \$69,820 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, 2022; 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%

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(8) Other Postemployment Benefit (OPEB) (Continued)

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

Change in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021 (MD)	\$ 66,256	79,889	(13,633)
Service cost	3,078	-	3,078
Interest	3,987	-	3,987
Differences between actual and expected experience	(9,711)	-	(9,711)
Changes of assumptions	770	-	770
Benefit payments	-	-	-
Contributions - employer	-	-	-
Net investment income	-	(10,049)	10,049
Administrative expenses	-	(20)	20
Net Changes	(1,876)	(10,069)	8,193
Balance at June 30, 2022 (MD)	\$ 64,380	69,820	(5,440)

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, 2023 is 5.60%. 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.

Discount Rate - 1% (4.60%) \$123	Current Discount Rate (5.60%) (5,440)	Discount Rate + 1% (6.60%) (10,289)
Medical Trend - 1% \$(6,396)	Current Medical Trend (5,440)	Medical Trend + 1% (4,424)

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Basic Financial Statements

Year ended June 30, 2023

(Continued)

(8) Other Postemployment Benefit (OPEB) (Continued)

Deferred Resources and Expected Future Recognition

For the fiscal year ended June 30, 2023, LAFCo recognized OPEB expense of \$2,940. At June 30, 2023, 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	\$ 3,077	8,769
Net Difference between projected and actual earnings on investments	6,062	-
Changes in assumptions	<u>863</u>	<u>1,096</u>
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 10,002</u>	<u>9,865</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>
2024	\$ 394
2025	553
2026	514
2027	2,349
2028	(650)
Thereafter	(3,023)

(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, 2023

(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, 2023. 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, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Proportion of the collective net pension liability	0.0303%	0.0000%	0.0070%	0.0000%
Proportionate share of the net pension liability	\$ 94,745	-	32,044	-
Covered-employee payroll	313,897	280,726	271,662	113,308
Proportionate share of the net pension liability as a percentage of covered-employee payroll	30%	0%	12%	0%
Plan fiduciary net position as a percentage of the total pension liability	90.59%	0.00%	85.15%	0.00%
Measurement Date	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the collective net pension liability	0.0104%	0.0088%	0.0021%	0.0000%
Proportionate share of the net pension liability	\$ 34,351	32,451	10,037	-
Covered-employee payroll	123,490	206,613	232,415	173,394
Proportionate share of the net pension liability as a percentage of covered-employee payroll	28%	16%	4%	0%
Plan fiduciary net position as a percentage of the total pension liability	88.34%	86.27%	81.45%	84.31%
Measurement Date	<u>June 30, 2014</u>			
Proportion of the collective net pension liability	0.0750%			
Proportionate share of the net pension liability	\$ 185,355			
Covered-employee payroll	192,619			
Proportionate share of the net pension liability as a percentage of covered-employee payroll	96%			
Plan fiduciary net position as a percentage of the total pension liability	89.04%			

* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

MARIN LOCAL AGENCY FORMATION COMMISSION

Schedule of Contributions

Last Ten Years*

Fiscal Year Ending June 30	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 35,749	44,081	37,025	50,702	13,234
Contributions in relation to the actuarially determined contributions	(35,749)	(44,081)	(37,025)	(50,702)	(13,234)
Contribution deficiency (excess)	\$ -	-	-	-	-
Covered payroll during the fiscal year	\$ 309,366	313,897	280,726	271,662	113,308
Contributions as a percentage of covered payroll	11.56%	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 nine years are shown.

Notes to Schedule

Valuation Date 6/30/21 (to determine FY2022-23 contributions)

Key Methods and Assumptions Used to Determine Contribution Rates (for FY 2021-22):

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll with separate periods for Extraordinary Actuarial Gains or Losses (17 years remaining as of 6/30/21), the remaining UAL as of June 30, 2013 (9 years as of 6/30/21), 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	9 years remaining as of June 30, 2021
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*

	2022	2021	2020
Measurement Date			
Total OPEB liability:			
Service cost	\$ 3,078	2,226	2,161
Interest	3,987	3,505	3,365
Change of benefit terms	-	-	-
Difference between expected and actual experience	(9,711)	3,595	-
Changes of assumptions	770	(1,360)	-
Benefit payments, including refunds of employee contributions	-	(898)	(5,400)
Total OPEB liability - beginning of year	<u>66,256</u>	<u>59,188</u>	<u>59,062</u>
Total OPEB liability - end of year	<u>\$ 64,380</u>	<u>66,256</u>	<u>59,188</u>
Plan Fiduciary Net Position			
Net investment income	\$ (10,049)	13,132	3,431
Contributions			
Employer	-	898	5,400
Benefit payments, including refunds of employee contributions	-	(898)	(5,400)
Administrative expense	(20)	(24)	(31)
Net change in plan fiduciary net position	<u>(10,069)</u>	<u>13,108</u>	<u>3,400</u>
Plan fiduciary net position - beginning of year	<u>79,889</u>	<u>66,781</u>	<u>63,381</u>
Plan fiduciary net position - end of year	<u>\$ 69,820</u>	<u>79,889</u>	<u>66,781</u>
Net OPEB liability(asset) - end of year	<u>\$ (5,440)</u>	<u>(13,633)</u>	<u>(7,593)</u>
Covered-employee payroll	\$ 323,489	280,829	229,570
Net OPEB liability as a percentage of covered-employee payroll	-1.68%	-4.85%	-3.31%
Measurement Date	2019	2018	2017
Total OPEB liability:			
Service cost	\$ -	-	-
Interest	3,309	3,413	3,529
Change of benefit terms	-	-	-
Difference between expected and actual experience	372	-	-
Changes of assumptions	348	-	-
Benefit payments, including refunds of employee contributions	(5,013)	(5,456)	(5,615)
Total OPEB liability - beginning of year	<u>60,046</u>	<u>62,089</u>	<u>64,175</u>
Total OPEB liability - end of year	<u>\$ 59,062</u>	<u>60,046</u>	<u>62,089</u>
Plan Fiduciary Net Position			
Net investment income	\$ 5,013	2,544	1,894
Contributions			
Employer	4,208	21,071	25,102
Benefit payments, including refunds of employee contributions	(5,013)	(5,456)	(5,615)
Administrative expense	(13)	(76)	(15)
Net change in plan fiduciary net position	<u>4,195</u>	<u>18,083</u>	<u>21,366</u>
Plan fiduciary net position - beginning of year	<u>59,186</u>	<u>41,103</u>	<u>19,737</u>
Plan fiduciary net position - end of year	<u>\$ 63,381</u>	<u>59,186</u>	<u>41,103</u>
Net OPEB liability(asset) - end of year	<u>\$ (4,319)</u>	<u>860</u>	<u>20,986</u>
Covered-employee payroll	\$ 125,319	144,601	217,782
Net OPEB liability as a percentage of covered-employee payroll	-3.45%	0.59%	9.64%

* Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

MARIN LOCAL AGENCY FORMATION COMMISSION

Schedule of Contributions - OPEB

Last Ten Years*

Fiscal year	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 2,191	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>\$ 2,191</u>	<u>1,606</u>	<u>1,801</u>	<u>1,138</u>	<u>(3,026)</u>	<u>(5,456)</u>
Covered employee payroll	\$ 313,029	323,489	280,829	229,570	125,319	144,601
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.39%	3.63%	14.57%

Notes to Schedule:

Fiscal Year End: June 30, 2023
 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 2023

* Fiscal year 2018 was the first year of implementation, therefore only six 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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 506,548	506,548	506,548	-
Charges for services	-	-	22,435	22,435
Investment income	-	-	5,261	5,261
Total revenues	<u>506,548</u>	<u>506,548</u>	<u>534,244</u>	<u>27,696</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	421,750	421,750	391,729	30,021
Services and supplies	172,159	172,159	108,866	63,293
Debt service:				
Principal	-	-	32,032	(32,032)
Interest	-	-	933	(933)
Total expenditures	<u>593,909</u>	<u>593,909</u>	<u>533,560</u>	<u>60,349</u>
Net change in fund balances	(87,361)	(87,361)	684	88,045
Fund balances at beginning of year	<u>414,219</u>	<u>414,219</u>	<u>414,219</u>	-
Fund balances at end of year	<u>\$ 326,858</u>	<u>326,858</u>	<u>414,903</u>	<u>88,045</u>

See accompanying notes to the required supplementary information

MARIN LOCAL AGENCY FORMATION COMMISSION

Notes to the Required Supplementary Information

Year ended June 30, 2023

(1) Budgetary Reporting

The LAFCo 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 requires LAFCo 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, 2023, and have issued our report thereon dated July 1, 2024. 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 February 8, 2024, 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 July 1, 2024.

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, and as appropriate, our firm, 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.

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. 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. There were no such misstatements.

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 letter dated July 1, 2024.

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.

DavisFarr LLP

Irvine, California
July 1, 2024

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, 2023, and the related notes to the financial statements, which collectively comprise LAFCo's basic financial statements, and have issued our report thereon dated July 1, 2024.

Report on 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. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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*.

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
July 1, 2024



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
June 13th, 2024
Item No.4 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Claire Devereux, Clerk/Jr. Policy Analyst
Jason Fried, Executive Officer

SUBJECT: Approval or Resolution 24-03, Annexation of 2 Hansen Rd., Novato (146-061-14) into Novato Sanitary District. (LAFCo File #1384) 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 Annie Ernst (“applicant”) requesting approval to annex one parcel of approximately .403 acres being annexed into the Novato Sanitary District. The parcel is addressed as follows APN 146-061-14. The proposal, as stated by the applicant, is to enter the Novato Sanitary District for permanent connection after an emergency OSA was granted earlier in the year. The parcel is within the boundaries and sphere of influence of the city of Novato. Staff have requested comments from the City of Novato and Novato Sanitary, along with other interested agencies. All comments received were in support or neutral. Staff has reviewed the submitted petition for accuracy and considered all factors pursuant to §56668 and §56668.3 of Cortese-Knox-Hertzberg.

In addition, the LAFCo approved fee schedule states, “The Commission will leave to the discretion of the Executive Officer the ability to reduce an application for annexation into a district in cases where an Emergency Out of Service Agreement had been recently completed. The cost reduction shall only be when time spent by staff is due to the duplicative nature of the two applications. Staff shall report to the Commission any fee reduction with justification at the next available meeting.” Given this policy, the Executive Officer reduced the fee by \$726.70. The amount was reduced upon review by about 6 hours as the Executive Officer and 2 hours of Clerk/Jr. Analyst time would be saved. While many of the Clerk’s responsibilities to the application still need to be performed the amount of time needed by the EO to understand and review what is occurring was repetitive between the OSA and this application. It helped that the applicant moved very quickly between getting the OSA completed, and a formal application submitted so the issue was still fresh to staff which justified the reduction in hours needed to complete this application.

Staff Recommendation for Action

Staff Recommendation 1 – Approve the requested annexation of APN: 146-061-14 and approve the attached Resolution No. 24-03 with conditions.

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

Alternate Option 3 – Deny the request.

Attachment

1. Resolution #24-03
2. Map and Legal
3. Application
4. Section 56668 Checklist

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Dennis Rodoni, Vice-Chair
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 24-03

**RESOLUTION APPROVING AN ANNEXATION OF 2 HANSEN RD., NOVATO TO NOVATO
SANITARY DISTRICT WITH WAIVER OF NOTICE, HEARING, AND PROTEST PROCEEDINGS**

“Annexation of 2 Hansen Rd. (146-061-14) into Novato Sanitary District. (LAFCo File #1384)”

WHEREAS Annie Ernst owns 2 Hansen Rd., Novato (APN 146-061-14) (“Property”) and 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 the Property, which is approximately .403 acres of incorporated land to Novato Sanitary District; 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 for the annexation, 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 Property includes .403 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: “Annexation of 2 Hansen Rd., Novato (146-061-14) into Novato Sanitary District. (LAFCo File #1384) with Waiver of Notice”

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

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

Section 5. As the Lead Agency under CEQA for the proposed annexation of APN 146-061-14 to Novato Sanitary District, LAFCo finds that the Project is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(a).

PASSED AND ADOPTED by the Marin Local Agency Formation Commission on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair

ATTEST:

APPROVED AS TO FORM:

Jason Fried, Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-03

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

REV: 07/22/24
DATE: 06/27/24
FILE: 2400145

**EXHIBIT A
LEGAL DESCRIPTION
LAFCO FILE # 1384
ANNEXATION TO NOVATO SANITARY DISTRICT**

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF NOVATO, COUNTY OF MARIN, STATE OF CALIFORNIA, BEING AN ANNEXATION OF THE LANDS OF ERNST (2 HANSEN ROAD) TO THE NOVATO SANITARY DISTRICT, SAID LANDS BEING A PORTION OF RANCHO NOVATO AS DESCRIBED IN DOCUMENT NUMBER 1987-33184 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT THE NORTHERLY CORNER OF SAID LANDS OF ERNST AND BOUNDARY CORNER OF THE NOVATO SANITARY DISTRICT, SAID CORNER ALSO BEING A POINT ON THE EXISTING NOVATO SANITARY DISTRICT BOUNDARY LINE;

1. THENCE LEAVING SAID CORNER ALONG THE NORTHEASTERLY LINE OF SAID LANDS AND ALONG THE EXISTING BOUNDARY LINE OF THE NOVATO SANITARY DISTRICT, SOUTH 60°45'00" EAST, A DISTANCE OF 149.50 FEET TO THE EASTERLY CORNER OF SAID LANDS;
2. THENCE LEAVING SAID CORNER, ALONG THE SOUTHEASTERLY LINE OF SAID LANDS, SOUTH 29°15'00" WEST, A DISTANCE OF 117.50 FEET TO THE SOUTHERLY CORNER OF SAID LANDS AND TO A POINT ON THE EXISTING BOUNDARY LINE OF THE NOVATO SANITARY DISTRICT;
3. THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LANDS, NORTH 60°45'00" WEST, A DISTANCE OF 149.50 FEET TO THE WESTERLY CORNER OF SAID LANDS AND THE BOUNDARY CORNER OF THE NOVATO SANITARY DISTRICT;
4. THENCE LEAVING SAID LINE, NORTH 29°15'00" EAST, A DISTANCE OF 117.50 FEET TO THE **POINT OF BEGINNING**.

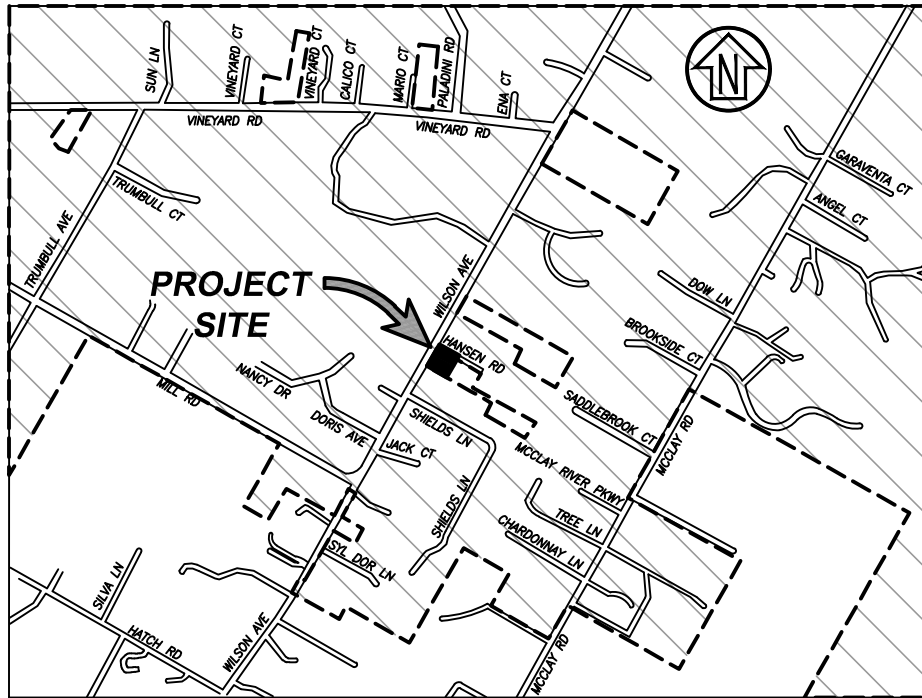
SAID PARCEL CONTAINING 0.40 ACRES MORE OR LESS

SEE EXHIBIT B ATTACHED AND MADE A PART HEREOF

PREPARED BY:
CSW/STUBER-STROEH ENGINEERING GROUP, INC.


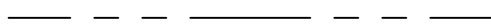

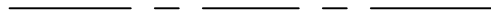


JOSH WOELBING, PLS 9337





VICINITY MAP
NOT TO SCALE

LEGEND

-  ANNEXATION BOUNDARY
-  ADJOINING BOUNDARY LINES
-  NOVATO SANITARY DISTRICT LIMITS
-  CENTER LINE
-  APN: 146-061-14 (ANNEXATION HATCH)
-  NOVATO SANITARY DISTRICT HATCH
- (#) COURSE NUMBER

Josh Woelbing

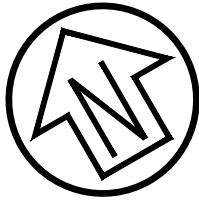
 JOSH WOELBING, P.L.S. 9387

7/22/24

 DATE



CSW/Stuber-Stroeh Engineering Group, Inc. Civil & Structural Engineers Surveying & Mapping Environmental Planning Land Planning Construction Management 504 Redwood Blvd, Suite 310 tel: 415.883.9850 Novato, CA 94947 fax: 415.883.9835 http://www.cswst2.com ©2023	Rev. -	Date: 07/22/24
	Job No. 2400145	Scale: -
EXHIBIT B LAFCO - 1384 ANNEXATION TO NOVATO SANITARY DISTRICT PLAT TO ACCOMPANY LEGAL NOVATO MARIN CALIFORNIA		



Graphic Scale (in feet)



1 inch = 40 ft.

SITE FALLS WITHIN RANCHO NOVATO.
PROJECTED TOWNSHIP 3 NORTH, RANGE 7
WEST, SECTION 14, MOUNT DIABLO MERIDIAN

LANDS OF FILANOSKY
5 HANSEN ROAD, NOVATO, CA 94947
APN: 146-061-13

LANDS OF BANKS AND HILL
9 HANSEN ROAD, NOVATO, CA 94947
APN: 146-061-12

WILSON ROAD
(R/W VARIES)

EXISTING SANITARY DISTRICT
BOUNDARY

(1) S60°45'00"E 149.50'

POINT OF BEGINNING

HANSEN ROAD
(40' R/W)

NEW LOCATION OF
NOVATO SANITARY DISTRICT
BOUNDARY

(4) N29°15'00"E 117.50'

LANDS OF ERNST
2 HANSEN ROAD, NOVATO, CA 94947
APN: 146-061-14
DN: 1987-33184

LANDS OF RODRIGUEZ
10 HANSEN ROAD, NOVATO, CA 94947
APN: 146-061-15

3RM39

(2) S29°15'00"W 117.50'

(3) N60°45'00"W 149.50'

EXISTING SANITARY DISTRICT
BOUNDARY

ANNEXATION AREA
TOTAL AREA: 0.40±AC.

CSW | ST2

CSW/Stuber-Stroch Engineering Group, Inc.
Civil & Structural Engineers | Surveying & Mapping | Environmental Planning
Land Planning | Construction Management

504 Redwood Blvd, Suite 310
Novato, CA 94947

<http://www.cswst2.com>

tel: 415.883.9850
fax: 415.883.9835



Rev. -

Job No. 2400145

Date: 07/22/24

Scale: 1" = 40'

EXHIBIT B - LAFCO - _____
ANNEXATION TO NOVATO SANITARY DISTRICT
PLAT TO ACCOMPANY LEGAL
NOVATO MARIN CALIFORNIA



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 _____

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 _____ (ie. Annexation, Detachment, Reorganization, etc.) is/are _____

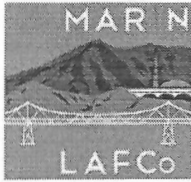
7. The proposal is requested to be made subject to the following terms and conditions:

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

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: Annie Ernst (Barry and Anne Ernst)
2 Hansen Rd., Novato, CA 94947

Contact Number: (415) 246-7602 Email: annicernst52@gmail.com

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

Name and Address of Agent: _____

Contact Number: (____) _____ Email: _____

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

Barry Ernst
Property Owner Signature

6/18/24
Date

Anne Ernst
Property Owner Signature

6/18/24
Date

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:

Please Print Name

Email Address

Phone Number

Michael Brewer

michaelb@novatosan.com

Novato Sausley District



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

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

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

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

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

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

9. Total land area in acres: _____



LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns:

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

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

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

What is the rezoning classification, title and densities permitted?

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



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,

Anne Ernst
Applicant Signature

Anne Ernst
Print Name

6/18/24
Date

owner
Title



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

This section to be completed by a city/town or district representative for all **applications initiated by resolution or as required by Executive Officer.**

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

Police: _____

Fire: _____

Sewer: _____

Water: _____

Other: _____

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

3. Describe the level and range of services: _____

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

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



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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

	Section 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 impact
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 is already serving the parcels
l	Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	our previous NMWD MSR states there is enough water.
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 ensures RHNA goals are met
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

August 8th, 2024

Item No. 5 (Public Hearing)

TO: Local Agency Formation Commission

FROM: Jeren Batchelder-Seibel, Deputy Executive Officer

SUBJECT: Approval of Multi-Regional Services Municipal Service Review and Sphere of Influence Updates

Background

During the June 13th LAFCo meeting, staff presented to the Commission the public draft of the Multi-Regional Services Municipal Service Review (MSR). The public comment period for the MSR closed Friday, June 28th. During the public comment time, staff received written comments from Marin Municipal Water District, North Marin Water District, and two LAFCo Commissioners. No member of the public submitted written comments. After the completion of the public comment period, LAFCo staff reviewed comments and created a final draft (Attachment 1). A spreadsheet of the suggested edits and staff's responses to each has also been included with this item (Attachment 2). The two significant changes that were made from the public draft to the final draft that staff would like to draw the Commission's attention to are the requested change to the recommendation regarding MMWD providing additional services in its protected open space, as well as the addition of a recommendation for NMWD to submit an application for the detachment of the Marshall/East Shore area in conjunction with its application to detach the Inverness Public Utilities District area should they desire to do so. The final draft that is being presented to you today is the culmination of a significant number of hours of hard work by Marin LAFCo staff and all the jurisdiction staffs being reviewed by the MSR. LAFCo staff would like to thank them for their time and efforts throughout this process.

From this MSR staff has added the following four items to the work plan:

- Staff should explore the transfer of outside water service parcels that were approved in the late 1970s through the 1980s that are within the jurisdictional boundary of Sonoma County in collaboration with representatives from Sonoma LAFCo, North Marin Water District, and the City of Petaluma.
- Remove the parcel (APN 166-030-34) in the general vicinity of the unincorporated community of Olema from the North Marin Water District's mapping layer in Marin LAFCo's GIS mapping system.
- Explore an efficient, organized, and well-communicated manner in which to detach the parcels within the jurisdictional boundary of the Inverness Public Utility District from the North Marin Water District.
- Explore the current status and future possibilities of the organization and efficiencies of fire protection services for Angel Island State Park, as well as the consideration of the detachment of the area from Marin County Service Area #31 and/or the Town of Tiburon in collaboration with Marin County Fire Department, the Town of Tiburon, the Tiburon Fire Protection District, California State Parks, and the California Department of Forestry and Fire Protection (CAL FIRE).

The spheres of influence for each of the districts involved in the study are proposed to be reaffirmed except for North Marin Water District which is proposed to be amended as is shown in the attached map, and Marin County Service Area No. 31 which is proposed to be established as is shown in the attached map.

Staff Recommendation for Action

1. Staff recommendation – Approve all the attached resolutions on the Multi-Regional Services 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.

Administrative Office

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

Dennis Rodoni, Vice Chair
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kious, Regular
Almonte Sanitary District

Craig K. Murray, Regular
Las Gallinas Sanitary District

Cathryn Hilliard, Alternate
SMFPD

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

Attachment:

- 1) Final Draft of Multi-Regional Services MSR
- 2) Suggested Edits Spreadsheet
- 3) Work Plan from MSR
- 4) Resolution 24-04; Resolution 24-05; Resolution 24-06; Resolution 24-07; Resolution 24-08; Resolution 24-09



Marin Local Agency Formation Commission

Municipal Service Review

Multi-Regional Services Study

FINAL DRAFT

AUGUST 2024

PREFACE

This Municipal Services Review (MSR) documents and analyzes services provided by local governmental agencies that are providing services across multiple regions of Marin County. Specifically, it evaluates the adequacy and efficiency of local government structure and boundaries within the regions and provides a basis for boundary planning decisions by the Marin Local Agency Formation Commission (LAFCo).

Context

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

Commissioners, Staff, Municipal Services Review Preparers

Commissioners

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

Staff

Jason Fried	Executive Director
Jeren Batchelder-Seibel	Deputy Executive Officer
Claire Devereux	Clerk/Junior Analyst

MSR Preparers

Jeren Batchelder-Seibel	Deputy Executive Officer
-------------------------	--------------------------

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1.0 INTRODUCTION

1.1 ROLE AND RESPONSIBILITY OF LAFCO

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

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

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

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

Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and most special districts.¹ More recently LAFCOs have been tasked with also overseeing the approval process for cities and districts to provide new or extended services beyond their jurisdictional boundaries by 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 current and future community needs. LAFCo regulatory powers are described in Table 1.1 below.

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; transportation districts; and air pollution control districts.

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	Special District	<i>Almonte Sanitary District</i>
Barbara Coler, Chair	City	<i>Town of Fairfax</i>
Eric Lucan	County	<i>District 5 Supervisor</i>
Dennis Rodoni, Vice Chair	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 Chu	Public	<i>Commission</i>
Roger Smith	Public Alternate	<i>Commission</i>
Cathryn Hilliard	Special District Alternate	<i>Southern Marin Fire Protection District</i>
Stephen Burke	City Alternate	<i>City of Mill Valley</i>
Stephanie Moulton-Peters	County Alternate	<i>District 3 Supervisor</i>

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

2.0 EXECUTIVE SUMMARY

This study represents Marin LAFCo’s scheduled regional municipal service review of local agencies that provide public services across multiple regions of Marin County. The underlying aim of the study is to produce an independent assessment of the municipal services provided by the agencies 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 five agencies operating across all regions of Marin County as listed below and shown in Figure 2.1.

Table 2-1: Multi-Regional MSR Agencies

Multi-Regional MSR Agency Names
Marin Municipal Water District
North Marin Water District
Marin County Open Space District
Marin County Service Area #31
Marin Healthcare District

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.

Healthcare

All of the services outlined in California Health and Safety Code §32121, including (but not limited to) operating hospitals and community-based clinics .

Structural Fire Protection

Fire protection services consist of firefighting and fire prevention.

Open Space Acquisition and 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.

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 eleven cities/towns, multiple census-designated unincorporated communities, 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 eleven respective municipalities have authority over land use and development policies within their distinct 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: Multi-Regional Services MSR Agencies’ Meeting Information

Multi-Regional Services Municipal Service Review – Agency Transparency					
Agency	Governing Body	Meeting Date/Time	Meeting Location	Televised/ Streaming	Website
Marin Municipal Water District	Board of Directors	1 st and 3 rd Tuesday at 6:30 p.m.	MMWD Administration Building 220 Nellen Avenue Corte Madera, CA	Yes	marinwater.org/board-meeting-information
North Marin Water District	Board of Directors	1 st and 3 rd Tuesday at 4:00 p.m.	NMWD Meeting Room 100 Wood Hollow Dr. Novato, CA	No	nmwd.com/meetings
Marin Healthcare District	Board of Directors	2 nd Tuesday 4:00 p.m.	MarinHealth Medical Center 250 Bon Air Road Greenbrae, CA	No	marinhealthcare.org/public-meetings
Marin County Open Space District	Board of Directors	Scheduled Tuesdays 9:00 a.m.	Marin County Civic Center 3501 Civic Center Drive San Rafael, CA	Yes	marincounty.gov/departments/board
Marin County Service Area #31	Board of Directors	Scheduled Tuesdays 9:00 a.m.	Marin County Civic Center 3501 Civic Center Drive San Rafael, CA	Yes	marincounty.gov/departments/board

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

Growth and population projections for the affected area.

a) Despite an annual population decline since 2017 of -0.48%, the Association of Bay Area Governments (ABAG) projects the population of Marin County to grow by 12% by 2040 to a total population of 283,000. While the current development potential within the multiple planning areas throughout the County is fairly minimal, ABAG's Regional Housing Needs Allocation plan has required the addition of 3,569 housing units in unincorporated Marin County, and 9,971 units within all of the incorporated cities and towns throughout the County. Using the baseline of the average persons per household captured by the 2020 Census for Marin County of 2.4, if the full RHNA allocation were to be met, it could reasonably be assumed to add approximately 32,000 people to the current population estimate of 252,959.

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

a) Two census tract block groups (Tract 1290, Block Group 1; Tract 1121, Block Group 1) that have 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 groups are situated within the census-designated place of Marin City, as well as the northern section of the California Park unincorporated island in the San Rafael Area. 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 in the community's best interest, then they would not be included in 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.

a) The three agencies within this study that have public facilities (Marin Municipal Water District, North Marin Water District, and the Marin Healthcare District) have each shown that the present capacity of their facilities are sufficient to provide services at their current levels. Both MMWD and NMWD have adopted ambitious capital improvement plans and recently made the necessary adjustments to each of their rate schedules in order to fund the designated infrastructure improvements to both continue to provide services at their current levels as well as taking into account planning for future growth and the increased potential for lean water years. With the recent completion of both a new parking structure as well as the 260,000-square-foot hospital replacement building, the Marin Healthcare District continues to display both the intention and the necessary planning to ensure the MarinHealth Medical Center meets the standards required within SB 1953.

Financial ability of agencies to provide services.

a) The Marin Municipal Water District, North Marin Water District, Marin Healthcare District, Marin County Open Space District, and County Service Area #31 all prepare annual budgets and financial statements in accordance with established governmental accounting standards. The Boards of Directors, and the County Board of Supervisors, acting as the Board for CSA 31 and the Marin County Open Space 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 special district General Managers and County Administrative Officer are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the Special District Boards and County Board of Supervisors, acting as the Board for the Marin County Open Space District as well as CSA 31, 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 order to complete the second phase of its planned seismic infrastructure upgrades, the Marin Healthcare District will, in all likelihood, necessitate the pursuit of additional revenue bonds. CSA #31 has operated at the same tax rate since its formation 30

years ago. No attempt has been made to increase the tax since the failed ballot measure in 2010. While costs to provide service as well as simple inflation have significantly risen since that time, the CSA's tax base has remained the same. While current circumstances such as voter tax fatigue as well as the recent approval of Measure C, which levies a parcel tax specifically for fire protection and prevention services, certainly detract from the chances of the CSA successfully seeking an increase in the current tax in the near term, the possibility should continue to be monitored in order to make the necessary adjustments to the funding mechanism to ensure sufficient revenue supplementation for Marin County Fire in the future.

Status of, and opportunities for, shared facilities.

a) No opportunities were identified for the sharing specifically of constructed facilities between any of the agencies reviewed within the study.

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

a) The current jurisdictional boundary for Marin County Service Area #31 includes all of the area of Angel Island State Park that resides within the legal boundary of Marin County. This area of Angel Island also resides within the jurisdictional boundary of the Town of Tiburon. CSA 31 was originally formed as a benefit assessment district in order to provide supplemental tax funding to the Marin County Fire Department for the provision of structure fire protection services. As there are no legally taxable parcels within Angel Island State Park, the inclusion of Angel Island within the jurisdictional boundary of CSA 31 creates no additional benefit for the Marin County Fire Department, as was the intention of the formation of the district.

The Marin County Fire Department contracts with the California Department of Forestry and Fire Protection (CAL FIRE) to provide wildland fire protection and associated fire prevention activities for lands designated as state responsibility areas (SRA). While the area is technically state parkland, CAL FIRE does not include this area as carrying the designation of SRA, but rather as a local responsibility area (LRA)². LRA is also the designation for all of the other incorporated spaces within Marin County. The Town of Tiburon receives fire protection services from the Tiburon Fire Protection District (TFPD), however, the Tiburon Fire Protection District's current jurisdictional boundary does not include the area of Angel Island State Park. Despite this, due to the geographic proximity of Tiburon Fire Protection District Station 11 to Angel Island as well as the District's watercraft giving it access from the Tiburon peninsula to Angel Island, TFPD frequently is the initial responder to calls for service (in particular, emergency medical calls) to Angel Island.

At this time, the state of the delivery of fire protection, as well as other emergency services, to Angel Island State Park necessitates the convening of representatives from Marin LAFCo,

² [State Responsibility Area Fire Hazard Severity Zones Marin County](#)

Marin County Fire Department, Tiburon Fire Protection District, the Town of Tiburon, and CAL FIRE/California State Parks in order to explore a more organized and defined structure to the future of this service delivery within this area.

b) In the late 1970s through the 1980s, the North Marin Water District initiated LAFCo-approved outside service area agreements for approximately 33 parcels outside of the District's boundary in southern Sonoma County. The parcels reside within the Sonoma County planning area known as the Petaluma Dairy Belt Area. Rather than continuing in perpetuity with the outside service agreements, representatives from Marin LAFCo, Sonoma LAFCo, North Marin Water District, and the City of Petaluma should convene in order to explore the transfer of these parcels for future service.

c) North Marin Water District's existing jurisdictional boundary entirely overlaps the jurisdictional boundary of the Inverness Public Utilities District. This overlap merits correction as the Commission discourages two agencies providing the same service to have overlapping boundaries. Additionally, NMWD does not provide service within IPUD's boundary, nor does it plan to in the future. Representatives from NMWD, Marin LAFCo, and IPUD should convene to explore an efficient, organized, and well-communicated manner in which to detach the parcels within the jurisdictional boundary of IPUD from NMWD.

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

a) Marin Municipal Water District and North Marin Water District have effectively partnered with other local agencies in jointly funding and establishing regional recycled water programs as part of the North Bay Water Reuse Authority. This cooperative arrangement provides a mechanism for MMWD and NMWD to pool resources in securing competitive governmental grants to implement and expand recycled water services in their service areas to help offset potable demands. Marin Municipal Water District should explore the feasibility of further collaboration with wastewater agencies in central and southern Marin County to continue to expand its provision of recycled water throughout other geographic portions of its service area.

b) Marin Municipal Water District oversees and maintains a significant amount of public open space lands, with approximately 150 miles of trails and roads within the 22,000 acres of the Mount Tamalpais Watershed. With significant resources dedicated to the continued stewardship of these lands, the District has an opportunity to help expand access to these areas in the same way that the Marin County Open Space District has within its open space preserves. MMWD should explore the feasibility, either by way of current funding mechanisms or through the pursuit of grant monies, of offering to the public free scheduled naturalist-guided hikes/excursions throughout its open space in the same manner that MCOSD has been doing for years.

4.0 RECOMMENDATIONS

The following recommendations call for specific action either from the Commission and/or by the affected agencies based on information generated as part of this study.

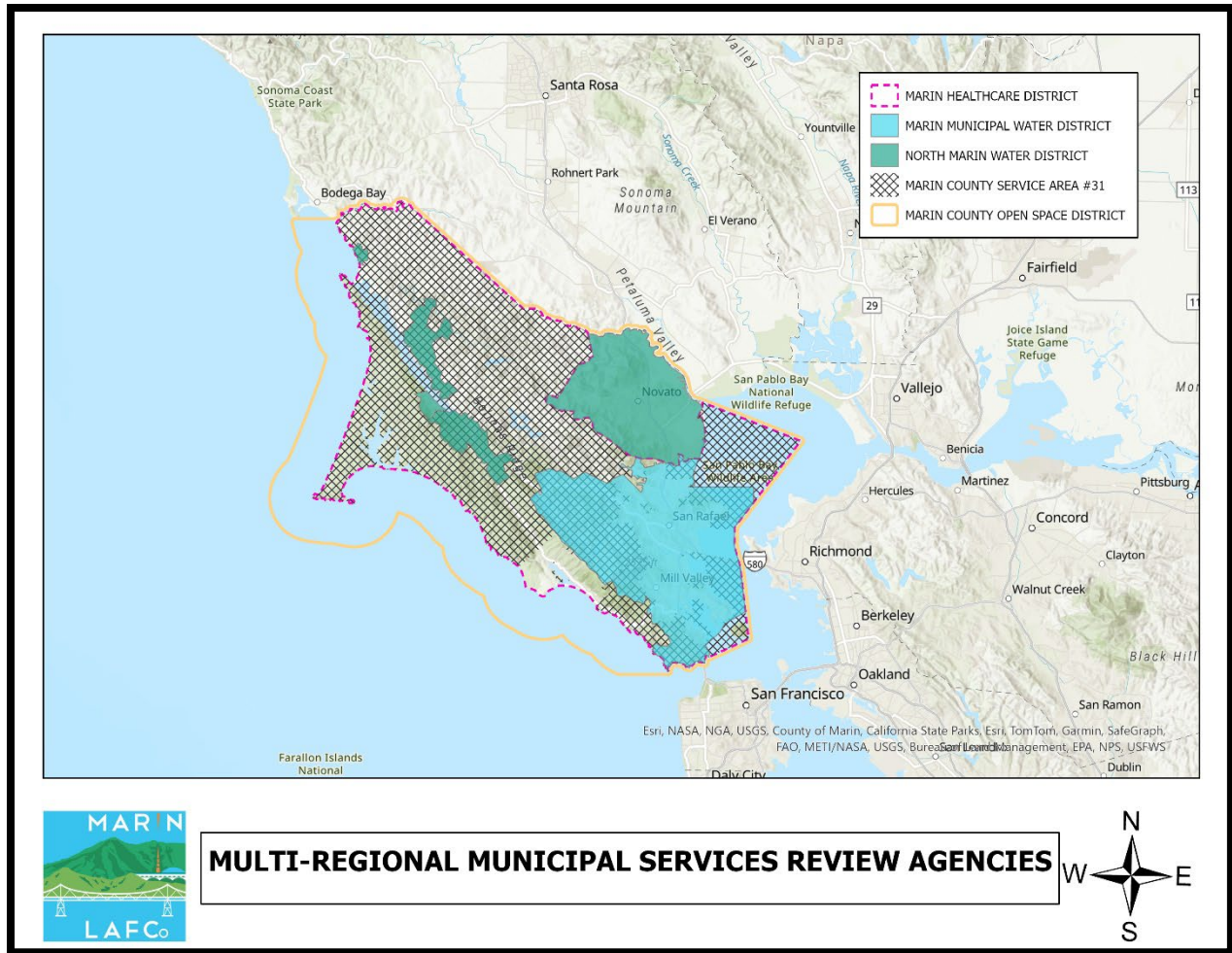
Recommendations for Commission action are dependent on a subsequent directive from the membership and through the adopted work plan.

1. Representatives from Marin LAFCo, Sonoma LAFCo, North Marin Water District, and the City of Petaluma should convene in order to explore the transfer of outside water service parcels that were approved in the late 1970s through the 1980s that are within the jurisdictional boundary of Sonoma County.
2. The staff for Marin LAFCo should work with the contracted GIS consultant from Cinquini and Passarino in order to remove the parcel (APN 166-030-34) in the general vicinity of the unincorporated community of Olema from Marin LAFCo's GIS mapping system as, after collaboration with staff from NMWD, it has been determined that the parcel was excluded from the annexation of this area in 1967.
3. Representatives from Marin LAFCo, North Marin Water District, and the Inverness Public Utility District should convene to explore an efficient, organized, and well-communicated manner in which to detach the parcels within the jurisdictional boundary of the Inverness Public Utility District from the North Marin Water District.
4. Given that the North Marin Water District serves none of the parcels within its jurisdictional boundary along the east shore of the Tomales Bay in the area of the community of Marshall, has no infrastructure within the area, and does not foresee any situation in which the District would begin to provide service to the area having annexed it decades ago, should the District wish to detach the area from its jurisdictional boundary it should submit an application to Marin LAFCo for the Commission's consideration. If desired, this application could be included as part of the application to detach the area of the Inverness Public Utilities District.
5. Representatives from Marin LAFCo, Marin County Fire Department (on behalf of County Service Area #31), the Town of Tiburon, the Tiburon Fire Protection District, California State Parks, and the California Department of Forestry and Fire Protection (CAL FIRE) should convene to explore the current status and future possibilities of the organization and efficiencies of fire protection services for Angel Island State Park, as well as the consideration of the detachment of the area from Marin County Service Area #31 and/or the Town of Tiburon.
6. The Marin Municipal Water District should explore the feasibility of further collaboration with wastewater agencies in central and southern Marin County to continue to expand its provision of recycled water throughout other geographic

portions of its service area.

7. Marin Municipal Water District oversees and maintains a significant amount of public open space lands, with approximately 150 miles of trails and roads within the 22,000 acres of the Mount Tamalpais Watershed. With significant resources dedicated to the continued stewardship of these lands, the District has an opportunity to help expand access to these areas in the same way that the Marin County Open Space District has within its open space preserves. MMWD should explore the feasibility, either by way of current funding mechanisms or through the pursuit of grant monies, of offering to the public free scheduled naturalist-guided hikes/excursions throughout its open space in the same manner that MCOSD has been doing for years..
8. Throughout the course of this study, there have been several instances of some level of ambiguity surrounding the correct jurisdictional area of the North Marin Water District and the multiple large annexation areas in past decades. In order to ensure current and future accuracy, staff from NMWD should compare current district records with what is currently displayed within the public-facing Marin LAFCo GIS web application and work collaboratively with Marin LAFCo staff to rectify any further instances of boundary discrepancies.

5.0 REGIONAL SETTING



The Multi-Regional Municipal Service Review (MSR) study area consists of public agencies that cover significant geographic areas of, and in one instance, the entirety of Marin County. Five public agencies, including one County Service Area (CSA), are reviewed within this document. Many distinct communities lie within and adjacent to the Study Area. These communities are served by a number of municipal service providers that have been established over time to meet local conditions and needs. While jurisdictional boundaries define the geographical extent of an agency’s authority and responsibility to provide services, there are several instances of overlapping boundaries and service responsibilities in the Study Area. These service arrangements and relationships for providing fire protection, municipal water, open space management, and other municipal services within the Study Area are described in this report.

6.0 NORTH MARIN WATER DISTRICT

6.1 OVERVIEW

The North Marin Water District (NMWD) was established in 1948 as an independent special district under Sections 30000-33900 of the California Water Code. The NMWD multi-county boundary surrounds just over 100 square miles of northeastern and north-western Marin County, in addition to a portion of southern Sonoma County along the Highway 101 corridor. The district serves a population of approximately 63,981³ persons encompassing three unique service areas: Novato, West Marin, and Oceana Marin. The last Municipal Service Review that included NMWD was conducted in November of 2017 as part of the North Marin Water District Sphere of Influence Update.

As a limited-purpose agency, NMWD provides potable water, non-potable water, and wastewater management. The majority of the District's Novato service area potable water supplies are imported from the Russian River through a contract with the Sonoma County Water Agency, with the remainder of the District's supplies to this service area drawn locally from Stafford Lake. Potable water supplies for the West Marin service area are drawn from two distinct and separate locations using two separate wells at each location. The potable local sources of supply for the Novato and West Marin Services Areas are not interconnected. The District also provides wastewater collection, treatment, and disposal for the Oceana Marin service area and recycled water in its Novato service area.

Table 6-1: North Marin Water District Overview

North Marin Water District			
Primary Contact:	Anthony Williams	Phone:	(415)-897-4133
Main Office:	999 Rush Creek Pl, Novato, CA		
Formation Date:	April 21, 1948		
Services Provided:	Potable Water, Non-Potable Water, Wastewater		
Service Area:	64,628 acres	Population Served:	≈63,981

6.2 FORMATION AND DEVELOPMENT

The North Marin Water District's formation was derived from the transition and development of its primary service area of Novato from agricultural to urban. While signs pointed towards urban development in the late 1800s, the transformation was somewhat impeded for a number of decades due to the sheer profitability of ranching and dairy operations in the area. By the mid-1920s, the area's population reached approximately 1,200 and the residents agreed to form the Novato Sanitary District (at that time referred to as Marin County Sanitary District #6) in 1925 and the Novato Fire Protection District (1926). During this time, organized water service in the Novato area was initially established by private utilities for each new subdivision until the

³ Population served calculated through the means given in California Code of Regulations Section 64412 by tallying the most recent Census data using the tract, block group, and block levels.

eventual ownership of these rights by the Novato Water Company. The water was sourced from groundwater wells that were adequate for the slowly growing community. The growth of the area was hastened when in 1935, the Marin County Air Field was converted into the Hamilton Army Air Field. The construction of the new military base resulted in new housing and commercial development in the surrounding area. By 1950⁴, the population of the area had risen to 3,489.

The significant growth brought on by the Hamilton Base throughout the 1940s proved to be difficult for the private water system to sustain. This prompted local leaders in 1947 to request that Marin Municipal Water District (MMWD) extend its service north to Novato. MMWD subsequently extended its services to a portion of the Hamilton Base, however, declined to extend its services further north in Novato, and community leaders were forced to pivot towards the establishment of a new public water agency (which MMWD had fairly recently set the road map for) through the purchase of Novato Water Company's system and the assumption of its service responsibilities. In 1948, Novato area landowners petitioned for the formation of the new water district which would initially be known as the North Marin County Water District. After the Marin Boundary Change Commission⁵ approved the official service area of the District as what is now the greater Novato area, a successful vote by the residents officially formed the District. Soon after, separate ballot measures were approved to provide the necessary funding for the District to purchase the Novato Water Company and all of its infrastructure. These ballot measures also authorized NMWD to establish a new surface water supply by damming Novato Creek and creating Stafford Lake. The construction of Stafford Dam was completed in 1951, and the resulting Stafford Lake had an initial holding capacity of 1,720 acre-feet.⁶ The Stafford Water Treatment Plant was constructed and began operation in 1952 with a capacity of 3.75 million gallons per day.

With the City of Novato officially incorporated in January of 1960⁷ and a continually expanding population at the time of 17,881, water demands were at an all-time high. In need of increased supplies, in 1960 NMWD entered into an agreement with Sonoma County Flood Control District (later known as the Sonoma County Water Agency) for an annual allocation of 10,000 acre-feet of pretreated water that would be drawn from the Russian River and delivered through an interconnection with the City of Petaluma. The subsequent intertie, known as the North Marin Aqueduct, was constructed in 1961⁸ and consisted of approximately 9.4 miles of 30-inch pipeline to connect NMWD's system to SCWA's system in Petaluma along State Highway 101.

In the late 1960s and into the 1970s, NMWD annexed a number of unincorporated communities in West Marin at the request of residents within those communities. These communities

⁴ Earliest available Census data on the area.

⁵ The County Boundary Commission was a technical governing body tasked with officially designating the jurisdictional boundary of all boundary changes prior to LAFCO's creation in 1963. The boundary commissions included four distinct members of county government, supervisor chairperson, assessor, auditor, and surveyor.

⁶ This amount was raised to 4,450 acre-feet in 1954 by modification of the dam's spillway.

⁷ Voters approved incorporation on November 3, 1959, but the effective date of incorporation was January 20, 1960.

⁸ The construction was funded by a voter-approved \$3.79 million bond in 1960.

included Oceana Marin (1969), Point Reyes Station/Inverness Park (1970), Olema (1973), Tomales (1975), and Paradise Ranch Estates (1979). The annexations were approved with the expectation of NMWD purchasing and assuming the service responsibilities from the preexisting private utilities that were presently operating. NMWD constructed and operated a community wastewater system for Tomales in 1979. The community eventually formed the Tomales Village Community Service District and, in 1999, the wastewater system was turned over to the newly created district as part of a voter-approved reorganization in which the unincorporated community was detached from NMWD.

In 2001, Marin Municipal Water District agreed to a reorganization of its service area with NMWD premised on simplifying the alignment of NMWD's Novato service area southern boundary to match the City of Novato. This effectively removed the area of the former Hamilton Air Force Base (which was officially closed in 1996) from the Marin Municipal Water District's boundary. On June 24th, 2002, the agreement became fully effective.

In 2006, the Stafford Lake Water Treatment Plant upgrade project was completed. The project cost approximately \$16 million and increased daily treatment capacity for the facility to 6 million gallons. This was followed in 2007 by the completion and beginning of operations of the Deer Island Recycled Water Facility. The facility opened with a 500,000-gallon-per-day capacity and provided recycled water for irrigation purposes at Stone Tree Golf Course. NMWD's recycled water system has subsequently expanded such that NMWD is the distributor of recycled water in central and northern Novato with Novato Sanitary District as the producer. A similar agreement between NMWD and Las Gallinas Valley Sanitary District exists for recycled water distribution in southern Novato.

As part of a significant multi-year project by the California Department of Transportation (Caltrans) known as the Marin-Sonoma Narrows project, the District was forced to relocate a large apportionment of its North Marin Aqueduct. In partnership with Caltrans and Marin Municipal Water District, the Aqueduct Energy Efficiency Project was created and completed in 2015. The project enlarged 5 miles of the North Marin Aqueduct's 30' diameter pipe with 42" pipeline from South Petaluma, which helped to eliminate the need for the Kastania Pump Station and reduce energy costs and greenhouse gas emissions. The total cost of the project was \$22 million of which 2/3 was paid by Caltrans and the remaining cost was split between NMWD and MMWD.

6.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

North Marin Water District's service boundary currently encompasses just over 100 square miles and covers 64,628 acres of both incorporated and unincorporated Marin County and Sonoma County. Since LAFCos were created in 1963 and Marin LAFCo assumed responsibility in overseeing the District's service area, the jurisdictional boundary has grown by approximately 30%, with the most significant additions occurring between 1966 and 1975 during the multiple annexations in West Marin. There have been 19 recorded boundary changes to NMWD since 1963, with the most recent of significant total acreage being the reorganization of 980 acres comprising the former Hamilton Air Force Base from Marin Municipal Water District to North Marin Water District.

The District also maintains outside service agreements for water services to approximately 33 parcels in Sonoma County just south of the City of Petaluma. These parcels all reside within an unincorporated area that Sonoma County has dubbed the Petaluma Dairy Belt. The Petaluma Dairy Belt Area Plan, which helps guide the planning in the area, was most recently updated in September of 2008.

The District has provided Marin LAFCo with documentation showing five parcels⁹ in the District's service area that are adjacent to the Sonoma/Marin County boundary on the Sonoma County side. Documentation for the parcels on the eastern side of the highway shows that they were added in 1967, while the one on the western side was added in 1962 which would be pre-LAFCo establishment. As opposed to the 33 parcels just to the north of these for which the District maintains outside service agreements, these five parcels were formally annexed to the District.

An area of the District's jurisdictional boundary is coterminous with the boundary of the Inverness Public Utility District (IPUD). NMWD provides no services in this area as IPUD provides potable water services within its jurisdictional boundary. While there is an intertie between the two agencies that would allow for the transfer of potable water, at this time there is no agreement between the two districts for regular supplemental water purchases due to the most recent attempt failing to receive the necessary voter support. NMWD has intimated that it is open to detaching the area from its service boundary. Additionally, there is one parcel within the District's current jurisdictional boundary outside of the community of Olema that neither the District nor Marin LAFCo has any record of within that particular area's annexation and, as such, should be removed from the District's official boundary.

The District's sphere of influence was established by Marin LAFCo as part of two separate actions. The first action occurred in 1982 and established the sphere of influence for the East Marin (Novato) service area. This sphere boundary was entirely coterminous with the jurisdictional boundary in that area at the time. The second action took place in 1984 and established the sphere of influence for the West Marin service area. This sphere of influence was coterminous with the District's jurisdictional boundary with the exceptions of the exclusion of jurisdictional lands on the east shore of the Tomales Bay (Marshall) as well as the area that comprised the jurisdictional boundary of the Inverness Public Utility District. At the time, the Commission's explanation for excluding the Marshall area was in anticipation of the County adopting the "East Shore Community Plan".

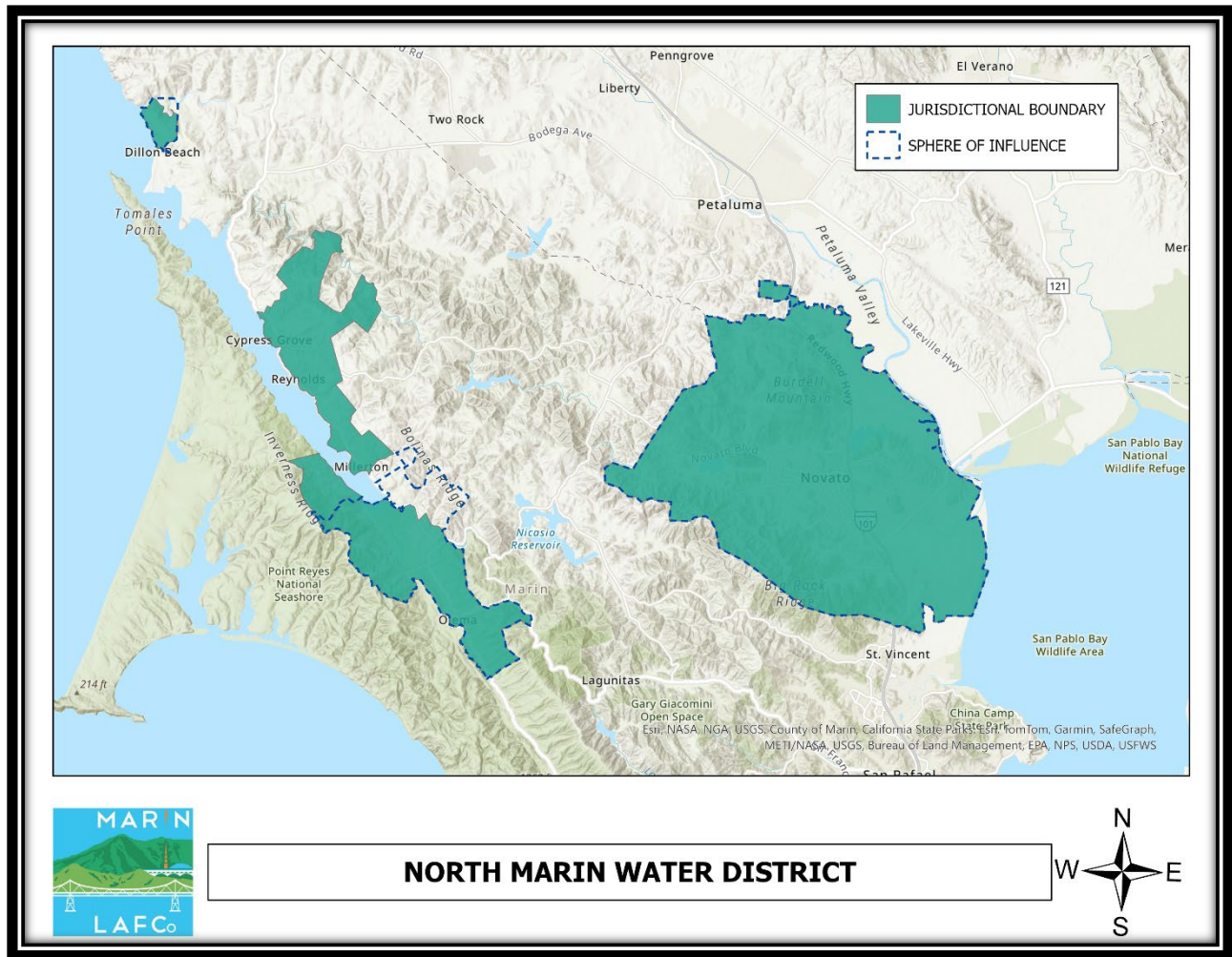
The sphere of influence received its next update in 2002. The update was a partial update specific to only the East Marin service area in response to the reorganization of the Hamilton Air Force Base reorganization. This update again made the East Marin service area's sphere of influence to be coterminous with its jurisdictional boundary. The most recent sphere of influence update was performed in October of 2017. This update reaffirmed the East Marin service area sphere as well as amending the sphere in West Marin to add approximately 2,230 acres of unincorporated lands off of State Highway 1 adjacent to the Pt. Reyes Station service

⁹ Parcel APN #s 019-290-001; 019-280-014; 019-280-012; 019-280-013; 019-280-005

area and just south of the East Shore jurisdictional lands. This area is made up of 11 parcels, largely under commercial agricultural uses along with 7 residential units (as well as the adjacent right-of-way along State Highway 1). This area was added “...to recognize the existing service commitments to the majority of the affected lands as part of pre-CKH outside service agreements.”

A map of NMWD’s jurisdictional lands within Marin County as well as the current sphere of influence for the District can be seen below in Figure 6-1.

Figure 6-1: North Marin Water District Jurisdictional Boundary and Sphere of Influence



6.4 GROWTH AND POPULATION

The North Marin Water District’s service area includes the City of Novato as well as the census-designated places of Black Point – Green Point, Point Reyes, and Inverness. The service area also includes a number of other smaller unincorporated neighborhoods/communities such as Marshall, Oceana Marin, Bel Marin Keys, Loma Verde, Indian Valley, Olema, Bear Valley, and Paradise Ranch Estates. The eastern portion of the District’s service area makes up

approximately 95% of the total population within its boundaries at 61,314¹⁰, while the western service area has a total population of 2,667¹¹. This amount is just under 24% of Marin County’s total population of 262,321.¹² Since 2010, the County as a whole has seen a total population growth of 9,912, an increase of 3.9%. The population change data for the cities, towns, and census-designated places within the District’s boundary from 2010 to 2020 can be seen below in Table 6-2.

Table 6-2: Municipality and Census-Designated Place Population Change Within NMWD

Community Name	2010	2020
City of Novato	51,904	53,225
Point Reyes Station	848	895
Inverness	1,304	1,379
Black Point – Green Point	1,306	1,431

The remaining development potential within each of the planning areas within the District’s boundary (both incorporated and unincorporated), while relatively minimal based upon the number of remaining undeveloped parcels zoned for residential development, has experienced recent changes with Marin County having adopted an updated Housing Element and the City of Novato in the final stages of its Housing Element being reviewed by the State’s Department of Housing and Community Development that included planning for accommodations of the housing mandates from the State. The Association of Bay Area Governments (ABAG) has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan. This number is 907 units shy of what Marin County had deemed as the total buildout for unincorporated Marin County. Of those 3,569 units, 720¹³ of those have sites identified for development within the unincorporated spaces in North Marin Water District’s jurisdictional boundary. The additional housing unit mandates for the City of Novato is a total of 2,090¹⁴.

Assuming that within the District’s service area in both unincorporated and incorporated spaces, the total number of housing units (2,810) was constructed, this would lead to an increase in the population of 6,744¹⁵. The District projects a population increase within its Urban Water Management Plan (UWMP) of 6,043 between 2025 and 2045. Utilizing the baseline of the gallons per capita per day that the District reported in 2020 (119¹⁶), the projected 6,043 inhabitants in 2045 would add a demand of approximately 586 acre-feet of water annually. If this amount were to be added to 2020’s usage total of 8,194 acre-feet, it would amount to 8,780

¹⁰ Total number is based on the sum total of the 14 Census tracts that comprise the District’s eastern service area.

¹¹ Total number is based on the sum total of the 3 census block groups and 7 census blocks that comprise the District’s western service area.

¹² [Marin County U.S. Census Bureau Data](#)

¹³ [Marin County Housing Element Update 6th Cycle 2023-2031 pg. 104 and 105](#)

¹⁴ [ABAG Final RHNA Plan](#)

¹⁵ Projected population is calculated based on applying the average captured from the 2020 Census for Marin County of 2.4 persons per household to the total estimated in new housing.

¹⁶ [This number is the amount of both potable and raw water demand.](#) (UWMP pg. 28)

acre-feet, which is 5.65% less than the District’s 10-year average annual demand between 2010 and 2020 of 9,305 acre-feet.

6.5 MUNICIPAL SERVICES

Potable Water

The North Marin Water District provides retail potable water services through a combination of its own as well as contracted supply, treatment, storage, and distribution facilities, including the importing of water from sources in Sonoma County. As the District’s potable water services are distinctly geographically separated, there are two separate water systems that are managed in Novato and West Marin (including Point Reyes Station). The Novato distribution system spans approximately 317 miles while the West Marin distribution network is approximately 24 miles. Due to the District’s separate water systems, each will be described separately.

NMWD’s primary potable water supplies for the Novato system are drawn from the Russian River and secured through an agreement with the Sonoma County Water Agency (SCWA).¹⁷ The agreement provides the District with a maximum annual allocation of 14,100 acre-feet of treated potable water drawn from underflow of the Russian River. NMWD is enabled through a cost-sharing arrangement with SCWA and other regional contractors to divert, treat, and convey water from the Russian River through a series of aqueducts, pipelines, and pumps, that span approximately 30 miles before connecting to NMWD’s distribution system. NMWD is authorized to receive upwards of 64.1 acre-feet in a single day. During FY 2022-23, the District received 4,033 acre-feet¹⁸ of Russian River water, down from 5,787 acre-feet in FY 2021-22.

The Novato system’s additional surface supplies are drawn from Stafford Lake which collects the runoff from the Novato Creek watershed. The lake has a total capacity of 4,450 acre-feet. The District maintains two separate post-1914 appropriative rights to draw water from Novato Creek. These appropriative rights allow NMWD to divert and use up to 8,454 acre-feet annually directly from Novato Creek. The water from Stafford Lake is conveyed to NMWD’s treatment facility, the Stafford Lake Water Treatment Plant (STP), which operates seasonally and most frequently during the summer months to help offset demands on pre-treated water imported from the SCWA. While typically conveyed from Stafford Lake to STP via gravity, pumps are available to assist in moving the water if necessary. The plant’s daily treatment capacity is 18.41 acre-feet. In FY 2022-23, 516 acre-feet of water were produced by the Stafford Lake Water Treatment Plant.

The Distribution system for NMWD’s Novato water system consists of approximately 317 miles of mains and overlays four connected pressure zones that jointly cover a 400-foot range in elevation between service connections. The main pressure zone is Zone 1, which covers most of the City of Novato and the area along Highway 101 on both sides of the freeway and contains the majority of the lower elevations. Zone 2 serves elevations between 60 and 200 feet. Zone 3 serves elevations between 200 and 400 feet, and Zone 4 serves elevations above 400 feet. The distribution system relies on gravity pressure for recharge from 31 storage tanks that collectively

¹⁷ Agreement runs through 2037.

¹⁸ [FY 23 CAFR pg. 4](#)

hold approximately 37.3 million gallons, which is more than three times the peak day use in FY 2022-23. There are 25 pump stations throughout the Novato system with six located in Zone 1, 13 in Zone 2, and 4 in Zone 3. Approximately 90% of the Novato system's connections are located within Zones 1 and 2. The Novato system has 31 potable water storage tanks that combine for a total of 37,401,500 gallons.

The Novato system has a total of 20,853 active water service connections as of the term of this study, with 19,018 of those being residential. There has been a total increase of 101 service connections (0.49%) since 2018. The 10-year average of billed water consumption for the Novato system (FY 13/14 – FY 22/23) is 7,365 acre-feet¹⁹.

The potable water supplies for the West Marin service area (often referred to as Point Reyes Station system) are primarily drawn from two groundwater well locations that access underflow from Lagunitas Creek. The first and original well location is on land previously owned²⁰ by the United States Coast Guard at 101 Commodore Webster Drive in Point Reyes Station and consists of two active wells. These wells, termed as Coast Guard #2 and Coast Guard #4 (and collectively referred to as Coast Guard Wells), are each drilled to approximately 60 feet and outfitted by 30 horsepower pumps that push water to the nearby Point Reyes Water Treatment Plant. Well #2 has a capacity of 250 gallons per minute and Well #4 has a capacity of 300 gallons per minute.

In addition to these two wells, the District also has two additional permitted wells at a location further upstream of Lagunitas Creek located on the Gallagher Ranch. Gallagher Well #1 was drilled in 1993 and Gallagher Well #2 was drilled in 2022 and began fully operating in November of 2022. As opposed to the Coast Guard Wells, the Gallagher Wells are located upstream of typical flooding and tidal reach which keeps them from experiencing the same levels of periodic salinity intrusion. While the addition of Gallagher Well #2 gives the District a source of additional water, it does not increase the amount that it is permitted to draw annually. All of the Point Reyes Station system permit capacities are garnered through post-1914 appropriated rights²¹. The Point Reyes Station service area had an approximate annual usage of 230 acre-feet over the course of the study window. A map of the vicinities of the wells can be seen below in Figure 6-2.

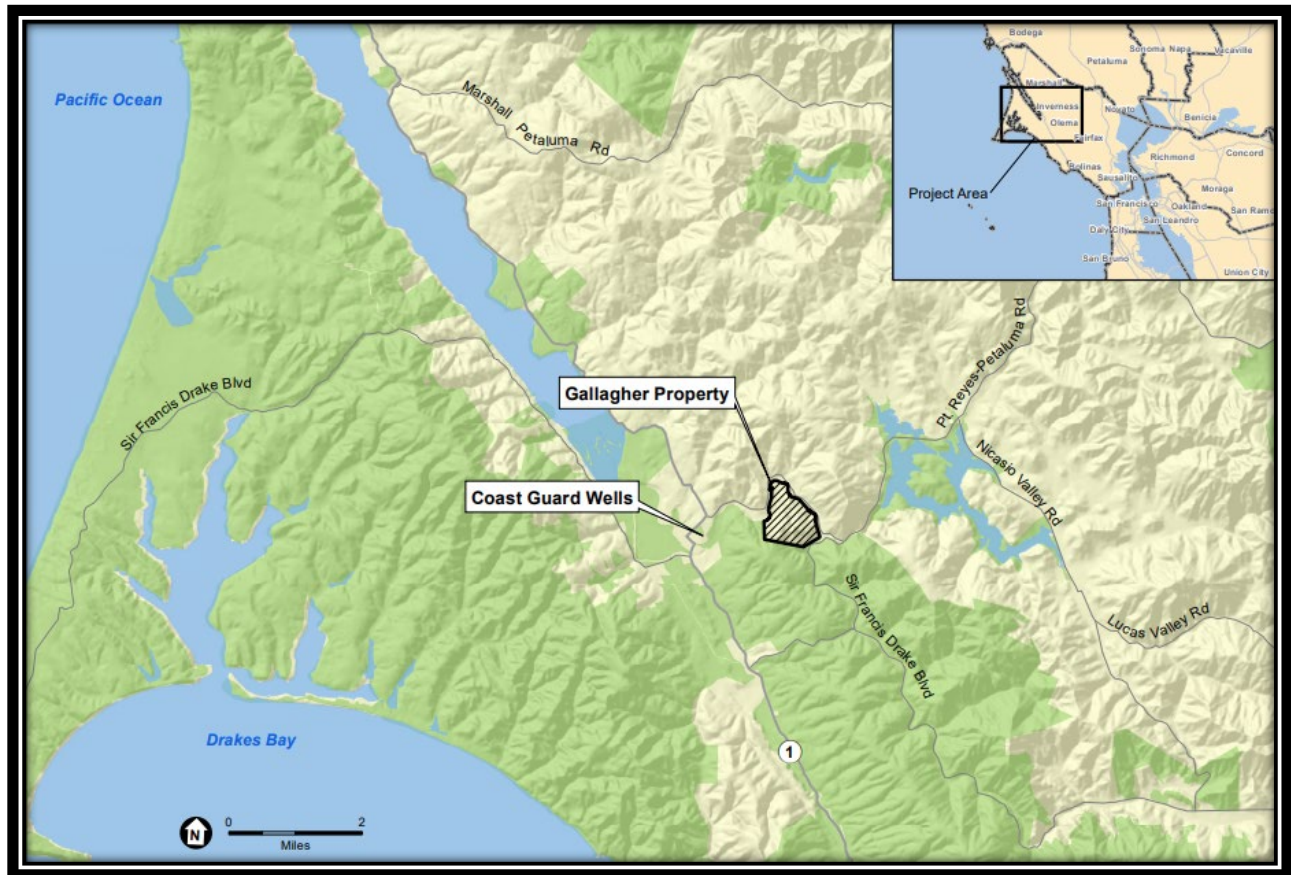
¹⁹ NMWD FY 23-24 Budget; Pg. 3

²⁰ This land was purchased by the County of Marin in 2019

²¹ NMWD holds three active water rights for underflow from Lagunitas Creek. License No. 4324B allows NMWD to divert 0.67 cubic feet per second (producing a daily max of 1.11 acre-feet) with a maximum annual use of 148.8 acre-feet each year at its well sites between May 1st and November 1st. Permits No. 19724 and No. 19725 are year round allowances, although are classified as junior rights and therefore not available between July and October during dry-years. Permit No. 19724 allows NMWD to divert up to 0.699 cubic feet per second (producing a daily max of 1.15 acre-feet) with a maximum annual use of 212.7 acre-feet. Permit No. 19725 allows NMWD to divert up to 0.961 cubic feet per second (producing a daily max of 1.59 acre-feet) with a maximum annual use of 292.5 acre feet. Together Permits No. 19724 and 19725 allows NMWD to collectively divert an additional divert up to 505.2 acre-feet each year from January 1st to December 31st at its well sites. These latter two permits, however, are conditioned to prohibit diversions between July and October in "dry-years".

To meet water demand in dry years when water cannot be diverted from Lagunitas Creek, the District uses a water exchange with Marin Municipal Water District (MMWD) as established in the 2014 Intertie Agreement. Under the Intertie Agreement, stored water can be released by MMWD into Lagunitas Creek from Kent Lake in exchange for compensation by NMWD. The existing Intertie Agreement between the two districts runs through 2040 and provides for a maximum of 250 acre-feet to be exchanged annually.

Figure 6-2: NMWD Point Reyes Station System Overview



All of the raw potable water drawn from the Point Reyes Station System surface source receives treatment at the Point Reyes Treatment Plant. The plant was originally constructed in 1970 and received its most recent significant upgrades in 2007. The treatment plant has a daily treatment capacity maximum total of 2.1 acre-feet. The distribution system for the system is made up of approximately 24 miles of mains and overlays five connected pressure zones: Point Reyes Station, Bear Valley, Inverness Park, Paradise Ranch Estates, and Olema. The Paradise Ranch Estates pressure zone has 3 subzones. These zones cover roughly a 1,000-foot range in elevation between service connections. The distribution system relies on gravity pressure for recharge from storage tanks that collectively hold 3.2 acre-feet. There are a total of 6 pump stations that serve the Olema, Bear Valley, Inverness Park, and Paradise Ranch Estates zones. The well

pumps provide the pressure for the Point Reyes Zone as it is at the lowest elevation. The West Marin service area has a total of 13 storage tanks with a combined capacity of 1,109,500 gallons.

Approximately 65% of the Point Reyes Station system’s service connections are located within the Point Reyes Station zone. At the end of fiscal year 2023, the District had a total of 800 service connections in the Point Reyes Station System. 701 of the connections are residential. The system saw an increase of 9 total new connections over the past five years. Over the past 10 fiscal years (FY 13/14 – FY 22/23) the billed water consumption average for the West Marin system was approximately 200 acre feet.²²

Recycled Water

NMWD began providing tertiary treated recycled water services in 2007 with the construction of its own treatment facility, Deer Island. The treatment facility has a capacity of 500,000 gallons per day and initially provided service to the Stonetree Golf Course in Blackpoint for irrigation purposes. The facility receives secondary treated supplies from the Novato Sanitary District’s wastewater treatment facility before NMWD completes the tertiary process. In 2013, the District increased its supplies with tertiary supplies that directly tie in to the District’s distribution system from the Las Gallinas Valley Sanitary District and the Novato Sanitary District. The Novato Sanitary District source is capable of producing up to 1.7 million gallons per day, and the Las Gallinas Valley Sanitary District source is capable of producing 600,000 gallons per day. There are three storage tanks for the recycled water system that total 1,500,000 gallons.

The recycled water system consists of two distribution systems with a North/Central system that is supplied by the Novato Sanitary District and the South system that is supplied by the Las Gallinas Valley Sanitary District. The Deer Island facility can also supply the northern portion of the North/Central system. The south service area has recycled water conveyed from the LGVSD recycled water facility to landscape irrigation customers. The north/central service area has recycled water conveyed from NSD’s Davidson Street treatment plant to private and public landscape irrigation customers, including Stonetree Golf Course, Valley Memorial Park Cemetery, Novato Fire Department, homeowner associations, Marin Country Club, and Vintage Oaks Shopping Center. As of the writing of this study, the District had 102 recycled water service connections and an average annual demand of approximately 236 million gallons over the past 5 years.

Wastewater

North Marin Water District provides wastewater services Oceana Marin subdivision. The area, originally developed in the 1960s, is now approximately one square mile and is comprised of 251 lots with 235 dwellings. The area resides adjacent to the north of the unincorporated community of Dillon Beach. The potable water within this area of the District is provided by Estero Mutual Water and California Water Service Company. The community’s wastewater facilities consist of approximately 5 miles of gravity sewer pipe and .75 miles of force mains. All sewage is pumped to a wastewater treatment facility consisting of a treatment pond and a storage pond. The treated effluent from these ponds is applied to the land via subsurface disposal. The public sewer mains

²² NMWD FY 23-24 Budget; pg 9

are comprised of approximately 60% asbestos cement pipes (ACP), which was a common sewer and water pipeline material in the 1960s and 1970s when the development’s construction was completed.

The District contracts with Roy’s Sewer Service for system maintenance and sewer system overflow (SSO) response. If Roy’s is unavailable to respond, the District has an agreement with the Novato Sanitary District for supplemental aid. Within the course of the study window, the Oceana Marin wastewater system experienced two SSOs with a total volume of 3,859 gallons.²³

6.6 ORGANIZATION STRUCTURE

Board of Directors

The North Marin Water District has been governed since its formation as an independent special district with registered voters comprising a five-member governing board. This governing board had always been elected on an at-large basis up until 2019 when the District transitioned to a division-based election system in which each board member is elected by a specific division within the District. District elections are held in November of even-numbered years to coincide with the State’s general elections. Elections are staggered with divisions 2, 3, and 4 being held in one year and divisions 1 and 5 two years later. All directors are required to live within and be registered voters in the division that they seek election for. The Board of Directors maintains current certificates for the AB 1234 Ethics Training Compliance that can be viewed on the District’s website.

Table 6-3: North Marin Water District Board of Directors

Member	Position	Term Expiration
Ken Eichstaedt	Director	December 2024
Rick Fraités	Director	December 2026
Jack Baker	President	December 2024
Michael Joly	Vice-President	December 2024
Stephen Petterle	Director	December 2024

Administration

The Board of Directors of NMWD appoints a General Manager who serves on an at-will basis to oversee all District activities. The General Manager oversees 58 full-time equivalent employees which are divided into four personnel divisions: Administrative/Finance, Engineering, Construction, and Operations.

6.7 ACCOUNTABILITY AND TRANSPARENCY

The North Marin Water District provides the public with information and documentation on its website in an effort to maintain high accountability and transparency in all its activities. The [NMWD website](#) provides information on Board meetings, financial reports, services, history,

²³ [NMWD SSMP pg. 101](#)

water conservation, water rates, and more. At this time the District is meeting all of the requirements by the State of California for a public agency website.

Meetings and Agendas

The Board of Directors meets regularly on the 1st and 3rd Tuesday of each month at 4:00 p.m. at the NMWD District Headquarters located at 100 Wood Hollow Drive, Suite 300, in Novato. Special meetings are held as needed to go over specific topics that require board discussion/approval outside of the regular meeting schedule. Meeting agendas and minutes can be found on the [NMWD website](#).

6.8 FINANCIAL OVERVIEW

Budget and Financials

The District's primary source of annual revenue is water sales, which averaged 68% of total operating revenues throughout the course of this study window. Supplementing the remainder of the annual operating revenues are service charges (27%), sewer service charges (1%), and Other charges and services (2%). The District also receives a small amount of non-operating revenues such as limited property tax²⁴ and investment earnings, among other things. Operating revenues account for approximately 95% of the District's annual total revenues.

On June 20, 2023, NMWD's Board of Directors approved significant changes to customer water rates, fees, and charges that took effect on July 1, 2023. The rate changes were originally developed in partnership with an independent rate consultant who performed a cost-of-service analysis in 2020. While the study recommended a rate increase of 5% for the fiscal year 2023/24, the District's Board adopted an increase for the year of 9.5%²⁵ for the Novato system based upon three key assumptions/projections:

1. The anticipation of an increase of 12.5% from Sonoma County Water Agency, the District's main water supplier, with the expectation of future increases of approximately 11% and a tentatively planned rate increase for FY 2024-25 of 11.74%.
2. The 2020 rate study factored an assumed inflationary rate of 3%, which is significantly lower than is being experienced.
3. Lower water consumption than was anticipated in the study due to significant conservation efforts due to the recent drought has led to a drop in water sales that was not forecasted in the report.

The District primarily relies on two main charges billed bi-monthly: service charge and usage charge. The service charge is fixed based on meter size and intended to contribute towards recovering the majority of the District's fixed costs such as billing, meter reading and maintenance, facility maintenance, and administrative support. The updated rate for the Novato

²⁴ A small portion of the City of Novato's property tax is allocated to NMWD. NMWD does not receive property tax from any other properties in the NMWD boundary outside of Novato.

²⁵ This increase also included a 5.3% increase for recycled water (rate of inflation at time of budget preparation for FY 23/24) with a recommended increase of 6% for FY 24/25 through FY 27/28.

System service charge assigns a bi-monthly charge of \$51²⁶ for the majority of users within the system. This is the realized increase from the prior bi-monthly charge of \$46.58. The approved increase equates to an average of \$12 per month more for the majority of residential users to their bi-monthly service charges. The usage charge applies tier format to an escalating rate based on consumption in three different elevation zones to cover day-to-day operating costs. Projections for future revenues and expenditures show the necessitation of an additional increase of 8.5% in FY 24/25, 8% in FY 25/26, 7% in FY 26/27, and 7% in FY 27/28.²⁷

At the same meeting (June 20, 2023), the NMWD Board of Directors approved an increase of 6% for water rates for the West Marin system that went into effect on July 1, 2023. The District followed the recommendation proposed in the 2021 West Marin Rate Study and noted that as West Marin is not reliant on the imported water from SCWA, they are not impacted by the increase in costs of the imported water in the same manner that the Novato system users are. The West Marin system also operates with a service charge and usage charge. The majority of customers saw an increase in their service charges from \$45.15 to \$47.86.

The Board also adopted an increase of 6% for the Oceana Marin Sewer system at the June 20, 2023 meeting. The increase added \$78 annually for each equivalent dwelling unit, raising the annual charge from \$1,296 to \$1,374. Projections call for additional 6% increases in each of the following 5 fiscal years. The increases are primarily focused on funding the approximately \$2.4 million in capital improvements planned for the system over the next 5 years.

The primary annual operating expense for the District comes in the form of imported water supply (approximately 25%), followed by depreciation (22%) general and administrative (18%), water treatment (11%), and water transmission and distribution (14%). The District also maintains a robust Capital Improvement Program that aids in the planning of significant infrastructure improvements over the course of the upcoming five fiscal years. The District’s current plan includes projects with a total cost (both internally funded and loan/grant funded) of \$33,885,000. The total projected operating expenditures for the District for FY 2023-24 totaled \$20,864,000. The average year-end operating revenues for the NMWD over the past 5 audited years has been \$23,756,029. The District realized an average annual increase in Net Position of \$3,370,608 over the course of the study window. A breakdown of the past 5 audited years of operating revenues and expenses can be seen below in Table 6-4.

Table 6-4: NMWD Financial Information

Revenue	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Water Consumption Sales	\$16,337,171	\$18,194,168	\$19,546,611	\$16,405,015	\$16,537,824	\$17,404,158
Monthly Meter Service Charge	\$4,810,296	\$4,968,620	\$5,210,162	\$6,517,572	\$7,017,426	\$5,704,815
Sewer Service Charge	\$252,720	\$264,372	\$276,360	\$290,460	\$304,560	\$277,694

²⁶ Recycled water fixed charge increased to a bi-monthly assessment of \$57.71.

²⁷ [NMWD Budget FY 23/24 pg. 20](#)

Other Charges and Services	\$372,059	\$369,761	\$345,402	\$374,734	\$384,901	\$277,694
Total Revenues	\$21,772,246	\$23,796,921	\$25,378,535	\$23,587,731	\$24,244,711	\$23,756,029

Expenses	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Source of Supply	\$5,492,324	\$7,096,645	\$8,624,268	\$6,450,873	\$5,001,982	\$6,533,218
Pumping	\$458,594	\$646,366	\$642,477	\$522,717	\$493,027	\$552,636
Water Facilities Operations	\$993,209	\$1,176,833	\$1,218,090	\$1,385,267	\$678,573	\$1,090,394
Water Treatment	\$2,131,166	\$2,647,688	\$1,917,786	\$2,588,135	\$2,353,464	\$2,327,648
Transmission and Distribution	\$3,301,629	\$3,560,513	\$3,623,201	\$4,556,025	\$2,913,847	\$3,591,043
Sewage Collection and Treatment	\$127,513	\$145,183	\$185,533	\$219,023	\$220,375	\$179,525
Customer Service	\$510,341	\$534,552	\$470,411	\$501,005	\$386,333	\$480,528
General and Administrative	\$3,007,301	\$3,201,515	\$3,658,893	\$4,877,009	\$3,499,861	\$3,648,916
Water Conservation	\$349,415	\$398,010	\$396,414	\$563,288	\$320,597	\$405,545
Depreciation and Amortization	\$3,451,155	\$3,366,216	\$3,887,096	\$4,023,236	\$4,523,906	\$3,850,322
Total	\$19,822,647	\$22,773,521	\$24,624,169	\$25,686,578	\$20,391,965	\$22,659,775

Debt

As of June 30, 2023, NMWD had a total long-term debt outstanding of \$45.1 million, which was a decrease of \$3.7 million from the prior year. The District's current debts are as follows:

- Enterprise Vehicle Lease – 2023 Balance: \$397,580
- 100 Wood Hollow Structure Lease – 2023 Balance: \$43,972
- Buck Institute Structure Lease – 2023 Balance: \$22,869
- 2004 DWR Loan – 2023 Balance: \$5,806,044
- 2011 Bank of Marin Loan – 2023 Balance: \$3,490,933
- 2018 JP Morgan Chase Loan – 2023 Balance: \$3,275,000
- 2022 Webster Bank Loan – 2023 Balance: \$19,120,331
- 2006 SWRCB Loan – 2023 Balance: \$1,030,881
- 2011/12 SWRCB Loans – 2023 Balance: \$5,259,962
- 2016 SWRCB Loan – 2023 Balance: \$6,073,389
- 2012 Bank of Marin Loan – 2023 Balance: \$512,431

The second source of debt for the District comes in the form of a pension plan for employees that 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, 2023, the NMWD Net Pension Liability was \$17,178,160²⁸. The NMWD pension-funded ratio was approximately 68.8%²⁹ at that measurement date. In addition to the pension plan, NMWD provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2023, the District carried a Total OPEB Liability total of \$4,287,222. The District currently has 91 employees, both active and inactive, in their OPEB plan. Future pension costs for new employees have been reduced by fully implementing the California Public Employees' Pension Reform Act (PEPRA). As of 2023, the majority of the District's staff fall under PEPRA requirements.

²⁸ [NMWD 2023 ACFR; pg. 54](#)

²⁹ [CalPERS Summary of Valuation Results](#)

7.0 MARIN COUNTY OPEN SPACE DISTRICT

7.1 OVERVIEW

The Marin County Open Space District (MCOSD) is a dependent special district that provides open space acquisition and maintenance as set forth in California Public Resources Code §5500. The District’s mission is stated as “To enhance quality of life in Marin through the acquisition, protection, and responsible stewardship of ridgeland, baylands, and environmentally sensitive lands targeted for preservation in the Countywide Plan.” MCOSD 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 District.

Table 7-1: Marin County Open Space District Overview

Marin County Open Space District Overview	
Primary Contact:	Chris Chamberlain, Assistant Director
Main Office:	3501 Civic Center Drive, Suite 260 San Rafael, CA
Contact Information:	(415)-473-6405
Formation Date:	November 7, 1972
Services Provided	Open Space Acquisition and Maintenance
Population:	256,018

7.2 FORMATION AND DEVELOPMENT

The formation of the Marin County Open Space District was the culmination of decades of grassroots efforts of Marin County residents to preserve Marin’s unique environmental heritage and beauty. These efforts, while being visible in different forms throughout the County’s history, gained their initial prominence in the late 1920s following the formation of the California State Parks System.³⁰ In 1926, there was a proposal within a county plan to construct a highway across Mount Tamalpais in order to increase access for development in the surrounding areas. A Marin assemblyman submitted a proposal whereby the State would buy and manage parkland if private sponsors could raise two-thirds of the purchase price themselves³¹. Through a collaborative effort between the Tamalpais Conservation Club, the Sierra Club, the California Alpine Club, and the Contra Costa Hills Club, \$33,000 in private donations were secured and 531 acres were purchased for preservation. Additionally, in one of his last acts before passing away, noted conservationist William Kent³² gifted additional land for

³⁰ The California State Parks System was formed in 1927.

³¹ This raising of funds was a necessary pre-requisite at the time in order for the legislature to consider any land purchase that would be deemed to “interfere with progress” in the form of development as conservation at that time was not yet a public goal warranting full provisioning by the State.

³² William Kent was the lead sponsor of legislation in the House of Representatives establishing the National Park Service (1916). Kent was also responsible for the establishment of the Muir Woods National Monument as well as donations of land that led to the creation of the Marin Municipal Water District.

the park. In 1930, the Mt. Tamalpais State Park became one of the first State Parks to be opened after the formation of the State Parks System.

While the creation of Mt. Tamalpais State Park had been a significant victory for conservationists in Marin County, the completion of the Golden Gate Bridge in 1937 came with the promise to open up the rural stretches north of the Golden Gate to mass urbanization. Four women, Caroline Livermore, Sepha Evers, Helen van Pelt, and Portia Forbes, all members of the Marin Art and Garden Club, took it upon themselves to preserve local landscapes. After the passage in 1927 of state legislation providing for comprehensive planning, Marin County was still in need of mapping county districts to gather the necessary data for a zoning ordinance. The four ladies formed the Marin Planning Survey Committee, raising the necessary funds to commission the first comprehensive plan of the county by planning consultant Hugh Pomeroy and his technical assistant, Haskins Huntington³³. This plan served to identify the areas needed for preservation and public ownership. After a little more than a year of work, the group presented their plan to the County Board of Supervisors and had it adopted as the zoning ordinance. Following the adoption, the group changed its name to the Marin Conservation League (MCL). The group was instrumental in the creation and adoption in 1943 of the first Master Recreation Plan. In the 1930s, 1940s, and 1950s, the MCL would play a part in adding acreage to Mt. Tamalpais State Park, the purchase of Stinson Beach, the creation of Samuel P. Taylor State Park, the purchase of Shell Beach, and the establishment of the Richardson Bay Foundation to purchase land surrounding the Richardson Bay that would ultimately be leased to the National Audubon Society to be run as the Richardson Bay Wildlife Sanctuary. The group was also significantly involved in the creation of Angel Island State Park, which was donated to the state in 1954 and whose tallest peak, Mt. Livermore, is named in honor of Caroline Livermore's conservation efforts throughout Marin.

Between 1940 and 1960, Marin County's population increased from 50,000 to just under 150,000, nearly tripling, as large-scale development throughout the Highway 101 corridor created significant urban sprawl. While 1960 would mark the height of Marin's growth rate, the population still rose by 40% through the decade of the 1960s. Despite two large-scale federal conservation projects, the Point Reyes National Seashore and the Golden Gate National Recreation Area, there was still a need for increased preservation efforts at the local levels. In the latter stages of 1971, a number of different conservation agencies such as the Marin Audubon, Marin Conservation League, Sierra Club, Tamalpais Conservation Club, and League of Women Voters joined forces to form a coalition known as People for Open Spaces to begin impressing upon Marin County governmental officials that a regional park district in Marin was needed. In that same year, the Marin County Planning Department produced the document titled *Can the Last Place Last? Preserving the Environmental Quality of Marin*. The document took the recent releases of the Association of Bay Area Government's Regional Plan³⁴ as well as the People for Open Spaces' regional open space recommendations and sought to create a

³³ Following the adoption of the zoning ordinance, Huntington was retained as the first Marin County Planning Director.

³⁴ ABAG's 1970-1990 regional Plan sought to designate 52% of the Bay Area's 3.4 million acres as permanent open space.

comprehensive plan for the County that emphasized the “unique combination of weather, water views, hills, and compact towns in valleys that make it one of the most livable environments in the world.” The plan continued on to declare the objective as changing “the development process so that development and despoliation are no longer interchangeable terms in the minds of the average resident.”

The plan split the county into three planning corridors: an eastern city-centered corridor, an inland rural corridor, and a western coastal recreational corridor. The plan emphasized linking development and zoning requirements with the natural characteristics of the land and recommended that within the three main corridors that zoning regulations and building permits be tailored to the requirements of particular “environmental zones”. The focus on natural areas was strong even in the city-centered corridor, where the plan required the preservation of several kinds of open space, including the bay shoreline and the hills and ridges that formed separators between communities. The eastern corridor was also given the highest priority for additional open space land acquisition.

The movement ultimately ended up on the ballot on November 7, 1972, in the form of Measure A, which was approved with 65% of the vote creating the Marin County Regional Park and Open Space District³⁵. The intention of the creation of the District was to focus on the priority open space designated in the eastern urbanized corridor of Marin County. In its infancy, the District outlined a clear directive, with the passing of policies in 1973 stating, “All of the District’s resources shall be directed to open space preservation. A minimum of 90% of the District’s expenditures shall be used for open space acquisition and costs incidental thereto until July 1978 when this policy will be publicly re-evaluated.” As stated within those policies, the District moved quickly on land acquisitions in those first five years and by 1980 owned over 6,700 acres outright. Some of the areas acquired during that time include Camino Alto, Blithedale Summit, Mt. Burdell, Baltimore Canyon, and Indian Valley.

Despite the introduction of Proposition 13 in 1978 which reduced the District’s property taxes by more than half, the District continued purchases throughout the eastern corridor, and by 1990, it had acquired property for 25 of its public preserves and added approximately 4,000 acres to its previous totals. While the primary funding for District operations and acquisitions came in the form of property taxes as well as state bond money, it was significantly aided in its powers of acquisition by the Buck Open Space Fund of the Marin Community Foundation. The Buck Open Space Fund would provide over \$5 million to the Open Space District which supported the purchase of 14 properties between 1988 and 1995. The District acquired more land in 1995 (2,426 acres) than any other year of its existence. By 1997, the Open Space District’s land totaled just over 13,000 acres in 32 preserves.

As the District moved into the late 1990s and 2000s, the focus shifted from land acquisition towards stewardship of owned lands and smaller additions to existing open space preserves. As the District’s land holdings have increased, so too has the necessity of its maintenance and

³⁵ This name would be changed in 1974 to the Marin County Open Space District to reflect the agency’s focus on land preservation.

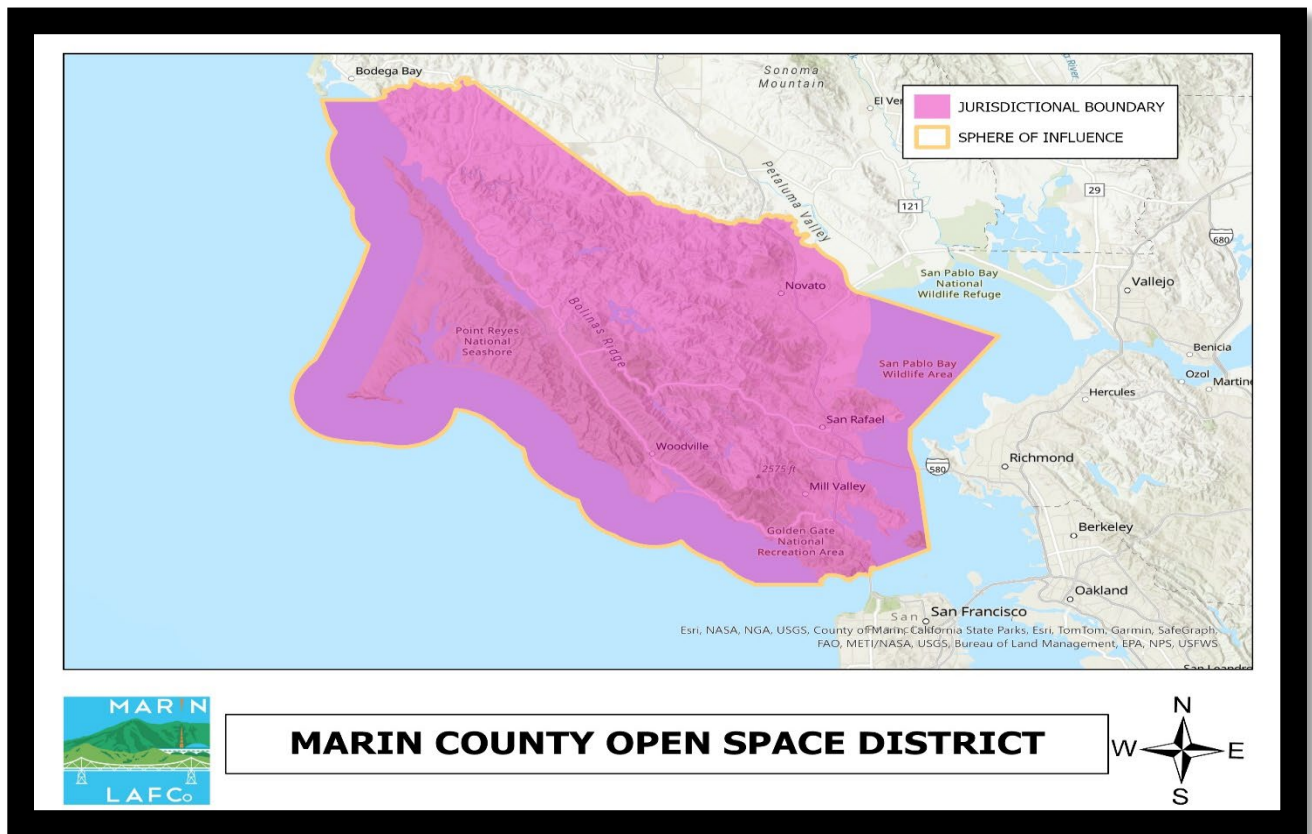
operations budget to increase proportionately, leaving less funds for acquisition. In 2012 the voters of Marin County adopted a new Measure A (Marin County Ordinance 3586) which levies a one-quarter cent sales tax throughout Marin County. This tax was reapproved 10 years later in 2022, and includes the following goals for the funding to both the District and Marin County Parks:

- Preserve the quality of life and maintain open space, parks, and farmland with money that cannot be taken by the state from Marin County.
- Protect streams, baylands, natural areas, and wildlife habitat.
- Manage vegetation to preserve biodiversity and reduce wildfire risk.
- Repair and replace deteriorating park facilities.
- Maintain and enhance walking, hiking, biking, and equestrian trails.

7.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Marin County Open Space District’s jurisdictional boundary is coterminous with the jurisdictional boundary of the County of Marin, and totals 606 square miles (lands and water). The District’s sphere of influence is coterminous with its jurisdictional boundary. The sphere of influence was originally established on June 7th, 1983, by Marin LAFCo and has not been amended since that time. A map of the District’s jurisdictional boundary and sphere of influence can be seen below in Figure 7-1.

Figure 7-1: Marin County Open Space District Jurisdictional Boundary and Sphere of Influence



7.4 GROWTH AND POPULATION

The jurisdictional boundary of the Marin County Open Space District is coterminous with the established legal boundary of the County of Marin. The total population of Marin County is 252,959³⁶. This total population figure is a decrease of 2,511 residents from the prior year. The County has realized population decreases annually since 2017 with the average annual percentage change during that time being -0.48%. Despite this trend, the Association of Bay Area Governments (ABAG) projects the population of Marin County to grow by 12% by 2040 to a total population of 283,000.

7.5 MUNICIPAL SERVICES

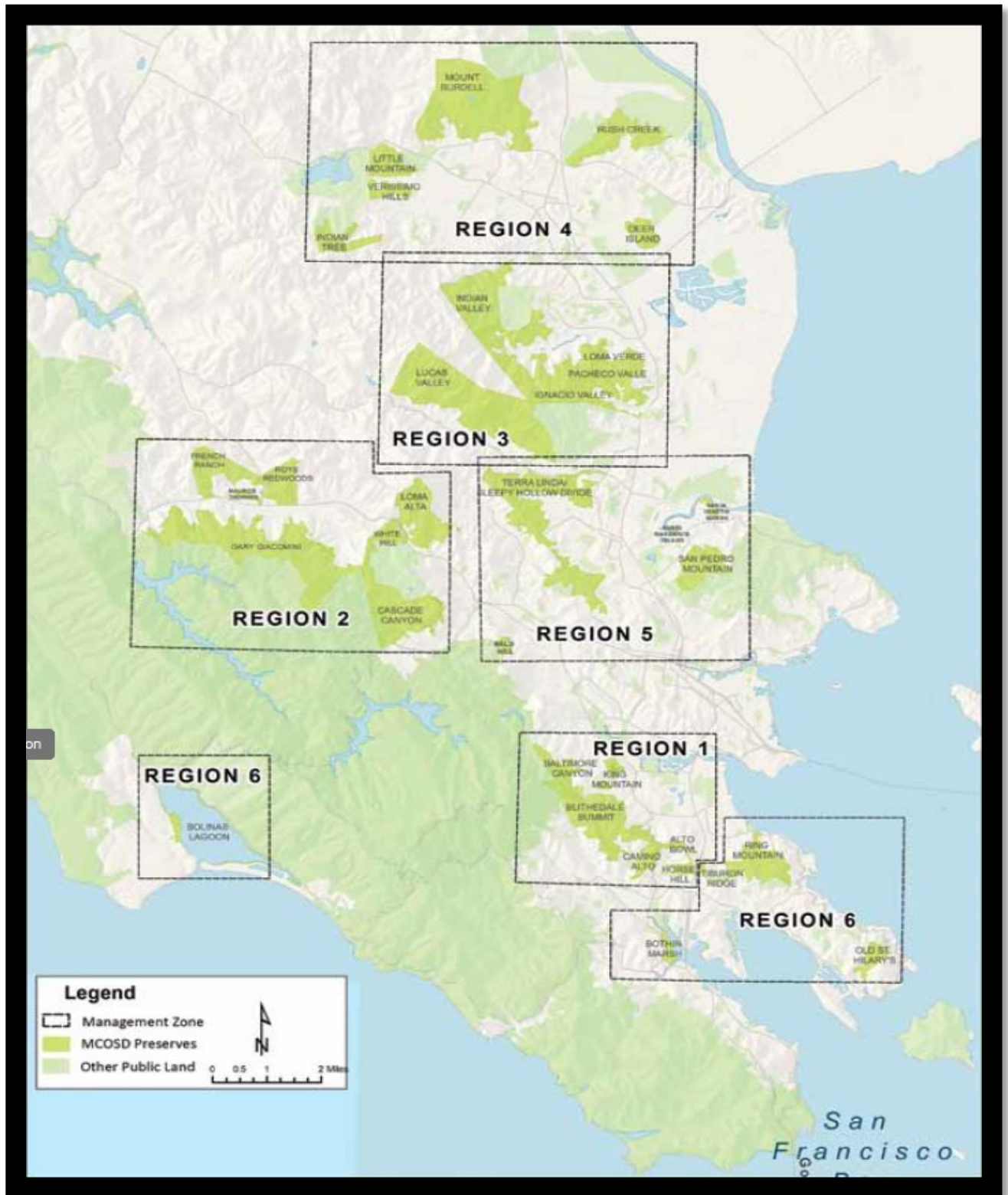
The Marin County Open Space District provides the services of open space acquisition and management. The District currently owns and manages approximately 16,000 acres of land that include 34 open space preserves that are accessed through unpaved roads and trails from over 300 formal trailheads. The District also holds conservation easements on approximately 3,000 acres of private lands. The preserves range in size from 8 acres to over 1,600 acres. The District breaks the preserves down into 6 regions across the county for planning purposes. Each region, with its corresponding preserves, are listed below:

- **Region 1: Alto Bowl, Baltimore Canyon, Blithedale Summit, Camino Alto, Horse Hill, King Mountain**
- **Region 2: Cascade Canyon, French Ranch, Gary Giacomini, Loma Alta, Maurice Thorner Memorial, Roy's Redwoods, White Hill**
- **Region 3: Ignacio Valley, Indian Valley, Loma Verde, Lucas Valley, Pacheco Valley**
- **Region 4: Deer Island, Indian Tree, Little Mountain, Mount Burdell, Rush Creek, Verissimo Hills**
- **Region 5: Bald Hill, San Pedro Mountain, Santa Margarita Island, Santa Venetia Marsh, Terra Linda/Sleepy Hollow Divide**
- **Region 6: Bolinas Lagoon, Bothin Marsh, Old Saint Hilary's, Ring Mountain, Tiburon Ridge**

A map of the preserved in each region can be seen below in Figure 7-2.

³⁶ [California Department of Finance Population and Housing Estimate January 1, 2023.](#)

Figure 7-2: Marin County Open Space District Preserves Map



Through the County of Marin, the District employs approximately 40 full-time employees and 18 seasonal employees. The Director of the Marin County Parks Department also serves as the General Manager of the District. These staff members provide the resource management and maintenance of the District’s lands while also having the responsibility of planning for and acquiring new land, conservation easements, and trail easements. They also provide nature interpretation services, primarily through a schedule of over 100 free, naturalist-guided walks annually. Additional land management services provided through the District include vegetation and fire fuels management, road and trail system management, and scientific research.

7.6 ORGANIZATION STRUCTURE

Board of Supervisors and Parks and Open Space Commission

As a dependent special district, the Marin County Board of Supervisors serves as the District’s governing body. The five-member Board of Supervisors meets on scheduled Tuesdays 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.

The District also has a local advisory board, the Parks and Open Space Commission. The Board of Supervisors appointed Advisory Board consists of seven members serving two-year terms. The Parks and Open Space Commission acts in an advisory capacity to the Board of Supervisors on matters relating to parks and open space policy and conducts public hearings on parks and open space matters considered for recommendation to the Board of Supervisors. The Advisory board typically meets every other month, unless there is a need to schedule a special meeting for more urgent matters. Advisory Board meetings are typically held at the Marin County Planning Chambers, Room 328, at the Marin County Civic Center.

Table 7-2: Marin County Board of Supervisors

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

Table 7-3: Marin County Parks and Open Space Commission

Member	Position	Term Expiration
Carolyn Lown	Member	June 30, 2024
Erika Lovejoy	Member	June 30, 2025
Joe Burns	Second Vice-Chair	June 30, 2025
Joe Meylan	Member	June 30, 2025
Michael Dyett	Chair	June 30, 2024
Pat O’Brien	Member	June 30, 2025
Yolanda Oviedo	Vice-Chair	June 30, 2024

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. Marin County Open Space District is provided general oversight and management by the Marin County Parks Department with input and project guidance from the Marin County Parks and Open Space Commission.

7.7 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, Marin County Open Space District offers information about its services, meetings, finances, and the decision-making processes, with the Parks and Open Space Commission serving as the primary conduit between the community, Marin County Parks staff, and the Board of Supervisors. The advisory board has a dedicated webpage on the Marin County Parks website where current and past agendas and minutes, current board membership, and contact information are posted in accordance with the Brown Act. In addition, meetings are properly noticed and time is provided for public comment at each meeting.

7.8 FINANCIAL OVERVIEW

Almost all of the annual revenue for the Marin County Open Space District comes from property taxes. The District receives just under 1% of every dollar of property tax received by Marin County. Property tax revenues for the Open Space District, as a separate legal entity from the County of Marin, bypass the General Fund and come directly to the District, as do revenues for other special districts and County Service Areas. Property tax revenues support the basic operations but, in general, are insufficient on a year-to-year basis to enable the District to pursue significant land acquisitions. Grant funding is pursued when a possible acquisition has been identified. At the end of FY 21-22, the Marin Open Space District Board had designated a \$6 million contribution toward the proposed acquisition of the Martha Co. property in Tiburon and \$1.85 million toward the acquisition of the Smith Property at Buck's Landing in San Rafael. The District is hopeful the Martha Co. property acquisition could be completed by the end of 2024. Within the District's annual budgets, over the course of the study window (past 5 fiscal years) the most significant budgeted expenditures are road and trail management, vegetation management and fire fuel reduction, public engagement and equity, and administration. The approved expenditure budget for the District for FY 2023-24 is \$10,992,969. The audited financial statements for the Open Space District Fund can be found in the County's Annual Comprehensive Financial Report (ACFR). The most recent ACFR for the County is for the fiscal year ended June 30, 2022. The District had an end-of-year fund balance at the time of \$10,979,661. A breakdown of the District's financial statements can be seen below in Table 7-4. The anomalously large Capital Outlay expenditure seen in FY 2019-20 was for the acquisition of

242.16 acres of the Bowman Canyon Ranch on the western boundary of the Mount Burdell Preserve.

Table 7-4: Open Space District Fund Financials

Fiscal Year	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues					
Taxes	\$7,510,488	\$7,989,298	\$8,312,340	\$8,712,277	\$9,326,320
Licenses and Permits	-	\$7,731	\$4,441	\$7,783	\$4,727
Intergovernmental	\$50,839	\$168,178	\$33,878	\$33,526	\$33,293
Charges for Services	\$3,968	\$1,030	-	\$1,269	\$13,422
From Use of Money and Property	\$103,625	\$236,374	\$199,584	\$29,641	(\$77,575)
Miscellaneous	\$74,389	\$130,344	\$348,228	\$246,466	\$179,008
Total Revenues	\$7,743,309	\$8,532,955	\$8,898,471	\$9,030,962	\$9,479,195
Expenditures					
General Government	\$461,862	\$431,700	\$420,034	\$268,383	\$293,499
Recreation and Cultural Services	\$6,695,431	\$7,024,964	\$7,849,591	\$8,139,928	\$7,819,021
Capital Outlay	\$260,248	\$225,972	\$3,642,344	\$313,948	\$157,298
Total Expenditures	\$7,417,541	\$7,677,928	\$11,911,969	\$8,722,259	\$8,269,818
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$325,768	\$855,027	(\$3,013,498)	\$308,703	\$1,209,377

8.0 MARIN HEALTHCARE DISTRICT

8.1 OVERVIEW

The Marin Healthcare District³⁷ (MHD) was established in December of 1946 as an independent special district under The Healthcare District Principal Act, which is the Local Health Care District Law (Government Code §32000, et seq.). It is currently one of 74 healthcare districts in the State of California. The District’s jurisdictional boundary encompasses just under 446 square miles, which makes up all of the land area of Marin County excluding the greater Novato area. The last municipal service review that included Marin Healthcare District was conducted in 2011.

While healthcare districts meet the definition of “special district” subject to LAFCo authority, LAFCo’s authority in relation to healthcare services is seldom necessitated. The only tangible connection would be employed under a worst-case scenario in which Marin Healthcare District was to be dissolved. As such, the inclusion of the District in this report is primarily to summarize and describe the institutional context in which Marin Healthcare District provides its services and to comply with the study and determination mandates of the Cortese-Knox-Hertzberg Act.

Table 8-1: Marin Healthcare District Overview

Marin Healthcare District			
Primary Contact:	David Klein, M.D.	Phone:	(415)-464-2090
Mailing Address:	100-B Drake’s Landing Road, Suite 250, Greenbrae, CA 94904		
Formation Date:	December 9, 1946		
Services Provided:	Healthcare Services		
Service Area:	285,380 acres	Population Served:	≈256,018

8.2 FORMATION AND DEVELOPMENT

The provision of organized public healthcare in Marin County can be traced back to the late 19th century, long before the Marin Healthcare District’s enabling legislation had even been authored. From approximately 1850 to 1880, Marin County had no public hospital. During this time, the only publicly supported hospital in Marin was at San Quentin State Prison. The facility served the inmates but was not typically available to the general public. As such, Marin residents relied on limited local private medical services or headed to San Francisco for more specialized levels of care. At this juncture, the Marin County budget included a hospital fund to be used by indigents in need of medical services. The authenticity of each individual’s hardship and the funding to be awarded was decided by a vote of the Board of Supervisors on a case-by-case basis.

³⁷ Originally established as the Marin County Hospital District

In 1880, the Marin County Board of Supervisors voted to establish a county farm to house and care for the ill as well as the indigent elderly. The facility, known as the Marin County Hospital and Poor Farm³⁸, was constructed in Lucas Valley on the site of what is now the Marin County Juvenile Hall and County Parks Field Office. While the hospital served its most basic purpose, its location came under scrutiny in the early 1900s being a good distance away from the main urban hub of San Rafael. In 1905, three doctors founded the non-profit San Rafael Cottage Hospital located at the intersection of 5th street and what is now Lincoln Avenue.³⁹ Originally known as the Cottage Hospital, the facility was renamed the San Rafael General Hospital in 1947⁴⁰ and when initially opened, was the picture of a modern medicinal institution.

Discussion continued for several years on the need for a centrally located county hospital, however, up until the 1940s the Board of Supervisors maintained that it was not the right time for the county to invest in buildings to house a county hospital.⁴¹ Meanwhile, across the western part of the United States, rapid industrialization was creating more employment opportunities and more attractive job markets, with many family members moving to employment outside the home and consequently not so readily available to care for the sick. Despite this, the number of hospital beds was not growing at the same rate as the population. This shortage of facilities was exacerbated by the return of thousands of U.S. soldiers in need of regular medical treatment and hospitalization following World War II service. To respond to the inadequacy of acute care services in the non-urban areas of the state, the California legislature enacted the Local Hospital District Law (section 32000 et seq. Of the Health and Safety Code) in 1945. The intent of the law was to give rural, low-income areas without ready access to hospital facilities a source of tax income that could be used to construct and operate community hospitals and healthcare institutions, as well as recruit physicians and support their practices in medically underserved areas.

At the November election in 1946, the voters of Marin County approved the formation of the Marin County Hospital District. The following month, the District would officially be formed when the Marin County Board of Supervisors appointed the original five Board of Directors for the District, with one member residing in each of the five supervisorial districts. In 1949, Marin County was awarded a \$1.346 million federal grant contingent on the County raising an additional \$800,000. An election for a bond to raise these funds was successful and was used in part to purchase the site for the future Marin General Hospital in Greenbrae. On June 11, 1950, ground was broken on Bon Air Hill for the new hospital, and on May 25, 1952, Marin General Hospital opened as a four-story, 104-bed acute care facility. The District initially included all of Marin County until 1959 when the voters of the greater Novato area voted to withdraw from the District.

³⁸ The facility was deemed to need reinforcement to remain earthquake safe in the mid 1950s. After two efforts in the early 1960s to pass bond measures failed, the patients were transferred and the unused buildings were eventually torn down.

³⁹ At the time, Lincoln Avenue was known as Petaluma Avenue.

⁴⁰ San Rafael General Hospital would close in 1966.

⁴¹ The *Sausalito News*., June 1, 1939.

In 1961, the first major addition to Marin General Hospital was completed adding space for 116 additional beds. In 1965, the Marin General Hospital Foundation was formed⁴². The Foundation is a nonprofit organization responsible for securing charitable donations for capital investments, programs, services, and new technologies. In 1981, the District issued a government obligation bond to build a new wing for the hospital⁴³, which would add 78 beds. It would be completed and open in 1986.

In December of 1985, the District executed a 30-year lease with Marin General Hospital Corporation (MGH Corp.), which was organized as a private, non-profit 501(c)(3) corporation. Under the agreement, MGH Corp. controlled all hospital operations, including patient care, finances, and administration. The District functioned as a landlord, retaining ownership of land and buildings. The District Board of Directors no longer had a direct role in the operation of the hospital. Under the terms of the lease, the Marin General Hospital Corporation received the hospital's cash, accounts receivables, and a lease of the premises for the lease term in return for an annual lease payment equal to \$1.5 million. Shortly after entering into the lease, Marin General Hospital Corporation affiliated with California Healthcare Systems. In 1996, California Healthcare Systems and Sutter Health merged, giving Sutter Health control of Marin General Hospital Corporation.

Relations between the District and Sutter Health quickly proved dysfunctional with lawsuits challenging the lease as well as the affiliation with Sutter. District Board members faced recall elections due to public distrust. The issues between the two entities came to a head in 2006 with a dispute over which agency should bear the responsibility to retrofit Marin General Hospital to comply with seismic standards. Sutter offered to build a new wing to the hospital that would comply with seismic standards, but only upon the renewal of the 30-year lease. The stance of the District's Board was that the current lease required Sutter to comply with the seismic standards without an extension. After competing lawsuits were filed, a settlement and transfer agreement was reached whereby Sutter agreed to terminate the lease no later than July 1, 2010, and the District agreed to bear all of the retrofit obligations. Control of the Marin General Hospital was returned to the Marin Healthcare District⁴⁴ Board on June 30, 2010. Upon the transfer, the District's Board updated its bylaws stating the following:

“The District will assume the role of sole corporate member of MGH Corporation effective June 30, 2010, and will thereupon enter into a relationship with MGH Corporation based on the parent/affiliate relationship established by corporate membership and new bylaws to be adopted by MGH Corporation. The Healthcare District is therefore committed to fulfilling its role with regard to MGH both as corporate parent and facility owner. It is the policy of the District, however, to confer no authority or powers of the District inherent in the District's public agency status to MGH Corporation, and the District retains all of those powers and authorities granted to

⁴² Now known as MarinHealth Foundation.

⁴³ This wing is now Cedar Pavilion.

⁴⁴ In 1993, the State Legislature amended hospital district enabling legislation renaming hospital districts “healthcare districts” and expanding the definition of healthcare facilities to reflect changes in medical practice in which healthcare was taking place more and more as an outpatient service.

the District by the State by reason of its status as a political subdivision of the State of California. The District is committed to exercise its oversight authority as both corporate parent and facility owner consistent with the best interests of the healthcare needs of the residents of the District and consistent with the need for long term successful operations of MGH and other healthcare pursuits of the District.”

Following the transfer of control, a single management team (including Chief Executive Officer, Chief Financial Officer, Chief Fund and Business Development Officer, and Chief Human Resources Officer) assumed staff responsibilities for both boards. Under the new bylaws, the District board gained oversight authority on fundamental hospital issues and required MGH Corp to provide regular public reporting on a range of operational issues. District Board approval was required for hospital-related actions that primarily affect hospital ownership status, while the MGH Corp Board retained responsibility for overseeing the hospital’s operations, patient safety, patient/physician/employee satisfaction, and strategic planning.

MGH Corp is governed by a fifteen-member board of professionals in medicine, business, finance, healthcare administration, or other related field. At the time of the transfer, the Board was eleven-members who were appointed by the Healthcare District Board of Directors in July of 2010. Following these initial appointments, the Board of the MGH Corp nominates and approves its own directors, subject to additional, approval by the District Board. The principle advantage to this form of governance is to assure professional expertise in business, medicine, finance, and other relevant fields as well as diversity of representation for guidance of complex hospital operations. A five-member board elected at large would be unlikely to embody this range of knowledge and experience. The MGH Corp Board is accountable to the District Board and the District Board is accountable to the public. The intent is to assure both political accountability and broad technical expertise in the District’s governance with both components necessary to maintain public confidence.

Following the transfer, the District was faced with the sizeable task of seismic retrofitting for the hospital. While the initial principal advantage of a district hospital was its ability to levy taxes without a vote of the people, that advantage was lost with the passage of Proposition 13 in 1978 along with later laws limiting taxation without super-majority approval. In 2013, the District sent Measure F to the ballot in hopes of having the voters approve the issuance of \$394 million in bonds earmarked for a 300,000-square-foot replacement building with two wings in order to address the State’s seismic requirements, as well as a 100,000 square foot ambulatory services building, two new parking structures with 919 spaces, and a 662 square foot additional building structure on the hospital campus. The measure received 68.4% of the vote at the November 5, 2013 election and was approved. As an additional layer of public transparency, the District created a Citizens Bond Oversight Committee that was comprised of six members for the purpose of informing the public about expenditures of Measure F bond funds and ensuring that proceeds were expended for the purposes described in Measure F.

Following this vote, in November of 2014, a renewal of the lease agreement between the District and MGH Corp went to the voters in the form of Measure R, and received 79% of the vote and was approved for an annual lease of \$500,000. The 30-year lease agreement runs through 2045.

The bond funds would be issued in two separate installments. The first, issued in November of 2015 for \$170 million, was used for the construction of the parking structure and for design and site improvements preparatory to the commencement of the construction of the new hospital facility. The second issuance was in September of 2017 for \$224 million and was dedicated to the construction of the new hospital facility. On July 28, 2016, following the completion of the hospital's new 5-level parking structure, ground was officially broken for the new 260,000-square-foot hospital replacement building. The new building, known as Oak Pavilion, was completed and opened in September of 2020.

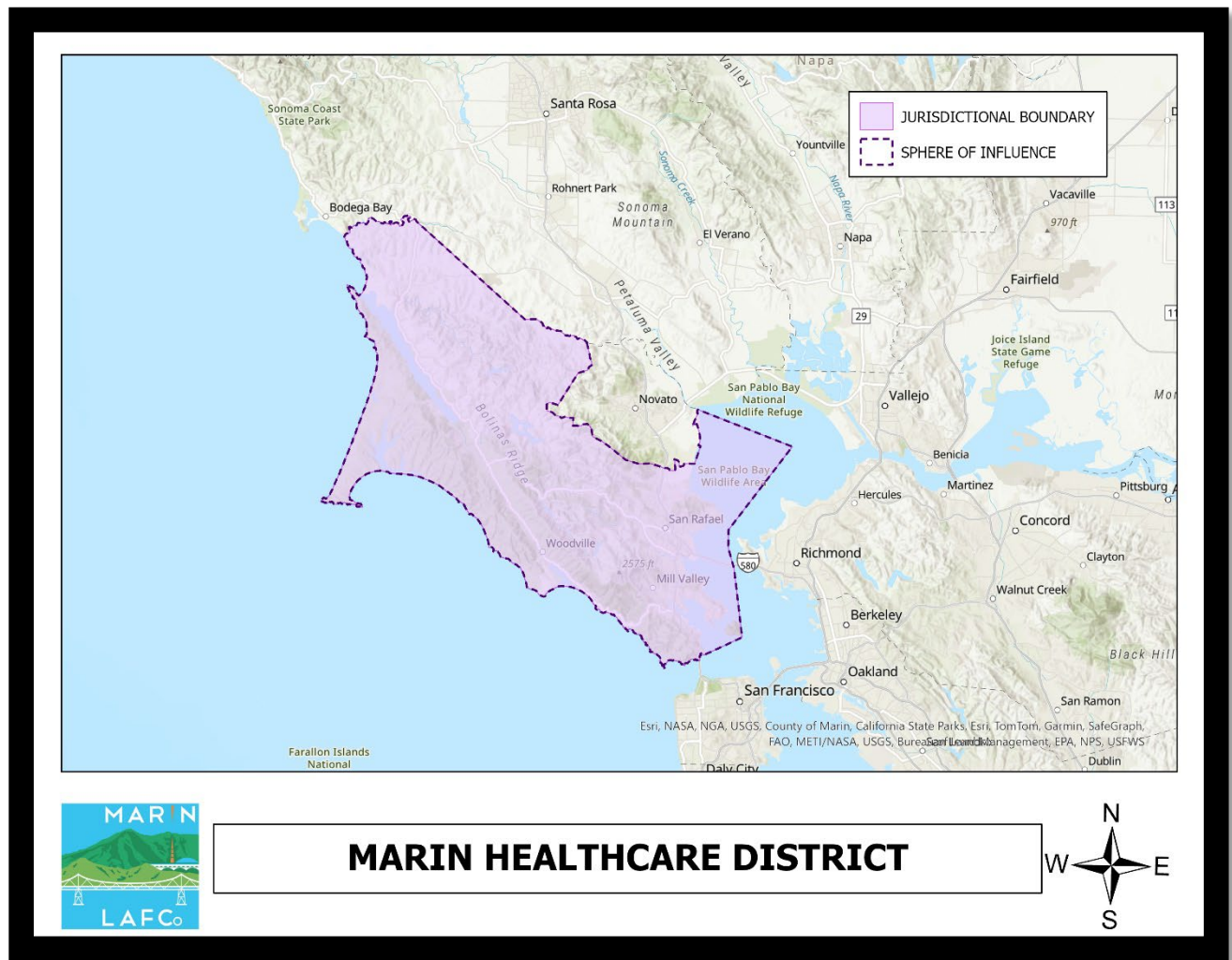
In early 2018, Marin General Hospital and the University of California, San Francisco (UCSF) announced the agreement of a 10-year strategic alliance. Both parties were very clear in stating that the agreement was neither a merger nor an acquisition of any sort, but rather the broadening of an already growing collaboration between the two entities with the two having already engaged in the collaborative relationships of a neonatal intensive care unit, neurosurgery, pediatric care, and cardiac surgery. While the bonds that had been approved for Marin Healthcare District in 2013 had provided a significant amount of the necessary funding for the planned facility renovations, there remained a funding gap for the final piece of the renovation plan in the ambulatory services building and second parking structure. While no direct mention was ever made of financial assistance in this matter from UCSF, a Marin Healthcare District Board Member did state that the strategic alliance would make Marin General appear more creditworthy to lenders should the time come to pursue revenue bonds.⁴⁵⁴⁶

In July of 2019, Marin General Hospital rebranded as MarinHealth Medical Center, and its affiliated Prima Medical Foundation and the Marin General Hospital Foundation rebranded as MarinHealth Medical Network and MarinHealth Foundation, respectively.

⁴⁵ [Marin Independent Journal, March 23, 2018; Marin General Hospital forges alliance with UCSF](#)

⁴⁶ As required by the MarinHealth Medical Center's bylaws, Section 10.1(d), the issuance of revenue bonds requires the approval the Marin Healthcare District Board. In 2018, the District approved the issuance of \$159 million in revenue bonds by MarinHealth Medical Center. In 2023, the District Board approved another round of revenue bonds by MarinHealth Medical Center totaling \$100 million.

Figure 8-1: Marin Healthcare District Jurisdictional Boundary and Sphere of Influence



8.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Marin Healthcare District’s jurisdictional boundary encompasses approximately 446 square miles of both incorporated and unincorporated Marin County. The District’s boundary includes all of Marin County except for the area that comprises the boundary of the Novato Fire Protection District as the voters in this area removed themselves from the District in 1959.

The District’s sphere of influence was established by Marin LAFCo in 1984 as being coterminous with its jurisdictional boundary. The sphere was last reaffirmed in 2011.

8.4 GROWTH AND POPULATION

The Marin Healthcare District’s boundary includes ten of the eleven incorporated towns/cities in Marin County (Belvedere, Fairfax, Corte Madera, Larkspur, Mill Valley, Ross, San Anselmo, San Rafael, San Anselmo, Sausalito, Tiburon) as well as all of the unincorporated census-designated place communities with the exception of Black Point – Green Point. While the greater Novato area is not technically within the boundary of the Marin Healthcare District, the

residents in that area still take part in the services that the District provides and, as such, the whole of Marin County will be given consideration in this section for the District. The U.S. Census Bureau gives a current population estimate for Marin County of 262,321. Since 2010, the County as a whole has seen a total population growth of 9,912, an increase of 3.9%. The population change data for the cities, towns, and census-designated places within the District’s boundary from 2010 to 2020 can be seen below in Table 8-2.

Table 8-2: Municipality and Census-Designated Place Population Change Within MHD

Community Name	2010	2020
City of Novato	51,904	53,225
City of Belvedere	2,068	2,126
Town of Corte Madera	9,253	10,222
Town of Fairfax	7,441	7,605
City of Larkspur	11,962	13,064
City of Mill Valley	13,903	14,231
Town of Ross	2,415	2,338
Town of San Anselmo	12,336	12,830
City of San Rafael	57,713	61,271
City of Sausalito	7,061	7,269
Town of Tiburon	8,962	9,146

The remaining development potential within each of the planning areas within the District’s boundary (both incorporated and unincorporated), while relatively minimal based upon the number of remaining undeveloped parcels zoned for residential development, has experienced recent changes with the majority of the Cities/Towns as well as Marin County itself having adopted updated housing elements that included planning for accommodations of the housing mandates from the State. The Association of Bay Area Governments (ABAG) has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan. This number is 907 units shy of what Marin County had deemed as the total buildout for unincorporated Marin County. Meanwhile, the additional housing unit mandates for each of the incorporated spaces within the District’s boundary create a sum total of 9,971⁴⁷ and are as follows:

- City of Belvedere – 160
- Town of Corte Madera – 725
- Town of Fairfax – 490
- City of Larkspur – 979
- Town of San Anselmo – 833
- Town of Ross – 111
- City of San Rafael – 3,220
- City of Sausalito – 724
- Town of Tiburon – 639

⁴⁷ [ABAG Final RHNA Plan](#)

- City of Novato – 2,090
- City of Mill Valley - 865

Assuming that in both unincorporated and incorporated spaces, the total number of housing units (13,540) was constructed, this would theoretically lead to an increase in the population of 32,496⁴⁸.

8.5 MUNICIPAL SERVICES

Healthcare

The Marin Healthcare District is the owner of the hospital known as MarinHealth Medical Center. The facility is the only full-service, acute care hospital in Marin County. The District is granted all of the powers outlined in [California Health and Safety Code §32000 - §32492](#). MarinHealth Medical Center and its affiliate MarinHealth Medical Network provide a wide array of medical services including (but not limited to):

- Pregnancy and Childbirth (the only maternity ward in Marin County)
- Level III Trauma Center and Emergency Department
- Internal Medicine
- Pulmonology
- Stroke Care
- Cancer Care
- Cardiovascular Medicine
- Behavioral Health
- Pediatric Care
- Neurosurgery
- Imaging and Radiology
- Family Medicine
- OB/GYN
- Orthopedics

⁴⁸ Projected population is calculated based on applying the average captured from the 2020 Census for Marin County of 2.4 persons per household to the total estimated in new housing.

Table 8-3 below outlines MarinHealth Medical Center’s key service volume statistics for 2018-2022.

Service	2018	2019	2020	2021	2022
Acute Discharges	9,229	8,658	7,446	8,664	9,578
Acute Patient Days	42,917	42,084	37,204	43,247	49,345
Average Length of Stay	4.65	4.86	5.00	4.99	5.15
Emergency Department Visits	35,165	36,526	28,786	33,801	37,084
Inpatient Surgeries	1,899	1,645	1,393	1,573	1,592
Outpatient Surgeries	3,427	3,585	3,306	4,317	5,745
Newborns	1,217	1,233	1,221	1,438	1,506

8.6 ACCOUNTABILITY AND TRANSPARENCY

The Marin Healthcare District makes a concerted effort to maintain high accountability and transparency in all its activities. The District website (marinhealthcare.org) provides documentation on board meeting agendas and minutes as well as financial reports, services, history, as well as multiple connections to the MarinHealth website for services. Overall the District operates in a transparent manner and is in compliance with applicable State law relative to the posting of meeting agendas and website requirements.⁴⁹

Board of Directors

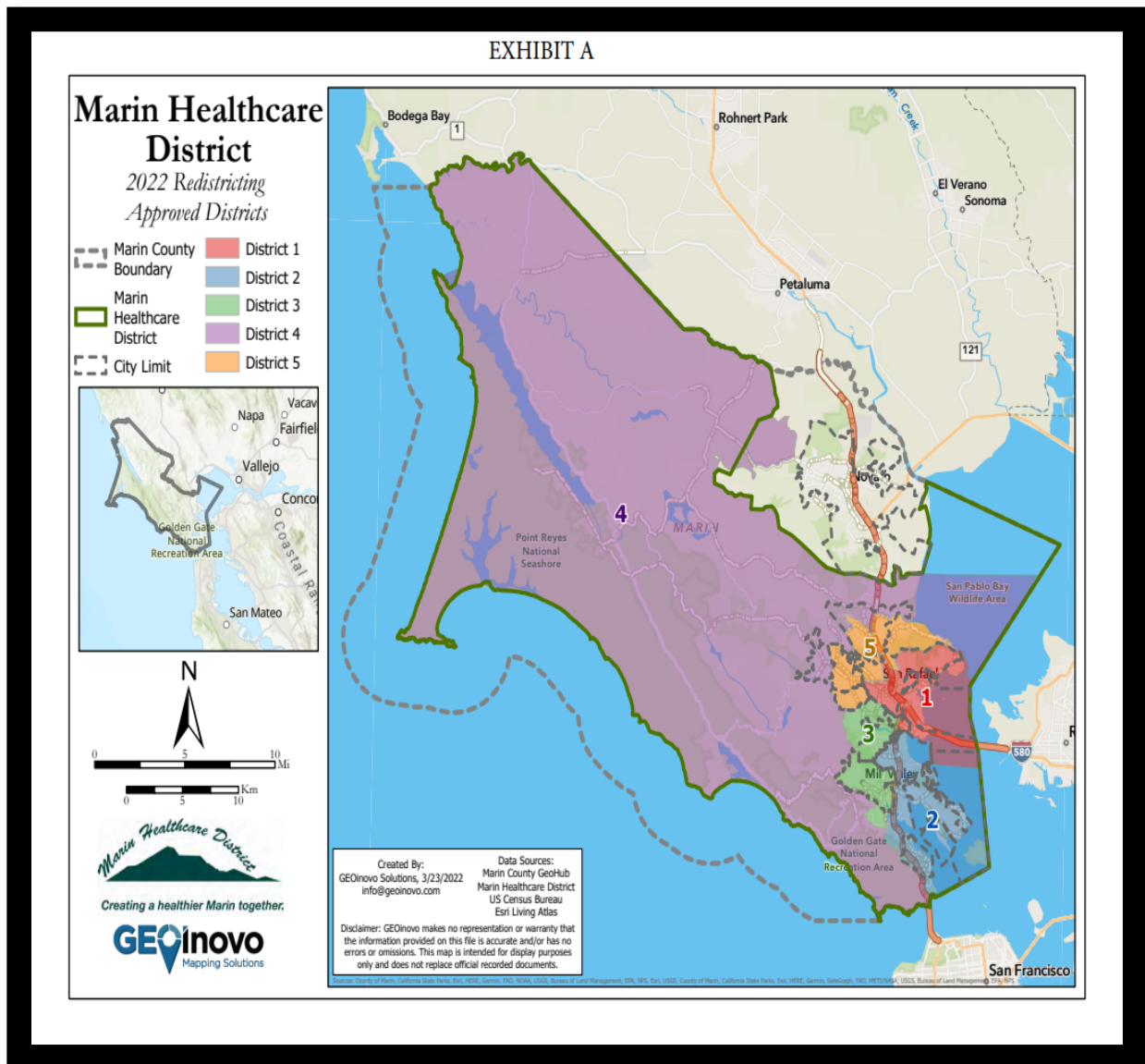
The Marin Healthcare District receives oversight and policy direction by way of a five-member board that is elected to staggered four-year terms with election cycles held in even-numbered years. On March 4, 2022, the District Board adopted Resolution 2022-01 which transitioned the District’s election process from at-large to division-based election, with the first such election taking place in November of 2022. Maps of the District’s electoral divisions can be seen below in Figures 8-2 and 8-3.

⁴⁹ Marin LAFCo staff makes a concerted effort to review the majority of the content on the websites of agencies being reviewed, however, does not make any concrete determination on the ADA compliance of all of the documents each agency posts. Transparency reviews are in relation the requirements of public agencies found within the language of Senate Bill 929 (2018), Senate Bill 272 (2015), and specifically in the case of healthcare districts, AB 1728 (2018).

Table 8-4: Marin Healthcare District Board of Directors

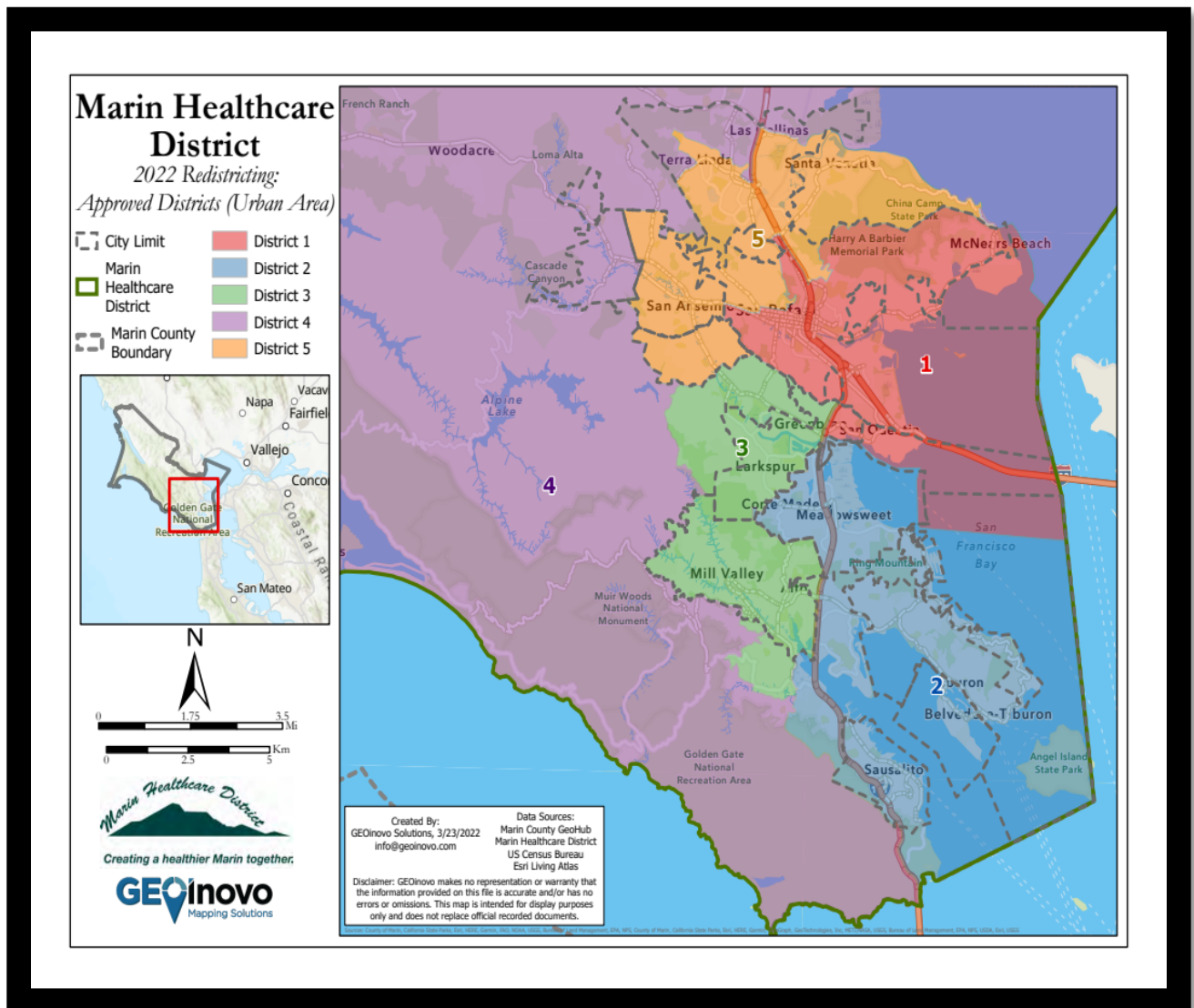
Member	Position	Term Expiration
Edward Alfrey, M.D.	Chair	December 2024
Ann Sparkman, J.D.	Vice-Chair	December 2024
Jennifer Rienks, Ph.D.	Secretary	December 2026
Brian Su, M.D.	Director	December 2026
Samantha Ramirez	Director	December 2026

Figure 8-2: Marin Healthcare District Voting Divisions⁵⁰



⁵⁰ The northeast area of Division 4 on the map that appears to spill outside of the District’s boundary includes for census blocks that are partially in and partially out of the District. For these census blocks, only the individuals in the shaded area to the west of the boundary line are included in District elections.

Figure 8-3: Marin Healthcare District Voting Divisions (Urban Area Zoom)



Meeting and Agendas

The Marin Healthcare District Board of Directors meets regularly on the 2nd Tuesday of each month at 5:30 p.m. in the MarinHealth Medical Center Conference Center at 250 Bon Air Road in Greenbrae. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District’s website (marinhealthcare.org/public-meetings).

8.7 FINANCIAL OVERVIEW

The majority of the District’s operating revenues are comprised of rental revenue earned from MarinHealth Medical Center (MHMC), with a minimal amount of other revenues. The base rent is \$500,000 annually, plus an annual Consumer Price Index (CPI) increase. Additional rent is conditional on MHMC achieving certain financial benchmarks. The District receives what is considered nonoperating revenues by way of property tax assessments by Marin County on

District property owners, which is used to make bond interest and principal payments. Property tax assessments are based upon expected debt service for the following year and vary depending on scheduled bond principal and interest payment amounts. Operating expenses for the District are primarily incurred through the conducting of programs such as community healthcare education and support for hospital programs.⁵¹ Table 8-5 below shows the condensed statement of revenue, expenses, and changes in net position for 2019-2022⁵², which are the most recently audited financial statements available. The only debt the District carries is the general obligation bonds previously outlined in this document.

Table 8-5: Marin Healthcare District Financial Information

Operating	FY 2019	FY 2020	FY 2021	FY 2022	Averages
Operating Revenues	\$531,124	\$582,339	\$956,814	\$953,945	\$756,056
Operating Expenses	\$1,764,623	\$5,020,327	\$14,890,290	\$12,471,684	\$8,536,731
Operating Loss	(\$1,233,499)	(\$4,437,988)	(\$13,933,476)	(\$11,517,739)	(\$7,780,676)

Nonoperating	FY 2019	FY 2020	FY 2021	FY 2022	Averages
Tax Revenue	\$11,647,284	\$16,497,711	\$16,616,446	\$16,395,037	\$15,289,120
Interest and Investment (loss) income	160,244	\$212,374	(\$56,252)	(\$449,822)	(\$33,364)
Bond Interest Expense	-	(\$3,577,456)	(\$14,305,346)	(\$14,290,575)	(\$10,724,459)
Total Nonoperating revenues	\$11,807,528	\$13,132,629	\$2,254,848	\$1,654,640	\$7,212,411

	FY 2019	FY 2020	FY 2021	FY 2022	Averages
Change in Net Position	\$10,289,201	\$8,694,641	(\$11,678,628)	(\$9,863,099)	(\$639,471)

⁵¹ For the years ending December 31, 2022, 2021, and 2020, operating losses were primarily due to the depreciation incurred by the District.

⁵² The District operates on a January 1 – December 31 fiscal year. While typically 5 years of financial data are shown, MHD made a significant accounting change after FY 2017-18 to no longer include revenues and expenses (both operating and nonoperating) from MHMC.

9.0 MARIN MUNICIPAL WATER DISTRICT

9.1 OVERVIEW

The Marin Municipal Water District⁵³ (MMWD) was established in 1912 as an independent special district under Sections 30000-33900 of the California Water Code. The MMWD boundary surrounds just over 147 square miles of central and southern Marin County. The district serves a population of approximately 206,492⁵⁴ persons. The last Municipal Service Review that included MMWD was conducted in January of 2016 as part of the Countywide Water Municipal Service Review.

As a limited-purpose agency, MMWD provides potable water, non-potable water, and public recreation (primarily dedicated to watershed/open space management). The District’s potable water supplies are collected locally from reservoirs that are primarily filled by diverting flows from Lagunitas, Nicasio, and Arroyo Sausal Creeks, with the remainder of the District’s supplies imported from Sonoma County.

Table 9-1: Marin Municipal Water District Overview

Marin Municipal Water District			
Primary Contact:	Ben Horenstein	Phone:	(415)-945-1455
Main Office:	220 Nellen Avenue, Corte Madera, CA		
Formation Date:	April 25, 1912		
Services Provided:	Potable Water, Non-Potable Water, Public Recreation		
Service Area:	94,080 acres	Population Served:	≈206,492

9.2 FORMATION AND DEVELOPMENT

The Marin Municipal Water District’s history in Marin County reaches all the way back to the mid-19th century. With its initial and primary service area of San Rafael’s burgeoning development in the late 1850s due to the connection of the community to San Francisco by way of ferry and railroad service of San Quentin Point, the purchase and subdivision of approximately 1,100 acres to the east of Mission San Rafael necessitated an adequate water supply for the development of the area. The predecessor to Marin Municipal Water District, the Marin County Water Company (MCWC), was formed to meet this need in 1871. MCWC’s initial water source was a spring site located northeast of Mission San Rafael and was accessed after the purchase of the neighboring San Rafael Water Company that served the downtown San

⁵³ In 2020, Marin Municipal Water District adopted the new name “Marin Water”. The change was strictly for marketing purposes and no official name change as would be required by Water Code Section 71598 was ever officially adopted by the board. As such, this report will use the more commonly known “Marin Municipal Water District” or “MMWD”.

⁵⁴ Population served calculated through the means given in California Code of Regulations Section 64412 by multiplying the number of service connections by 3.3

Rafael Area. The spring produced an estimated 44.8 acre-feet annually. Simultaneously, MCWC was working to establish new and more reliable water sources from Lagunitas Creek in the Mount Tamalpais watershed to accommodate both the growth of the San Rafael community as well as the San Quentin State Prison which opened in 1854.

In 1873, MCWC⁵⁵ initiated the service of Lake Lagunitas with the completion of an earth-filled dam and the placement of an eight-inch water main spanning six miles to San Rafael and ten miles to San Quentin. Conceived with the thinking that it alone could sustain the growing water demands of San Rafael, Lake Lagunitas' initial storage capacity was 460 acre-feet. With MCWC's continual expansion of its service area into the developing Ross Valley, however, the supplies being drawn from Lake Lagunitas were becoming severely taxed by the turn of the century. The emergency of seasonal outages combined with perceived inequities in rate setting led to a series of inquiries by the San Rafael City Council and other community groups and pushed local leaders to consider legislation to allow the public to purchase and assume MCWC's water system⁵⁶. This public pressure prompted MCWC to develop two additional reservoirs to capture water from Mount Tamalpais' watersheds: Moore Lake and Phoenix Lake⁵⁷. Despite the additions, local sentiment towards MCWC remained soured and after being elected to the California State Assembly, George Harlan led the creation and passing of the Municipal Water District Act of 1911, which specifically allowed for the creation of public agencies spanning both incorporated and unincorporated areas to provide potable water service.

Shortly after the passage of the Municipal Water District Act of 1911, local landowners petitioned the State Legislature for the formation of a new municipal water provider and in November of 1911, voters approved the formation of a new water district. In April of 1912, with a jurisdictional boundary that spanned approximately from San Rafael to Sausalito, the Marin Municipal Water District officially began operations. The District established a 13-member Board of Directors divided between five elected members and eight appointed members from the seven incorporated communities (Belvedere, Larkspur, Ross, Mill Valley, San Anselmo, San Rafael, and Sausalito) and the County of Marin. In August of 1915, an election was held wherein the voters approved the sale of up to \$3 million in bonds which were subsequently used to purchase MCWC, which had been renamed as the Marin Water and Power Company (MWPC) in August of 1908, as well as the North Coast Water Company – the service provider to Mill Valley – along with approximately 5,500 acres of watershed on Mount Tamalpais. With the addition of this large swath of land, MMWD established a park ranger program in 1917 in order to enforce rules and regulations with respect to public access and uses within District-owned lands.

⁵⁵ Information on the establishment and subsequent development of the MCWC and its water supplies is drawn from two complimentary sources: (a) "Mount Tamalpais and the Marin Municipal Water District" by Jack Gibson and (b) "The Old Company: The History of Water Development in South Central Marin County," by Robert W. Lethbridge.

⁵⁶ At this time, State law did not allow a public utility to operate water services in both incorporated and unincorporated areas.

⁵⁷ Moore Reservoir was taken offline by MMWD in the 1960s. Phoenix Reservoir remains online with its original holding capacity of 411 acre-feet and used as one of two MMWD emergency reservoirs due to high pumping costs.

In 1919, the District completed the construction of the Alpine Dam off of Lagunitas Creek that created Alpine Lake. Alpine Lakes' initial capacity was 3,121 acre-feet. The lake was enlarged in 1941 to the capacity of 8,891 acre-feet at which it remains today. Later that same decade, the District completed the construction on the Bon Tempe Dam and Reservoir off of Lagunitas Creek (1948). The reservoir has a storage capacity of 4,107 acre-feet.

In 1952, MMWD purchased and assumed the water service responsibilities for the San Geronimo Valley Water Company along with the rights to Nicasio Creek. In November of 1956, local voters approved a \$12.6 million bond to provide funding for several projects, most notably the construction of the Nicasio Dam off of Nicasio Creek. The resulting Nicasio Reservoir was initially filled in 1960 and has a current capacity of 22,430 acre-feet. The bond measure would also go on to fund the construction of water treatment plants at San Geronimo and Bon Tempe as well as the construction of the MMWD administrative offices in Corte Madera. In 1953 the District also completed the construction of Peters Dam off of Lagunitas Creek which created Kent Lake. Kent Lake would go on to be enlarged in 1982 to a capacity of 32,895 acre-feet, making it the largest reservoir in MMWD.

In 1975, MMWD entered into an agreement with the Sonoma County Water Agency for the transmission of off-peak water supplies from the Russian River. The agreement, as well as the update in 1996, provides MMWD an annual allocation of up to 14,300 acre-feet. In 1976, Marin County would be impacted by one of the most notable droughts in its recorded history, lasting well through 1977. In response, MMWD would reach an agreement with outside agencies to receive up to 10,000 acre-feet of emergency supplies from the State Water Project. The District would also construct a temporary 24-inch transmission line across the San Rafael-Richmond Bridge and receive approximately 5,000 acre-feet of water between June and December 1977. The transmission line would be removed the following year. Feeling the impacts of the recent drought, the District completed the construction of an additional dam and reservoir, the Soulajule Dam/Reservoir, in 1979 as an emergency supply through diversions from Walker Creek. The holding capacity of Soulajule Reservoir is 10,572 acre-feet.

With an eye toward conservation and stewardship, MMWD would adopt a formal policy in 1995 to guide the management of the District's watershed resources on Mount Tamalpais. The document, Mount Tamalpais Vegetation Management Plan, would be fully updated in 2008. Additionally, in 2005, the District created and adopted the Mount Tamalpais Watershed Road and Trail Management plan as a guiding document to manage all of the Watershed's roads and trails.

In early 2001, MMWD would undertake studies to evaluate the application of desalination as a possibility to supplement the District's water supply. A preferred desalination plant alternative was ultimately identified through the studies that would provide up to 15 million gallons per day from the San Rafael Bay. MMWD would adopt an environmental impact report for the potential project in December of 2008. The board would ultimately put the project on hold in April of 2010. In August of 2010, the board placed Ordinance 418 on the ballot for the November election. The ordinance, titled on the Ballot as Measure S, stated that the district would require voter approval before District Board could approve the construction or the financing for

construction of any desalination facility. The measure passed with 77% support. Discussions surrounding desalination remained fairly dormant until Marin County faced another significant drought in 2021, as District reservoirs dropped near 10% of total storage capacity. Winter of 2021 would provide a significant reprieve from the drought conditions, filling Marin’s reservoirs to capacity, and once again putting the necessitation of a temporary emergency desalination facility on hold. The District states that it continues to investigate the possibility of a permanent desalination facility both as a facility just serving MMWD, as well as a possible partnership with other agencies that would ultimately be a regional facility⁵⁸.

9.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

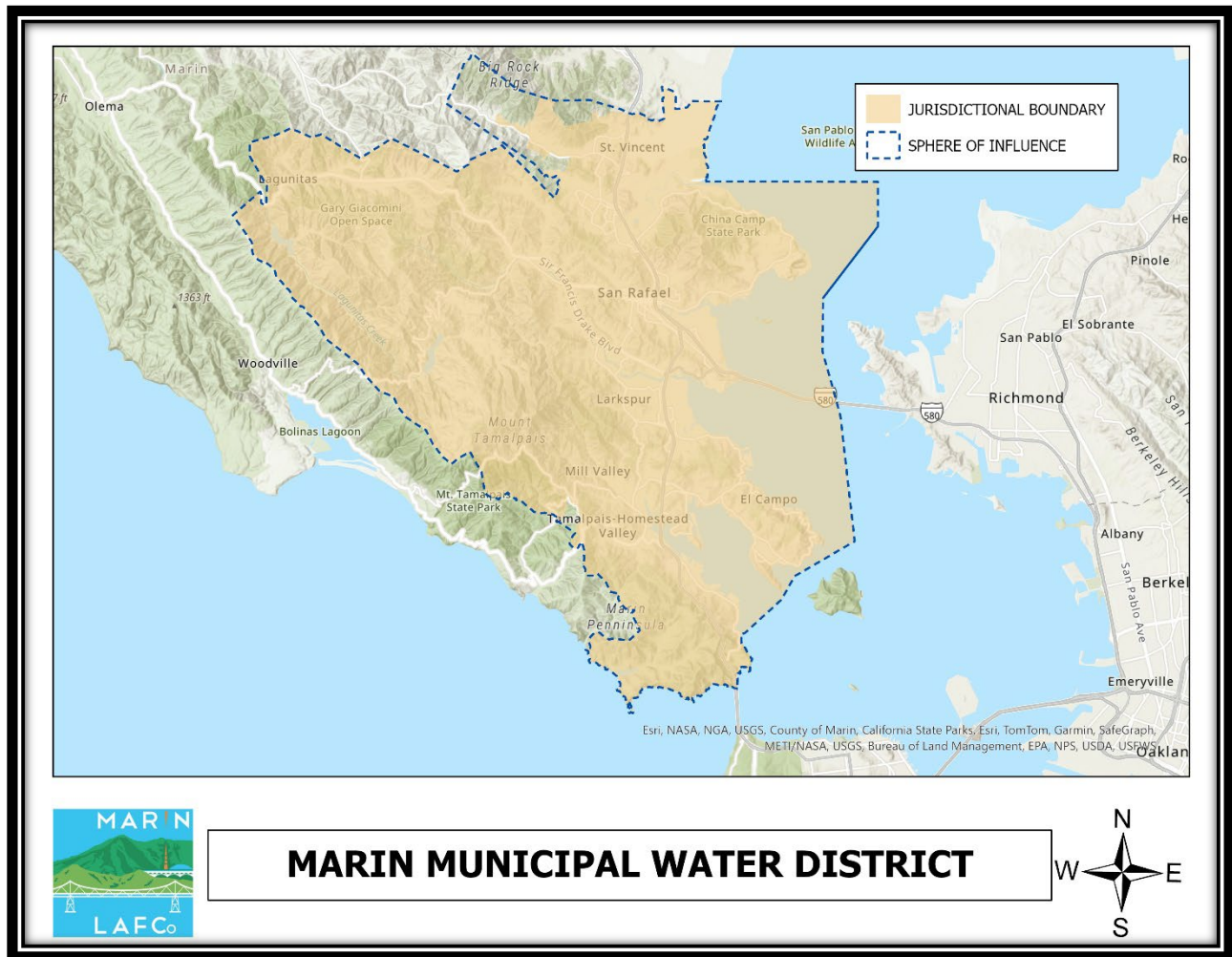
Marin Municipal Water District’s service boundary currently encompasses just over 147 square miles and covers 94,080 acres of both incorporated and unincorporated Marin County. This total acreage equates to approximately one-fifth of Marin County’s total jurisdiction. The lands within the District’s boundary are approximately 40% incorporated and 60% unincorporated territory. Since LAFCos were created in 1963 and Marin LAFCo assumed responsibility in overseeing the District’s service area, the jurisdictional boundary has grown by approximately 10%. There have been 24 recorded boundary changes to MMWD in this timeframe, with the most significant as far as total acreage is concerned being the detachment of 980 acres comprising the former Hamilton Air Force Field from the district as part of a negotiated reorganization with North Marin Water District in 2002.

The District’s current jurisdictional boundary surrounds two census tract block groups (Tract 1290, Block Group 1, and Tract 1121, Block Group 1) which encompass the general areas of the unincorporated community of Marin City and the northern portion of the California Park area that have both been designated by Marin LAFCo as disadvantaged unincorporated communities (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 December of 1983. The sphere of influence is approximately 98% coterminous with its jurisdictional boundary. The sphere includes approximately 500 acres of non-jurisdictional lands in the two unincorporated communities of Homestead Valley and Upper Lucas Valley. The sphere of influence was most recently updated in October 2016 and was amended at that time to remove the Hamilton Field area from the sphere to reflect the detachment of the area from the jurisdictional boundary that took place in 2002.

⁵⁸ [Marin Water Desalination Overview](#)

Figure 9-1: Marin Municipal Water District Jurisdictional Boundary and Sphere of Influence



9.4 GROWTH AND POPULATION

The Marin Municipal Water District provides service to ten of the eleven incorporated towns/cities in Marin County (Belvedere, Fairfax, Corte Madera, Larkspur, Mill Valley, Ross, San Anselmo, San Rafael, Sausalito, Tiburon) as well as eleven census-designated place communities (Alto, Kentfield, Lagunitas-Forest Knolls, Lucas Valley-Marinwood, Marin City, San Geronimo, Santa Venetia, Sleepy Hollow, Strawberry, Tamalpais-Homestead Valley, Woodacre) and the San Quentin Rehabilitation Center. As of the beginning of 2024, the District had a total of 61,470 service connections. California Code of Regulations Section 64412 identifies three methods to calculate the number of persons served by a public water system: census data, service connections multiplied by 3.3, or living units multiplied by 2.8. Marin LAFCo chose to use the formula of the number of service connections multiplied by 3.3 which gives the District a current population estimate within its service boundary of 202,851. In addition to this, the District also provides service to the San Quentin Rehabilitation Center which, as of September of 2023, had a total population of 3,641⁵⁹, bringing the District's total

⁵⁹ [San Quentin State Prison Population Data](#)

service area population to 206,492. This amount is just under 80% of Marin County’s total population of 262,321.⁶⁰ Since 2010, the County as a whole has seen a total population growth of 9,912, an increase of 3.9%. The population change data for the cities, towns, and census-designated places within the District’s boundary from 2010 to 2020 can be seen below in Table 9-2.

Table 9-2: Municipality and Census-Designated Place Population Change Within MMWD

Community Name	2010	2020
Alto	711	732
Kentfield	6,485	6,808
Lagunitas-Forest Knolls	1,819	1,924
Lucas Valley – Marinwood	6,094	6,259
Marin City	2,666	2,993
San Geronimo	446	510
Santa Venetia	4,292	4,289
Sleepy Hollow	2,384	2,401
Strawberry	5,393	5,447
Tamalpais-Homestead Valley	10,735	11,492
Woodacre	1,348	1,410
City of Belvedere	2,068	2,126
Town of Corte Madera	9,253	10,222
Town of Fairfax	7,441	7,605
City of Larkspur	11,962	13,064
City of Mill Valley	13,903	14,231
Town of Ross	2,415	2,338
Town of San Anselmo	12,336	12,830
City of San Rafael	57,713	61,271
City of Sausalito	7,061	7,269
Town of Tiburon	8,962	9,146

The remaining development potential within each of the planning areas within the District’s boundary (both incorporated and unincorporated), while relatively minimal based upon the number of remaining undeveloped parcels zoned for residential development, has experienced recent changes with the majority of the Cities/Towns as well as Marin County itself having adopted updated housing elements that included planning for accommodations of the housing mandates from the State. The Association of Bay Area Governments (ABAG) has designated a need for a total of 3,569 additional housing units in unincorporated Marin County by 2031 within the Regional Housing Needs Allocation (RHNA) plan. This number is 907 units shy of what Marin County had deemed as the total buildout for unincorporated Marin County. Of those 3,569 units, 2,712⁶¹ of those have identified sites for development within the unincorporated spaces in Marin Municipal Water District’s jurisdictional boundary. Meanwhile, the additional

⁶⁰ [Marin County U.S. Census Bureau Data](#)

⁶¹ [Marin County Housing Element Update 6th Cycle 2023-2031 pg. 103](#)

housing unit mandates for each of the incorporated spaces within the District’s boundary create a sum total of 7,881⁶² and are as follows:

- City of Belvedere – 160
- Town of Corte Madera – 725
- Town of Fairfax – 490
- City of Larkspur – 979
- Town of San Anselmo – 833
- Town of Ross – 111
- City of San Rafael – 3,220
- City of Sausalito – 724
- Town of Tiburon – 639

Assuming that within the District’s service area in both unincorporated and incorporated spaces, the total number of housing units (10,593) was constructed, this would lead to an increase in the population of 25,423⁶³. The District projects a population increase within its Urban Water Management Plan (UWMP) of 28,486 between 2025 and 2045. Utilizing the baseline of the gallons per capita per day that the District reported in 2023 (98.2), the projected 28,486 inhabitants in 2045 would add a demand of 3,133 acre-feet of water annually. If this amount were to be added to 2023’s usage total of 21,620 acre-feet, it would amount to 24,753 acre-feet, which is near the District’s 10-year average annual demand over the past decade of 24,668 acre-feet.

9.5 MUNICIPAL SERVICES

Potable Water

The Marin Municipal Water District provides retail potable water services through a combination of its own as well as contracted supply, treatment, storage, and distribution facilities, including the importing of water from sources in Sonoma County. The distribution system spans approximately 900 miles with the original service lines of the system having been laid as far back as 1880. The District’s water supplies are secured from a combination of local and imported sources with the local sources typically accounting for approximately 75% of annual usage. MMWD’s total reservoir capacity for its local sources equates to 79,566 acre-feet. The District’s average annual yield of those sources is approximately 25,300 acre-feet.

MMWD’s primary potable water supplies are generated from watershed runoff and diverted from three local creeks: Lagunitas Creek, Nicasio Creek, and Arroyo Sausal Creek. The water is secured through a combination of pre (unrestricted) and post (restricted) 1914 appropriated rights with the State Water Resources Control Board. ⁶⁴Lagunitas Creek provides the most

⁶² [ABAG Final RHNA Plan](#)

⁶³ Projected population is calculated based on applying the average captured from the 2020 Census for Marin County of 2.4 persons per household to the total estimated in new housing.

⁶⁴ An appropriative water right is water taken for use on non-riparian land or water that would not be there under natural conditions on riparian land. Water right permits and licenses issued by the State Water Board are appropriative rights.

significant local supply source and resides on the southwest side of Mount Tamalpais within the 38-square-mile watershed. The District's rights to Lagunitas Creek are utilized through multiple diversion points that direct water into one of four man-made reservoirs that are all within 6 miles of one another along the waterway. These reservoirs⁶⁵ collectively provide 46,153 acre-feet in total storage capacity.

The District's additional surface supply sources are obtained through post-1914 appropriated rights to divert water from the Nicasio and Arroyo Sausal Creeks. The water flows from Nicasio Creek are generated from runoff within the 37 square-mile watershed (Nicasio) and diverted into the Nicasio Reservoir, which has a 22,430 acre-foot holding capacity. Water flows from the Arroyo Sausal Creek are generated from runoff in a 78 square-mile watershed (Walker) and are diverted⁶⁶ into Soulajule Reservoir which has a 10,572 acre-foot holding capacity.

The secondary potable supply source for the District is imported from Sonoma County through an agreement with the Sonoma County Water Agency (SCWA). The agreement allocates annually up to 14,300 acre-feet of treated potable water drawn from the Russian River through specialized filtering wells near Forestville in Sonoma County. The agreement enables MMWD through a cost-sharing arrangement with SCWA to divert, treat, and convey water from the Russian River through a series of aqueducts and pumps that ultimately span nearly 40 miles before connecting to the District's distribution system through an intertie with the North Marin Water District. Over the course of the study period, the average annual deliveries from SCWA were approximately 5,300 acre-feet and accounted for just over one-fifth of all MMWD supply production.

MMWD treats all raw water received from its local surface sources at one of two water treatment plants that apply nearly identical processes before finished water enters the distribution system. The Bon Tempe water treatment plant lies northwest of the Town of Ross and operates year-round and can process all water drawn from the Lagunitas Creek and held at Alpine, Bon Tempe, Kent, Lagunitas, and Phoenix Reservoirs. The treatment plant's capacity is 18 million gallons (55.2 acre-feet) per day. This daily treatment capacity equates to 70.1% of the 78.7 acre-feet of water that can be drawn on a given day from Lagunitas Creek.

The San Geronimo water treatment plant resides in the unincorporated community of Woodacre and operates year-round processing water drawn from Nicasio and Arroyo Sausal Creeks held at the Nicasio and Soulajule Reservoirs as well as water drawn from Lagunitas Creek and held at Kent Lake⁶⁷. This treatment plant has a daily treatment capacity of 76.7 acre-feet. This amount equates to 70% of the 112.8 acre-feet of water that can be drawn daily from Nicasio and Arroyo Sausal Creeks.

The District's imported water supplies from SCWA are delivered pretreated with respect to having been filtered and disinfected. The contracted water from SCWA is received by MMWD

⁶⁵ Lagunitas Creek reservoirs in order of their original service dates: Lagunitas, Phoenix, Bon Tempe, and Kent

⁶⁶ Gravity provides diversion and conveyance of raw-water to all seven reservoirs with pumping required out of the reservoirs to their assigned treatment facilities.

⁶⁷ The San Geronimo WTP can also treat water from Lagunitas, Bon Tempe, Alpine, and Kent reservoirs if needed.

at its Ignacio Water Quality Station where the district completes a supplemental treatment process before the finished water enters the distribution system. The Ignacio facility has a daily maximum capacity of 49.1 acre-feet, which generously exceeds the 39 acre-feet allocation MMWD is under contract to receive for a given day from SCWA.

The distribution system for MMWD contains approximately 886 miles⁶⁸ worth of water mains and overlays 21 service areas with 142 separate pressure zones that cover over a 1000-foot range in elevation between service connections. The distribution chiefly relies on gravity pressure for recharge from 123 storage tanks that range in service date from 1902 to 2013 and collectively hold 250.9 acre-feet, which is just under three times the amount of the peak day water demand in 2023. There are also 95 pump stations connected to the distribution system conveying water from lower to higher service areas and individual zones. These pumps are triggered when operating storage falls below a designated level. A graphical overview of MMWD’s domestic water system can be seen below in Figure 9-2.

Figure 9-2: MMWD Distribution and Storage



⁶⁸ [MMWD UWMP; Pg. 20](#)

The fully treated (finished) water enters MMWD’s distribution system at three separate locations from the District’s water treatment plants through 42-inch transmission mains into nine connected low-lying gravity zones. Total transmission capacity to the distribution system from all three water treatment plants equates to 176.7 acre feet.

MMWD serves 61,470 service connections as of the writing of this study. This number is an increase of 79 total connections over the course of the last 10 years. Of these connections, 55,780 (90%) are residential and 5,690 (10%) are non-residential (commercial, agricultural, and other). Despite this modest increase, the actual metered water demand in 2023 was 21% lower than that almost a decade earlier in 2014, dropping from 27,689 acre-feet to 21,620 acre-feet. This significant decrease was heavily influenced by the historic drought conditions, mandatory state-wide restrictions on urban water use imposed by the California State Water Resources Control Board, and local drought response.

Recycled Water

MMWD began providing secondary treated recycled water services in 1977 with the construction of its own treatment facility located on leased land owned by Las Gallinas Valley Sanitary District (LGVSD). The treatment facility was significantly upgraded in 1998 and expanded capacity from 1.0 to 2.0 million gallons daily. On April 1, 2017, the District entered into an agreement with LGVSD to decommission MMWD’s Las Gallinas Reclamation Plant and pay 10.5% of the final actual cost of the Recycled Water Treatment Facility to be constructed⁶⁹. The contract grants MMWD access to 1.87 million gallons per day of recycled water through 2047. The decommissioning of the existing plant and construction of the new plant caused the non-potable recycled water distribution to be interrupted in 2019 and 2020, however, during this time the water demands by the recycled water system were met with potable water⁷⁰. The upgrades were completed in April 2021 and increased the treatment capacity to approximately 5 million gallons daily.

MMWD’s recycled water service area is confined to the northern portion of its service area and includes Terra Linda, Marinwood, Smith Ranch, Santa Venetia, and the Marin County Civic Center. The District receives secondary treated wastewater from LGVSD and treats these supplies to tertiary through a chemical and filtration process that removes the rest of the solids and gives the water clarity. The recycled water is then treated to adjust its pH levels and disinfected before entering MMWD’s recycled water distribution system. The water is distributed by way of three pump stations at Frietas Parkway, Channing Way, and Quail Hill through approximately 25 miles of pipeline. The treatment facility operates seven months per year on average during the dryer seasons to coincide with the seasonal demand for recycled water. Recycled water demands are primarily associated with outdoor irrigation and therefore are highest between the months of April and October. The District had a total of 218 recycled water service connections in 2023. Annual recycled water use represents approximately 3% of

⁶⁹ [Costs currently estimated at \\$41,000,000.](#)

⁷⁰ This usage of potable water to meet the demands of the recycled water system resulted in an increased potable water use by 661 acre-feet in 2019 and 748 acre-feet in 2020. (MMWD UWMP Pg. 26)

total water use within the District, averaging 638 acre-feet between 2016 and 2020. This amount is projected to increase to 750 acre-feet (15%) by 2045.

9.6 ORGANIZATION STRUCTURE

Board of Directors

The initial composition of the MMWD governing board was 13 members and was divided between five elected members and eight appointed members from the then seven incorporated communities and the county of Marin. The composition was amended to its current five-member board that is elected to four-year terms through electoral district elections. 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 that can be viewed on the District’s website.

Table 9-3: Marin Municipal Water District Board of Directors

Member	Position	Term Expiration
Monty Schmitt	Director	December 2024
Jed Smith	Director	December 2026
Ranjiv Khush	President	December 2026
Matthew Samson	Vice-President	December 2026
Larry Russell	Director	December 2024

Administration

The Board of Directors of MMWD appoints a General Manager who serves on an at-will basis to oversee all District activities. The General Manager oversees 243 full-time equivalent employees which are divided into seven personnel divisions: Administrative Services, Engineering, Legal, General Manager⁷¹, Watershed, Water Resources, and Operations. In addition to the General Manager, the Board also appoints the General Counsel, Board Secretary, Finance Director/Treasurer, and Consulting Auditor.

9.7 ACCOUNTABILITY AND TRANSPARENCY

The Marin Municipal Water District offers an extensive array of information and documentation on its website in an effort to maintain high accountability and transparency in all its activities. The [MMWD website](#) provides information on Board meetings, financial reports, services, history, water conservation, water rates, and more. At this time the District is meeting all of the requirements by the State of California for a public agency website.

Meetings and Agendas

The Board of Directors meets regularly on the 1st and 3rd Tuesday of each month at 6:30 p.m. at the MMWD Board Room located at 220 Nellen Avenue in Corte Madera. Special meetings are held as needed to go over specific topics that require board discussion/approval outside of the regular meeting schedule. Meeting agendas and minutes can be found on the [MMWD website](#).

⁷¹ General Manager’s division includes Human resources and Public Communications.

9.8 FINANCIAL OVERVIEW

Budget and Financials

The District manages its finances through the utilization of a biennial budgetary process that includes the operating and capital programs reflecting the costs necessary to provide services as well as forecasting anticipated revenue for both fiscal years encompassed. Prior to the start of the second year of the two-year budget on July 1, the Board receives a financial update with projections for the upcoming fiscal year which allows for financial flexibility.

The District's primary source of annual revenue is water sales, which averaged 60% of total revenues throughout the course of this study window. Supplementing the remainder of the annual revenue are Service Charges (16%), Capital Maintenance Fees (12%), Watershed Management Fee (4%) Fire Flow Fees (3%), and Other Revenues (4%). The District characterizes Water Sales, Service Charge, Watershed Management Fee, and Capital Maintenance Fee all as "Rate Revenue", which allots for 90% of the District's annual revenues paid by customers.

On May 16, 2023, MMWD's Board of Directors approved significant changes to customer water rates, fees, and charges that will be implemented over the course of the following four fiscal years. The new rates took effect on July 1, 2023. The rate changes were developed in partnership with an independent rate consultant who performed a cost-of-service analysis. MMWD primarily relies on four main charges billed bi-monthly: service charge, usage charge, watershed management fee, and capital maintenance fee. The service charge is fixed based on meter size and intended to contribute towards recovering the majority of the District's fixed costs such as billing, meter reading and maintenance, facility maintenance, and administrative support. The usage charge applies an escalating charge for higher consumption, adjusts seasonally between December and May (lower demand) as well as between June and November (higher demand), and is intended to cover operating costs and related improvements involving supplies, distribution, and treatment. The watershed management fee is a volumetric rate (incurred at a specific rate per 100 cubic feet of water) that is designed to offset an apportionment of the watershed maintenance and vegetation management costs. The capital maintenance fee is a per-meter charge based on meter size. Revenues realized through the capital maintenance fee go directly to MMWD's Capital Improvement Program. Finally, the District has also implemented a temporary drought/water shortage surcharge that becomes effective when water storage levels meet specific thresholds (beginning at 70,000 acre-feet). The majority of single-family residential customers in MMWD's service area use a 5/8' size water meter and average approximately 8,228 gallons of water usage per bi-monthly billing cycle. Based on those circumstances, this average customer saw an increase on their bi-monthly bill of approximately 23% after the implementation of the new rates in July of 2023. This same customer can expect to see a total increase of approximately 57% in 2026 at the end of the updated rate schedule.

The primary annual expense for the District comes in the form of staff salary and benefits (approximately 40%), followed by Other Operating Costs (27%) Capital Projects (23%), Debt Service (7%) and Reserve Contributions (3%). The total projected expenses for the District for

FY 2024-25 totaled \$163,798,389. The average year-end operating revenues for the MMWD over the past 5 audited years has been \$93,234,486. The District realized an average annual increase in Net Position of \$9,958,814 over the course of the study window. A breakdown of the past 5 audited years of operating revenues and expenses can be seen below in Table 9-4

Table 9-4: MMWD Financial Information

Revenue	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Water Sales and Service Charges	\$71,541,075	\$76,806,241	\$81,632,469	\$68,060,107	\$72,006,764	\$74,009,331
Connection Charges	\$1,178,784	\$810,182	\$912,312	\$540,349	\$1,678,395	\$1,024,004
Capital Maintenance Fee	\$0	\$14,301,460	\$15,509,355	\$16,444,158	\$17,161,227	\$12,683,240
Watershed Management Fee	\$4,350,066	\$4,545,973	\$4,572,006	\$4,899,012	\$5,113,736	\$4,696,159
Other Revenues	\$923,221	\$807,338	\$802,258	\$808,396	\$767,548	\$821,752
Total Revenues	\$77,993,146	\$97,271,194	\$103,434,538	\$90,745,884	\$96,727,670	\$93,234,486

Expenses	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Water Purchases	\$6,966,684	\$7,313,211	\$10,260,284	\$12,139,318	\$8,406,309	\$9,017,161
Watershed Maintenance	\$6,167,936	\$4,905,934	\$5,949,405	\$6,995,749	\$6,506,909	\$6,105,187
Water Treatment	\$10,551,829	\$11,693,750	\$11,136,667	\$11,089,440	\$12,897,893	\$11,473,916
Pumping	\$3,051,386	\$3,707,450	\$4,031,063	\$3,489,334	\$3,538,544	\$3,563,555
Transmission and Distribution	\$22,501,682	\$25,876,763	\$24,185,190	\$24,485,389	\$23,762,349	\$24,162,275
Customer Service and Meter Operation	\$3,888,932	\$4,378,528	\$5,783,583	\$3,020,064	\$4,769,165	\$4,368,054
Water Conservation	\$2,470,477	\$1,907,387	\$2,209,236	\$3,697,128	\$2,006,668	\$2,458,179
Administrative and General	\$12,530,404	\$17,403,259	\$15,996,241	\$3,851,416	\$15,225,436	\$13,001,351
Depreciation	\$12,108,529	\$12,256,812	\$12,960,365	\$14,347,879	\$14,342,393	\$13,203,195
Total Expenses	\$80,237,859	\$89,443,194	\$92,512,034	\$83,115,717	\$91,455,666	\$87,352,894

Debt

As of June 30, 2023, MMWD had a total-long-term debt outstanding of \$148.7 million, which was a decrease of \$6.3 million from the prior year. The District's current debts are as follows:

- 2016 Refunding Revenue Bonds – Principal Balance: \$31,380,000
- 2017 Subordinate Revenue Bonds – Principal Balance: \$32,815,000
- 2022 Refunding Revenue Bonds – Principal Balance: \$64,210,000
- Clean Renewable Energy Bonds – Principal Balance: \$122,250

- LGVSD Recycled Water Buy-In Obligation – Principal Balance: \$4,153,057
- Aqueduct Energy Efficiency Project Obligation – Principal Balance: \$1,624,354

The second source of debt for the District comes in the form of a pension plan for employees that 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, 2022, the MMWD Net Pension Liability was \$110,772,877. The MMWD pension-funded ratio was approximately 63% at that measurement date. The District’s pension plan currently has a total of 716 active and inactive beneficiaries. In addition to the pension plan, MMWD provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2023, the District carried a Net OPEB Liability total of \$17,399,877. The District currently has 527 employees, both active and inactive, in their OPEB plan.

Capital Improvement

MMWD’s Capital Improvement Program is managed concurrently in 2 ways, with the biennial budget projecting/capturing anticipated costs for identified projects within that budget’s 2-year window, and the five-year Capital Improvement plan. The five-year plan aids in project prioritization and scheduling as well as creating the road map for the projects’ funding sources along the way. The current five-year capital improvement plan's total projected expenditures amount is \$249,160,700⁷². The first two years of the plan (and the current biennial budget cycle), FY 2023/24 and FY 2024/25, carry a total CIP budget of \$82,432,000. This amount is an increase of 65% over the prior budget. The significant increase to capital investments is a reflection of the Board’s efforts to increase supplies as well as ensuring aging infrastructure is updated. A high-level overview of the District’s Capital Improvement Plan expenditures and funding can be seen below in Table 9-5

Table 9-5: MMWD Capital Improvement Program Budget

Expenditures	FY 2023/24	FY 2024/25	Total
Pipelines	\$12,010,000	\$15,276,000	\$27,286,000
Pump Stations	\$1,385,000	\$4,420,000	\$5,805,000
Storage Tanks	\$5,700,000	\$6,860,000	\$12,560,000
Treatment Plants	\$2,420,000	\$1,620,000	\$4,040,000
Watershed	\$4,890,000	\$5,224,000	\$10,114,000
System Improvements	\$3,826,000	\$6,851,000	\$10,677,000
Water Supply	\$2,750,000	\$9,200,000	\$11,950,000
Total	\$32,981,000	\$49,451,000	\$82,432,000

⁷² [CIP Budget, Pg. 65](#)

Funding	FY 2023/24	FY 2024/25	Total
Capital Maintenance Fee	\$17,118,698	\$17,974,633	\$35,093,331
Connection Fees	\$600,000	\$600,000	\$1,200,000
Fire Flow Fee	\$4,500,000	\$4,500,000	\$9,000,000
Grant Funding	\$2,134,500	\$4,400,000	\$7,635,000
Rate Revenue	\$8,598,302	\$21,951,367	\$30,758,269
Interest	\$30,000	\$25,000	\$55,000
Total	\$32,981,000	\$49,451,600	\$82,432,000

10.0 COUNTY SERVICE AREA NO. 31

10.1 OVERVIEW

Marin County Service Area #31 (CSA 31) is a dependent special district that provides funding for structural fire protection throughout the areas of unincorporated Marin County that are not otherwise provided fire services by an independent special district, city, joint powers authority, or another dependent special district providing fire service. The CSA has been funded by a special assessment approved by the voters within the District’s boundary in 1994. The assessment aids in offsetting the costs incurred in providing year-round 24-hour structural fire protection. The service area includes the San Quentin Rehabilitation Center as well as Angel Island⁷³ except for the area of Quarry Point which resides in San Francisco County.

Table 10-1: County Service Area 31 Overview

County Service Area 31 Overview		
Primary Contact:	Chief Jason Weber	Phone: (415) 473-6717
Formation Date:	June, 1994	
Services Provided:	Structure Fire Protection	
Service Area:	445 square miles	
Population Served:	≈12,324	

10.2 FORMATION AND DEVELOPMENT

In 1982, the state legislature enacted the Benefit Assessment Act that allowed cities, counties, and special districts the ability to finance a variety of improvements. Following this, fire suppression-specific assessments were added to the State Government Code (§50078), stating “Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article. The assessment may be made for the purpose of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.” A fire suppression assessment is considered a benefit assessment because it is directly related to the benefit a property receives from fire suppression.

On October 12, 1993, the County of Marin Board of Supervisors approved resolution 92-268, approving the application to Marin LAFCo for the creation of a fire services county service area (CSA). The request came before the Board of Supervisors as then Fire Chief Harold Rowland imparted to the Supervisors that the Marin County Fire Department was operating at capacity with minimum staff levels. He explained that the department had been particularly hard hit by the State’s shift in property tax allocations and that without additional funding it could result in

⁷³ Angel Island is also within the jurisdictional boundary of the Town of Tiburon, as well as being designated as a California State Park

the necessitation of closing one or more fire stations as well as staffing reduction due to the looming 9% budget shortfall. The application was received by Marin LAFCo on November 4, 1993, and, following a public hearing, Marin LAFCo resolution 93-15 was approved for the formation of County Service Area #31 on December 2, 1993.

On March 15, 1994, the Marin County Board of Supervisors approved Resolution 94-61 approving the proposal of CSA 31 as a ballot measure for the June 7th election. The proposed benefit assessment to go to the voters for CSA 31 was to be "... up to \$76 per living unit, \$38 per unimproved parcel, and \$114 per improved commercial and/or industrial parcel." The item was included on the June 7th election ballot as Measure R and was approved with 63% of the vote (only requiring a simple majority). There was no effort to amend the amount being assessed for 16 years. In November of 2010, Measure N was put on the ballot to increase the amounts to \$114 per living unit, \$57 per unimproved parcel, and \$171 per improved commercial/industrial parcel. Despite receiving 62% of the vote, Measure N failed to pass as it required a two-thirds vote (66.67%) for approval. There has not been another attempt since that time to increase the assessment.

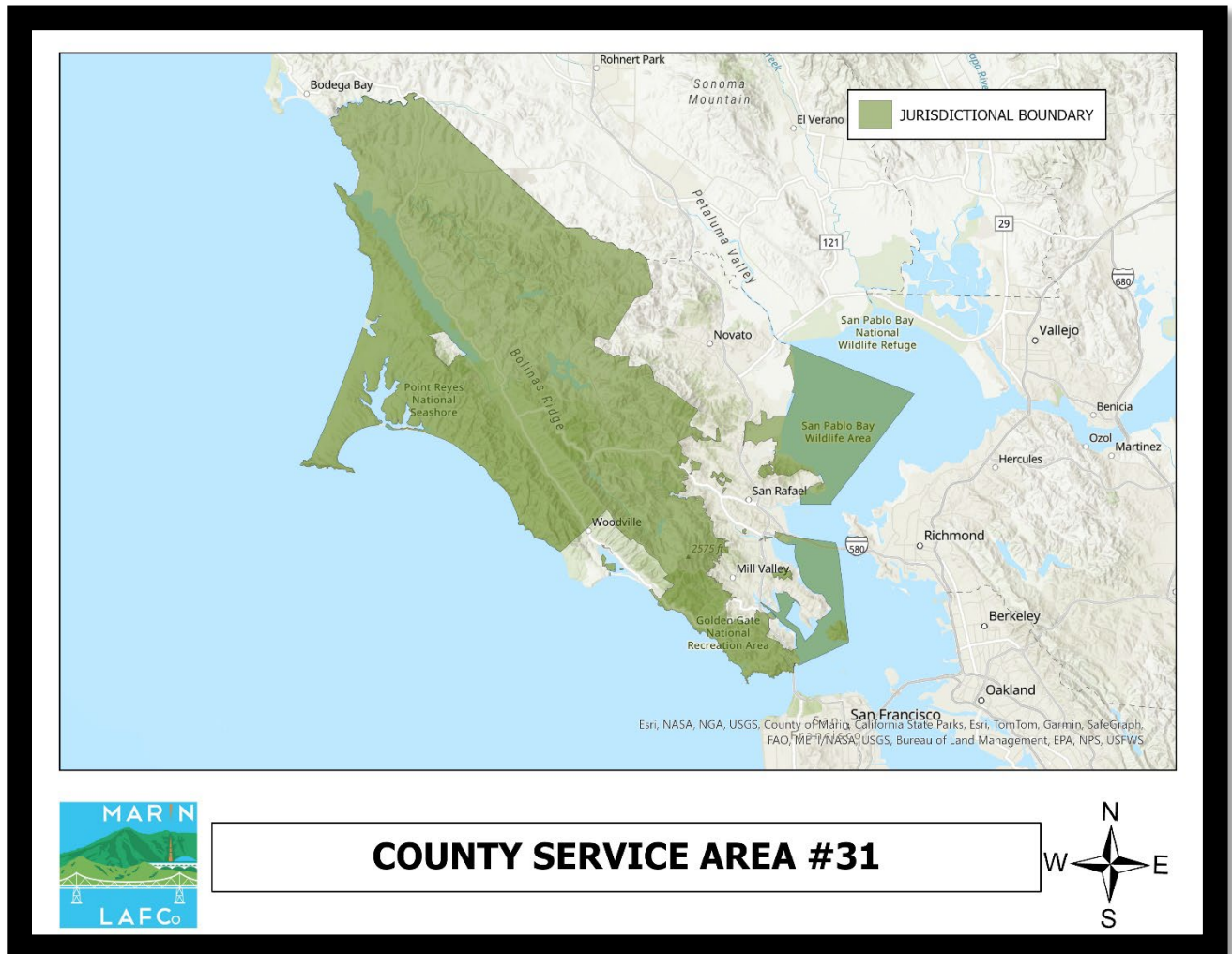
10.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

Marin County Service Area 31's service boundary, which currently encompasses just over 284,830 acres, includes coverage for the unincorporated communities of Marin City, Muir Beach, Woodacre, San Geronimo, Lagunitas, Nicasio, Olema, Point Reyes Station, Inverness Park, Marshall, Dillon Beach, Tomales, the Greenbrae Boardwalk Area and Muir Woods Park. The District includes the small unincorporated neighborhoods of Oak Manor to the northeast of the Town of Fairfax, the Deer Creek Court/Baywood Canyon Road/Hunter Creek Road subdivisions to the northwest of the Town of Fairfax, and the San Francisco Boulevard/Sacramento Avenue subdivisions on the northeast side of the Town of San Anselmo. The area also encompasses privately and publicly owned parklands including portions of the Golden Gate National Recreation Area, Mount Tamalpais State Park, China Camp State Park, Point Reyes National Seashore, and Angel Island State Park.

Marin LAFCo has no record of a sphere of influence ever being formally adopted for CSA 31. An Executive Officer's Report on the formation of CSA 31 from November 24, 1993, made the recommendation that the "... Sphere of Influence study be completed if the funding mechanism is approved by the voters." Marin LAFCo staff can find no record of the afore-mentioned sphere of influence study ever being performed, nor any resolution establishing a sphere of influence for the District. As the majority of county service areas have spheres of influence that are coterminous with their jurisdictional boundaries, there is a strong likelihood that in the seven months that passed between Marin LAFCo adopting the resolution approving the formation of CSA 31 in December of 1993 and the vote by the residents within the boundary in June of 1994,

that the recommendation for a sphere of influence study was simply forgotten and there has always been the assumption that the sphere is coterminous with the boundary.⁷⁴

Figure 10-1: Marin County Service Area No. 31 Jurisdictional Boundary



10.4 GROWTH AND POPULATION

CSA 31 encompasses a majority of the land that makes up what the County of Marin has designated as the West Marin Planning Area with the exception of the areas of the Inverness Public Utility District, Stinson Beach Fire Protection District, and Bolinas Fire Protection

⁷⁴ This school of thought is reinforced by the language within the San Rafael Service Review and Sphere of Influence Update (January 2006) which states, “The existing spheres of influence of CSAs #13 and #31 are coterminous with their current boundaries as established by LAFCo in 1983.” This would not be possible as CSA #31 was not formed until 1994.

District. The planning area is comprised of five census tracts: 1322⁷⁵, 1321⁷⁶, 1130, 1311, and 1330. According to 2022 American Community Survey Data, the population of the planning area less the aforementioned special district areas is 9,331, which is less than a 4% increase from the 2010 population number 9,011. The District boundary also includes the Census-Designated Place of Marin City, which has a current population of 2,993. This amount is a 12% increase from 2010 when the population tally was 2,666.

10.5 MUNICIPAL SERVICES

CSA 31 provides funding to the Marin County Fire Department to supplement the costs the Department incurs in providing year-round and round-the-clock structure fire protection services throughout unincorporated Marin County. The CSA's revenue, which is accrued by way of a voter-approved tax measure, is transferred to the Marin County Fire Department which provides the service throughout the area. Marin County Fire is responsible for fire suppression and prevention, wildfire response, vegetation management and education, emergency medical services and paramedic services, urban search and rescue and planning for emergency evacuations, as well as hazardous materials response. The Department works with community and county partners to manage an emergency operations center that provides emergency response coordination and community outreach during emergencies, as well as planning and disaster preparations.

A significant amount of the land area⁷⁷ of CSA 31 is comprised of federally-owned land, known as federal responsibility areas (FRA), and state-owned land, known as state responsibility areas (SRA). In many cases, federally-owned land receives fire protection by way of local contracts and collaborations. In Marin County, the Marin County Fire Department has entered into a contract with the National Park Service to provide initial attack for fires within park boundaries. This includes approximately 100,000 acres of federally-owned lands in the Golden Gate National Recreation Area, the Muir Woods National Monument, and the Point Reyes National Seashore. In state responsibility areas, the California Department of Forestry and Fire Protection (CAL FIRE) typically provides fire protection. In Marin County, however, CAL FIRE contracts with the Marin County Fire Department to provide wildland fire protection and associated fire prevention activities for lands designated as SRA. Marin is one of six counties in the state that contracts to protect SRA. The Marin County Fire Department is Responsible for the protection of approximately 200,000 acres of State land. There are 17,128 parcels and 14,697 living units located within Marin County's SRA.

⁷⁵ Census tract 1322 is comprised of 3 Census Block Groups. Block Group 1 within Census Tract 1322 has a boundary that is coterminous with the Inverness Public Utility District. This area has a population of 683. This amount will be removed from the total population figures for CSA 31.

⁷⁶ Census Tract 1321's area is coterminous with the jurisdictional boundaries of the Stinson Beach Fire Protection District and the Bolinas Fire Protection District and therefore will not be factored into the population data.

⁷⁷ Approximately 99%

10.6 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 on scheduled Tuesdays every month at 9:00am in the County of Marin Civic Building located at 3501 Civic Center Drive, Suite 330 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.

Table 10-2: Marin County Board of Supervisors

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

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 31 is primarily managed by the Marin County Fire Department which oversees staffing and calls for service.

10.7 ACCOUNTABILITY AND TRANSPARENCY

Meeting and Agendas

The Board of Supervisors meeting agendas, minutes, and recordings can be viewed on the Marin County website. Board documents such as resolutions and ordinances can also be found on the Board of Supervisors page of Marin County’s website.

Annual Budget Review

The County of Marin contracts with an independent financial auditor, Clifton Larson Allen, to conduct an annual financial report. CSA 31 is included in the report under Budgetary Comparison Schedule for County Service Areas Fund. The latest audit was prepared for the year ending June 30, 2022.

Every year the Marin County Fire Department develops a proposed budget for CSA 31 and presents it to the Board of Supervisors for review and approval. It is based on the prior year’s expenses and projected parcel tax revenue for the upcoming fiscal year.

10.8 FINANCIAL OVERVIEW

CSA 31 provides funding to the Marin County Fire Department by way of a voter-approved tax measure creating a benefit assessment district that was initially passed in 1994. The approved tax measure, Measure R, was adopted with no sunset date or escalators. The tax measure as it currently stands levies a charge in the amount of \$76 per living unit, \$38 per unimproved parcel, and \$114 for each commercial/industrial parcel. The tax is the CSA's only form of revenue. For FY 2022-23 the CSA realized \$511,173 of revenue and \$508,142 in expenditures. The CSA's average annual revenues over the past 5 years of \$520,225 account for approximately 1.5% of Marin County Fire Department's total annual revenues which, in fiscal year 2023-24, is an estimated \$33,174,716. While the CSA has shown recent occurrences of expenditures outpacing revenues for the fiscal year, in each instance the balance of the added expenditures was covered by a fund balance that was carried over from the prior fiscal year. A breakdown of the district's finances over the past 5 fiscal years can be seen below in Table 10-3.

Table 10-3: Marin County Service Area No. 31 Financial Overview

	Revenues	Expenditures	Net
FY 2017-18	\$524,511	\$548,000	(\$23,489)
FY 2018-19	\$523,593	\$514,535	\$9,058
FY 2019-20	\$523,460	\$531,746	(\$8,286)
FY 2020-21	\$522,358	\$513,878	\$8,480
FY 2021-22	\$507,204	\$514,747	(\$7,543)

Multi-Regional Draft MSR Comments Received and Responses

Date	Name	Title	Affiliation	Comment	Responses
June 13, 2024	Barbara Coler	Chair	Marin LAFCo	<p>Request for language update to recommendation and determination regarding MCOSD and MMWD working collaboratively to expand offerings onto MMWD open space so as not to have it present in such a way that comes across as MCOSD needing to expand but rather for MMWD to seek to provide similar opportunities.</p> <p>Pg. 11: Table 2-2 MMWD Does televise all meetings</p>	<p>Update made to document.</p> <p>Update made to document.</p>
June 19, 2024	Anthony Williams	General Manager	NMWD	<p>Pg. 9: Could language be added explaining why local sanitary agencies are not included in the study? This would be helpful for the reader when reviewing discussion of NMWD's Limited Sewer service later in the report.</p> <p>Pg. 14: The second paragraph appears to have a different font type compared to the rest of the page.</p> <p>Pg. 17: After the 2nd paragraph, add a new paragraph to describe when NMWD became a multi-county water district through the annexation of the 5 parcels in Sonoma County (just across the county line); After paragraph c) can a short discussion of NMWD's Marshall area be added as lead up to the discussion on page 24? In the very last paragraph, replace subventions with grants.</p> <p>Pg. 18: Note for Item 1 that NMWD will likely always be involved with the water service in this area as the North Marin Aqueduct is the only water pipeline that services these parcels. Perhaps NMWD's role becomes a wholesaler to the City of Petaluma through an agreement. For Item 2, would inclusion of a map showing this parcel be beneficial or necessary?</p> <p>Pg. 19: Please consider adding an additional numbered item: LAFCo will take the lead in the NMWD Marshall SA de-annexation process at the appropriate time... (Based on prior commitments by LAFCo per D. McIntyre)</p> <p>Map is missing the annexed parcels in Sonoma County for NMWD on pages 20 and 25.</p> <p>Pg. 21: 2nd paragraph, consider revising this sentence as :The potable local sources of supply for the Novato and West Marin Services Areas are not interconnected."</p>	<p>As this report intentionally only encompasses large agencies that cover multiple regions, it is Marin LAFCo's belief that the omission of small sanitary agencies in this study will be self explanatory to the reader.</p> <p>Update made to document.</p> <p>For the first two requests, these changes are being requested for formal determinations for specific items. The requests are being made to add information that, while pertinent to the agency in a broader scope, is not pertaining to the specific determination being made. For that reason, these changes were not incorporated. The requested edit to replace "subventions" with "grants" was made.</p> <p>Marin LAFCo appreciates the insight on this matter from NMWD and looks forward to having the opportunity to explore this matter further with all of the parties involved. At this time, given the provision of the parcel's APN # in the text, the addition of a map is not deemed necessary.</p> <p>The District is welcome to submit an application to Marin LAFCo for the Commission's consideration. Item 4 has been added to the list of recommendations on Pg. 18 regarding this matter. If desired, application can be submitted as part of IPUD detachment.</p> <p>Map updated to reflect boudnary including Sonoma County parcels.</p> <p>Update made to document.</p>

				<p>Pg. 23: First Sentence: Oceana Marin is misspelled</p> <p>Pg. 25: Consider adding another callout on the map entitled "Gallagher Wells" which are in a very distinct part of the property.</p> <p>Pg. 30: Last paragraph, please consider these edits (new language in bold font): The south service area has recycle dwater conveyed from the LGVSD recycled water facility to landscape irrigation customers. The north/central service area has recycled water conveyed from NSD's Davidson Street treatment plant to private and public landscape irrigation customers including Stonetree Golf Course, Valley Memorial Park Cemetary, Novato Fire Department, homeowner associations, Marin Country Club, and Vintage Oaks Shopping Center.</p>	<p>Updated made to document.</p> <p>Formatting issues wouldn't allow for this edit to be made. At this time Marin LAFCo believes the map included is clear in its intention to show the general area of the location of the wells.</p> <p>Update made to document.</p>
July 8, 2024	Craig Murray	Special District Member	Marin LAFCo	<p>Pg. 6: Add transportation districts to footnote</p> <p>Pg. 11: Define "open hours" of Marin LAFCo office.</p> <p>Pg. 14: Include map of area of California park being discussed.</p> <p>Pg. 17: Replace "other local agencies" with LGVSD and NSD.</p> <p>Pg. 23: Is NMWD providing recycled water to Hamilton Air Force Base?</p> <p>Pg. 26: Define location</p> <p>Pg. 30: Verify</p> <p>Pg. 36: Add population to table</p> <p>Pg. 42: Are there any independent open space districts?</p> <p>Pg. 45: Explain why LAFCo has limited interactions/oversight with healthcare districts</p>	<p>Update made to document.</p> <p>Staff wants to avoid adding current office hour specifics to a document that could be read in 5-10 years from now.</p> <p>At this time Marin LAFCo doesn't have the GIS data necessary to produce such a map as this requires U.S. Census Bureau Block Group GIS data.</p> <p>The North Bay Water Reuse Authority is comprised of 11 agencies in total. At this time, staff believes that only naming the two sanitary districts that provide recycled water in Marin would do a diservice to the other agencies within the NBWRA, and therefore have left the broader "other local agencies".</p> <p>All areas NMWD is delivering recycled water to are listed and have been confirmed with NMWD staff.</p> <p>Location is defined by US Census Bureau.</p> <p>All information was verified by NMWD staff and documentation.</p> <p>Update made to document.</p> <p>This is the only Open space district in Marin County and is dependent. Unclear on what other counties might have.</p> <p>Healthcare district's have their own section of state government code and CKH has very limited language/authority over healthcare districts</p>

Pg. 48: Does MGH receive San Quentin inmates?	San Quentin State Rehabilitation Center has its own medical facility and staff.
Pg. 48: Was this a bond measure	Stated within paragraph that the funds provided were via bonds.
Pg. 54: Appears to be formatting error in table.	Believe this to have just been an issue with the Commissioner's print job as the table appears properly both in the original document as well as in the web version.
Pg. 55: Questions regarding no references to Sutter within map shown.	Mentioned previously in the document the separation with Sutter and as such the current map won't show them.
Pg. 57: Why such large operating losses?	Partially due to how the accounting is shown between financials from the District and MGH, but also just as a generality, healthcare districts are heavily subsidized by the state and their counties. MHD is one of the only healthcare districts in the state that receives no direct funding from the county.
Pg. 58: Why the name change to municipal	See footnote 53 at bottom of page. Additionally, it was formed by way of the Municipal Water District Act, which probably had an influence on naming.
Pg. 59: Verify stats	District staff has reviewed all historical information provided and verified all stated in the document.
Pg. 67: Add ethics training status for all districts or remove for MMWD.	Added for all independent districts.
Pg. 68: Typo	Update made to document.
Pg. 73: Add population to table	Update made to document.
Pg. 74: Request for more zoomed in map.	Due to the scale of the pages in juxtaposition to the maps being made, users looking for a more finite view of the area should utilize Marin LAFCo's GIS mapping tool. Footnote added with link.

MARIN LAFCO WORK PLAN ADDITIONS FOR THE MULTI-REGIONAL AGENCIES MUNICIPAL SERVICE REVIEW

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

- Staff should explore the transfer of outside water service parcels that were approved in the late 1970s through the 1980s that are within the jurisdictional boundary of Sonoma County in collaboration with representatives from Sonoma LAFCo, North Marin Water District, and the City of Petaluma.
- Remove the parcel (APN 166-030-34) in the general vicinity of the unincorporated community of Olema from The North Marin Water District mapping layer within Marin LAFCo's GIS mapping system.
- Explore an efficient, organized, and well-communicated manner in which to detach the parcels within the jurisdictional boundary of the Inverness Public Utility District from the North Marin Water District
- Explore the current status and future possibilities of the organization and efficiencies of fire protection services for Angel Island State Park, as well as the consideration of the detachment of the area from Marin County Service Area #31 and/or the Town of Tiburon in collaboration with Marin County Fire Department, the Town of Tiburon, the Tiburon Fire Protection District, California State Parks, and the California Department of Forestry and Fire Protection (CAL FIRE).

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 24-04

ADOPTION OF THE MULTI-REGIONAL SERVICES 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, LAFCo 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 Tuesday, May 14, 2024, which included a public hearing, and a Final Service Review on Thursday, August 8, 2024, which also included a public hearing; and

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

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

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

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-04

- 1) Exhibit "A"

**EXHIBIT A
MULTI-REGIONAL SERVICES STUDY**

**MUNICIPAL SERVICE REVIEW DETERMINATIONS
GOVERNMENT CODE SECTION 56430**

Growth and population projections for the affected area.

a) Despite an annual population decline since 2017 of -0.48%, the Association of Bay Area Governments (ABAG) projects the population of Marin County to grow by 12% by 2040 to a total population of 283,000. While the current development potential within the multiple planning areas throughout the County is fairly minimal, ABAG's Regional Housing Needs Allocation plan has required the addition of 3,569 housing units in unincorporated Marin County, and 9,971 units within all of the incorporated cities and towns throughout the County. Using the baseline of the average persons per household captured by the 2020 Census for Marin County of 2.4, if the full RHNA allocation were to be met, it could reasonably be assumed to add approximately 32,000 people to the current population estimate of 252,959. Projected population increases for each of the districts that are not coterminous with the Marin County jurisdictional boundary can be seen below.

- North Marin Water District – Population increase of 6,043 by 2045
- Marin Healthcare District – Population increase of 32,496 by 2045
- Marin Municipal Water District – Population increase of 28,486 by 2045
- Marin County Service Area No. 31 – Population increase of 960 by 2045

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

a) Two census tract block groups (Tract 1290, Block Group 1; Tract 1121, Block Group 1) that have 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 (which encompasses all of Marin County). Given that special attention is given in the updating of a sphere of influence for a city or special 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, both Marin Municipal Water District and Marin County Service Area No. 31 are pertinent in the scope of these disadvantaged unincorporated communities within this study. The block groups are situated within the census-designated place of Marin City, as well as the northern section of the California Park unincorporated island in the San Rafael Area. 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 in the community's best interest, then they would not be included in 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.

a) The three agencies within this study that have public facilities (Marin Municipal Water District, North Marin Water District, and the Marin Healthcare District) have each shown that the present capacity of their facilities are sufficient to provide services at their current levels. Both MMWD and NMWD have adopted ambitious capital improvement plans and recently made the necessary adjustments to each of their rate schedules in order to fund the designated infrastructure improvements to both continue to provide services at their current levels as well as taking into account planning for future growth and the increased potential for lean water years. With the recent completion of both a new parking structure as well as the 260,000-square-foot hospital replacement building, the Marin Healthcare District continues to display both the intention and the necessary planning to ensure the MarinHealth Medical Center meets the standards required within SB 1953.

Financial ability of agencies to provide services.

a) The Marin Municipal Water District, North Marin Water District, Marin Healthcare District, Marin County Open Space District, and County Service Area #31 all prepare annual budgets and financial statements in accordance with established governmental accounting standards. The Boards of Directors, and the County Board of Supervisors, acting as the Board for CSA 31 and the Marin County Open Space 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 special district General Managers and County Administrative Officer are authorized to transfer budgeted amounts between accounts, departments, or funds under certain circumstances, however; the Special District Boards and County Board of Supervisors, acting as the Board for the Marin County Open Space District as well as CSA 31, 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 order to complete the second phase of its planned seismic infrastructure upgrades, the Marin Healthcare District will, in all likelihood, necessitate the pursuit of additional revenue bonds. CSA #31 has operated at the same tax rate since its formation 30 years ago. No attempt has been made to increase the tax since the failed ballot measure in 2010. While costs to provide service as well as simple inflation have significantly risen since that time, the CSA's tax base has remained the same. While current circumstances such as voter tax fatigue as well as the recent approval of Measure C, which levies a parcel tax specifically for fire protection and prevention services, certainly detract from the chances of the CSA successfully seeking an increase in the current tax in the near term, the possibility should continue to be monitored in order to make the necessary adjustments to the funding mechanism to ensure sufficient revenue supplementation for Marin County Fire in the future.

Status of, and opportunities for, shared facilities.

a) No opportunities were identified for the sharing specifically of constructed facilities between any of the agencies reviewed within the study.

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

a) The current jurisdictional boundary for Marin County Service Area #31 includes all of the area of Angel Island State Park that resides within the legal boundary of Marin County. This area of Angel

Island also resides within the jurisdictional boundary of the Town of Tiburon. CSA 31 was originally formed as a benefit assessment district in order to provide supplemental tax funding to the Marin County Fire Department for the provision of structure fire protection services. As there are no legally taxable parcels within Angel Island State Park, the inclusion of Angel Island within the jurisdictional boundary of CSA 31 creates no additional benefit for the Marin County Fire Department, as was the intention of the formation of the district.

The Marin County Fire Department contracts with the California Department of Forestry and Fire Protection (CAL FIRE) to provide wildland fire protection and associated fire prevention activities for lands designated as state responsibility areas (SRA). While the area is technically state parkland, CAL FIRE does not include this area as carrying the designation of SRA, but rather as a local responsibility area (LRA)¹. LRA is also the designation for all of the other incorporated spaces within Marin County. The Town of Tiburon receives fire protection services from the Tiburon Fire Protection District (TFPD), however, the Tiburon Fire Protection District's current jurisdictional boundary does not include the area of Angel Island State Park. Despite this, due to the geographic proximity of Tiburon Fire Protection District Station 11 to Angel Island as well as the District's watercraft giving it access from the Tiburon peninsula to Angel Island, TFPD frequently is the initial responder to calls for service (in particular, emergency medical calls) to Angel Island.

At this time, the state of the delivery of fire protection, as well as other emergency services, to Angel Island State Park necessitates the convening of representatives from Marin LAFCo, Marin County Fire Department, Tiburon Fire Protection District, the Town of Tiburon, and CAL FIRE/California State Parks in order to explore a more organized and defined structure to the future of this service delivery within this area.

b) In the late 1970s through the 1980s, the North Marin Water District initiated LAFCo-approved outside service area agreements for approximately 33 parcels outside of the District's boundary in southern Sonoma County. The parcels reside within the Sonoma County planning area known as the Petaluma Dairy Belt Area. Rather than continuing in perpetuity with the outside service agreements, representatives from Marin LAFCo, Sonoma LAFCo, North Marin Water District, and the City of Petaluma should convene in order to explore the transfer of these parcels for future service.

c) North Marin Water District's existing jurisdictional boundary entirely overlaps the jurisdictional boundary of the Inverness Public Utilities District. This overlap merits correction as the Commission discourages two agencies providing the same service to have overlapping boundaries. Additionally, NMWD does not provide service within IPUD's boundary, nor does it plan to in the future. Representatives from NMWD, Marin LAFCo, and IPUD should convene to explore an efficient, organized, and well-communicated manner in which to detach the parcels within the jurisdictional boundary of IPUD from NMWD.

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

a) Marin Municipal Water District and North Marin Water District have effectively partnered with other local agencies in jointly funding and establishing regional recycled water programs as part of the North Bay Water Reuse Authority. This cooperative arrangement provides a mechanism for MMWD and NMWD to pool resources in securing competitive governmental grants to implement and expand recycled water services in their service areas to help offset potable demands. Marin Municipal Water District should explore the feasibility of further collaboration with wastewater agencies in central and southern Marin County to continue to expand its provision of recycled water throughout other geographic portions of its service area.

b) Marin Municipal Water District oversees and maintains a significant amount of public open space lands, with approximately 150 miles of trails and roads within the 22,000 acres of the Mount Tamalpais Watershed. With significant resources dedicated to the continued stewardship of these lands, the District

¹ [State Responsibility Area Fire Hazard Severity Zones Marin County](#)

has an opportunity to help expand access to these areas in the same way that the Marin County Open Space District has within its open space preserves. MMWD should explore the feasibility, either by way of current funding mechanisms or through the pursuit of grant monies, of offering to the public free scheduled naturalist-guided hikes/excursions throughout its open space in the same manner that MCOSD has been doing for years.

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 24-05

RESOLUTION AMENDING THE SPHERE OF INFLUENCE OF THE NORTH MARIN WATER 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 providing multi-regional services, prepared a summary, *Multi-Regional Services 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 *Multi-Regional Services Municipal Service Review* and this Sphere of Influence Amendment, 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 North Marin Water District 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. All currently active powers for the District are listed within the *Multi-Regional Services Municipal Service Review* within the District's agency profile section.

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 North Marin Water 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 Multi-Regional Services area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-05

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

EXHIBIT A

NORTH MARIN WATER 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 City of Novato General Plan, Marin Countywide Plan, Sonoma Countywide Plan, Dillon Beach Community Plan, and Point Reyes Station Community Plan. Based on currently adopted zoning standards, the City of Novato and each of the unincorporated census-designated places are essentially built out at this time. Land uses within the District's sphere of influence include (but are not limited to) both single and multi-family residential, general commercial, commercial/industrial, open space, agriculture, conservation, rural residential, coastal open area, coastal agricultural residential, and coastal village commercial residential.

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

The need for the North Marin Water District's current facilities and services included in the sphere of influence show no signs of diminishing in the foreseeable future. As the sole municipal water provider within the greater Novato area as well as the community of Point Reyes Station and the sole provider of wastewater collection and treatment for the Oceana Marin community, at this time there is no sign of any other service provider that could meet or exceed the District's current levels of service to these areas..

- 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 North Marin Water District are adequate to provide service to the District's currently established boundary and areas within its sphere of influence. The District, within its Urban Water Management Plan, has shown that it has the necessary infrastructure and capacity to continue to provide services at its current levels for currently projected levels of growth within its service boundary through 2045. Additionally, the proactive measures that the District has taken in making the necessary adjustments to its rate schedule in order to keep pace with imported water rates from the Sonoma County Water Agency have positioned the District to avoid any interruption of a critical service within its sphere for the foreseeable future.

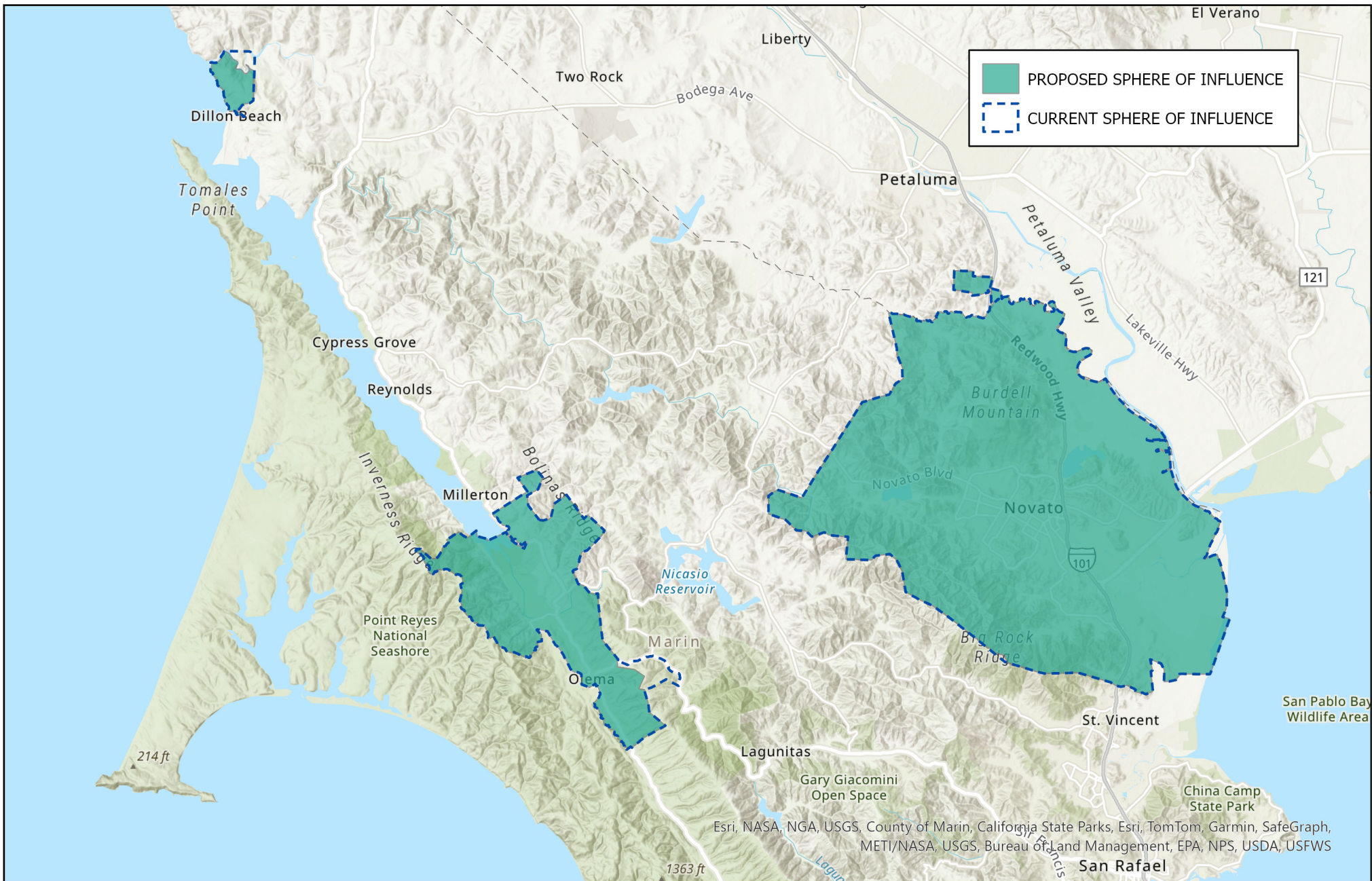
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the North Marin Water District and the area

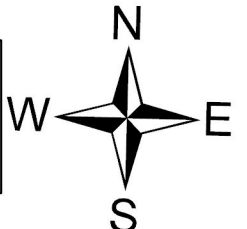
surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

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

No disadvantaged unincorporated communities have been identified by Marin LAFCo within the sphere of influence of the North Marin Water District



NORTH MARIN WATER DISTRICT PROPOSED SPHERE OF INFLUENCE AMENDMENT



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 24-06

**RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE MARIN COUNTY
OPEN SPACE 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 providing multi-regional services, prepared a summary, *Multi-Regional Services 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 *Multi-Regional Services Municipal Service Review* and this Sphere of Influence reaffirmation, 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 Open Space 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. Each of the currently active powers of the District are listed within the District's Agency Profile section within the *Multi-Regional Services Municipal Service Review*.

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 Open Space 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 Multi-Regional Services area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-06

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

EXHIBIT A

MARIN COUNTY OPEN SPACE 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 multiple municipal general plans, Marin Countywide Plan, and multiple community plans. As the District's boundary encompasses the entirety of Marin County, all applicable land use designations within the Marin County boundary are also applicable to the District. With that being said, all of the land that is owned and maintained by the District carries the land use designation of open space.

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

The need for Marin County Open Space District's facilities and services included in the sphere of influence will continue for the foreseeable future. While the District's initial primary role of purchasing larger tracts of land has been significantly diminished due to the combination of rising land costs as well as the costs to maintain the land that has been previously purchased, opportunities continue to arise for smaller areas adjacent to currently owned preserves to be purchased and added to do the District's holdings.

- 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 Open Space District are adequate to provide service to the District's currently established boundary and areas within its sphere of influence. While the District's primary focus has shifted from land acquisition towards open space management, the District has shown a commitment to ensuring a high level of continued management and support to each of its open space preserves. The scheduled free naturalist-guided excursions offered by the District are just one example of the District's commitment to ensuring equitable access to these spaces for the residents of Marin County.

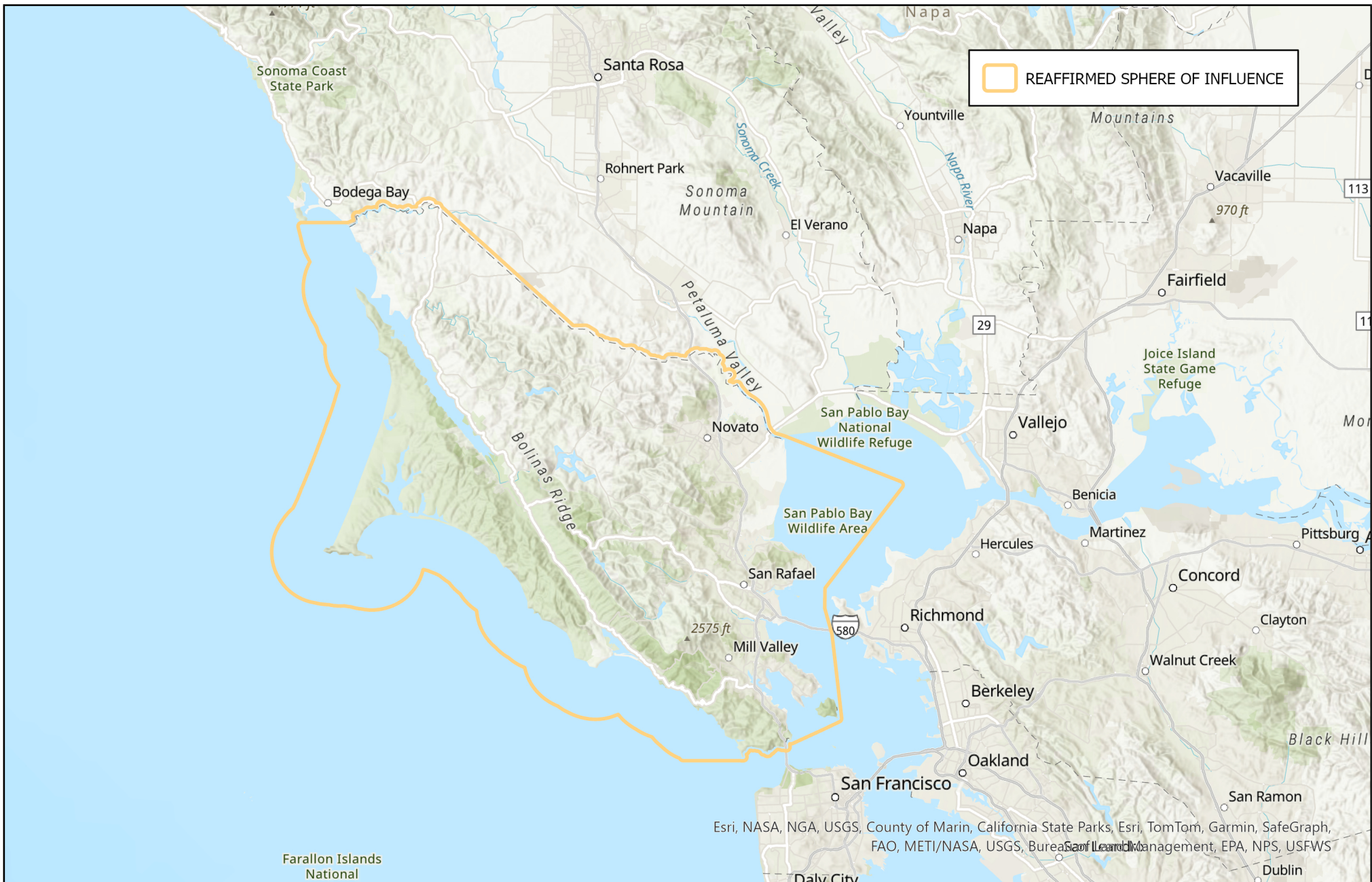
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

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

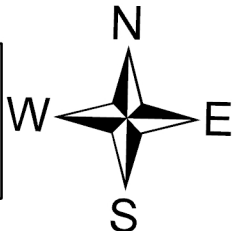
- 5) For an update of a sphere of influence for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire

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 Marin County Open Space District does not provide any of the above-mentioned services.



MARIN COUNTY OPEN SPACE DISTRICT SPHERE OF INFLUENCE



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 24-07

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE MARIN HEALTHCARE 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 providing multi-regional services, prepared a summary, *Multi-Regional Services 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 *Multi-Regional Services Municipal Service Review* and this Sphere of Influence reaffirmation 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 Healthcare 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. All of the District's currently active powers are listed in the Agency Profile section for the District within the *Multi-Regional Services Municipal Service Review*.

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 Healthcare 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 Multi-Regional Services area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-07

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

EXHIBIT A

MARIN HEALTHCARE 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 multiple municipal general plans, Marin Countywide Plan, and multiple community plans. While the District's boundary encompasses all of Marin County with the exception of the greater Novato Area and therein all applicable land uses within that area are also applicable to the District, the only land that is owned by the District within its current boundary carries the land use designation of Public Facilities.

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

The need for the Marin Healthcare District's current facilities and services included in the sphere of influence is expected to continue into the foreseeable future. The District, in collaboration with its corporate partners, provide critical services to residents throughout Marin County. A number of the services that the District offers are unique to solely Marin Healthcare District with no other healthcare providers in the area providing or planning to provide in the near-term the same unique services.

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

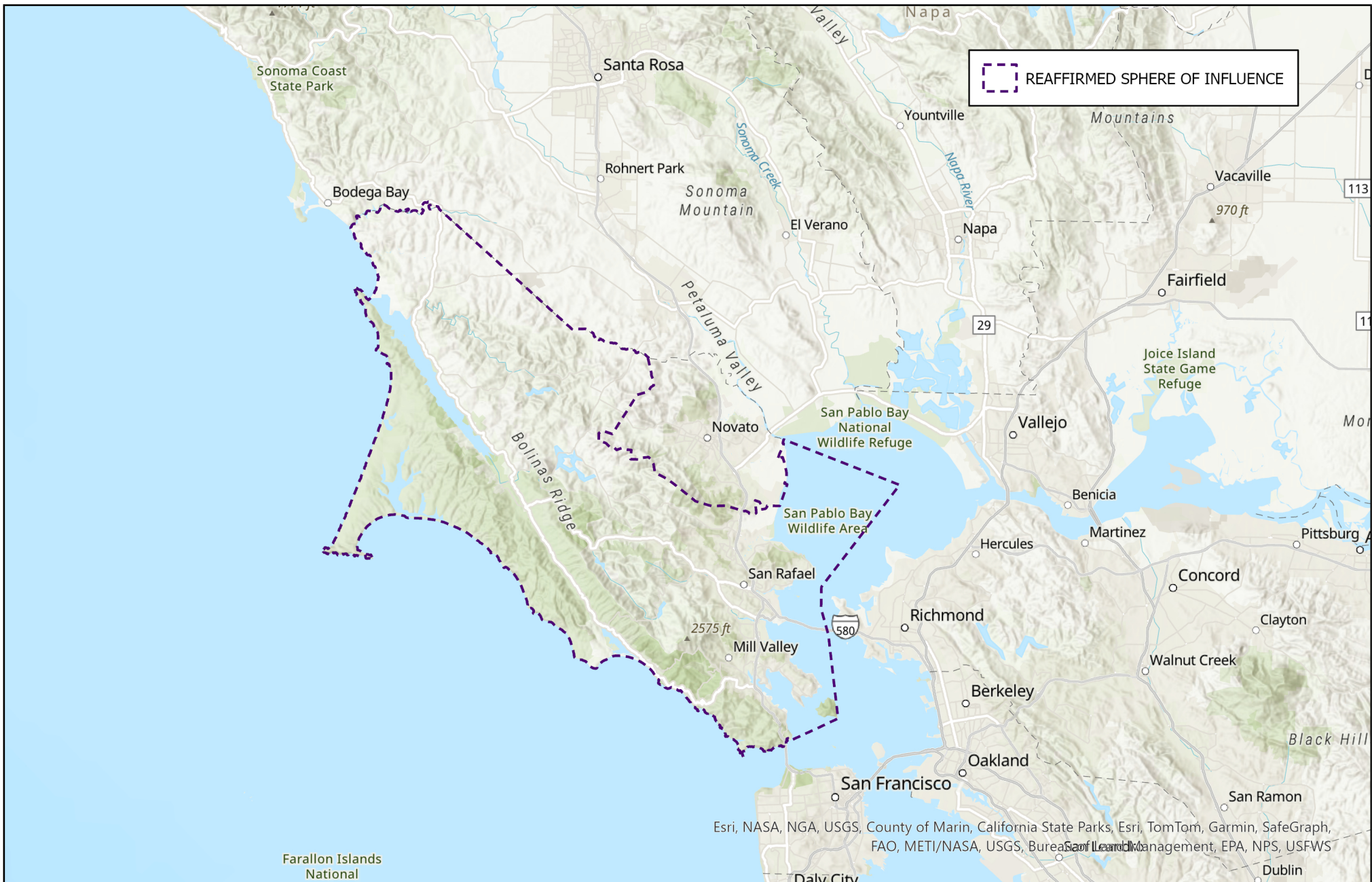
The operating departments and public facilities of the Marin Healthcare District are adequate to provide service to the District's currently established boundary and areas within its sphere of influence. The District has made significant efforts to work towards compliance with the State of California's seismic retrofit requirements and has shown a dedication to continue upgrade the District-owned facilities to meet the needs of the residents of Marin County for years to come.

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

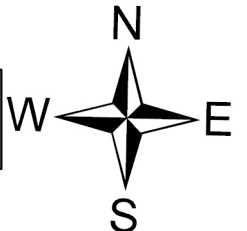
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Marin Healthcare District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

- 5) For an update of a sphere of influence for a city or special 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 Marin Healthcare District does not provide any of the above-mentioned services.



MARIN HEALTHCARE DISTRICT SPHERE OF INFLUENCE



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

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 24-08

RESOLUTION REAFFIRMING THE SPHERE OF INFLUENCE OF THE MARIN MUNICIPAL WATER 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 providing multi-regional services, prepared a summary, *Multi-Regional Services 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 *Multi-Regional Services Municipal Service Review* and this Sphere of Influence reaffirmation 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 Municipal Water 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. Each of the District's currently active powers are listed within its Agency Profile section within the *Multi-Regional Services Municipal Service Review*.

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 Municipal Water 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 Multi-Regional Services area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-08

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

EXHIBIT A

MARIN MUNICIPAL WATER 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 multiple municipal general plans, Marin Countywide Plan, and multiple community plans. Land use within the District is primarily residential but also includes agricultural, industrial, commercial, and recreational land uses.

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

The need for Marin Municipal Water District's facilities and services included in the sphere of influence is expected to continue for the foreseeable future. As the primary provider of potable water in Marin County, the District plays an integral part in the day-to-day lives of Marin County residents, as well as being a linchpin to a majority of the proposed growth in a significant area of the County. The District has shown a commitment to ensuring access to clean water for Marin County residents for years to come.

- 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 Municipal Water District are adequate to provide service to the District's currently established boundary and areas within its sphere of influence. The District has committed significant planning and resources to upgrade its infrastructure throughout its service area. Through numerous large-scale capital improvements as well as making the necessary financial decisions to accommodate future infrastructure needs, the District continues to meet the needs of the residents within its boundary.

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

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Marin Municipal Water 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 or special 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 Marin Municipal Water 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.

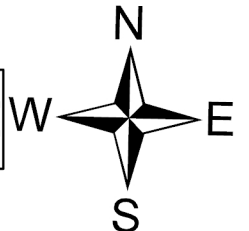
The District's current jurisdictional boundary surrounds two census tract block groups (Tract 1290, Block Group 1, and Tract 1121, Block Group 1) which encompass the general areas of the

unincorporated community of Marin City and the northern portion of the California Park area that have both been designated by Marin LAFCo as disadvantaged unincorporated communities (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 disadvantaged unincorporated communities 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 DUCs. 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 in the community’s best interest, then they would not be included in that application.



MARIN MUNICIPAL WATER DISTRICT SPHERE OF INFLUENCE



MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 24-09

RESOLUTION ESTABLISHING THE SPHERE OF INFLUENCE OF THE MARIN COUNTY SERVICES AREA No. 31

WHEREAS on June 7th, 1994, the residents of Marin County voted to approve Measure R to form Marin County Service Area No. 31, which also created a benefit assessment district for structural fire protection services in unincorporated Marin County; and

WHEREAS the Executive Officer has conducted a review of the adopted spheres of influence of local government agencies providing multi-regional services and prepared a summary, *Multi-Regional Services Municipal Service Review*, including his recommendations thereon, the summary having been presented to and considered by this Commission; and

WHEREAS during the course of that review in which Marin County Service Area No. 31 was included, it was discovered that at no time following the formation of Marin County Service Area No. 31 was a sphere of influence ever established; and

WHEREAS a public hearing by this Commission was held on the *Multi-Regional Services Municipal Service Review* and this establishment of a Sphere of Influence, 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. 31 is hereby established 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 establishing of the sphere of influence of the Marin County Service Area No. 31 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 multi-regional services area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on August 8, 2024, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried, LAFCo Executive Officer

Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 24-09

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

EXHIBIT A

MARIN COUNTY SERVICE AREA No. 31 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. Based on currently adopted zoning standards, each of the unincorporated census-designated places is essentially built out at this time. Land uses within the sphere of influence include residential, agricultural, commercial, industrial, coastal, and open space.

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

The need for Marin County Service Area No. 31's current facilities and services included in the sphere of influence anticipated to continue into the foreseeable future. With the continued impacts of climate change and the increased frequency of wildfires in areas of wildland-urban interface, the services provided to CSA No. 31 are critical to the residents within the District. Continued efforts on the behalf of the Marin County Fire Department towards fire prevention and fuel reduction will continue to be necessitated throughout 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 Marin County Service Area No. 31 are adequate to provide service to the District's proposed sphere of influence, which differs from its established boundary in that the area of Angel Island State Park has not been included in the sphere of influence. This purposeful omission of the area from the sphere is meant to show the Commission's intention to work proactively and collaboratively with the Town of Tiburon, Tiburon Fire Protection District, Marin County Fire Department, California Department of Forestry and Fire Protection, and the California Department of Parks and Recreation to ensure a more orderly and efficient delivery of fire protection and emergency medical services to Angel Island State Park.

While the District's current capacity to provide service is sufficient, its ability to continue to provide this service throughout the District's boundary could soon be impacted as the tax being levied throughout the District has not been adjusted since the formation of the District in the early 1990s. Given the significant increase of costs of service since that time, if an adjustment to the current tax measure is not passed in the near future, the District's ability to provide service could be impacted.

- 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.

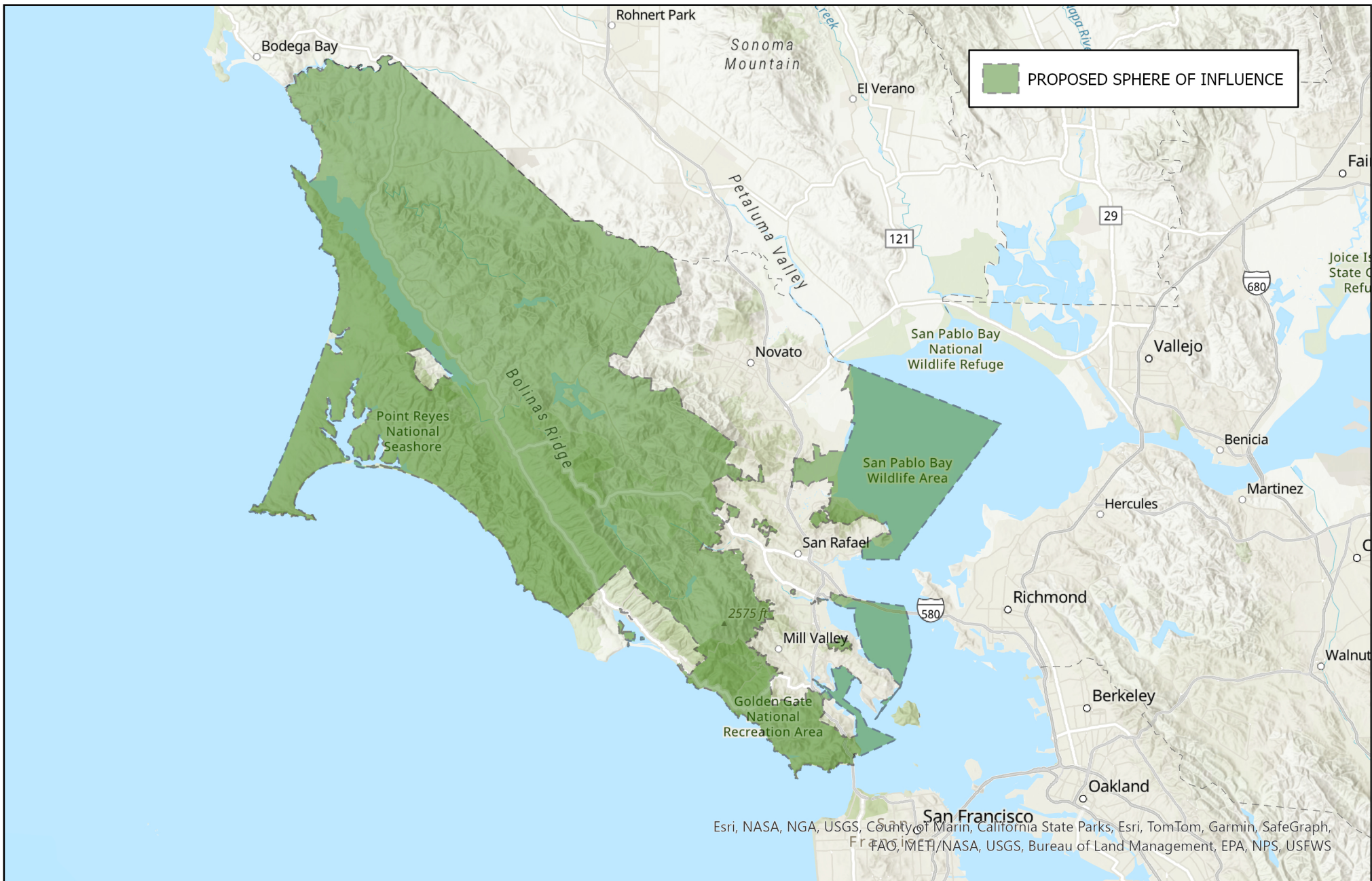
The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Southern Marin Fire Protection District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

- 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.

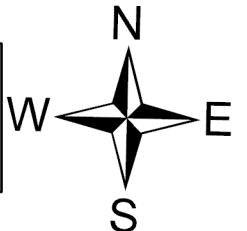
The operating departments and public facilities of the Marin County Service Area No. 31 are adequate to provide service to the areas within the District's sphere of influence and have the capacity to compensate for projected future growth within the sphere.

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 in the community's best interest, then they would not be included in that application.



MARIN COUNTY SERVICE AREA NO. 31 PROPOSED SPHERE OF INFLUENCE





Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
August 8th, 2024
Item No. 6 (Business)

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: Discussion and Possible Approval of Items Related to CALAFCO Conference

Background:

At the June meeting the Commission had a discussion about the upcoming California Association of Local Agency Formation Commissions (CALAFCO) annual conference which is from October 16-18 in Fish Camp, CA at the Tenaya Lodge at Yosemite. At the meeting neither our County nor Special District members asked to be nominated to the Board of Directors for CALAFCO. In addition, no nominations were made for the annual awards. These items have been left on the agenda for this item in case since the June meeting a Commissioner changes their mind and wants to make a nomination on either of these issues.

The one item that was left open for formal review at this meeting is who will be the voting delegate. Only Commissioner Murray has stated that he may be able to attend but is still not sure and will not know until after the deadline to submit voting delegates and alternate delegates to CALAFCO. The Executive Officer has already made plans to attend along with reserving an extra room in case anybody else is able to attend. Given the uncertainty of attendance by Commissioner Murray, staff would recommend that we nominate the Executive Officer as the voting delegate and Commissioner Murray as the alternate. Should Commissioner Murray be able to attend the Executive Officer can hand the ballots over to him to vote on matters but if he is not able to attend the Executive Officer will already have the ballots in hand when he checks in at the Conference.

Staff Recommendation for Action:

Staff Recommendation – Staff views these matters as a decision for the Commission. Should a Commissioner wish to make a nomination for the CALAFCO Board of Directors or Awards nominations they should do so tonight. In addition, the Commission should decide on who the voting and alternate delegate(s) will be for the Conference and give the Chair the authority to change voting delegates if needed prior to the deadline to submit.

Attachment: None

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

Dennis Rodoni, Vice-Chair
County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
County of Marin

Barbara Coler, Chair
Town of Fairfax

Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
August 8th, 2024
Item No. 7 (Business)

TO: Local Agency Formation Commission
FROM: Jason Fried, Executive Officer
SUBJECT: Approval of new contract with Davis Farr for auditing services for FYE 25 through FYE 29

Background

In late 2020 through early 2021 staff had made a request for proposal for auditing services as we were looking to see what options may be available for LAFCo since it had been several years since one had been done. At the time, several Southern California LAFCos had just completed a joint RFP for services which they awarded a contract to Davis Farr. When staff was doing this review, we were able to get Davis Farr to give us a similar price as what the other LAFCos had just gotten which was what in April 2021 the Commission approved. LAFCo then entered into an agreement with Davis Farr to perform our auditing services to cover FYE 20 through FYE 24. This covered five fiscal years. Earlier on the agenda we received and filed the FYE 23 audit and approved the FYE 24 audit which will get started in January/February 2025 period.

Last year several LAFCos were looking for auditing firms on their own and I was hearing bids were coming in the \$12,000 to \$14,000 range. Knowing that our agreement was going to be ending with the next audit back in August 2023 at the annual CALAFCO conference I asked some of the Southern California LAFCos what their plans were for after the current contract expired and if Marin LAFCo could be included as part of the next RFP process. I wanted to be part of this since it seems like last time, they got a slightly better deal going into the process as a group. They had not thought about it and told me they would talk about it as a group. In late 2023 the Southern California LAFCos let it be known that they would not be adding in any LAFCos from outside of the Southern California region in their next RFP. Given this, I asked other LAFCos across the state who might be interested in doing a joint RFP. Initially, nine other LAFCos had expressed interest in being part of this. As we worked through the process in the end only 5 LAFCos (El Dorado, Fresno, Marin, Santa Barbara, and Santa Cruz) were part of the RFP that was issued in January 2024. All the other LAFCos in the group need services starting with FYE 24. Given we already had a good contract for service for FYE 24 we crafted the RFP to be clear on each LAFCo needs. Bids were received in late March. We received four bids from Brown Armstrong, Chavan, Davis Farr, and Einer Advisory Group. Based on the bids the group interviewed all but Einer Advisory Group in April 2024. After the interviews, each EO is taking back to their commission their recommendation.

For Marin LAFCo staff is recommending that we continue using Davis Farr. Attached as part of the contract is the bid that was submitted by Davis Farr for your review. The contract itself is a BBK-preapproved template that Davis Farr agreed to use. In the bid, the first page of the appendix is the price chart for services. Staff does want to note the original proposal had a 5% increase year to year for all years. The group was able to negotiate so that the final two years of the agreement would not see an increase in the not-to-exceed amount. This is a combined \$1,750 in savings for Marin LAFCo for FY 27-28 and FY 28-29. While all three firms interviewed seem to look like they could have provided the services Marin LAFCo needed, staff is recommending Davis Farr in part due to the fact the total not to exceed amount for them is between \$12,330 and \$29,188 cheaper than the other bidders over the five years of the agreement. The EO for both Santa Barbara and Santa Cruz are taking the same recommendation to their Commissions. Given the higher-than-expected (and budgeted for) costs for El Dorado and Fresno, they will go back to their commission for further discussion on next steps and which firm, if any, they plan to use.

Administrative Office
Jason Fried, Executive Officer
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Dennis Rodoni, Vice-Chair
County of Marin
Eric Lucan, Regular
County of Marin
Stephanie Moulton-Peters, Alternate
County of Marin

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

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

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

Staff Recommendation for Action

Staff Recommendation – Authorize the Executive Officer to sign the attached contract for auditing services to be performed by Davis Farr for FY 24-25 through FY 28-29.

Option 1 – Continue this item at a future meeting giving staff any needed instructions.

Option 2 – Disapprove of the agreement and give staff instructions on what it wants to do with future audits.

Attachment:

1. Contract with Davis Farr with bid proposal.

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

This Agreement is made and entered into as of August 8th, 2024 by and between the Marin Local Agency Formation Commission, a public agency organized and operating under the laws of the State of California with its principal place of business at 1401 Los Gamos Drive, San Rafael, CA 94903 (“Commission”), and Davis Farr LLP a Partnership with its principal place of business at 18201 Von Karman Avenue, Suite 1100, Irvine, CA 92612 (hereinafter referred to as “Consultant”). Commission and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

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

Financial Statement Audit Services (hereinafter referred to as “the Project”).

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

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

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the Commission with the services described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

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

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

3. Additional Work.

If changes in the work seem merited by Consultant or the Commission, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the Commission by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Commission and executed by both Parties before

performance of such services, or the Commission will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

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

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the Commission to proceed ("Notice to Proceed"). Consultant shall complete the services required hereunder within **period noted in Exhibit A**. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

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

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

7. Compliance with Law.

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

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

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

8. Standard of Care

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

9. Assignment and Subconsultant

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

10. Independent Contractor

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

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

a. Commercial General Liability

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

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

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

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

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

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

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

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

b. Automobile Liability

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

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

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

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

c. Workers' Compensation/Employer's Liability

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

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

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the Commission and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this

Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

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

Combined Single Limit

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

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

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

f. Evidence Required

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

g. Policy Provisions Required

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

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

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

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

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

h. Qualifying Insurers

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

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

i. Additional Insurance Provisions

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

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by

Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement.

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

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

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

12. Indemnification.

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

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the Commission, its officials, officers,

employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

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

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

14. Verification of Employment Eligibility.

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

15. Laws and Venue.

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

16. Termination or Abandonment

a. Commission has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, Commission shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that

portion of the work completed and/or being abandoned. Commission shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Commission and Consultant of the portion of such task completed but not paid prior to said termination. Commission shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

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

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

18. Organization

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

20. Limitation of Agreement.

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

21. Notice

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

COMMISSION:

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

CONSULTANT:

Davis Farr LLP
18201 Von Karman Avenue, Suite 1100
Irvine, CA 92612
Attn. Shannon Ayala

and shall be effective upon receipt thereof.

22. Third Party Rights

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

23. Equal Opportunity Employment.

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

24. Entire Agreement

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

25. Severability

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

26. Successors and Assigns

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

27. Non-Waiver

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

28. Time of Essence

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

29. Commission's Right to Employ Other Consultants

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

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee,

commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

When funding for the services is provided, in whole or in part, by an agency of the federal government, Consultant shall also fully and adequately comply with the provisions included in Exhibit "D" (Federal Requirements) attached hereto and incorporated herein by reference ("Federal Requirements"). With respect to any conflict between such Federal Requirements and the terms of this Agreement and/or the provisions of state law, the more stringent requirement shall control.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE MARIN LOCAL AGENCY FORMATION COMMISSION
AND DAVIS FARR LLP**

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

MARIN LOCAL AGENCY FORMATION
COMMISSION

DAVIS FARR LLP

By: _____
Jason Fried
Executive Officer

By: _____
Shannon Ayala, CPA
Partner

ATTEST:

By: _____
Board Clerk

EXHIBIT A

Scope of Services

See attached Proposal

EXHIBIT B

Schedule of Charges/Payments

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

See Attached Proposal

EXHIBIT C
Activity Schedule

See attached Proposal



PROPOSAL FOR
PROFESSIONAL AUDITING
SERVICES

Prepared By:

Davis Farr LLP
1903 Wright Place | Suite 280
Carlsbad, CA 92008

California CPA License Number: 7712
Federal Identification Number: 47-3535842

Contact Person:

Shannon Ayala, CPA | Partner
Office: 760.536.5140 | Direct: 760.298.5872
Email: sayala@davisfarr.com



Local Agency Formation Commission

El Dorado
Fresno
Marin
Santa Barbara
Santa Cruz

March 22, 2024

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APPENDIX

Cost proposal

Resumes

Peer Review Documentation

March 22, 2024

Mr. Jason Fried
Executive Director, Marin LAFCo
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903

We are pleased to provide our proposal to perform audit services to the El Dorado, Fresno, Marin, Santa Barbara, and Santa Cruz Local Agency Formation Commissions (LAFCOs) for the fiscal years ending June 30, 2024, through June 30, 2029, with the option to extend the contract for an additional on year.

Our approach to service emphasizes open and consistent communication, proactive problem-solving, and valuable support. We prioritize listening to your ideas and concerns, leveraging our financial and operational expertise to develop effective, creative solutions. We believe our firm, is the optimal choice for the district because of the following reasons, which are detailed further in our proposal:

- Our team assumes a leadership role when it comes to accounting and auditing issues faced by local governments. Our Partners actively participate in organizations such as the Government Accounting and Audit Committee of the CalCPA Society, CSMFO Professional Standards Committee, GFOA Special Review Committee, and regularly speak at conferences and training events, including the recent CSMFO Annual Conference.
- We currently provide audit services to several LAFCOs in California and possess a deep understanding of the challenges unique to California governments and special districts. This allows us to offer high-quality audits tailored the LAFCOs needs.
- We harness data mining software to detect irregularities in your accounting data, prioritizing areas where errors and potential fraud are more likely to occur.

We appreciate the opportunity to demonstrate our qualifications and are eager to establish a professional working relationship. Davis Farr LLP is independent of LAFCOs and is an Equal Opportunity Employer. Our proposal remains a firm and irrevocable offer for 120 days. I encourage you to contact me directly at (760) 298-5872.

Very truly yours,



Shannon Ayala, CPA
Partner

Section A – About Davis Farr LLP

Background Information – Davis Farr LLP is a regional accounting firm that provides comprehensive attest and advisory services to federal, state, and local governments through offices in California and Washington. Our Carlsbad office will be responsible for this engagement. Our personnel have collectively served governmental entities for over 30 years, with government audit personnel classified as noted in the table below.

License to Practice in California – Davis Farr LLP, as well as all key personnel are licensed as independent certified public accountants (CPAs) with the California State Board of Accountancy.

Independence – Davis Farr LLP is independent with respect to the LAFCo as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest.

Insurance – Davis Farr LLP will meet the insurance requirements of each contract.

Quality Control – Our firm is committed to maintaining the highest standards of quality control. We are members of the American Institute of Certified Public Accountants (AICPA) and participate voluntarily in the AICPA Peer Review Program, with our most recent Peer Review report demonstrating our “Pass” in maintaining the highest level of quality control for our services, including government engagements. A “Pass” demonstrates the highest level of quality control in a Peer Review. We are also members of the AICPA’s Government Audit Quality Center. Our firm has had no disciplinary action taken or pending against us for the past three years by any state regulatory bodies or professional organizations.

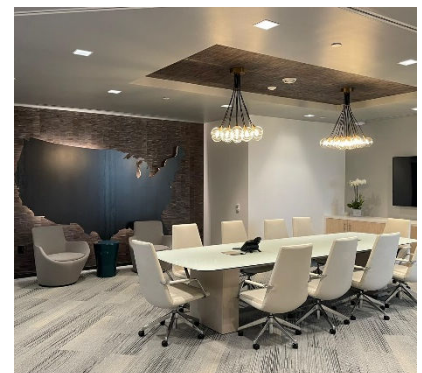
Training – We prioritize the ongoing education and training of every professional member of our firm. Each team member is required to complete 80 hours of training over two years, with at least 24 hours annually dedicated to specific government accounting and audit topics. Our extensive range of courses spans professional and technical subjects, including Fraud, Professional Ethics and Governmental Accounting and Auditing, ensuring all of our practitioners maintain their professional expertise.

Contract – Davis Farr LLP does not have any issues with the sample contract provided.

Exceptions to the Request for Proposal – Davis Farr LLP does not take any exception to the RFP.



Classification	Number of Employees
Partners	8
Managers	9
Supervisors	4
Seniors	15
Staff	12
Administrative	4
Total personnel	52



Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered with the National Association of State Board of Accountancy (NASBA), offering clients continuing professional education (CPE) programs consistent with nationally recognized standards. Our annual GASB Update is a prime example of our dedication to providing CPE opportunities to our clients.

California Society of CPAs (CalCPA) – Many of the CPAs employed by our firm are also members of CalCPA, regularly participating in chapter meetings, education forums, and other events. Our firm’s high standards have been recognized by CalCPA, through their *“Women to Watch”* award in the Experienced Leader category, granted to one of our Partners.

American Institute of Certified Public Accountants (AICPA) – Our firm is also a member of the AICPA, which develops and promotes industry standards in audits, shares educational materials with its members, and enforces compliance with technical and ethical standards.

California Society of Municipal Finance Officers (CSMFO) – We are members of CSMFO, a statewide organization serving all California municipal finance professionals. The Partners of Davis Farr LLP regularly participate in CSMFO chapter meetings and conferences, presenting on a variety of accounting and auditing technical topics. We recently presented at the 2023 CSMFO annual conference.

Government Finance Officers Association (GFOA) – The GFOA strives toward enhancing and promoting the professional management of governmental financial resources for the public benefit. Davis Farr LLP’s Partners are members of the Special Review Committee for the Certificate of Achievement Program, which reviews Annual Comprehensive Financial Reports submitted to GFOA for the Excellence in Financial Reporting Award Program. We continue to advance our knowledge and share our expertise in these institutions, enabling us to deliver the highest-quality services to our clients.



Section B – Qualifications and Related Experience

With a strong track record in servicing governmental entities, Davis Farr LLP has established itself as a leading provider of specialized auditing services throughout Southern, currently, servicing approximately 60 municipal, state, and federal government entities. Our team brings a unique combination of expertise, technical skills and experience in local government accounting and auditing practices to our engagements, ensuring our clients receive the highest level of service possible. Services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Among the government agencies that the professionals of Davis Farr LLP have served recently are the following:

- City of Avalon
- City of Carlsbad
- City of Commerce
- City of Coronado
- City of Costa Mesa
- City of Cypress
- City of Delano
- City of Encinitas
- City of Fontana
- City of Garden Grove
- City of Huntington Beach
- City of Indio
- City of Irvine
- City of Laguna Niguel
- City of Los Angeles
- City of Mission Viejo
- City of Newport Beach
- City of Poway
- City of Rancho Santa Margarita
- City of Santee
- City of South Gate
- City of Vista
- County Los Angeles
- County of Placer
- County of San Diego
- East Orange County Water District
- Hass Avocado Board
- Irvine Ranch Water District
- Imperial LAFCO
- Los Angeles LAFCO
- Orange County LAFCO
- Marin LAFCO
- Placer County LAFCO
- Riverside LAFCO
- San Bernardino LAFCO
- San Diego Association of Governments
- San Diego County Water Authority
- San Diego LAFCO
- Sweetwater Authority
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Vallecitos Water District

Section C – Client References

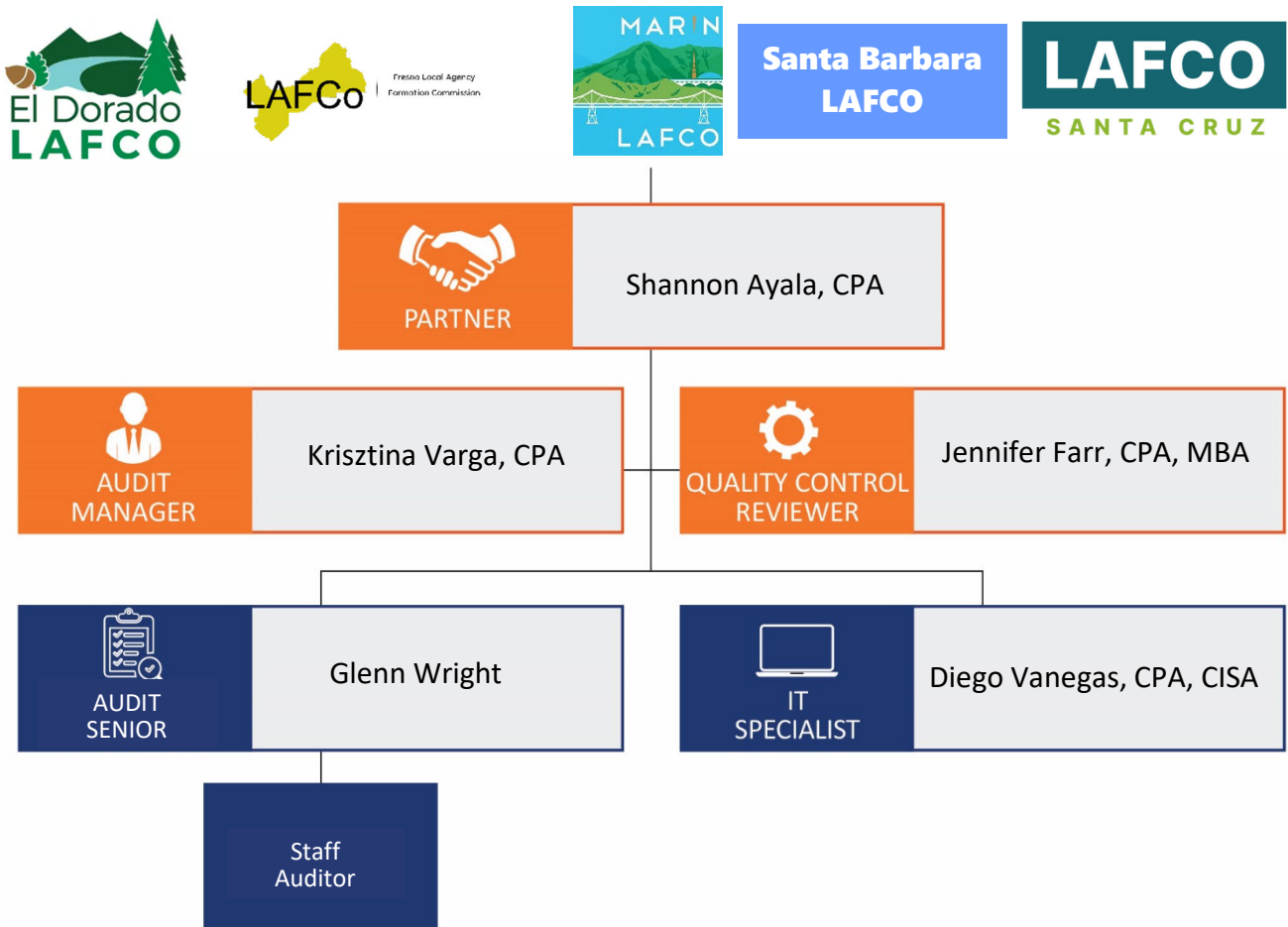
For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several local governments throughout California. For each of the references, we currently serve as independent auditors and have served these clients for a number of years.

CLIENT 1	<p>Imperial LAFCO 1122 W/ State St. Suite, A El Centro, CA</p> <p>Julie Carter, Accounting Manager 760.353.4115 juliec@iclafco.com</p>	<p><i>Financial Statement Audit of the LAFCO</i></p>	<p>95 Hours</p>
CLIENT 2	<p>Placer County LAFCO 110 Maple Street Auburn, CA</p> <p>Michelle McIntyre, Executive Officer 530.889.4014 mmcintyre@placer.ca.gov</p>	<p><i>Financial Statement Audit of the LAFCO</i></p>	<p>90 Hours</p>
CLIENT 3	<p>San Diego County Water Authority 4677 Overland Avenue San Diego, CA</p> <p>Chris Woidzik, Controller 858.522.6679 cwoidzik@cdcwa.org</p>	<p><i>Financial Statement Audit of the Authority and Quantification Settlement Agreement</i></p>	<p>325 Hours</p>
CLIENT 4	<p>Coachella Valley Assoc of Governments 74-199 El Paseo, Ste 100 Palm Desert, CA</p> <p>Claude Kilgore, Director of Finance 760.346.1127 ckilgore@cvag.org</p>	<p><i>Financial Statement Audit JPA Financial Statement Audits Single Audit</i></p>	<p>400 Hours</p>
CLIENT 5	<p>North County Dispatch JPA 16936 El Fuego Rancho Santa Fe, CA</p> <p>Christopher Herren, Administrator 858.756.3006 cherren@ncdjpa.org</p>	<p><i>Financial Statement Audit of the JPA and Single Audit</i></p>	<p>120 Hours</p>

Section D – Proposed Staffing

The success of any audit depends on the availability of personnel with the required managerial and technical skills. The engagement team at Davis Farr LLP has years of collective experience serving as a team of professionals on numerous financial audit examinations of local government entities. Our team will be composed of key personnel, including the Partner, Manager, and Senior Auditor, who will not be removed or replaced without the prior consent of the LAFCOs.

At Davis Farr LLP, we recognize that efficient administrative management and supervision of the audits is a vital factor in attaining the desired results for our clients. To ensure that the auditing process runs smoothly and produces accurate results for the LAFCOs, we have developed a solid organizational structure for providing independent auditing services, as follows:



Section E – Audit Approach

At Davis Farr, we are committed to conducting our engagements in the most efficient manner possible, and our audit approach is tailored to be sensitive to the priorities and requirements of our clients. Some unique features of our approach include:

- We prioritize minimizing disruption to LAFCo staff and completing the audit in a timely manner. To this end, we schedule our audit segments and requested documentation around the schedules of our clients.
- When possible, we strive to make use of existing accounting support materials already prepared by LAFCo staff. This avoids unnecessary duplication of effort and undue requests for supporting schedules. Typically, we request support for balance sheet items, the year-end trial balances and cash and long-term debt confirmations.
- Our expertise and focus is in governmental auditing, and our auditors possess the skills and know-how to address issues that are specific to local governments.
- We believe the key to effective internal control recommendations lies in understanding the unique circumstances and needs of each client we serve. For this reason, we take great care to acquire a comprehensive understanding of the specific circumstances at the LAFCo, so we can formulate practical and tailored recommendations that best meet your needs.
- We also understand that accounting issues can arise at any time of the year, and that addressing these concerns is critical to the success of your organization. That's why we make it our priority to be a constant resource for our clients throughout the year, providing accounting advice, researching technical questions, assisting with tax-related issues and helping with other challenges as they occur.

Audit Software - We utilize the highly versatile CaseWare audit software when generating electronic copies of audit workpapers. We understand the need for flexibility and are able to accept audit documentation in both hard copy and electronic format. CaseWare provides the ability to import trial balances from Excel or text documents, allowing us to begin analyzing figures almost immediately. CaseWare audit software offers numerous benefits, including:

- We create our own lead sheets and analytical review schedules through the software. This limits the amount of time finance staff spends creating audit schedules. The automated process also generates analytical review reports by account number. This makes it easier to examine significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. As a result, we can provide the LAFCo with financial statements soon after receiving the trial balance from the LAFCo. Journal entries are simple to post to the financial statement schedules, minimizing the risk of data entry errors.
- We can provide customized reports that outline the grouping of the financial statement schedules. These reports show each account grouped to a specific financial statement line item and journal entries posted during the audit.

Data Mining Software – At Davis Farr, we pride ourselves on leveraging technology to improve accuracy and efficiency of our audit procedures. Our dedicated team of trained personnel uses specialized data mining software, IDEA, to identify and investigate inconsistencies and irregularities within your accounting system. The software works by analyzing source data pinpoint potential anomalies, including, but not limited to, cross-referencing vendor and employee addresses, detecting duplicate or voided checks, reviewing journal entry posting for unauthorized individuals, and identifying accounting transactions recorded on the weekend. The IDEA software goes a step further by highlighting specific transactions for the auditors to review, thus enhancing the identification of potential fraud or errors.

Internal Control Evaluation – We have developed an effective methodology for evaluating internal controls that ensures we gain an understanding of your organization's procedures. Our approach includes observation and inquiry, which allows us to thoroughly explore the accounting cycles. When assessing internal controls, we invest significant time with the personnel overseeing the accounting process to better understand the procedures in place.

Following this preliminary assessment, we identify key controls in your processes and design customized tests to evaluate the effectiveness of your existing procedures. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will continue to review the accounting cycles mentioned earlier, while refining our approach to other related processes, such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and so forth. Our goal is to continually refine our audit approach to achieve optimal efficiency, increase the scope of our assessments and hone our ability to identify and address potential issues.

Audit Stage	Procedures Performed
<i>Planning and Inquiry</i>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Meet with finance personnel to gain an understanding of significant transactions during the year. ✓ Communicate with the Commission to ensure compliance with relevant laws and regulations and address any concerns they may have regarding the finances of the LAFCo. ✓ Perform internal control evaluations as outlined above. ✓ Determine materiality levels to guide our selection of audit transactions. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Review minutes of the Commission meetings to gain an understanding of financial actions taken by the LAFCo throughout the year. ✓ Examine new contracts, bond documents, and agreements. ✓ Evaluate compliance with investments in accordance with the LAFCo’s investment policy and CA Government Code. ✓ Test purchase orders and contract management. ✓ Test a sample of cash disbursements to determine adherence to policies and internal controls. ✓ Perform a review of the LAFCo’s information systems and controls. ✓ Conduct compliance testing of federal grants, where applicable. ✓ Review the prior audited financial statements and offer feedback to LAFCo staff regarding best practices in financial reporting. ✓ Provide a GASB Update and templates for implementing new accounting standards
<i>Year-End Testing</i>	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> ✓ Confirming 100% of all cash and investment balances and test market values provided by your investment custodians. ✓ Testing for proper cutoffs of accounts receivable and grants receivable. ✓ Testing the additions and deletions to capital assets and reviewing depreciation expense for reasonableness. ✓ Testing current liabilities and perform a search for unrecorded liabilities. ✓ Reviewing unearned revenue balances for proper cutoffs. ✓ Testing the balances of accrued payroll and employee related liabilities. ✓ Confirming long-term debt with independent parties, when applicable. ✓ Testing of actuarial valuations and calculations related to pension and OPEB obligations and disclosures under GASB 68 and 75, if applicable. ✓ Evaluating claims and judgments payable. ✓ Testing of restrictions and classifications of net position. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements.

Audit Stage	Procedures Performed
	<ul style="list-style-type: none"> ✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc. <p>This list of tests, while not exhaustive, represents some of the critical procedures that we undertake during the audit process. During the final stage of the audit, we review our findings and necessary adjustments with your Finance staff. We will ensure you are fully informed of any adjustments or recommendations and that all your questions and concerns are addressed.</p>
<p>Completion of the Audit and Preparation of Financial Statements</p>	<p>Our goal is to deliver comprehensive, audited financial statements that conform to generally accepted accounting principles. Throughout the audit, we scrutinize all relevant information to ensure a reliable and accurate representation of LAFCo’s finances. The culmination of this audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ Reviewing significant events following the year-end closing process. ✓ Reviewing attorney letters for significant legal matters. ✓ Providing five levels of review on the LAFCo’s Financial Statements. ✓ Meeting with the Commission to present the audit results, if requested.

Section F – Implementation of New GASB Pronouncements

We are committed to helping our clients navigate the ever-changing world of accounting standards. We understand implementing new standards presents significant challenges, and we provide guidance and support to help our clients implement these changes efficiently and effectively. In the upcoming years, LAFCo will be required to implement several new accounting standards. Our services extend to consulting on these new standards to ensure your organization is well-prepared to meet the specified requirements.

Below are some of the significant new GASB pronouncements planned or proposed for local governments that may impact the LAFCo:

<i>GASB 100: Accounting Changes and Error Corrections</i>	This statement provides guidance on accounting changes and accounting for different types of accounting changes and error corrections in the financial statements. This statement is effective for the fiscal year ending June 30, 2024.
<i>GASB 101: Compensated Absences</i>	This statement provides guidance on accounting changes and financial reporting related to compensated absences. This statement is effective for the fiscal year ending June 30, 2025.

Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed for the LAFCo is as follows:

- Conducting an audit examination of the financial statements of the LAFCo for the fiscal year ending June 30, 2024, through June 30, 2029. The audit will be conducted in accordance with generally accepted auditing standards, the AICPA Audit and Accounting Guide, Audits of State and Local Government Units, and the Government Auditing Standards issued by the Comptroller General of the United States. We will ensure that the Basic Financial Statements are prepared in conformity with the most recent edition of the GAAFR, the GAAFR Update, and subsequent GASB pronouncements.
- When necessary, we will perform a compliance audit of federal expenditures in accordance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* in any year the LAFCo has federal expenditures of more than \$750,000.
- We will prepare a “management letter” to the Commission summarizing the audit results in accordance with the Codification of Auditing Standards Section AU-260, and including recommendations for improvements in internal control that are considered to be non-reportable conditions.
- We will prepare a letter to the Commission reporting any internal control issues that meet the threshold of a significant deficiency or material weakness, as defined by the Codification of Auditing Standards Section AU-265. We will immediately report any irregularities or illegal acts that come to our attention to management and/or those charged with governance.
- If requested, we will meet with the Commission to discuss the results of the audit.
- Finally, we consider our role as advisors to the LAFCo regarding generally accepted accounting principles to be an essential part of our services. Throughout the year, the management and other finance personnel of the LAFCo will have full access to us to our team to seek advice on various matters relating to the application of generally accepted accounting principles, financial statement preparation and content, debt issuances, upcoming accounting standards and any other issues that may arise.

Section H – Proposed Timing of the Audits

The following proposed timing is subject to each LAFCO’s specific requirements, however, here is a general timeline of the audits:



Section I – Proposed Fees and Segmentation of the Audit

Please see the appendix for cost information for each LAFCO.

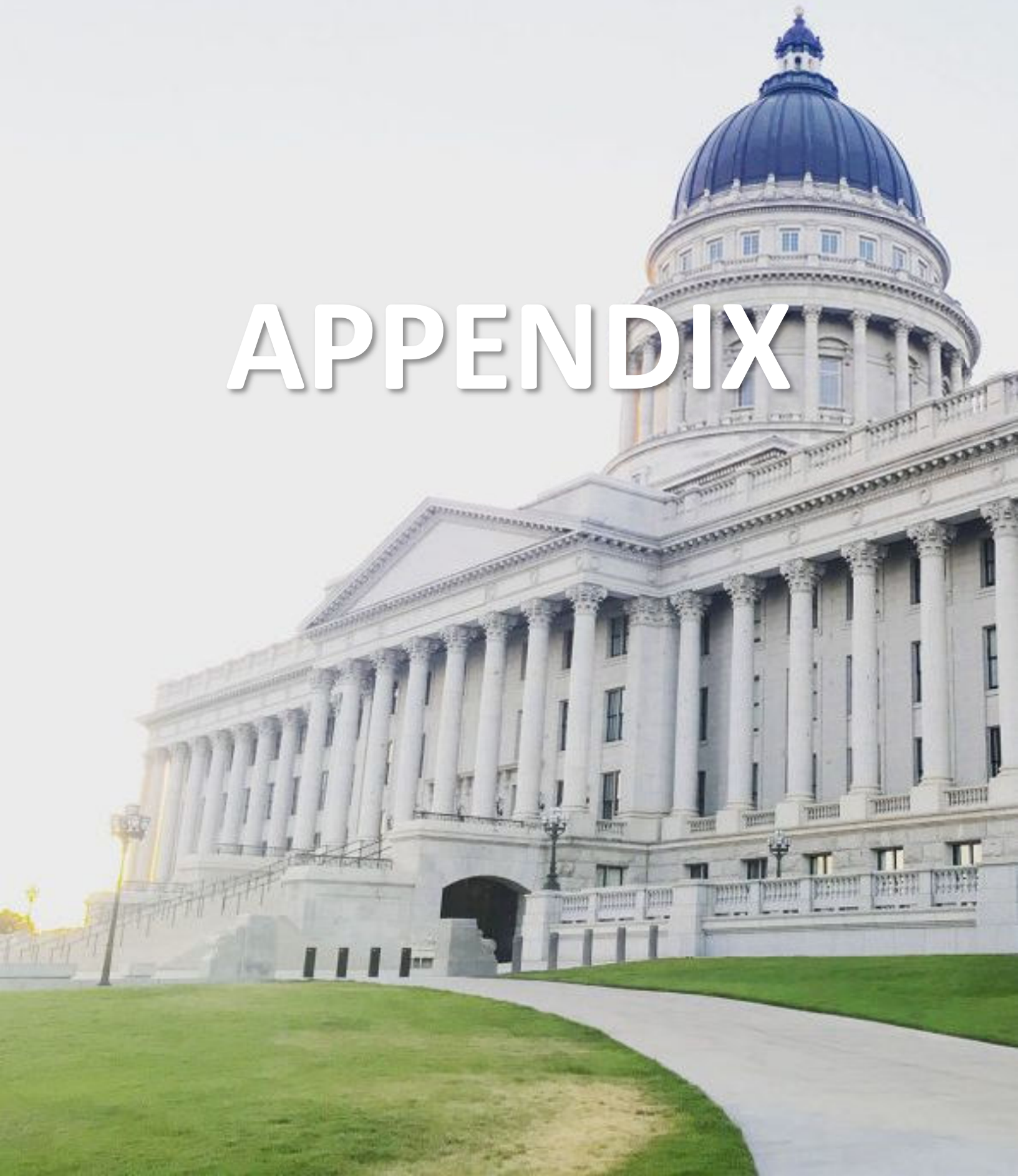
The following is our estimate of the hours by professional classification required to perform the services previously outlined:

Classification	Hours	Percentage
<i>Partner</i>	<i>8</i>	<i>9%</i>
<i>Manager</i>	<i>8</i>	<i>13%</i>
<i>Audit Supervisor/Senior</i>	<i>50</i>	<i>43%</i>
<i>Staff Auditor</i>	<i>30</i>	<i>35%</i>
Total	96	100%

For additional work performed outside of the engagement, our rates are as follows:

<i>Partner</i>	<i>\$250</i>
<i>Manager</i>	<i>180</i>
<i>Supervisor/Senior</i>	<i>130</i>
<i>Staff</i>	<i>110</i>

APPENDIX



Davis Farr LLP

LAFCo	FY 23-24	FY24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
El Dorado*	\$11,875.00	\$12,465.00	\$13,090.00	\$13,740.00	\$13,740.00	\$13,740.00
Fresno**	\$13,125.00		\$14,470.00		\$14,990.00	
Marin-***		\$10,400.00	\$10,920.00	\$11,450.00	\$11,450.00	\$11,450.00
Santa Barbara*	\$11,875.00	\$12,465.00	\$13,090.00	\$13,740.00	\$13,740.00	\$13,740.00
Santa Cruz****	\$13,750.00	\$12,465.00	\$13,090.00	\$13,740.00	\$13,740.00	\$13,740.00

*Based on 95 hours for the first year engagement with prior year audited financial statements completed.

**Bi-annual audit - based on 105 hours, as a bi-annual audit requires additional work on the balances for the preceding year.

***Based on previous knowledge of hours required to complete audit as Marin is a current client.

****First ever audit and as such, there is additional work that needs to be completed. Subsequent years based on recurring annual audits.

Note: Cost savings can be realized by each LAFCo based on preparedness and responsiveness of staff during audit.

PLEASE PROVIDE THE NOT TO EXCEED AMOUNT FOR EACH YEAR.

Black Box means that LAFCo does not need an audit for that FY.



Shannon Ayala, CPA

Partner

Ms. Ayala will serve as the Quality Control Reviewer on this audit. She will be involved in approving the audit plan, reviewing key audit workpapers, reviewing all reports and acting as a second technical resource. Ms. Ayala is a Certified Public Accountant with twenty years of audit experience, spending most of that time on audits for local governments in San Diego County. Ms. Ayala has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance, and compliance audits.

Employment History

- Davis Farr LLP – Since 2015
- National CPA Firm – 10 years
- Lennar Homes – 2 years

Education

- Bachelor of Science - Accounting (San Diego State University)

Licenses / Registrations

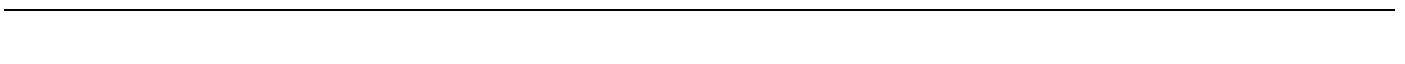
- California CPA Certificate No. 88126

Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers

AUDITS OF GOVERNMENTAL AGENCIES

- | | |
|--|--|
| ✓ City of Carlsbad | ✓ Rancho California Water District |
| ✓ City of Coronado | ✓ San Diego Local Agency Formation Commission |
| ✓ City of Del Mar | ✓ San Diego County Water Authority |
| ✓ City of Escondido | ✓ San Diego Association of Governments |
| ✓ City of Poway | ✓ Salton Sea Authority |
| ✓ City of San Marcos | ✓ San Dieguito River Park Joint Powers Authority |
| ✓ City of Santee | ✓ Sweetwater Authority |
| ✓ Imperial County Local Agency Formation | ✓ Vallecitos Water District |
| ✓ Leucadia Wastewater District | ✓ Rancho California Water District |





Jennifer Farr, CPA, MBA

Partner

Ms. Farr will serve as the Quality Control Reviewer on this audit. She will be involved in approving the audit plan, reviewing key audit workpapers, reviewing all reports and acting as a second technical resource. Ms. Farr is a Certified Public Accountant with over 20 years of experience in local government auditing. Ms. Farr is a frequent speaker on matters pertaining to technical issues and new GASB pronouncements. Ms. Farr is also responsible for training in the area of local governmental accounting and auditing.

Employment History

- Davis Farr LLP – Founding Partner
- Shareholder – National CPA Firm

Education

- Bachelor of Arts - Business Administration / Accounting (California State University, Fullerton)
- Bachelor of Arts - English (California State University, Fullerton)
- Master of Business Administration (California State University, Fullerton)

Licenses / Registrations

- California CPA Certificate No. 76292, October 1998

Professional Affiliations & Awards

- California Society of Certified Public Accountants
- Government Accounting & Auditing Committee
 - Current Chair of Committee
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Financial Review Committee

AUDITS OF GOVERNMENTAL AGENCIES

- | | | |
|---------------------------|------------------------|-----------------------------------|
| ✓ City of Avalon | ✓ City of RSM | ✓ Inland Empire Utilities Agency |
| ✓ City of Carlsbad | ✓ City of Rosemead | ✓ Irvine Ranch Water District |
| ✓ City of Commerce | ✓ City of Santa Ana | ✓ Leucadia Wastewater District |
| ✓ City of Campbell | ✓ City of Santee | ✓ Mesa Water District |
| ✓ City of Coronado | ✓ City of South Gate | ✓ Moulton Niguel Water District |
| ✓ City of Costa Mesa | ✓ City of Villa Park | ✓ Orange County Water District |
| ✓ City of Encinitas | ✓ City of Walnut Creek | ✓ Placer County Water Agency |
| ✓ City of Fontana | ✓ City of West Covina | ✓ San Diego Assoc. of Governments |
| ✓ City of Fountain Valley | ✓ City of Whittier | ✓ Sweetwater Authority |
| ✓ City of Garden Grove | ✓ City of Woodland | ✓ Tahoe Transportation District |
| ✓ City of Indian Wells | ✓ City of Tustin | ✓ Tahoe Regional Planning Agency |
| ✓ City of Mission Viejo | ✓ Cucamonga Valley WD | ✓ West Basin Municipal Water |
| ✓ City of Palm Springs | ✓ Eastern Municipal WD | ✓ Yucaipa Valley Water District |



Diego Vanegas, CPA, CISA, CITP

Partner

Mr. Vanegas will serve as the IT Specialist on the engagement. Mr. Vanegas, CPA, CISA, CITP has over 16 years of progressive governmental accounting and audit experience, including extensive compliance audit experience for governmental and non-profit agencies. He has been involved in financial/compliance audits, internal control audits and assessments, operational/performance audits, and cost proposal analysis/price reviews for various governmental agencies. Mr. Vanegas has served in many capacities depending on the size and requirements of the engagements. He has participated in audits of federal agencies such as NSF, CMS, and CNCS, among others. Additionally, Mr. Vanegas has been involved in agreed-upon-procedures and audit engagements of state/local agencies. These engagements have often combined both financial and compliance aspects of the audit as well as Information Technology (IT). Furthermore, he has strong internal control audit experience through the performance of System and Organization Control examinations of the internal controls of service organizations, as well as knowledge of Government Auditing Standards, Office of Management and Budget (OMB) Circular A-87 and the Federal Acquisition Regulations (FAR).

Employment History

- Davis Farr LLP: Partner – January 1, 2018 – Present
- Davis Farr LLP: Manager – June 2015 – December 31, 2017
- Top 10 National CPA Firm – May 2005 - June 2015

Education

- Bachelor of Science in Business Administration, with an emphasis in Accounting (California State University - Los Angeles)
- Bachelor of Science in Computer Information Systems, with an emphasis in Business Systems (California State University - Los Angeles)

Licenses / Registrations

- CA CPA Certificate No. 113040
 - Certified Information Systems Auditor
 - Certified Information Technology Professional, No. 3298
-



Krisztina Varga, CPA

Manager

Ms. Varga will serve as the manager on this engagement. She will be responsible for managing the engagement, providing technical assistance, reviewing reports and supervising staff. Ms. Varga has five years of audit experience, spending the majority of that time on audits for non-profits, and local government. The types of audits Ms. Varga has been involved in include: financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; and Single Audits in accordance with OMB Circular A-133.

Employment History

- Davis Farr LLP – Since 2017
- Inveco USA – 2012-2017

Education

- Bachelor of Arts in Business Administration/Accounting (California State University, San Marcos)

Licenses / Registrations

- California CPA Certificate
No. 145505

AUDITS OF SPECIAL DISTRICTS

- ✓ Community Colleges of Spokane
- ✓ Eastern Municipal Water District
- ✓ Encinitas Ranch Golf Authority
- ✓ Imperial County LAFCO
- ✓ Leucadia Wastewater District
- ✓ Rancho California Water District
- ✓ Ramona Municipal Water District
- ✓ San Diego Association of Governments
- ✓ San Diego County LAFCO
- ✓ San Diego County Water Authority
- ✓ San Diego County of Emergency Services
- ✓ San Diego Geographic Information Source
- ✓ San Dieguito River Park Valley JPA

AUDITS OF NON-PROFITS

- ✓ Family YMCA of the Desert
- ✓ San Diego Children's Discovery Museum

AUDITS OF LOCAL GOVERNMENTS

- ✓ City of Carlsbad
 - ✓ City of Poway
 - ✓ City of Santee
 - ✓ City of Vista
 - ✓ County of San Diego
-



Glenn Wright

Senior Auditor

Mr. Wright will serve as the in-charge on this engagement. He will be the main point of contact for the staff. He will be responsible for supervising the staff. Mr. Wright has eight years of audit experience in public accounting. Mr. Wright has spent time on audits for special districts and local government engagements. The types of audits Mr. Wright has been involved in include: financial audits of non-profits, cities and special districts, and Single Audits in accordance with Uniform Guidance. Before joining Davis Farr, Mr. Wright spent six years as an external auditor for Big 4 and other top 10 Audit firms.

Employment History

- Davis Farr LLP – 2023 - Present
- BDO USA LLP – 2022-2023
- Ernst & Young – 2021 – 2022
- CBIZ MHM, LLC – 2019 – 2021
- Considine & Considine 2016 - 2019

Education

- Bachelor of Science in Accountancy
(San Diego State University)
- Master of Science in Accountancy: Audit & Assurance
(San Diego State University)

AUDITS OF LOCAL GOVERNMENTS

- ✓ City of Vista
- ✓ City of Coronado
- ✓ City of Tustin

AUDITS OF SPECIAL DISTRICTS

- ✓ Rincon Del Diablo Water District
- ✓ Otay Water District
- ✓ Vista Irrigation District

AUDITS OF ASSOCIATIONS AND COMMISSIONS

- ✓ San Diego Association of Governments
- ✓ Coachella Valley Association of Governments
- ✓ Coachella Valley Conservation Commission
- ✓ Desert Community Energy



Report on the Firm's System of Quality Control

Davis Farr LLP

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and examination of a service organization (SOC 1 engagement).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

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CPAmerica
Member  Crowe Global

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

GYL LLP

Ontario, California
August 8, 2022



DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
August 8th, 2024
Item No. 8(Business Item)

TO: Policy and Personnel Committee

FROM: Jason Fried, Executive Officer
(On behalf of Chair Chu, and Committee Members Coler and Lucan)

SUBJECT: Discussion and Possible Changes To the Policy Handbook

Background

On July 25, 2024, the Policy and Personnel Committee met to review and make recommendations for changes to the current Policy Handbook. The current handbook was approved by the Commission on April 11, 2019. Since then, we have made a few minor changes with the last one being on October 23, 2023. This is the first full review, outside of the minor changes, of the Policy Handbook since it was approved 5 years ago.

Attached is a redline edit of all suggested edits to the handbook which is then followed by new policies being suggested by the Committee. Should the full Commission end up approving a new policy staff will find the appropriate place in the handbook to place new policies and deal with any edits needed due to changes.

The following are the reasons for suggested changes to specific sections of the Policy Handbook.

Section 1.2 – Change to update our current office hour system.

Section 3.1 (A)(iv) – Section added to fully clarify the Commission's recent opinion that all applicants for the public seat should expect to be at the Commission meeting if they wish to be appointed. There is an allowance for a candidate to join remotely if for medical reasons in a similar manner to what the Commissioner can do.

Section 3.1 (A)(vii) – Prior to 2019, the Commission had its two (regular and alternate) public seats alternated on its four-year appointments so one seat was up every two years. After the 2019 appointment process, the Commission decided that it wanted to align the two seats so they would be appointed at the same. A policy was crafted to make this happen with the 2023 public seat appointment process. Now that the process has occurred the committee is suggesting changes to show the two seats are now appointed at the same time and to help simplify the policy.

Section 3.4 (A) and (B) – The committee updates both of these sections to clarify and change current practices the Commission has had. The Committee viewed attending conferences and trainings as voluntary items and not requirements for service on the Commission so wanted to not have stipends paid out for attending. The Committee also recognized that in some limited cases, it may cause a financial burden to attend and did not want that to be a hindrance so wanted to allow for stipends to be paid if such a situation occurs. Staff drafted new language to address this situation should it occur. In addition, the committee clarified that reasonable costs should be in line with general federal practices and that Commissioners will need to submit reimbursement requests within 60 days of the activity occurring.

Section 3.5 – The Committee made three updates to this section. Based on past discussions of the Commission the question of the rotation of Chair was reviewed. After a lengthy discussion the Committee decided that while having a change in Chair from time to time can be good, the rotating Chair system that some other LAFCos have is not in our LAFCo's best interest. Instead what the Committee is recommending is that no one Commissioner should be chair for more than 3 consecutive years. This will not require or guarantee any one Commissioner will serve for three consecutive years but will simply limit them to that should the Commission elect them for three consecutive years. In

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

Dennis Rodoni, Vice-Chair
County of Marin

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

Barbara Coler, Chair
Town of Fairfax

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

Lew Kiou, Regular
Almonte Sanitary District

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

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

addition, two subsections are being deleted. Section (A)(ii) is a repeat of the previous item and section (A)(iv) which deals with emergency OSA is better covered under Section 4.9 (H).

Section 3.9 – Add similar language that staff other than the EO may take the lead on scheduling and staffing a committee. For example, currently, the Deputy EO is responsible for doing all of this work for the Legislative Committee.

Section 3.9 (A)(i) – Simple addition mentioning that the Committee also handles the review and suggested updates to the fee schedule every other year.

Section 3.9 (A)(ii) – Upon review the committee did not think it should be a requirement that Chair and/or Vice Chair serve on the Policy and Personnel Committee. This would not stop the Chair in their duties of assigning committees to have one of them serve on the committee.

Section 3.12 – Last year the Commission increased the requirements from \$3,000 to \$3,500 when one signature or two signatures are required on a check. This change will make this consistent with that change.

Section 3.13 (B)(iii) – Two small changes to a policy that predates current staff. The committee changed the amount when money should be transferred from zero to \$1,000 to our checking account to help ensure we don't accidentally have any checks bounce. In addition, money is transferred online, and "signature" is not really used anymore for this process so changed that to "authorization" which better reflects how this occurs.

Section 3.13 (G) – Simple change since Marin County does not play any role in our payroll process.

Section 4.9 (H) – The committee wanted to clarify how the emergency OSA should occur as there has been a conflict with this policy and the previously mentioned authority of the Chair. The committee felt that formal authorization should occur with the EO as this section states but wanted to make sure that the Chair or Vice-Chair is informed of these emergency OSA. In addition, language was added at the end of this section that in the emergency OSA situation the property owner either needs to fix the issue and disconnect or return with an application for annexation within one year. One year was picked because it both gives the applicant time to deal with the emergency and time to get an application to us along with the fact that CKH by default has a clause that any condition of approval of a regular application is given automatically one year to complete unless the Commission approves a different time frame.

Section 4.15 – This section predates current staff, and the update was done by our legal counsel. Protest proceedings are a rare occurrence in Marin County, and current staff generally have been able to get everyone on the same page before moving an application forward. However, we have had one instance where some members of the public triggered this section. Legal counsel correctly changed the title of this section from hearing to process since that is what it is. CKH also allows for the Commission itself to either oversee the process or delegate it to staff. When we went through this one protest proceeding staff and legal counsel noticed that while it was the intent of the Commission to have staff take care of this whole process, the way the policy was written only authorized staff to do most of the process but not the finishing parts. For this reason, staff brought the finishing part back to the Commission for approval. At the time the Commission agreed that they wanted to give staff the ability to finish the process so the additions proposed by legal counsel will do that.

New Policy – The Budget Committee at its meeting earlier this year wanted to suggest to the Policy Committee that a new reserve fund be created for legal services. While we don't have an annual need for high amounts of legal services, in any given year we may have them. The Budget Committee would like to in the future tighten the legal services line item and create a reserve for years where we may have higher than normal costs and lower the amount we budget for annually. The committee is suggesting a new policy which is a combination of our current policies 3.10(B)(viii) and 3.10(B)(ix) which are our consultant reserve and office equipment IT funds. Other LAFcos that have a reserve similar to what the Committee is looking to do set their reserve between \$50,000 - \$135,000. Most LAFcos are at the lower end of that range. The committee is suggesting that the reserve amount be set at \$50,000 with the understanding that it may take a few years to get to that amount in the reserve account.

Staff Recommendation for Action

1. Staff Recommendation – Accept the changes and additions the Committee is recommending to the Commission with any edits the Commission desires.
2. Alternate Option – Continue this item to a future Commission meeting for further review and consideration.
3. Alternate Option – Send the Policy handbook back to the committee with instructions on what additional work the Commission would like to see done.
4. Alternate Option – Decide not to make any changes and keep the handbook as is with no edits.

Attachment:

1. Marin LAFCo Policy Handbook with suggested redline edits
2. New Policy to be added to the handbook.

New Policy – Legal Reserve

Marin LAFCo may need in any given year to utilize legal services for more hours than had been originally anticipated when creating the budget. In order to mitigate large increases in requests from member agencies, LAFCo will maintain a reserve fund to fund this need when the Commission approves the need. LAFCo shall have a goal of building this reserve fund to \$50,000. The money for this will come from any unspent funds at the end of the fiscal year from the Legal Service line item in the LAFCo budget. Once this fund has \$50,000 in it, any leftover funds from the Legal Service line item shall be put into the unrestricted reserve account as described in LAFCo Policy 3.10 (B)(vii). If determined needed by the Commission, a new line item can be added to the budget to help raise money for this fund.

**MARIN COUNTY
LOCAL AGENCY FORMATION COMMISSION**



**POLICY HANDBOOK
POLICIES, PROCEDURES, AND GUIDELINES**

**ADOPTED
APRIL 11, 2019, AND LAST REVISED OCTOBER 23, 2023**

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CHAPTER 1 INTRODUCTION

1.1 INTRODUCTION AND PURPOSE

The California Legislature requires local agency formation commissions, or LAFCOs, to adopt policies and procedures to govern the implementation of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 in all 58 counties. This Policy Handbook serves as Marin LAFCo’s principal document in outlining its policies consistent with the collective preferences of the Commission to promote and produce orderly local government. Nonetheless, Marin LAFCo reserves discretion in administering the Policy Handbook to remain responsive to unique and changing circumstances.






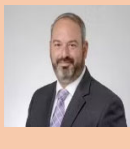

1.2 CONTACT INFORMATION

Marin LAFCo
1401 Los Gamos Drive, Suite 220, San Rafael, California 94903
(415) 448-5877
staff@marinlafco.org
<http://www.marinlafco.org>
Business Hours: 9 am to 5 pm, Monday through Friday

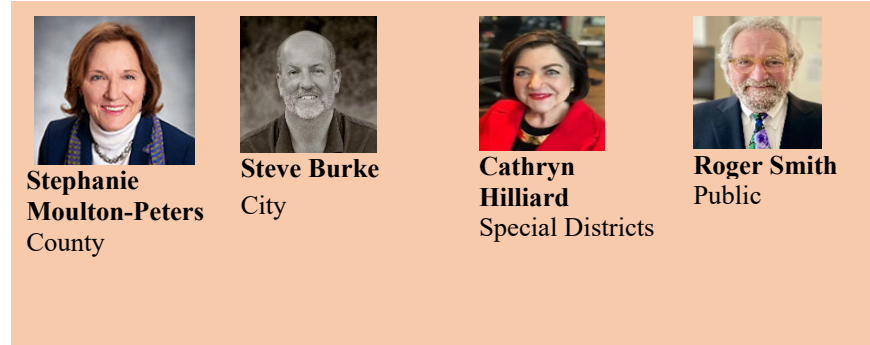
~~Because~~ Marin LAFCo is a small governmental agency. We hold open office hours on Wednesday for drop-in meetings. While staff may be in the office on other days the office is sometimes closed during normal business hours when staff is in the field. Appointments to discuss proposals or other matters are strongly encouraged on days other than Wednesday.

1.3 BOARD OF DIRCETORS

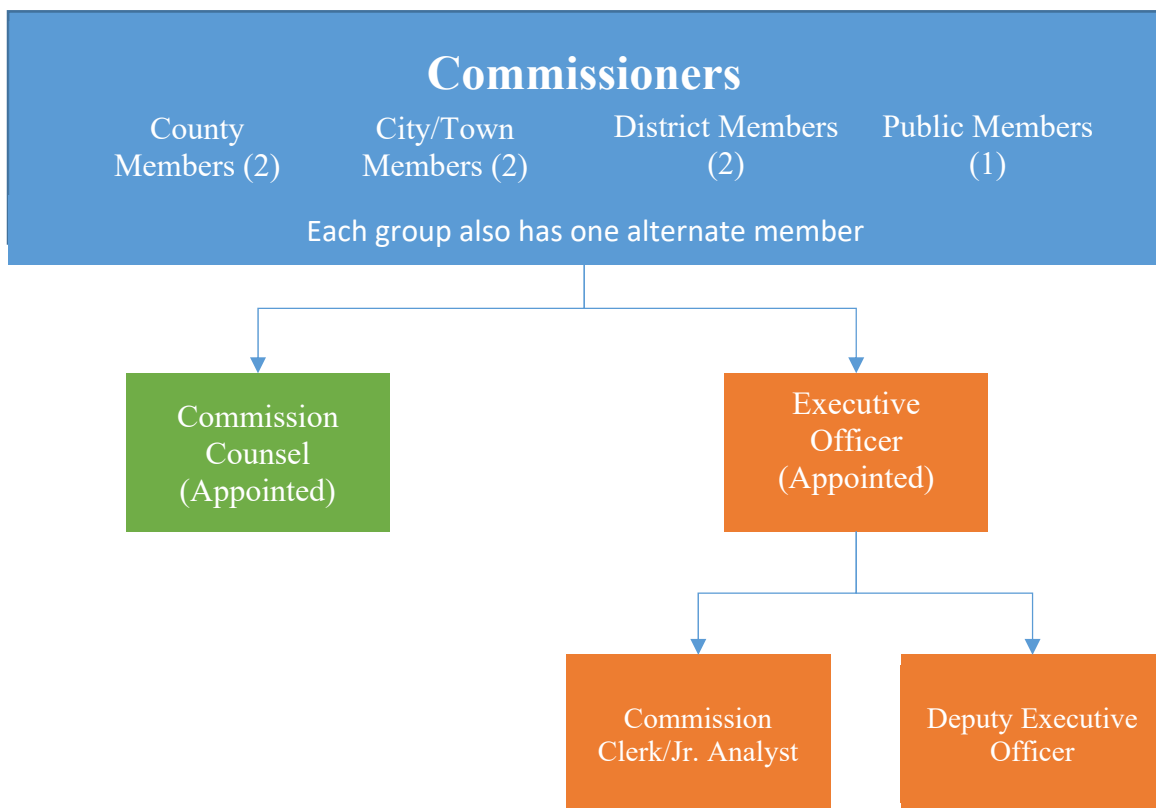
Regular Members

						
Barbara Coler Chair City	Dennis Rodoni Vice Chair County	Lew Kiou Special Districts	Craig K. Murray Special Districts	Eric Lucan County	Steve Burdo City	Larry Chu Public

Alternate Members



1.4 ORGANIZATIONAL CHART



1.5 AUTHORIZED AMENDMENTS BY STAFF

Staff is authorized to make clerical changes to the Policy Handbook without needing Commission approval.

CHAPTER 2 GENERAL AUTHORITY & MANDATE

2.1 MISSION STATEMENT

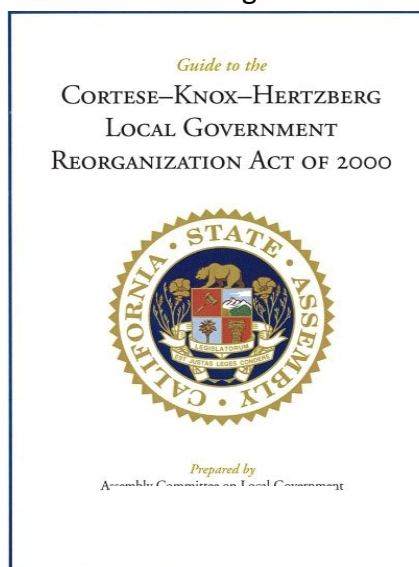
Marin LAFCo promotes and coordinates the efficient delivery of local governmental services and encourages the preservation of open space and agricultural lands.

2.2 LEGISLATIVE AUTHORITY AND DUTIES

2.2 (A) Responsibilities

Marin LAFCo is responsible for administering the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). This includes regulating and planning the orderly formation and expansion of local government agencies and their municipal service areas based on local conditions and circumstances. In carrying out its duties, LAFCo is required to balance orderly development with the competing state interests of discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently extending government services, and providing housing for persons and families of all incomes (Government Code §56001).

Marin LAFCo is subject to a variety of State statutes aimed at accountable and open government. This includes, but is not limited to, the California Environmental Quality Act (CEQA), the Ralph M. Brown Act, and the Public Records Act.



2.2 (B) Decision-Making

Decision-making at Marin LAFCo is directly vested with the 7-member Commission. State law specifies all Commission members shall exercise their independent judgment on behalf of the interests of the public as a whole and not on behalf of their appointing authorities (Government Code §56325.1).

2.2 (C) Enforcement

As with all state laws, the Commission takes its responsibilities and duties under CKH seriously and requires that applicants fully comply with CKH, including without limitation submitting an application to LAFCo and complying with all conditions of approval in a timely manner. If an applicant and/or real party in interest fails to comply with any part of CKH or any related LAFCo regulations, the Commission shall consider all means to obtain compliance, including litigation.

2.3 LOCAL AGENCIES SUBJECT TO MARIN LAFCo JURISDICTION

Marin LAFCo has explicit jurisdiction over 62 local governmental agencies throughout Marin County. These agencies include 11 cities/towns, 30 independent special districts (directly elected board members), and 21 dependent special districts (board members appointed from other governmental agencies). A current listing of the local agencies subject to LAFCo’s regulatory and planning oversight follows.

Cities/Towns	Independent Special Districts	Dependent Special Districts
Belvedere Corte Madera Fairfax Larkspur Mill Valley Novato Ross San Anselmo San Rafael Sausalito Tiburon	Almonte Sanitary District Alto Sanitary District Bel Marin Key Community Services District Bolinas Fire Protection District Bolinas Community Public Utility District Homestead Valley Sanitary District Inverness Public Utility District Kentfield Fire Protection District Las Gallinas Valley Sanitary District Marin City Community Services District Marin County Resource Conservation District Marin Healthcare District Marin Municipal Water District Marinwood Community Services District Muir Beach Community Services District North Marin Water District Novato Fire Protection District Novato Sanitary District Richardson Bay Sanitary District Ross Valley Sanitary District No. 1 Sausalito-Marin City Sanitary District Sleepy Hollow Fire Protection District Southern Marin Fire Protection District Stinson Beach Fire Protection District Stinson Beach Water District Strawberry Recreation District Tamalpais Community Services District Tiburon Fire Protection District Tiburon Sanitary District No. 5 Tomales Village Community Services District	Community Service Area 1 (Loma Verde) Community Service Area 6 (Santa Venetia) Community Service Area 9 (Northbridge) Community Service Area 13 (Upper Lucas Valley) Community Service Area 14 (Homestead Valley) Community Service Area 16 (Greenbrae) Community Service Area 17 (Kentfield) Community Service Area 18 (Gallinas Village) Community Service Area 19 (Unincorporated San Rafael Area) Community Service Area 20 (Indian Valley) Community Service Area 27 (Ross Valley) County Service Area 28 (West Marin) County Service Area 29 (Paradise Cay) Community Service Area 31 (Unincorporated Area) Community Service Area 33 (Stinson Beach) Corte Madera Sanitary District No. 2 Marin County Flood Control and Water Conservation District Marin County Parks Open Space District San Quentin Village Sewer Maintenance District San Rafael Sanitation District

2.4 LOCAL AGENCIES NOT SUBJECT TO MARIN LAFCO JURISDICTION

State law exempts several types of local agencies from direct LAFCo oversight, including school districts, community college districts, assessment districts, improvement districts, community facilities districts (Mello Roos), air pollution control districts, bridge districts, highway districts, and transit districts.

Other types of local agencies that are indirectly overseen by LAFCOs include counties (typically through the operations and services of their surrogate dependent districts), as well as joint-powers authorities (JPAs) if their membership includes a city/town or district.

CHAPTER 3 LAFCO BUSINESS AND OPERATIONS

3.1 SELECTION OF COMMISSIONERS

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

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

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

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

3.1 (A) Procedures for Selection of Public Members

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

3.1 (A)(i) Ninety (90) days prior to an appointment, the Executive Officer shall issue a news release announcing the pending vacancy on the Commission and solicitation of applications.

3.1 (A)(ii) The news release shall be mailed or emailed to the Marin Independent Journal and local newspapers within Marin County. Additionally, the news release shall be mailed or emailed to all current regular and alternate members of Marin LAFCo, the clerk or secretary of the Board of all local governments within Marin County and to community organizations including homeowners' associations and civic groups on file with the Marin LAFCo and shall be posted as provided by Government Code §56158.

3.1 (A)(iii) The application period shall be at least twenty-one (21) days and shall begin upon the date legal notice appears in the Independent Journal, a posting of the notice as provided by Government Code

§56158, and notice sent to the clerk or secretary of the Board. Among other things, the notice/news release shall outline the function and purpose of the Commission, indicate the application filing period, and invite interested persons to contact the Executive Officer for an application and information concerning the general duties and responsibilities of the public member.

- 3.1 (A)(iv) Interviews for pending vacancies for expiring terms should be held during the month of April prior to the May expiration date of the current member's term of office, if possible. A standard list of questions should be asked to each candidate as agreed to by the Commission. As required by the Ralph Brown Act, interviews shall be conducted in public sessions and formal selection shall be confirmed at a regular public meeting. [Members of the public wishing to be appointed shall attend the April meeting in person for the interviews. If a member of the public cannot attend in person due to illness that would qualify them to attend remotely in accordance with state law, they must make a request of the EO and/or Commission staff to do so.](#)
- 3.1 (A)(v) With respect to selection and eligibility criteria, and in addition to requirements under Government Code the public member shall be a resident of Marin County and not currently an officer or employee of a local agency subject to Marin LAFCo jurisdiction. The public member shall also not concurrently hold any elected or appointed office with a local government agency that makes or informs land use or municipal service decisions while serving on the Commission. In selecting the public member, the Commission shall consider the candidate's qualifications as described in his or her letter of interest and the reasons listed for wanting to serve as a member of the Commission.
- 3.1 (A)(vi) In the event a vacancy occurs during the public member's term of office, a new appointment shall be made for the unexpired term in a timely manner. The Commission may: (a) Direct the Executive Officer to send out a news release announcing the vacancy and solicit applications for future consideration by the Commission; or (b) Appoint the alternate public member to serve as regular public member until the appointment and qualification of regular public member to fill the vacancy.
- 3.1 (A)(vii) The terms for the Public Seat shall be as follows:
- 3.1 (A)(vii)(1) Regular and Alternate Public Seat shall be appointed in ~~2023~~ and every four years thereafter.

~~3.1 (A)(vii)(2) Alternate Public Seat shall be appointed in 2017 and again in 2021. The 2021 seat shall be for just 2 years to align the appointment with the Regular Public Seat and then shall be every four years thereafter.~~

3.1 (B) Procedures for Selection of Special District Members

Government Code §56332(c)(1) provides for selection of regular and alternate special district members by a mail ballot process when the Executive Officer determines that a meeting of the Special District Selection Committee is not feasible. On October 6, 2020, the SDSC held a vote where it approved a new format for it to hold elections which works with the Marin County Special Districts Association (MCSDA) to help hold those elections. Based on these rules LAFCo will inform the MCSDA of any current or upcoming vacancies occurring due to resignation or term expiration of a Special District member. Should MCSDA not be able to assist SDSC in holding a LAFCo Special District Seat election for any reason then LAFCo shall use the most recent election rules approved by the SDSC that it has on file.

3.2 ROLE OF COMMISSIONERS

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

3.3 DISQUALIFICATION AND CONFLICT OF INTEREST

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

3.4 COMMISSIONER COMPENSATION

3.4 (A) Stipends

Commissioners shall receive a stipend of \$125 per regular or special meetings of Marin LAFCo and for each day of attendance at standing or ad hoc Commission committee

meetings. Alternate commissioners shall receive an equal stipend for attending regular or special meetings irrespective of voting status. Commissioners shall not receive more than five stipends per month. Should a Commissioner be interested in attending but not able to attend a conference or training due to financial constraints they can submit a request prior to the attending to the EO and Chair who shall review the situation and can authorize a stipend to be allowed.

3.4 (B) Expense Reimbursements

Stipends shall be in lieu of claiming reimbursements for actual expenses related to meetings. Commissioners shall receive reimbursement for reasonable and necessary expenses incurred in performance of official Commission business, ~~including attendance at CALAFCO conferences or training sessions.~~ Commissioners will not receive a stipend for attending conferences but will receive reimbursement for reasonable and necessary expenses incurred in the performance of official Commission business related to attending CALAFCO conferences or training sessions. These costs shall be in line with federal regulations and practices for reimbursements. ~~Reasonable and necessary expenses shall include the costs of transportation, lodging, food, communications, training, or events related to service on the Commission.~~

Claims for expense reimbursement for Commissioners shall be submitted to Staff for processing. Reimbursement requests that include receipts shall be submitted within 60 days of the incurrence of the expense. Claims for expense reimbursement for the Executive Officer shall be submitted to the Chair for approval and returned to staff for processing. All other staff shall submit reimbursement to the Executive Officer for approval. Disputes regarding reimbursable expenses shall be resolved by the Chair or his/her designee. All expense claims shall be submitted with the use of a standard expense claim form approved for use by the Commission.

3.5 ELECTION OF OFFICERS

3.5 (A) Selection and Duties of the Chair

Annually at the first regular meeting in or immediately after May, Marin LAFCo shall elect a Chair from among its members by majority vote. ~~The Chair can not~~ cannot serve more than is annually elected not to exceed three consecutive years. The Chair shall serve until a successor is duly elected. The Chair shall preside at all meetings of the Commission and conduct the business of the Commission in the manner prescribed by law and by these rules. The Chair shall preserve order and decorum and shall decide all questions of order and procedure subject to the confirmation of a majority of the Commission. Other duties of the Chair include all of the following activities:

3.5 (A)(i) Serve as the immediate supervisor for the Executive Officer on behalf of the entire Commission;

~~3.5 (A)(ii) Serve as the immediate supervisor for the Executive Officer on~~

~~behalf of the entire Commission;~~

~~3.5 (A)(iii)~~ 3.5 (A)(ii) Make appointments to committees as needed;

~~3.5 (A)(iv)~~ 3.5 (A)(iii) Call special meetings of the Commission as needed;

~~3.5 (A)(v)~~ 3.5 (A)(iv) ~~Approve emergency outside service extensions consistent with the procedures outlined in this Policy Handbook; and~~

~~3.5 (A)(vi)~~ 3.5 (A)(v) Perform ceremonial duties on behalf of Marin LAFCo.

3.5 (B) Selection and Duties of the Vice Chair

Annually at the first regular meeting in or immediately after May, Marin LAFCo shall elect a Chair from among its members by majority vote. The Vice-Chair shall have all of the powers and duties of the Chair during the absence of the Chair or the Chair's inability to act.

3.6 APPOINTMENT AND DUTIES OF EXECUTIVE OFFICER

Marin LAFCo shall appoint its own Executive Officer to administer the day-to-day business of the agency and all other duties as prescribed in an employee contract and as directed under Government Code §56384(a). The Executive Officer is an at-will position. If the Executive Officer is subject to a conflict of interest, the Commission shall appoint an Alternate Executive Officer to advise Marin LAFCo for a specific project.

3.7 APPOINTMENT AND DUTIES OF COMMISSION COUNSEL

Marin LAFCo shall appoint its own Commission Counsel to advise the agency on all related matters as directed under Government Code §56384(b). If the Commission Counsel is subject to a conflict of interest, the Commission shall appoint an Alternate Counsel to advise Marin LAFCo for a specific project.

3.8 COMMISSION MEETINGS

Regular meetings of Marin LAFCo shall be calendared every 12 months by the Commission at its December meeting. Regular meetings may be held either monthly or every other month on the second Thursday and based on anticipated workload. Whenever a legal holiday falls on a regular meeting date, an alternate meeting date will be selected. All regular meetings shall be called to order at 6:30 P.M. and held in Marin Fire Prevention Authority at 1600 Los Gamos Drive, Suite 335 unless advertised differently. Notice of all regular meetings shall be provided no less than 72 hours in advance.

3.8 (A) Special Meetings

A special meeting may be called at any time by the Chair or by a majority of the members of the Commission. Notice of such meeting must be delivered to Commissioners personally or by mail at least twenty-four (24) hours before the time of such meeting. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such special meeting, unless permitted by the Brown Act.

3.8 (B) Conducting of Meetings

- 3.8 (B)(i) **Meeting Quorum:** A majority of the members of the Commission (four members) constitutes a quorum for the transaction of business. In the absence of a quorum, the Executive Officer shall adjourn the meeting to a stated time and place.
- 3.8 (B)(ii) **Vote Requirements:** No act of the Commission shall be valid, legal, or binding unless a majority of the Commission members are present and voting concur therein.
- 3.8 (B)(iii) **Commission Actions:** The Commission may act by resolution or motion. All final determinations of the Commission on spheres of influence, change of organizations, outside service extensions, municipal service reviews, contracts, standards and procedures, and budget adoptions shall be made by resolution.
- 3.8 (B)(iv) **Voting Procedures:** The roll need not be called in voting upon a motion or adoption of a resolution except when requested by a member or if required under the Brown Act. Prior to calling the roll, the Commission Clerk or his/her designee shall repeat the motion for the record.
- 3.8 (B)(v) **Consent Calendar:** Routine proposals that do not require a public hearing may be placed on a Commission consent calendar at the discretion of the Executive Officer. Approval of the consent calendar shall be made in one action that includes two motions involving: (1) Commission acknowledgment of environmental consequences and analysis followed by; (2) Commission approval of the basic proposal. Matters placed on the consent calendar may be removed by any Commissioner or member of the public in order to allow general discussion and more detailed review of the proposal.
- 3.8 (B)(vi) **Parliamentary Procedure:** Except as herein otherwise provided or as provided in law, the parliamentary proceedings of the Commission shall be governed by the latest edition of "Rosenberg's Rules of Order." However, no resolution, proceedings, or other action of the Commission shall be invalid, or the legality thereof otherwise affected by the failure of the Commission to observe or follow such rules.
- 3.8 (B)(vii) **Public Participation:** All meetings of the Commission shall be open to the public and adhere to the requirements of the Ralph Brown Act. The Chair may regulate the order of any public

testimony and limit the time allowed to each person desiring to speak subject to the assent of a majority of Commissioners present.

3.8 (C) Off-Site Meetings and Workshops in Affected Communities

From time to time, Marin LAFCo initiates special studies or considers applications that generate substantial public interest. These issues usually have significant regional implications and have periodically prompted the Commission to hold meetings in the affected community. Meetings in the community foster public input and make the LAFCo process readily available to citizens. A majority of the Commission shall approve the scheduling of an off-site meeting of the Commission.

3.9 COMMISSION COMMITTEES

Marin LAFCo shall regularly utilize standing and ad hoc committees to help evaluate and inform the Commission on various matters pertinent to the agency in fulfilling its regional growth management responsibilities and duties. All work and recommendations shall be advisory and subject to formal approval by the Commission.

3.9 (A) Standing Committees

Marin LAFCo shall maintain the following three standing committees on an annual basis with appointments and/or reappointments made at the beginning of each calendar year. All meetings of the standing committees shall comply with the Brown Act and conduct business in noticed and open public meetings. The Executive Officer, or their designee, shall be responsible for scheduling and staffing these committee meetings as needed.

- 3.9 (A)(i) **Budget and Work Plan:** This Committee shall review and prepare recommendations on fiscal year work plans and operating budgets for formal presentation and adoption by the Commission in April (proposed) and June (final). Every other year the Committee shall review the Marin LAFCo fee schedule and suggest any updates to the full Commission per section 3.11. The Committee shall include three members (regulars or alternates) that comprise appointments from each funding category on Marin LAFCo (county, city/town, and special district). The term of the Budget Committee shall extend through the adoption of a final budget for the affected fiscal year.
- 3.9 (A)(ii) **Policy and Personnel:** This Committee shall review and prepare revisions for Commission consideration on Marin LAFCo's adopted Policy Handbook to address new statutes as well as help ensure appropriate implementation of LAFCo law in Marin County. The

Committee shall also convene as necessary in open or closed session to address personnel issues as requested by the Chair. The Committee shall include three members (regulars or alternates), ~~with one appointment reserved for either the Chair and/or Vice Chair.~~

- 3.9 (A)(iii) **Legislative:** This Committee shall review and provide possible position recommendations on current or pending legislation matters directly affecting LAFCo law or laws LAFCos help to administer, with particular focus on items of specific interest in Marin County. The Committee shall include three members (regulars or alternates).

3.9 (B) Ad Hoc Committees

Marin LAFCo shall utilize ad hoc committees as needed and specific to defined and limited-term topics as assigned by the Commission at public meetings.

3.10 BUDGET PROCESS

It is the policy of Marin LAFCo to provide local agencies and the public full opportunity to participate in the development and adoption of its annual budget.

3.10 (A) Budget Objectives

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

3.10 (B) Procedures

- 3.10 (B)(i) Budget Committee shall prepare and present a proposed budget and accompanying workplan for adoption by Marin LAFCo no later than May 1st at a noticed public hearing as provided under Government Code §56381.
- 3.10 (B)(ii) Following adoption, Marin LAFCo's proposed budget and workplan will be made available for review by the public, the Board of Supervisors, each city/town, and each independent special district for a minimum of 45 days.
- 3.10 (B)(iii) Staff will provide an opportunity for informal discussion of the adopted proposed budget by the Commission within the 45-day circulation period.

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- 3.10 (B)(iv) Marin LAFCo will hold a public hearing for consideration and final action on the budget and accompanying workplan no later than June 15th as provided under Government Code §56381. Following adoption, a certified copy of the adopted final budget shall be transmitted to the Board of Supervisors, the County Department of Finance, each city/town, and to each independent special district.
- 3.10 (B)(v) The County Department of Finance shall apportion the net costs of Marin LAFCo's budget to the County, cities/towns, and independent special districts under the provisions of Government Code §56381.
- 3.10 (B)(vi) If the County, a city/town or an independent special district does not remit its required payment within 60 days of notice, the Executive Officer shall request that the County Department of Finance collect an equivalent amount from the property tax, or any fee or eligible revenue owed to that county, city/town or district pursuant to Government Code §56381(c).
- 3.10 (B)(vii) Marin LAFCo will strive to maintain an unrestricted reserve account balance of at least 25% of budgeted expenses for purposes including, but not limited to, unanticipated legal fees, unrealized application fee revenue, special studies, and environmental review. Once accounting has been completed for the fiscal year, any unspent funds from that fiscal year will be transferred to this fund unless other actions have been taken by the Commission or another LAFCo policy determines the use of all or some apportionment of those unspent funds. Should funds in this account be higher than needed, the Budget Committee can make recommendations for its use to the full Commission as part of the budget process.
- 3.10 (B)(viii) In an effort to be better prepared for and to anticipate the cost to replace various technology needs including, but not limited to, computers, printers, servers, iPads, and accessories, Marin LAFCo shall have a technology replacement fund. The money for this will come from any unspent funds at the end of the fiscal year from the Office Equipment Purchases line item in the LAFCo budget. Once this fund has \$20,000 in it, any leftover funds from the Office Equipment Purchases line item shall be put into the unrestricted reserve account as described in LAFCo Policy 3.10 (B)(vii). LAFCo staff, as needed, shall update the replacement cost chart to determine if the amount in the annual budget is enough to properly replace items as needed. Any adjustments needed

because of updates to the replacement chart will be made as part of the annual budget process.

3.10 (B)(ix)

Marin LAFCo may need to hire outside experts to assist with large, specialized studies. In order to mitigate large increases in requests from member agencies, LAFCo will maintain a reserve fund to hire consultants when the Commission approves the need. LAFCo shall have a goal of building this reserve fund to \$50,000. When this fund is not at that set amount, the LAFCo Chair and Budget Committee Chair shall annually review LAFCo's overall financial situation to determine if unspent funds from previous fiscal years should be transferred to this fund instead of the general reserve fund. If determined needed by the Commission, a new line item can be added to the budget to help raise money for this fund.

3.11 FEE SCHEDULE

Marin LAFCo will maintain a schedule of fees to reasonably recover the agency's costs in fulfilling its regulatory and planning responsibilities. Marin LAFCo shall periodically review the fee schedule and consider amendments therein no less than every two years.

3.12 PROCUREMENT

The Executive Officer is delegated purchasing authority on behalf of Marin LAFCo for goods and supplies not to exceed \$3,500 per transaction or \$5,000 per fiscal year for any one service provider or vendor. The Commission shall approve any purchase of goods, supplies, and/or services that exceed the monetary limits set forth in this section and may choose to utilize a competitive bid process (i.e., request for proposal) for these purchases at its discretion.

3.13 FINANCIAL ACCOUNTING AND INTERNAL CONTROLS

Marin LAFCo maintains and records all financial transactions and is guided by the following accounting controls and procedures.

3.13 (A) Administration

- 3.13 (A)(i) Marin LAFCo shall be solely responsible for the financial management and accounting therein of the Commission's funds with day-to-day responsibility therein delegated to the Executive Officer.
- 3.13 (A)(ii) Marin LAFCo shall use the County of Marin and its Treasurer Division to serve as a central depository for all collected revenues from each jurisdiction within Marin LAFCo. This account ("County Account") shall maintain Marin LAFCo's fund balance (or reserves)

and be used to process payroll through the County Auditor Division unless otherwise directed by the Commission. Transactions involving this account are subject to the authorization requirements specified in this Policy Handbook.

- 3.13 (A)(iii) Marin LAFCo shall use one or more local commercial banks for the purpose of receiving transfers from the account maintained with the County of Marin and its Treasurer Division. These accounts (“Operating Accounts”) shall be used to make direct payments relating to the Commission’s operating costs. Marin LAFCo shall maintain and operate two checking accounts with a local commercial bank as designated by the Commission and termed Primary and Secondary Operating Accounts.

3.13 (B) Authorizations and Balance Limits

- 3.13 (B)(i) **County Account:** All deposits to this account shall be reviewed and approved by the Executive Officer or the Chair (in the absence of the Executive Officer). There shall be no balance limit on this account. Staff is authorized to transfer out of the County Account and into the Primary Operating Account on a quarterly basis the anticipated needed amount to cover costs that are part of the Commission approved budget for the upcoming quarter. The Executive Officer is also authorized to make payments to MCERA from the County Account. Any other transfers or related transactions of monies out of this account shall require majority approval by the Commission at a public meeting.
- 3.13 (B)(ii) **Primary Operating Account:** This account shall serve as the Commission’s main operating fund to make payments and related disbursements on budgeted operating costs that are more than \$3,500.00 per single occurrence. The balance limit on this account shall not exceed the adopted annual operating budget at any one time as set by the Commission. Any transfers or related transactions of monies out of this account shall require two signatures: the Chair and the Executive Officer unless it is for purposes stated in Policy Handbook Section 3.13 (B)(iii) and 3.13 (B)(iv) stated below.
- 3.13 (B)(iii) **Secondary Operating Account:** This account shall serve to expedite payments for budgeted operating costs that are less than \$3,500.00 per occurrence. When bookkeeping indicates the fund balance for this account will go below ~~\$1,000~~ zero the staff can transfer \$6,000.00 at any one time. Any transfers or related transactions of monies out of this account shall require only the

~~authorization signature~~ of the Executive Officer or the Chair.

- 3.13 (B)(iv) **Payroll and Benefits Payment Account:** This account will be used for the purposes of making payments for payroll and any staff benefits not paid through the County of Marin account. Staff will ensure there is proper money in this account to make all payments.

3.13 (C) Reconciliations and Reporting

Marin LAFCo shall reconcile account statements in QuickBooks on a monthly basis by someone other than the Executive Officer, such as a contract bookkeeper. All checks and payments authorized pursuant to this Policy Handbook shall be reported to the Commission at the next available meeting for formal ratification.

3.13 (D) Check Stock

Check stock for Marin LAFCo's commercial checking accounts shall be maintained in a locked drawer in the Executive Officer's office. Access to the check stock shall be limited to the Executive Officer, and authorized bookkeeper.

3.13 (E) Expenditures and Disbursements

- 3.13 (E)(i) Marin LAFCo shall process all invoices, claims, disbursements, and receipts utilizing its own financial accounting system through QuickBooks. The Executive Officer or authorized bookkeeper initiates the payment, and the Executive Officer approves, as appropriate, within the confines of the adopted Marin LAFCo budget or by approval of the Commission.
- 3.13 (E)(ii) If a payment is a reimbursable expense to a staff member, prior authorization must be received by the Executive Officer or Chair before payment can be initiated. If a payment is a reimbursable expense to the Executive Officer, prior authorization must be received by the Commission Chair.
- 3.13 (E)(iii) Credit card and other lines of purchases shall not exceed parameters set by Marin LAFCo procurement policies and shall comply with all payment terms.
- 3.13 (E)(iv) The Chair, Vice Chair, and Executive Officer are authorized users of the Marin LAFCo credit card(s) and other lines of credit.
- 3.13 (E)(v) All disbursements must include original documentation.

3.13 (F) Revenues

The Executive Officer shall be responsible for providing notice to the County of Marin Finance Department of the adopted operating budget total to be collected from the local agencies.

3.13 (G) Payroll and Benefits Administration

Marin LAFCo determines pay and benefits for all employees with consideration given to pay and benefits for comparable positions with the County of Marin. At the present time, and at its sole discretion, Marin LAFCo utilizes the County of Marin and its contractors (including the Marin County Employee Retirement Association) to administer ~~payroll and~~ benefits. Outside providers are used for some services such as payroll services.

3.13 (H) Capital Asset Management

- 3.13 (H)(i) **Capitalization Policy:** Physical assets acquired through purchase or contribution with fair market value in excess of \$1,500.00 are capitalized as fixed assets on the financial statements and accounted for at their historical costs. All fixed assets, with the exception of land, are subject to depreciation over their estimated useful lives.

- 3.13 (H)(ii) **Fixed Assets Inventory:** All capitalized fixed assets shall be recorded in a property log, maintained by the Commission Clerk, and including date of acquisition, acquisition type (purchase or contribution), description (color, model, serial number), location, depreciation method, and estimated useful life. The Commission Clerk shall perform a physical inventory of all capitalized assets on an annual basis. This physical inventory shall be reconciled to the property log and adjustments made as necessary with approval by the Executive Officer. If a fixed asset is sold, donated, stolen, or otherwise removed, the inventory will be duly updated.

- 3.13 (H)(iii) **Depreciation Policy:** Fixed assets shall be depreciated over their estimated useful lives as determined by the Executive Officer. Depreciation expenses shall be calculated on an annual basis. The following depreciation schedule is suggested:

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

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

3.13 (I) Financial Reporting & Annual Audit

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

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

3.13 (J) Fraud Prevention

It is the policy of Marin LAFCo to follow ethical, responsible, and reasonable procedures related to purchasing, claims, money management and other financial matters. For purposes of this section, fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of personal gain or for the purpose of inducing another to act upon it to his or her injury.

Each Marin LAFCo employee and Commissioner should be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity. Any fraud that is suspected or detected shall be reported to the Chair and, alternatively, to the Executive Officer or LAFCo Legal Counsel.

Examples may include, but are not limited, to any of the following:

- Any dishonest or fraudulent act.

- Forgery or alteration of any document or account belonging to Marin LAFCo.
- Forgery or alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, equipment, or other assets of Marin LAFCo.
- Impropriety in the handling or reporting of money or financial transactions.
- Disclosing confidential or proprietary information to outside parties.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to Marin LAFCo.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment belonging to Marin LAFCo.
- Any similar or related irregularity.
- Personal use of the Marin LAFCo credit card.

Responsibility for investigating suspected fraudulent acts may be conducted by the Executive Officer, Commission Chair, LAFCo Legal Counsel, and/or other internal or external party, as necessary. If an investigation substantiates that fraudulent activity has occurred, the investigating authority will issue a report to the Commission for further action.

3.14 RECORDS RETENTION

The various forms of records created and received by Marin LAFCo shall be retained for minimum time periods as specified in adopted written procedures and maintained at the LAFCo office. Records extending beyond the time periods specified in these written procedures will be subject to disposal.

3.15 LEGISLATIVE MATTERS

3.15(A) Process

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

3.15(B) Formal Position on Legislation

LAFCo shall take one of the following positions:

- 3.15 (A)(i) **Sponsor** – A position given to bills that the Commission helped draft and believes to be consistent with or would further Marin LAFCo policy positions or implementation of the Cortese-Knox-Hertzberg Act, would benefit Marin LAFCo, or reflects good

governance principles as public policy.

- 3.15 (A)(ii) **Support** - A position given to bills that the Commission believes are consistent with or would further Marin LAFCo policy positions or implementation of the Cortese-Knox-Hertzberg Act, would benefit Marin LAFCo, or reflects good governance principles as public policy.
- 3.15 (A)(iii) **Neutral** - A position given to bills that have no direct impact upon Marin LAFCo or have been sufficiently amended to remove Marin LAFCo support or opposition, but for which the sponsor and/or legislative author requests a position from Marin LAFCo.
- 3.15 (A)(iv) **Watch** - A position given to bills that are of interest to Marin LAFCo but do not directly affect Marin LAFCo at that time, including spot bills or two-year bills where the author has indicated that the bill will be amended or the subject area may change to impact Marin LAFCo (also known as gut and amend bills). These bills will be tracked but do not warrant taking a position at that time.
- 3.15 (A)(v) **Oppose** - A position given to bills or propositions that the Commission believes would be detrimental to the policy position or implementation of the Cortese-Knox-Hertzberg Act, or Marin LAFCo, or to good governance principles as public policy.
- 3.15 (A)(vi) **Support/Oppose Unless Amended** - A position given to bills for which a support or oppose position could be taken if amendments were made to address identified concerns of the Commission. This may include changing the previously stated Marin LAFCo position. This position can be changed by the Executive Director if identified amendments are presented and accepted by the legislator. Timeliness is usually important in responding to requests on these types of bills.
- 3.15 (A)(vii) **No Position** - A position given to bills that either are of interest to or have an impact on Marin LAFCo and for which no adopted position is possible and for which there is a clear lack of consensus amongst the Commission on the appropriate position. This may include situations in which a substantive number of Commissioners have divergent positions or policy issues of concern with proposed legislation and no final consensus position is possible.

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- 3.15 (A)(viii) **Alignment with CALAFCO** - A position for bills that have little to no impact on Marin LAFCo but where CALAFCO has taken a position and Marin LAFCo wishes to be supportive of other LAFcos across the state. As the legislative process moves forward, the Executive Officer shall send in letters in support of the CALAFCO position as requested by CALAFCO. Should CALAFCO change positions, then Marin LAFCo shall automatically change position to mirror. In cases where CALAFCO is the “Sponsor” of a bill, but Marin LAFCo did not help draft then Marin LAFCo’s position shall be “Support.”

3.15(C) Resource Priorities

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

- 3.15 (A)(ix) **Priority 1** - Bills that have highest importance and a direct impact on Marin LAFCo. These bills receive primary attention and comprehensive advocacy by the Executive Officer and Commissioners. Such advocacy may include letters of position, testimony in policy committees, contact with legislators, and grassroots mobilization to members of the legislator. This level requires the greatest resource commitment.
- 3.15 (A)(x) **Priority 2** - Bills that have a significant impact on or are of interest to Marin LAFCo, may set a policy precedent or have impact relevant to the mission of Marin LAFCo, or have a major importance to a CALAFCO member or group of members or constituents. These bills receive position letters and testimony to policy committees as time permits or upon request of the author or sponsor.
- 3.15 (A)(xi) **Priority 3** - Bills that have an interest to Marin LAFCo (or CALAFCO) but are deemed to be of a lower priority as to time and effort resources for advocacy. If requested by a member or stakeholder, Marin LAFCo will send a position letter but will not testify unless unusual circumstances arise and if time allows. All bills where the Commission has taken an alignment with CALAFCO position, shall by default be a Priority 3 bill unless another priority level is designated.

3.15(D) Time-Sensitive Situations

In the absence of an opportunity for a timely meeting by the Committee or Commission,

the Executive Officer may take a position, or change a previously taken position, on a bill with the concurrence of the Commission Chair or, in the absence of the Chair, the Vice Chair. The Committee and Board shall be informed of such an action as soon as practically possible to ensure the Committee and Board have up to date information on the legislative positions. Such decisions should be made only when deemed necessary due to urgent issues or circumstances, and when consideration and a vote of the Committee and/or Board is not possible due to the timeliness of the actions occurring as part of a fluid legislative process.

3.16 E-SIGNATURE

As part of Marin LAFCo's desire to go paperless, Marin LAFCo will allow the use of electronic signatures in all internal and external activities, documents, and transactions pursuant to the Uniform Electronic Transactions Act (UETA) where it is operationally feasible to do so, where existing technology permits, and where it is otherwise appropriate to do so. In such situations, affixing an electronic signature to the document in a manner consistent with this policy shall satisfy Marin LAFCo's requirements for signing a document. While the use of electronic signatures is an option, this policy does not require any staff or Commissioner to use electronic signatures, nor can LAFCo mandate that any third party signing a document to use an electronic signature.

- 3.16 (A)(i) Requirements of eSignature. The choice to use electronic signatures is permitted by Marin LAFCo. In cases where electronic signatures are used, they shall have the same force and effect as the use of a "wet" or manual signature if at minimum the following criteria are met:
 - 3.16 (A)(i)(1) The electronic signature is unique to the person using it
 - 3.16 (A)(i)(2) The electronic signature is capable of verification.
 - 3.16 (A)(i)(3) The electronic signature is under the sole control of the person using it.
- 3.16 (A)(ii) Electronic signatures are additionally constrained by the following criteria, and if any are violated, LAFCo retains the right to invalidate the electronic signature and request that a different signature method be used:
 - 3.16 (A)(ii)(1) Email notifications requesting electronic signatures are prohibited from being forwarded.
 - 3.16 (A)(ii)(2) The use of proxy signatures is prohibited.
 - 3.16 (A)(ii)(3) The data must be capable of retention on behalf of the receiver.
 - 3.16 (A)(ii)(4) Any party may request additional criteria in situations where that may be necessary, given that these criteria are communicated to the other party/parties prior to their giving consent to use electronic signatures to conduct a transaction or any other form of official business. If criteria change after consent is initially given, the initial consent is nullified, and consent must be given again under the new

terms.

- 3.16 (A)(ii)(5) Documents involving other parties - In the case of contracts or transactions which must be signed by outside parties, each party to the agreement must agree in advance to the use of an electronic signature. No party to a contract or other document may be forced to accept an electronic signature; they must be permitted to decide either way. Such consent may be withdrawn by the other party at any time such that future documents must be signed in hardcopy format. When a document is electronically signed by all parties, Marin LAFCo will provide a copy of the electronically signed document to the other parties in an electronic format that is capable of being retained and printed by the other parties.
- 3.16 (A)(ii)(6) Acceptable technologies and eSignature providers shall be consistent with current state legal requirements and industry best practices to ensure the security and integrity of the data and the signature.

CHAPTER 4 EVALUATION OF CHANGE OF ORGANIZATION PROPOSALS & OTHER REGULATORY ACTIVITIES

4.1 ANNEXATION TIMING POLICY

Marin LAFCo discourages change of organization proposals that involve annexations of undeveloped or underdeveloped lands to urban service providers unless special circumstances warrant otherwise. This policy does not apply to proposals in which the affected lands are subject to a specific and or known development plan or agreement under consideration by a land use authority. This policy does not apply to city annexation proposals in which the affected lands are part of an unincorporated island as determined by Marin LAFCo.

4.2 CONSOLIDATION POLICY

It is the intent of Marin LAFCo to encourage the efficiency of local government organization through the elimination or consolidation of small, single-purpose special districts. Accordingly, wherever the full range of urban services is required, general-purpose governments, such as cities and community service districts, are preferred to one or more limited-purpose special districts for the provision of services. Additionally, where provision of a service by a general-purpose local government is not practical, Marin LAFCo favors the consolidation or reorganization of small, single-purpose special districts when such consolidation can be shown to reduce aggregate costs of service and/or improve local government accountability.

4.3 URBAN-CENTERED POLICY

It is the intent of Marin LAFCo to strengthen the role of city governments in the provision of urban services. It is also the intent of Marin LAFCo to direct and prioritize urban development and uses to the developed and developing areas along the Highway 101 corridor. In the Highway 101 corridor, general-purpose governments are preferred over limited-purpose special districts for the provision of services.

4.4 ESTABLISHMENT OF NEW LOCAL AGENCIES POLICY

Marin LAFCo discourages the proliferation of local governmental agencies and the existence of overlapping public service responsibilities. Marin LAFCo discourages the formation of new special districts where service can be efficiently provided by existing local government agencies.

4.5 AGRICULTURAL LANDS POLICIES

Marin LAFCo discourages the annexation of lands currently engaged in the substantial production of food, fiber, or livestock, or qualify as agricultural land to a city or a special district for the purpose of promoting urban development. Development of existing vacant or non-prime agricultural lands for urban uses within a city's and/or special district's jurisdiction or

sphere of influence should be encouraged before any proposal is approved that would lead to the urban development of existing agricultural or open-space lands that are outside of the city's and/or special district's jurisdiction or sphere of influence.

4.6 PREZONING POLICY

As required by State law, applicants whose proposals include annexation to a city shall obtain pre-zoning approval from the city or present evidence the existing development entitlements on the territory are vested or already at build-out relative to the city's general plan. The city shall generally serve as lead agency for environmental review in such cases, and proof of environmental documentation and certification shall accompany the application (Government Code §56375(a)(7)).

4.7 COUNTY SERVICE AREA POLICY

A County Service Area (CSA) special district may be formed when unincorporated areas that are located outside municipal sphere of influence boundaries desire extended urban-type services, including police and fire protection from the County of Marin. Nonetheless, unincorporated lands located within a municipal sphere-of-influence boundary should not be eligible to receive extended urban-type services from the County in the form of a CSA except when: (a) evaluation on a case-by-case basis justifies creation and (b) the affected city or special district, by letter, expresses approval of such action.

4.8 REORGANIZATION (DUAL ANNEXATION) POLICY

Annexations of unincorporated land to special districts that provide services necessary for urban development shall require concurrent or subsequent annexation to a city if the land is located within the city's sphere of influence.

4.8 (A) Policy Intent

The underlying intents of this policy are to allow Marin LAFCo to:

- 4.8 (A)(i) Encourage orderly growth and development by determining logical and timely boundary changes of local agencies.
- 4.8 (A)(ii) Make boundary decisions in the long-term best interests of the efficient delivery of local services and the assignment of appropriate local political responsibility for those services pursuant to Government Code §56001.
- 4.8 (A)(iii) Provide for the orderly implementation of adopted city and special district spheres of influence.
- 4.8 (A)(iv) Restrict extension of urban services to areas within cities or to

unincorporated areas where County-adopted planning policies support provision of urban services for that area.

4.8 (B) Policy Application

This policy will be applied to annexations and reorganizations affecting property located within a city's sphere of influence. Implementation of this policy may be deferred at the discretion of Marin LAFCo through an agreement between the city and the property owner providing for future annexation by the city. Approval of such boundary changes will comply with this policy upon execution of such an agreement.

4.8 (C) Written Notice To Affected Agencies

Staff shall provide written notice to affected agencies of the applicability of this policy with a request for agency comment on the proposal. Additional time (within timeframes specified in CKH) will be extended for response by the affected city/town council if requested.

4.8 (D) Applicant Compliance

Applicants may comply with this policy either by filing an application for a reorganization that includes annexation to both the special district and the city, or by filing application for district annexation only with a request for deferral of this policy. If the proposal is approved, Marin LAFCo may attach conditions providing for city annexation at a later date.

4.8 (E) Request for Delayed Implementation

Applicants seeking delayed implementation of the policy shall make the request in writing at the time of application and state the reasons in support of the request. The applicant's request for deferral will be circulated to all affected agencies for comment for a minimum of 60 days. LAFCo staff will extend the comment period for an additional 30 days at the request of an affected agency. Marin LAFCo will give great weight to the comments of any affected agency objecting to the action. Applicants will retain the option of amending their proposal up to the issuance of the Certificate of Filing (scheduling a hearing before LAFCo) for the proposal.

4.8 (F) Conditions for Deferral

Marin LAFCo may defer the requirement for annexation to the city if the Commission determines that three specific conditions have been met:

- 4.8 (F)(i) The County Board of Supervisors has adopted plans or policies specifically for the subject area that support the extension of urban services (e.g., community plan or designated urban service

-
- area).
 - 4.8 (F)(ii) All affected agencies have been notified and given adequate time to review and comment on the proposed annexation.
 - 4.8 (F)(iii) The application of the policy at the present time would result in illogical boundaries or inefficient provision of local services.

4.8 (G) Unincorporated Island Annexation Policy

Marin LAFCo encourages annexations of unincorporated areas or “islands” to cities entirely or substantially surrounded by the affected corporate limits. Whenever applicable, Marin LAFCo shall consider making amendments to all city annexation proposals involving affected lands to further reduce and/or eliminate islands to provide more orderly local governmental boundaries and cost-efficiencies.

Marin LAFCo will disapprove any city annexation proposal that would create a new entirely surrounded island unless this policy is waived by as provided under Government Code §§56744 and 56375(m).

4.9 OUTSIDE SERVICE AGREEMENT POLICY (NON-FIRE)

As specified in Government Code §56133, cities, towns, and special districts seeking to provide new or extended services other than fire protection to areas outside their jurisdictions by contracts or agreements after January 1, 2001, shall apply to Marin LAFCo for approval. Marin LAFCo may approve requests under this section for new or extended services by contract or agreement within the applying agency's sphere of influence only in anticipation of eventual annexation. Approval may also be granted for such requests involving areas outside the applying agency's sphere of influence to respond to an existing or impending threat to the public health or safety of the public or the affected residents of the territory. Specific exemptions to this requirement for Marin LAFCo approval are found under Government Code §56133(e).

4.9 (A) Definitions

Marin LAFCo incorporates the following definitions in administering these policies concerning outside services under Government Code §56133:

- 4.9 (A)(i) “Service” shall mean any municipal service supporting (directly or indirectly) urban type uses with the referenced exclusion of fire protection.
- 4.9 (A)(ii) “New” shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land.

- 4.9 (A)(iii) “Extended” shall mean the intensification use of a municipal service provided by a city, town, or special district to non-jurisdictional land that is directly tied to a redesignation and/or rezoning of the affected territory by the appropriate land use authority.

4.9 (B) Applicability Determination

Agencies may request a no-cost written response from Marin LAFCo as to whether any potential new or extended outside service contract or agreement qualifies as an exempted action under Government Code §56133(e). The Commission delegates to the Executive Officer the responsibility to determine this applicability. If the inquiry is determined to be not exempt, the jurisdiction should proceed with submitting a formal approval request with the Commission consistent with these policies.

4.9 (C) Submitting a Formal Approval Request

Requests shall be made only by the affected agency and through their appointed director/manager and filed with the Executive Officer. Joint requests by two or more affected agencies are permitted. Requests shall be made in letter form and shall include all of the following information:

- 4.9 (C)(i) A list of all addresses and/or parcel numbers comprising the subject territory along with the accompanying zoning assignments made by the applicable land use authority;
- 4.9 (C)(ii) A description of how the applying agency would provide the proposed new or extended service to the subject territory. This includes any infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory; and
- 4.9 (C)(iii) Any information or associated findings made pursuant to the California Environmental Quality Act.

4.9 (D) Request Review

The Executive Officer will provide the jurisdiction a written response within 30 days; if incomplete, the Executive Officer will identify the information needed to deem it complete. Once a request is deemed complete, the Executive Officer shall prepare a written report with a recommendation for consideration by the Commission including the following three factors:

- 4.9 (D)(i) The ability of the applying agency to provide the requested service to the subject territory and potential impact on existing service levels;
- 4.9 (D)(ii) The effect on urban growth and development within and adjacent to the subject territory should the request be approved; and
- 4.9 (D)(iii) The consistency of the request with the Commission’s adopted policies.

4.9 (E) Public Hearing

The Executive Officer shall present the written report at the next earliest regular meeting for which adequate notice can be provided, and no further than 90 days from the date the request has been deemed complete. Requests involving service extensions beyond the applying agency’s sphere of influence shall be noticed under Government Code §56153 and 56154 and considered as part of public hearings.

4.9 (F) Commission Action

Marin LAFCo may approve requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section with or without conditions.

4.9 (G) Reconsideration

Should Marin LAFCo disapprove requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section the affected agency may ask for reconsideration within 30 days of the Commission action under Government Code §56895.

4.9 (H) Health & Safety Emergency Approval

Marin LAFCo authorizes the Executive Officer to approve a city, town, or special district's request to provide new or extended services outside their jurisdictional boundaries under this section if there is an existing or impending public health or safety emergency. Prior to approval the Executive Officer shall inform the Chair or the Vice-Chair of the emergency situation. Marin LAFCo shall ratify the Executive Officer's determination at the next regular scheduled meeting. The Emergency service shall only be allowed for one year in order to give the needed time to either fix the emergency need and stop receiving the service or time to be properly submit an application to LAFCo for annexation into the jurisdiction providing the service.

4.10 OUTSIDE SERVICE AGREEMENT POLICY (FIRE PROTECTION SERVICES)

4.10 (A) Applicability Conditions

As specified in Government Code §56134, the County, cities, towns, special districts, and State agencies seeking to provide new or extended fire protection services to areas outside their jurisdictions by contracts or agreements after December 31, 2015, shall apply to Marin LAFCo for approval should either of the following conditions apply:

- 4.10 (A)(i) Contracts that transfer responsibility for providing fire protection services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement, based on acreage differences calculated in Marina; or
- 4.10 (A)(ii) Contracts that change the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement, based on actual and agency-wide staffing totals within the affected agencies as of the July 1st of the subject fiscal year.

4.10 (B) Definitions

Marin LAFCo incorporates the following definitions in administering these policies concerning outside services under Government Code §56134:

- 4.10 (B)(i) "Fire protection" shall mean the provision of said services by contract or agreement as permitted under Government Code §55600 et al unless exempted under this policy.
- 4.10 (B)(ii) "New" shall mean the provision of fire protection services to previously unserved non-jurisdictional land by the affected agency, i.e., the applying County, city, town, special district, or

State agency.

- 4.10 (B)(iii) “Extended” shall mean the intensification and/or improvement of a fire protection service provided by the County, city, town, special district, or State agency to non-jurisdictional land.
- 4.10 (B)(iv) “Employment status” shall apply to any one of the affected agencies subject to the fire protection contract or agreement. Changes in employment status is specific to emergency or sworn personnel and does not apply cumulatively across all affected agencies. Changes in wages, benefits, hours worked, or working conditions does not affect employment status.
- 4.10 (B)(v) “Jurisdictional boundary” shall mean lands already being served under a fire protection contract entered into prior to December 31, 2015.

4.10 (C) Exemptions

Marin LAFCo approval under this section is not required for the County, cities, towns, special districts, or State agencies to provide new or extended fire protection services outside their jurisdictional boundaries that involve any of the following:

- 4.10 (C)(i) Contracts or agreements for fire protection services entered into before December 31, 2015, or recipient of LAFCo approval after December 31, 2015, and renewals or renegotiated terms of same, so long as it does not constitute a new 25% change in service area or employment status.
- 4.10 (C)(ii) Renewals of existing contracts or agreements unless the renewal includes amendments or inclusions that triggers the referenced 25% threshold with respect to changing the service area or employment status of the affected agencies.
- 4.10 (C)(iii) Mutual aid agreements in which there is no monetary reimbursement for fire protection services. Reimbursement costs associated with mutual aid contracts between the State and local agencies are also exempt.
- 4.10 (C)(iv) Cooperative agreements for wildland fires under Public Resource Code §4143 or 4144.
- 4.10 (C)(v) Contracts or agreements that involve any of the following:

- 4.10 (C)(v)(1) Ambulance services, including billing and related administrative support.
 - 4.10 (C)(v)(2) Pre-hospital emergency medical services.
 - 4.10 (C)(v)(3) Permit and inspection review.
 - 4.10 (C)(v)(4) Fire alarm system plan reviews and inspections.
 - 4.10 (C)(v)(5) Business and occupancy reviews and inspections.
 - 4.10 (C)(v)(6) Vehicle maintenance and repair.
 - 4.10 (C)(v)(7) Sharing of management or other personnel between or among two or more agencies in which the contracts or agreements do not constitute a 25 percent change in employment status as defined.
 - 4.10 (C)(v)(8) Sharing of management or other personnel between or among two or more agencies in which the contracts or agreements do not constitute a 25 percent change in employment status as defined.
 - 4.10 (C)(v)(9) Sharing or loaning of equipment, facility, or property between or among two or more agencies
- 4.10 (C)(vi) Establishment of joint-power authorities to provide fire protection services in which all of the following criteria is satisfied as verified by the Commission's Executive Officer:
- 4.10 (C)(vi)(1) The jurisdictions wanting to establish the joint-power authority can demonstrate how they qualify for the exemption in Government Code Section 56134.
 - 4.10 (C)(vi)(2) The boundaries of the proposed joint-powers authority are entirely coterminous with the member agency boundaries, and therefore services are not extended to previously unserved areas by the agencies.
 - 4.10 (C)(vi)(3) The member agencies and the affected represented safety employees' organizations have ratified agreements in support of the proposed joint-powers authority and any changes therein to employment status.
 - 4.10 (C)(vi)(4) The proposed joint-powers authority does not create any conflicts with adopted LAFCo policies or recommendations with respect to fire protection services in Marin County.

4.10 (C)(vi)(5) The proposed joint-powers authority does not create any conflicts with any active reorganization application on file with LAFCo.

4.10 (C)(vi)(6) The total service area for the proposed joint-powers authority does not exceed a resident service population of 50,000.

4.10 (D) Applicability Determination

The County, cities, towns, special districts, and State agencies may request at no-cost a written response from Marin LAFCo as to whether any potential new or extended contract or agreement for fire protection is subject or exempt from these proceedings. The Commission delegates to the Executive Officer the responsibility to determine this applicability. If the inquiry is determined to be not exempt, the jurisdiction should proceed with submitting a formal approval request with the Commission consistent with these policies. If a request is deemed incomplete, the Executive Officer shall immediately notify the applying agency and identify the information needed to deem it complete.

4.10 (E) Submitting a Request

Requests shall conform to the following procedures:

- 4.10 (E)(i) An affected agency will make a request by adopted resolution consistent Government Code §56134 (c) at a noticed public hearing.
- 4.10 (E)(ii) Requests shall be filed with the Executive Officer only after both of the conditions prescribed under Government Code §56134 (d) have been satisfied. Requests shall also include all the information prescribed under Government Code §56134 (e) in letter form.
- 4.10 (E)(iii) Joint requests by two or more affected agencies are permitted.

4.10 (F) Request Review

The Executive Officer will provide the jurisdiction a written response within 30 days; if incomplete, the Executive Officer will identify the information needed to deem it complete. Once a request is deemed complete, the Executive Officer shall prepare a written report with a recommendation for consideration by the Commission including the following three factors:

- 4.10 (F)(i) The ability of the applying agency to provide the requested

- service to the subject territory and potential impact on existing service levels;
- 4.10 (F)(ii) The effect on urban growth and development within and adjacent to the subject territory should the request be approved; and
- 4.10 (F)(iii) The consistency of the request with the Commission’s adopted policies.

4.10 (G) Public Hearing

The Executive Officer shall present the written report at the next earliest regular meeting for which adequate notice can be provided, and no further than 90 days from the date the request has been deemed complete. Requests involving service extensions beyond the applying agency’s sphere of influence shall be noticed under Government Code §56153 and 56154 and considered as part of public hearings.

4.10 (H) Commission Action

Marin LAFCo may approve requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section with or without conditions. Marin LAFCo shall only approve requests under this section when the Commission determines the applying agency will have sufficient revenues to provide the underlying service consistent with Government Code §56134 (i)-(j). Conditioning approval on the applying agency establishing a new or augmented revenue source is permissible.

4.10 (I) Reconsideration

Should Marin LAFCo disapprove requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section the affected agency may ask for reconsideration within 30 days of the Commission action under Government Code §56895.

4.10 (J) Health & Safety Emergency Approval

Marin LAFCo authorizes the Chair to approve a city, town, or special district’s request to provide new or extended services outside their jurisdictional boundaries under this section if there is an existing or impending public health or safety emergency. Marin LAFCo shall ratify the Chair’s determination at the next regular scheduled meeting.

4.11 GENERAL PROCEDURES FOR THE EVALUATION OF CHANGE OF ORGANIZATION PROPOSALS

4.11 (A) Processing Fees

- 4.11 (A)(i) **Fee Requirement:** All fees are due with application submittal. The application will not be deemed complete for processing until the application fee is submitted.
- 4.11 (A)(ii) **Application Fee Refund:** As provided in the adopted fee schedule, if an at-cost application is withdrawn by written request of the applicant before the item has been placed on the Marin LAFCo's agenda, the application fee will be refunded, less:
- 4.11 (A)(ii)(1) The estimated hourly cost for Marin LAFCo staff time spent on the application; and
 - 4.11 (A)(ii)(2) The direct cost of processing the application (map and legal description review, notices, postage, copy service, etc.).
- 4.11 (A)(iii) **Fee Reduction and Waiver Policy:** Marin LAFCo, upon majority vote, may reduce or waive application fees, service charge, or deposit if it finds a payment would be detrimental to the public or if renewed applications with current information (not previously denied) have prior processing that remains relevant to the renewed application. Notwithstanding the preceding statements, fee reductions shall not be granted for applications conditioned, denied, or previously denied or due to misinformation provided in the application or by other public agencies, groups, or individuals. Prior to consideration by Marin LAFCo, a request for a fee reduction shall be submitted in writing using the Marin LAFCo Fee Reduction Request Form. The request will be considered at the next regular meeting of Marin LAFCo.

4.11 (B) Indemnification Agreement

As a standard condition of approval, applicants shall indemnify Marin LAFCo against the costs of litigation arising from its actions on proposed change of organizations or other application requests by signing LAFCo's standard agreement.

4.11 (C) Initial Procedures

When a proposal is submitted, staff takes the following steps within 30 days:

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- 4.11 (C)(i) **Notice of Application - Proposals Submitted by Petition Only:** The proposal is placed on Marin LAFCo's agenda for information only. Sixty days must pass after the notice of application is on the Commission's agenda before the item can be presented to the Commission for a decision. (Government Code §56658) Affected agencies are sent referral information. The 60-day period after the notice of application allows time for cities losing territory and special districts gaining territory to adopt a resolution terminating proceedings if desired. (Government Codes §56751/56857)
- 4.11 (C)(ii) **Completeness of the Application:** Within 30 days of receipt, staff will provide the applicant a written status letter, which will include a Certificate of Filing if the application is deemed complete; if incomplete, staff will identify the information needed to deem it complete.
- 4.11 (C)(iii) **Certificate of Sufficiency:** Within 30 days of receipt, staff will review the petition or request evaluation of the petition signatures by the County elections official. If the petition is determined to be insufficient per the requirements of Government Codes §56704-56706, the Executive Officer will give notice by certified mail to the proponents. Within 15 days after the notice of insufficiency, a supplemental petition may be filed with the Executive Officer. Within 10 days after the date of filing a supplemental petition, the Executive Officer will examine the supplemental petition and certify in writing the results of that examination per Government Code §56706.
- 4.11 (C)(iv) **Consent of Property Owners:** If all of the owners of land within the affected territory have given their written consent to the change or organization or reorganization, the application may proceed without public notice.
- 4.11 (C)(v) **Application Referral/Requests for Information:** The proposal shall be distributed to all affected agencies as a notice of filing as well as a request for information and comment. Affected agencies must respond to Marin LAFCo within 30 days with any comments the agency may have regarding the application. (Government Code §56663(b))

4.11 (D) Proposal Filing

The Certificate of Filing will specify the date upon which the proposal will be heard by Marin LAFCo, which must be set within 90 days of the date the Certificate of Filing is issued or after the application is deemed to have been accepted, whichever is earlier.

4.11 (E) Noticing

- 4.11 (E)(i) **Public Notice Without 100% Consent:** For proposals where there is not 100 percent written consent of the affected property owners, Marin LAFCo will publish notice of the public hearing no less than 21 days before the hearing in a newspaper of general circulation, on the bulletin board for legal notices at the County Civic Center, and on the Marin LAFCo website. Mailed notice shall be given to the County, all affected agencies, the subject agencies, all proponents in the petition, persons requesting special notice, and all landowners and registered voters in the subject area plus a buffer zone of 300 feet surrounding the subject area. To ensure adequate notice for proposals involving boundary amendments, the public hearing may be continued where necessary, and the language of the published agenda may be modified.
- 4.11 (E)(ii) **Public Notice With 100% Consent:** Notice will not be published or posted for proposals for changes of organization wherein 100% of the affected property owners have consented in writing to the proposed change unless the Commission deems it appropriate relative to local conditions (Government Code §56664).

4.11 (F) Staff Report and Recommendation

The Executive Officer shall review the application materials and prepare a written report and recommendation on the proposal, to be distributed consistent with the Ralph M. Brown Act. Copies shall be furnished to the persons specified in the application and all affected agencies. The report will consider the factors to be considered as required by Government Code §56668.

4.12 WITHDRAWAL OF CHANGE OF ORGANIZATION PROPOSALS

Prior to issuance of a Certificate of Filing, applicants wishing to withdraw their applications from further processing or review by Marin LAFCo may do so with the written request of all persons signing the petition of application (proposals submitted by petition) or by the applicant agency submitting a resolution requesting withdrawal from the applicant agency (proposals submitted by resolution). After issuance of a Certificate of Filing, proposals for change of local government organization may only be withdrawn at the discretion of Marin LAFCo.

4.13 COMMISSION HEARING INVOLVING CHANGE OF ORGANIZATIONS

A Marin LAFCo hearing may be continued from time to time but shall not exceed 70 days from the date specified in the original notice.

4.14 RECONSIDERATION OF COMMISSION ACTION INVOLVING CHANGE OF ORGANIZATIONS

4.14 (A) Allowance

When Marin LAFCo has adopted a resolution making determinations, any person or affected agency may file a written request with the Executive Officer requesting reconsideration of the resolution. The purpose of the reconsideration process is to provide a mechanism for Marin LAFCo to review new or different facts that could not have been presented previously that are claimed to warrant reconsideration. Therefore, it is the policy of Marin LAFCo to provide for reconsideration of Commission decisions in a manner that is consistent with State law and that does not unduly delay the processing of applications for changes of local government organization. Marin LAFCo shall include a charge for reconsideration in its schedule of processing fees. Marin LAFCo may waive the fee for reconsideration as specified by separate policy.

4.14 (B) Procedure

- 4.14 (B)(i) A request for reconsideration may be filed by any interested person or agency within 30 days of the date of adoption of a resolution making determinations or prior to the adoption of a resolution by the conducting authority, whichever is earlier. Such requests must be made in writing, state the specific modification to the resolution being requested, identify new or different facts that could not have been presented to Marin LAFCo, and include required processing fees, as per Government Code §56895.
- 4.14 (B)(ii) Upon receipt of a timely request, the Executive Officer shall immediately suspend conducting authority proceedings until Marin LAFCo acts on the request and shall place the request on the agenda of the next meeting of Marin LAFCo for which any required notice can be given. At that meeting, Marin LAFCo shall consider the request and receive any oral or written testimony. Marin LAFCo may continue the hearing for a maximum of 35 days.

- 4.14 (B)(iii) At the conclusion of the public hearing, Marin LAFCo will act on the request by approving or disapproving or approving with conditions or modifications. If the Commission approves the request with or without modification, the Commission will adopt a new resolution making determinations superseding the resolution previously issued.

4.15 PROTEST ~~PROCEEDINGS~~ HEARINGS INVOLVING CHANGE OF ORGANIZATIONS

It is the policy of Marin LAFCo to delegate the responsibility for conducting protest ~~proceedings~~hearings for approved change of organizations or reorganizations to its Executive Officer as provided under Government Code §57000. The purposes of delegating responsibility for holding protest ~~proceedings~~hearings to staff are to increase Marin LAFCo's flexibility to expedite protest hearings and evaluate protest petitions, order the change of organization or reorganization, and take actions as permitted without extending the length of regular Commission meetings to include non-discretionary matters.

4.16 POLICIES & PROCEDURES FOR OTHER PROPOSAL TYPES

4.16 (A) Latent Power Activations and Service Power Divestitures

- 4.16 (A)(i) **Determination of Latent Powers:** Marin LAFCo shall periodically review and update the inventory of functions and services established for each special district as part of its municipal service review study program under Government Code §56430. In conducting such a review, Marin LAFCo may require the special districts to provide current information concerning established functions and services. Marin LAFCo may, after a public hearing, remove from its inventory any function or service established for a special district, if the Commission determines that the function of service is not currently being provided by the district.
- 4.16 (A)(ii) **Request to Activate a Latent Power or Divestiture of a Service Power:** Any special district desiring to undertake the provision of any new or different function or class of service or divest an existing power within its boundaries shall adopt a resolution of application for filing with Marin LAFCo pursuant to Government Code §56824.12. Adoption of such resolution of application requires a noticed public hearing. Applications for provision of new or different functions or classes of service must be accompanied by a plan for providing service pursuant to Government Code §56824.12.

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- 4.16 (A)(iii) **Procedures on Request:** All procedures tied to reviewing and acting on a request from a special district to activate a latent power or divest a service power shall follow the steps required change of organization proposals as provided in this Policy Handbook.
- 4.16 (A)(iv) **Public Hearing:** Marin LAFCo shall hear and act upon the proposal at a noticed public hearing according to the requirements of Government Code §56824.14.

4.16 (B) Initiation of Proposals by Marin LAFCo

- 4.16 (B)(i) **Policy Preference:** It is the policy of Marin LAFCo to prefer, but not require, that proposals be submitted by petition of voters or landowners or by resolution of application by an affected local agency. Marin LAFCo will consider initiation of such proposals in instances in which the following conditions apply:
- 4.16 (B)(i)(1) A sphere of influence, municipal service review, or other governmental study has shown that a proposal may result in lower overall public service costs, greater local government access and accountability, or both.
- 4.16 (B)(i)(2) Marin LAFCo can complete the necessary review, analysis, and processing with its own staff resources, or funds are available to pay for additional assistance needed to complete the review and processing of the proposal.
- 4.16 (B)(ii) **Implementation Factors:** Marin LAFCo reserves its discretion to initiate such proceedings in exceptional circumstances in which there exists a level of public concern about a district's services or governance that, in the Commission's view, warrants initiation of a proposal. The following factors will be considered by Marin LAFCo in determining and, if applicable, proceeding with a self-initiated proposal:
- 4.16 (B)(ii)(1) Marin LAFCo will consider whether to initiate a proposal at a regular public meeting. The Commission will consider a preliminary staff report, which estimates, to the extent possible without a full study, potential service cost savings and which summarizes any other factors which warrant consideration. After reviewing the preliminary report, if the Commission decides to proceed, it will adopt a resolution of application pursuant to Government Code §56650.

4.16 (B)(ii)(2) If Marin LAFCo initiates a proposal, staff will commence formal review, including provision for agency participation and comment, environmental review, property tax exchange (if applicable), and an Executive Officer's Report and Recommendation, as required for all proposals considered by the Commission.

4.16 (B)(iii) **Referral to Committee:** Marin LAFCo may refer the proposal to a reorganization committee as provided in Government Code §56827 or to an advisory committee composed of a representative from each affected district and any additional representatives the Commission deems appropriate.

4.16 (C) Proposals Affecting More than One County

State law provides that the county having all or the greater portion of the entire assessed value of all taxable property within a district for which a change of organization or reorganization is proposed is the principal county for changes in organization involving that district. The Act further provides that the LAFCo of the principal county shall have exclusive jurisdiction over all boundary changes affecting a district located in more than one county, unless the LAFCo of the principal county vests exclusive jurisdiction in the LAFCo of another affected county, and both LAFCos agree to the transfer of jurisdiction.

4.16 (C)(i) **Transfer of Jurisdiction:** When requested by the LAFCo of an affected county, Marin LAFCo will consider and determine, on a case-by-case basis, whether it is appropriate to transfer jurisdiction to the LAFCo of the affected county.

4.16 (C)(ii) **Processing Procedures:** The following procedures apply for processing of applications affecting more than one county when Marin LAFCo is principal LAFCo:

4.16 (C)(ii)(1) Applications affecting the boundaries of a special district for which Marin LAFCo is principal LAFCo shall be submitted to Marin LAFCo, including instances in which the subject territory is located in another county. Prior to application, applicants should meet with Marin LAFCo staff and the staff of the LAFCo in the other affected county regarding process and application requirements.

4.16 (C)(ii)(2) Upon receipt of an application involving territory in another county, Marin LAFCo staff shall immediately forward a copy of the application to the LAFCo of the

other affected county. Marin LAFCo staff shall also notify all affected local agencies of any proceedings, action, or reports on the proposed change of organization.

4.16 (C)(ii)(3) Marin LAFCo staff shall consult with the staff of the LAFCo of the other affected county and the staff of affected agencies, to gather data for the Executive Officer's report and recommendation.

4.16 (C)(ii)(4) Marin LAFCo shall schedule Commission consideration of the application so that the LAFCo of the other affected county has had time to review the application and submit a written recommendation to be included in the Executive Officer's report for Marin LAFCo consideration.

4.16 (C)(ii)(5) During its consideration of the application, the Commission shall consider the Executive Officer's report, the recommendation of the LAFCo of the other affected county, and the comments of interested persons and affected local agencies in making its determination.

4.16 (C)(ii)(6) Following the Commission's consideration of the application, the Executive Officer shall forward any resolutions and a written report of Commission action to all affected local agencies and the LAFCo of the affected county.

4.16 (C)(iii) **Referrals from Other LAFCOs:** Upon receipt by Marin LAFCo of a referral from the LAFCo of another county of an application for a change of organization affecting territory in Marin County, Marin LAFCo staff shall place the application and report and recommendation on Marin LAFCo's next possible agenda so that the Commission may consider the application and forward a recommendation to the principal LAFCo. The application will be processed, and a staff report will be prepared consistent with Marin LAFCo's Policy Handbook.

4.17 POLICY FOR DISADVANTAGED UNINCORPORATED COMMUNITIEIS

As set forth in SB 244, Marin LAFCo will include considerations of disadvantaged unincorporated communities within a city or district SOI in statements of written determinations of MSRs. Marin LAFCo will prohibit the approval of city annexations greater than 10 acres that are contiguous to a disadvantaged unincorporated community unless the city applies to annex the disadvantaged unincorporated community as well.

CHAPTER 5 ESTABLISHMENT AND EVALUATION OF SPHERES OF INFLUENCE & OTHER PLANNING ACTIVITIES

5.1 GENERAL POLICIES AND STANDARDS FOR SPHERES OF INFLUENCE

Spheres of influence represent the Legislature’s version of urban growth boundary lines and mark the territory Marin LAFCo believes represents the appropriate current and probable future jurisdictional boundary and service area of the affected agency. All change of organizations and outside service extensions must be consistent with the affected agencies’ spheres of influence with limited exceptions (Government Code §56425).

State law directs Marin LAFCo to establish spheres of influence for all local agencies within one year of their formation (district) or incorporation (city/town). State law also directs Marin LAFCo to review and update, as necessary, spheres of influence for all local agencies every five years beginning January 1, 2008 (Government Code §56425).

5.1 (A) Policy Intentions

Spheres of influence represent Marin LAFCo’s principal planning tool in facilitating orderly and responsive local government. The following statements reflect the collective policy intentions of Marin LAFCo in establishing, updating, and amending spheres.

- 5.1 (A)(i) Spheres of influence should promote orderly growth of communities whether or not services are provided by a city, dependent special district or independent special district.
- 5.1 (A)(ii) A sphere of influence represents the area to which a city/town or special district is expected to eventually provide services. Marin LAFCo will use spheres of influence to guide its consideration of proposals to change local government boundaries to meeting existing and future community needs.
- 5.1 (A)(iii) Designated spheres of influence are intended to resolve uncertainty concerning the availability and source of services for undeveloped land, promote orderly land use and service planning by public agencies, and provide direction to landowners and area residents when and if they seek additional or higher-level services.
- 5.1 (A)(iv) Marin LAFCo’s decisions on individual proposals for changes to local government boundaries and organization must be consistent with the adopted or amended spheres of influence for the agencies affected by the proposal unless exempted under State law.

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- 5.1 (A)(v) Boundary change proposals should ensure that extension of services is reasonable and feasible given local conditions and circumstances and avoid duplication of services. Territory will be considered for inclusion within a sphere of influence if services can be efficiently extended and are shown to be needed within the next 10 years.
 - 5.1 (A)(vi) Spheres of influence will be reviewed and updated every five years, as necessary, beginning January 1, 2008.
 - 5.1 (A)(vii) In addition to the requirements of Government Code §56425(e), Marin LAFCo will consider natural features in its adoption of spheres of influence, including topography, bodies of water, ridgelines, and wetlands. Spheres of influence will preserve open space and agricultural resources in Marin County.

5.1 (B) Designation Types and Anticipated Outcomes

In acting to adopt spheres of influence for each local government agency under its jurisdiction, Marin LAFCo may take the following types of actions:

- 5.1 (B)(i) Adopt a sphere of influence that is larger or smaller than the present boundaries of the agency. Such a designation will be accompanied by a map showing the agency's present boundary and the sphere of influence or planned boundary. The areas between the present and planned boundaries define the territory in which Marin LAFCo anticipates territory to be annexed or detached.
- 5.1 (B)(ii) Adopt a "coterminous" or "status quo" sphere of influence that is equal to the current boundaries of the agency. This designation indicates that Marin LAFCo does not anticipate any change to the agency's boundary (annexations or detachments) or organization (consolidation, dissolution) in the next 5-10 years.
- 5.1 (B)(iii) Recommend that a city or district be reorganized by adopting a "zero" sphere of influence, encompassing no territory. This designation indicates Marin LAFCo's determination that, after consideration of all factors in Government Code §56425, that the agency should cease to exist and that its public service responsibilities should be re-allocated to another unit of local government through consolidation, dissolution, or establishment as a subsidiary district.

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- 5.1 (B)(iv) Where two or more single-purpose special districts providing the same service are contiguous, those districts may be allocated sphere of influence "in common" to include the areas served by both districts. This designation may be assigned where Marin LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district. This designation indicates Marin LAFCo's determination that two or more districts should be combined through consolidation or other reorganization process.

5.1 (C) Additional Guidelines

Marin LAFCo will generally apply the following policy guidelines in spheres of influence determinations while also taking into account local conditions and needs.

- 5.1 (C)(i) **Developed Unincorporated Communities:** Developed unincorporated lands that are located within the sphere of influence of a city/town or special district, and which benefit from the jurisdiction's municipal services should be annexed to that jurisdiction when the timing is deemed appropriate relative to the change of organization factors outlined under Government Code §56668.
- 5.1 (C)(ii) **General Plan Conflicts:** In its regular review and update of adopted spheres of influence, Marin LAFCo will identify any instances in which city/town and County general plans are in conflict. This includes recognition of any urban growth boundaries and urban service areas designated by the County of Marin or cities/towns. Marin LAFCo will act to resolve such conflicts by facilitating direct negotiations between the affected city/town and the County prior to taking action to update the adopted sphere of influence. Marin LAFCo will delay action on (or deny "without prejudice") proposed boundary changes in unincorporated areas that would conflict with a city general plan until the identified conflict is addressed.
- 5.1 (C)(iii) **Timing of Amendments:** Marin LAFCo encourages local agencies and the general public to defer requests or applications for individual amendments to spheres of influence to coincide with the regular reviews and updates calendared by the Commission as part of its adopted study schedule.
- 5.1 (C)(iv) **Consultation with County:** In instances in which a city/town requests and/or applies for an amendment to its own sphere of

influence in advance of Marin LAFCo's regular review and update process, the city/town making the request shall seek consultation and agreement with the County on the planned boundaries and development standards for the area within the proposed sphere of influence as required by Government Code § 56425(b).

- 5.1 (C)(v) **Agricultural Lands and Open Space:** In reviewing a city/town or special district sphere of influence, Marin LAFCo will exclude lands in agricultural, open space, or serve as community separators, unless special considerations warrant otherwise.
- 5.1 (C)(vi) **Community Benefit:** In designating spheres of influence for local agencies, Marin LAFCo will avoid including territories that will not benefit from the services provided by those agencies. Areas designated for open space, recreation, preservation of wildlife habitat, aquatic life habitat, or other natural land resources in city/town or County general plans will generally be excluded from city/towns and special district spheres of influence and thereby will not be considered eligible for an extension of an urban level of services.
- 5.1 (C)(vii) **Municipal Service Delivery Preference:** Where possible, a single multi-purpose agency is preferable to a number of adjacent limited-purpose agencies providing the same service. Multi-purpose agencies are preferred to limited-purpose agencies. Wherever possible, provision of multiple services by cities/towns will be preferred because general purpose agencies are best equipped to weigh community service priorities and their relationship to growth management and land-use planning authority.

5.2 SPECIFIC POLICIES AND STANDARDS FOR SPHERES OF INFLUENCE

5.2 (A) Policies for the Review of City/Town Spheres of Influence

Marin LAFCo will incorporate into its review of city/town spheres of influence the following policy factors:

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

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- 5.2 (A)(ii) The sphere of influence lines adopted by Marin LAFCo will act to encourage the political and functional consolidation of local government agencies where the boundaries of those agencies divide areas that are otherwise single communities.
 - 5.2 (A)(iii) City/town spheres of influence should include unincorporated islands and corridors closely associated with the city/town's boundaries unless these areas are reserved for open space, agriculture or regional facilities.

5.2 (B) Policies for the Review of Special District Spheres of Influence

Marin LAFCo will incorporate into its review of special district spheres of influence the following policy factors:

- 5.2 (B)(i) Where a limited-purpose special district is coterminous with, or lies substantially within, the boundary or sphere of influence of a multi-purpose government that is capable of assuming the public service responsibilities and functions of that limited-purpose special district, the limited-purpose special district may be allocated a designation of a zero influence.
- 5.2 (B)(ii) Where two or more limited-purpose special districts providing the same service are contiguous, those special districts may be allocated sphere of influence in common to include the areas served by both special districts. This designation may be assigned where Marin LAFCo determines that the particular service would be most efficiently provided to the entire area by a single special district and reorganization shall be pursued.

5.3 PROCEDURES FOR REVIEW, UPDATE, AND OR AMENDMENT OF SPHERES OF INFLUENCE

5.3 (A) Procedures for Marin LAFCo Updates to Spheres of Influence

Marin LAFCo will incorporate the following guidelines in preparing its own sphere of influence updates for local agencies:

- 5.3 (A)(i) Marin LAFCo shall adopt a study schedule every five years as needed to calendar sphere of influence updates and the associated municipal service reviews consistent with directives under Government Code §56425.

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- 5.3 (A)(ii) The study schedule shall be adopted at a public hearing and only after a minimum 21-day notice has been provided by Marin LAFCo to local agencies and the general public for review and comment.
- 5.3 (A)(iii) The adopted study schedule may be amended by Marin LAFCo from time to time at public hearings to address changes in priorities and/or resources. In adopting or amending the study schedule, Marin LAFCo shall consider the following factors:
- 5.3 (A)(iii)(1) Dates of the last sphere of influence updates and municipal service reviews performed for the affected local agencies.
 - 5.3 (A)(iii)(2) Evidence of significant changes in land use, planning policies, public service demands, public service needs, or public service capabilities.
 - 5.3 (A)(iii)(3) Communications and requests from local agencies and the general public.
 - 5.3 (A)(iii)(4) A preliminary assessment and recommendations by the Executive Officer on the potential scope and content of studies, including sphere of influence updates and municipal service reviews, over the five-year period.
- 5.3 (A)(iv) Prior to initiating any work pursuant to the adopted study schedule, Marin LAFCo shall consider and approve, with or without changes, a scope of analysis prepared by the Executive Officer at a public hearing.

5.3 (B) Procedures for Applicant Requests for Sphere of Influence Amendments

- 5.3 (B)(i) After receiving a written application for a sphere of influence amendment accompanied by an appropriate fee deposit, Marin LAFCo will schedule a public hearing to consider the application as required by Government Code §56428.
- 5.3 (B)(ii) The request or application shall state the nature of the proposed change, reasons for the request, include a map of the affected area, and contain any additional items and information as may be required by the Executive Officer, including an appropriate fee deposit.

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- 5.3 (B)(iii) Minor amendments of adopted spheres of influence may be considered by Marin LAFCo concurrently with a proposal for a change of organization.
 - 5.3 (B)(iv) Significant amendments of an adopted sphere of influence will be considered independently of and prior to any associated boundary change proposal and deferred for consideration to correspond with Marin LAFCo's adopted study schedule unless Marin LAFCo determines otherwise.

5.3 (C) Action on Sphere of Influence Establishments, Amendments, and Updates

All approved changes to spheres of influence shall be made by adopted resolution of Marin LAFCo and include determinations addressing all of the factors required for consideration under Government Code §56425(e) and any terms and conditions as determined appropriate by Marin LAFCo.

5.4 GENERAL POLICIES AND STANDARDS FOR MUNICIPAL SERVICE REVIEWS

5.4 (A) Legislative Authority

In order to prepare and update spheres of influence, Marin LAFCo will conduct municipal service reviews to independently assess the availability, demand, capacity, and performance of governmental services necessary to support orderly growth in Marin County. A municipal service review is an analysis of the provision of each service provided by local agencies under Marin LAFCo's jurisdiction within a defined geographic area as defined by the Commission. Marin LAFCo will review all of the agencies that provide the identified service or services within the designated geographic area. (Government Code §56430)

5.4 (B) Policy Intentions

- 5.4 (B)(i) Marin LAFCo will use municipal service reviews to proactively inform future planning and/or regulatory actions under the purview of the Commission as well as to contribute to the overall and logical development of Marin County.
- 5.4 (B)(ii) Marin LAFCo will orient the municipal service review to provide value to local agencies and the general public by soliciting and incorporating, as appropriate, requests to evaluate specific governance and or service alternatives.

-
- 5.4 (B)(iii) Municipal service reviews will be used by Marin LAFCo to expand public knowledge of how local services are provided and as data for its sphere of influence determinations.
 - 5.4 (B)(iv) Marin LAFCo will generally schedule and prepare municipal service reviews in conjunction with sphere of influence updates but may schedule municipal service reviews independent of sphere of influence updates.
 - 5.4 (B)(v) Marin LAFCo will generally follow State Guidelines governing the conduct of municipal service reviews, exercising its discretion to fit local conditions and priorities.

5.4 (C) Municipal Service Review Types

Marin LAFCo may calendar and prepare one of three types of municipal service reviews as provided below:

- 5.4 (C)(i) A service-specific municipal service review will examine particular governmental services across multiple local agencies on a countywide basis.
- 5.4 (C)(ii) A region-specific municipal service review will examine the range of governmental services provided by local agencies and any other identified entities within a defined area within Marin County.
- 5.4 (C)(iii) An agency-specific municipal service review will examine the breadth of governmental services provided by a particular local agency.

5.4 (D) Implementation Objectives

The purposes of Marin LAFCo's policies and procedures in the conducting municipal service reviews include, but not limited to:

- 5.4 (D)(i) Provide an independent assessment of the ability of the affected agencies in meeting current and projected community needs as determined by Marin LAFCo.
- 5.4 (D)(ii) Generate civic engagement among the affected agencies and general public in addressing current and future challenges and opportunities in aligning municipal service provision with community needs.

-
- 5.4 (D)(iii) Serve as the source document for Marin LAFCo to consider subsequent changes in spheres of influence; to inform future boundary changes and or outside service extensions; and to pursue, as appropriate, changes in organization as authorized under Government Code §56375(a)(2).

5.4 (E) Action on Municipal Service Reviews

All municipal service reviews will be adopted by resolutions that include determinative statements addressing all of the factors required for consideration Government Code 56430(a).

5.5 GENERAL POLICIES AND STANDARDS FOR OTHER STUDIES

5.5 (A) Special Studies

- 5.5 (A)(i) Marin LAFCo will conduct any study of local government services or structure it deems necessary as authorized by Government Code § 56378 to fulfill its legislative mandates. Such studies will be funded through Marin LAFCo's regular financial resources and reserves, supervised, and controlled by Marin LAFCo with the advice of affected agencies as deemed appropriate and or necessary by the Commission.
- 5.5 (A)(ii) In the event that the County of Marin, cities/towns, special districts or civil organizations request Marin LAFCo to undertake intergovernmental or multi-jurisdictional study of municipal type services in addition to studies undertaken by the Commission for municipal service review or sphere of influence update purposes, Marin LAFCo will consider management and/or contributing to the cost of the study based on the proposed study's relevance to Marin LAFCo. Requesting agencies or other potential applicants will be required to pay study costs in excess of those costs to be incurred by Marin LAFCo in the regular fulfillment of its legislative mandates.
- 5.5 (A)(iii) Applications for changes of organization requiring extended study in order to provide adequate information to Marin LAFCo to support its determinations shall be undertaken by the Commission at the expense of the applicant.



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT

August 8, 2024

Executive Officer Report – Section A

TO: Local Agency Formation Commission

FROM: Jason Fried, Executive Officer

SUBJECT: **Budget Update for FY 2023-2024 and FY 2024-2025**

Background

This budget report covers two different fiscal years, FY 23-24 and FY 24-25.

Marin Local Agency Formation Commission (LAFCo) adopted a budget for FY 2023-2024 totaling \$631,311.00. From July 1, 2023, through June 30, 2024, LAFCo has spent \$577,796.94. Our bookkeeper still needs to correct for when bills are paid and other items that will need to be closed out so this may not be the final amount spent for FY 23-24. When completed we should still come in under budget having only spent about 91% of our budget for the year although as mentioned this is not the final report for the year.

As was mentioned at a previous meeting it was likely one line item would end up over 100% for the year. That one line item is Misc. Services (35) which ended up 8% over budget which was \$2,218.04. This was due in part to the large number of fixes to our GIS layers that were discovered by staff and the general increase due to higher-than-normal inflation. This line item was increased in FY 24-25 to address this issue in the future. All other line items came in at or under budget and as mentioned above overall we came in under budget for the year.

LAFCo adopted a budget for FY 2024-2025 totaling \$668,227.00. From July 1, 2024, through July 31, 2024, LAFCo has spent \$44,770.80. This report covers 1 month, which is about 8.3% of the year. We have already spent 6.7% of our budget this year. You will note three line items are higher than the expected amount for where we are for being one month into the new FY. Two line items, Membership and Dues (30) and General Insurance (15), consist of bills that have large sums that get paid at the start of the Fiscal year in the case of line item 15 and are mostly paid for in the case of line item 30. The third item is Conferences (10) which covers registration and other costs for the CALAFCO Conference in October.

Finally, as is expected, income from member agencies currently is at zero for FY 24-25. We will not get a good review of who has paid until our October meeting.

Attachment:

1. FY 2023-2024 and FY 2024-2025 Budget Reports

Administrative Office
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County of Marin

Eric Lucan, Regular
County of Marin

Stephanie Moulton-Peters, Alternate
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Barbara Coler, Chair
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Steve Burdo, Regular
Town of San Anselmo

Stephen Burke, Alternate
City of Mill Valley

Lew Kiou, Regular
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

Marin Local Agency Formation Commission

FY24 BUDGET REPORT

July 2023 through June 2024

	<u>Jul '23 - Jun 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
410 · Prior Year Carryover	0.00	97,065.94	-97,065.94	0.0%
400 · Agency Contributions	536,245.06	536,245.06	0.00	100.0%
Total Income	<u>536,245.06</u>	<u>633,311.00</u>	<u>-97,065.94</u>	<u>84.7%</u>
Expense				
Services and Supplies				
05 · Commissioner Per Diems	8,500.00	10,000.00	-1,500.00	85.0%
10 · Conferences	9,096.89	10,000.00	-903.11	91.0%
15 · General Insurance	5,745.71	6,500.00	-754.29	88.4%
20 · IT & Communications Services	19,156.88	23,000.00	-3,843.12	83.3%
25 · Legal Services	20,285.87	37,500.00	-17,214.13	54.1%
30 · Memberships & Dues	7,152.00	8,000.00	-848.00	89.4%
35 · Misc Services	1,919.43	3,000.00	-1,080.57	64.0%
40 · Office Equipment Purchases	3,431.58	4,139.00	-707.42	82.9%
45 · Office Lease/Rent	35,472.00	35,472.00	0.00	100.0%
50 · Office Supplies & Postage	2,282.78	4,000.00	-1,717.22	57.1%
55 · Professional Services	29,218.04	27,000.00	2,218.04	108.2%
60 · Publications/Notices	652.79	2,000.00	-1,347.21	32.6%
70 · Training	959.92	1,700.00	-740.08	56.5%
75 · Travel - Mileage	951.42	1,500.00	-548.58	63.4%
Total Services and Supplies	<u>144,825.31</u>	<u>173,811.00</u>	<u>-28,985.69</u>	<u>83.3%</u>
Salary and Benefit Costs				
100 · Salaries	359,178.28	373,000.00	-13,821.72	96.3%
120 · County of Marin - Group Health	30,048.94	36,500.00	-6,451.06	82.3%
130 · MCERA / Pension	41,588.41	44,000.00	-2,411.59	94.5%
140 · Retiree Health	2,156.00	6,000.00	-3,844.00	35.9%
Total Salary and Benefit Costs	<u>432,971.63</u>	<u>459,500.00</u>	<u>-26,528.37</u>	<u>94.2%</u>
Total Expense	<u>577,796.94</u>	<u>633,311.00</u>	<u>-55,514.06</u>	<u>91.2%</u>
Net Ordinary Income	<u>-41,551.88</u>	<u>0.00</u>	<u>-41,551.88</u>	<u>100.0%</u>
Other Income/Expense				
Other Income				
900 · Interest Earnings	14,647.58			
910 · Fees for Services	11,074.40			
Total Other Income	<u>25,721.98</u>			
Net Other Income	<u>25,721.98</u>			
Net Income	<u><u>-15,829.90</u></u>	<u><u>0.00</u></u>	<u><u>-15,829.90</u></u>	<u><u>100.0%</u></u>

Marin Local Agency Formation Commission

FY25 BUDGET REPORT

07/29/24

July 2024 through June 2025

Accrual Basis

	Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
410 · Prior Year Carryover	0.00	80,500.00	-80,500.00	0.0%
400 · Agency Contributions	0.00	587,727.00	-587,727.00	0.0%
Total Income	0.00	668,227.00	-668,227.00	0.0%
Expense				
Services and Supplies				
05 · Commissioner Per Diems	0.00	10,000.00	-10,000.00	0.0%
10 · Conferences	1,165.36	11,000.00	-9,834.64	10.6%
15 · General Insurance	6,049.06	6,500.00	-450.94	93.1%
20 · IT & Communications Services	1,463.45	23,000.00	-21,536.55	6.4%
25 · Legal Services	729.80	37,500.00	-36,770.20	1.9%
30 · Memberships & Dues	5,360.00	8,500.00	-3,140.00	63.1%
35 · Misc Services	229.35	3,000.00	-2,770.65	7.6%
40 · Office Equipment Purchases	0.00	4,139.00	-4,139.00	0.0%
45 · Office Lease/Rent	3,074.00	36,888.00	-33,814.00	8.3%
50 · Office Supplies & Postage	17.78	4,000.00	-3,982.22	0.4%
55 · Professional Services	2,000.00	32,000.00	-30,000.00	6.3%
60 · Publications/Notices	0.00	2,000.00	-2,000.00	0.0%
70 · Training	0.00	1,700.00	-1,700.00	0.0%
75 · Travel - Mileage	0.00	3,500.00	-3,500.00	0.0%
Total Services and Supplies	20,088.80	183,727.00	-163,638.20	10.9%
Salary and Benefit Costs				
100 · Salaries	20,645.29	387,000.00	-366,354.71	5.3%
120 · County of Marin - Group Health	1,292.80	38,000.00	-36,707.20	3.4%
130 · MCERA / Pension	2,743.91	53,500.00	-50,756.09	5.1%
140 · Retiree Health	0.00	6,000.00	-6,000.00	0.0%
Total Salary and Benefit Costs	24,682.00	484,500.00	-459,818.00	5.1%
Total Expense	44,770.80	668,227.00	-623,456.20	6.7%
Net Ordinary Income	-44,770.80	0.00	-44,770.80	100.0%
Net Income	-44,770.80	0.00	-44,770.80	100.0%



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
August 8th, 2024
EO Item B (EO Report)

TO: Local Agency Formation Commission
FROM: Claire Devereux, Clerk/Jr. Policy Analyst
SUBJECT: **Current and Pending Proposals**

Background

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

File 1378 through file 1381 were created on July 1st 2024, These applications are part of a bigger boundary correction project with Sanitary District 2. Please see Items 4 through 7.

File 1383 is an OSA between Tamalpais Community Service District, Almonte Sanitary District and Homestead Valley Sanitary District, this OSA stems from a recommendation made in the last MSR. Please See Item 8.

On May 29, 2024, LAFCo file #1377 was created due to LAFCo receiving a request for an Emergency Outside Service Area (OSA) by County Environmental Health due to a failed septic system. On **July 1st 2024, file #1384** was created after a formal application was submitted by 2 Hansen Rd. to make their connection permanent. Please see Item 9.

As is customary for this report, this will be the last report that shows all the completed items from FY 23-24. The report at the next Commission meeting will remove all those applications and only those items still needing Commission attention will remain in the chart.

Attachment

1. Chart of Current and Pending Proposals

Administrative Office
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Eric Lucan, Regular
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Stephen Burke, Alternate
City of Mill Valley

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

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

Current and Pending Proposals

LAFCo File #	Status	Proposal	Description	Government Agency	Latest Update
1384	Pending	Annexation of 2 Hansen Rd. to Novato Sanitary District	Landowner (Annie Ernst) requesting approval to annex one parcel, approximately .403 acres, so they can obtain permanent connection after receiving an emergency OSA earlier this year. The parcel has a situs address of 2 Hansen Rd. and APN: 146-061-14.	Novato Sanitary District	On Today's agenda (Item 4) for approval.
1383	Pending	Out of Service Agreement between Tamalpais CSD, Homestead Valley SD and Almonte SD.	Tamalpais CSD is requesting approval of an Out of Service Agreement between Homestead Valley SD and Almonte SD to allow them to provide sanitary services to several parcels within Tam CSD's boundaries.	Tamalpais CSD, Homestead Valley SD and Almonte SD	Approved by Executive Officer based on Government Code section 56133(e) (1)
1381	Pending	Reorganization of 7 Sunrise, Larkspur from Ross Valley Sanitary District and into Sanitary District 2.	Agency (Sanitary District 2) requesting approval to reorganize one parcel of approximately .26 acres, so they can be placed into the correct district boundaries. The application has a situs address of 7 Sunrise Ln and APN 021-154-08.	Sanitary District 2 and Ross Valley Sanitary District	Will be on February or April Agenda conditional on completion of the next MSR and SOI update
1380	Pending	Annexation of 5124 Paradise Dr, Corte Madera, 5044 Paradise Dr. and 4985 Ranch Rd, Tiburon into Sanitary District 2.	Agency (Sanitary District 2) requesting approval to annex three parcels of approximately 3.09 acres, so they can be placed into the correct district boundaries. The application has a situs address of 5124 Paradise Dr, 5124 Paradise Dr. and 4985 Ranch Rd. with APN's 026-231-53, 038-022-63, 038-022-67, 038-022-68, 038-022-69, 038-022-70, 038-052-02	Sanitary District 2	Will be on February or April Agenda conditional on completion of the next MSR and SOI update
1379	Pending	Reorganization of 90 Edison 127 Pepper Ave from Sanitary District 2 to Ross Valley SD and Annexation of 100 Edison into Ross Valley SD	Agency (Sanitary District 2) requesting approval to reorganize three parcels of approximately 2.94 acres, so they can be placed into the correct district boundaries. The application has situs addresses of 90 & 100 Edison and 127 Pepper Ave with APN's 025-011-33, 021-142-50, and 021-231-21	Sanitary District 2 and Ross Valley Sanitary District.	Will be on February or April Agenda conditional on completion of the next MSR and SOI update
1378	Pending	Reorganization of 115,119,121 & 123 Elm Ave, Larkspur from Sanitary District 2 into Ross Valley Sanitary District.	Agency (Sanitary District 2) requesting approval to reorganize three parcels of approximately 1.967 acres, so they can be placed into the correct district boundaries. The application has situs addresses of 115,119,121 & 123 Elm Ave, Larkspur with APN's 024-062-47, 024-062-51, 024-062-53, 024-062-52.	Sanitary District 2 and Ross Valley Sanitary District.	Will be on February or April Agenda conditional on completion of the next MSR and SOI update
1377	Approved	Emergency Outside Service Agreement between 2 Hansen Rd. Novato and Novato Sanitary District	On May 29th County Environmental Health issued an emergency OSA request for 2 Hansen Road into Novato Sanitary District. On May 31 both NSD and LAFCo gave approvals for this request. This OSA lasts one year, in that year a formal application must be submitted for the connection to remain in place.	Novato Sanitary District	Ratified on 6/13/24
1376	Approved	Annexation of APN: 125-580-34, and the former Pinkston Rd. right-of-way adjacent to APN:125-580-34 into the Novato Sanitary District.	Landowner (Catherine E. Juchau) requesting approval to annex two lots, approximately 2.5 acres, so they can abandon a septic system and connect to the Novato Sanitary District in order to develop the land. Neither property holds an address. The parcels are the APN: 125-580-34 and the second parcel is the former Pinkston Rd. right-of-way.	Novato Sanitary District	Approved on 2/8/24
1375	Approved	Annexation of 19 Tanfield Rd., Tiburon into Richardson Bay Sanitary District	Landowners (Kimberly and Stephen Koza) requesting approval to annex a lot, approximately 1.02 acres, so they can abandon a septic system and connect to Richardson Bay Sanitary District. The parcel has a situs address of 19 Tanfield Rd., Tiburon (APN: 039-081-14).	Richardson Bay Sanitary District	Approved on 12/14/23
1374	Approved	Annexation of 45 Stirrup Ln., Novato into Novato Sanitary District	Landowners (Kevin and Mary Needham) requesting approval to annex a lot, approximately .57 acres, so they can abandon a septic system and connect to Novato SD. The parcel has a situs address of 45 Stirrup Ln., Novato (APN 146-020-11).	Novato Sanitary District	Approved on 12/14/23



Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

AGENDA REPORT
August 8th, 2024
EO Item C (EO Report)

TO: Local Agency Formation Commission

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

SUBJECT: **Marin LAFCo Work Plan**

Background

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

Updates from the last meeting are highlighted in Orange.

The following significant changes were made to the chart:

1. With the potential approval of Multi-Region MSR boundary changes NMWD has been added to items working on. Staff have already started working with NMWD, IPUD, and key community leaders knowing the item would be coming up.
2. With the potential approval of Multi-Region MSR, the NMWD Out of Services Agreement has been added to items working on. Staff have already reached out the City of Petaluma and Sonoma LAFCo to make sure they were aware of this item was mentioned in the Draft MSR. Given that outreach stated Staff has requested a meeting between all interested parties about meeting to discuss items.
3. On the Strawberry Recreation District Dredging issue staff became aware since the last meeting that the County of Marin is no longer interested in creating a CSA so it will take some time for staff to research other feasible options on this matter.
4. Belvedere is considering annexation into Tiburon Fire Protection District. In our Tiburon Peninsula MSR, it was mentioned that Tiburon Fire Protection District (TFPD) currently services the City of Belvedere which is outside of its service boundary by contract with the City of Belvedere, and that it should formally annex the City into its boundary. The City recently expressed interest in seeing what an annexation would look like. Staff has started the basic early discussion with both sides on this matter and we have basic agreement on a path moving forward. It looks like they will be asking LAFCo to perform an independent study to review this. Since this is would require hiring an outside consultant, which both sides have said they would cover the cost of paying the consultant. Staff are working with legal counsel to make sure we get the proper agreement in place to cover this issue. Staff hopes to have a formal discussion on this with possible approvals at an upcoming meeting.
5. Staff have also added a new section to the workplan for items that we have been working on but are now completed. The Tamalpais CSD has presented the needed materials to staff that shows this OSA falls under the exemption for OSA needing LAFCo approval. Based on LAFCo Policy 4.9(H) where the Commission has given authority to review and determine these matters to the EO it was determined that the OSA falls under 56133(e)(1).

Attachment

1. Marin LAFCo Work Plan

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Dennis Rodoni, Vice-Chair
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Stephen Burke, Alternate
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Lew Kiou, Regular
Almonte Sanitary District

Craig Murray, Regular
Las Gallinas Valley Sanitary District

Cathryn Hilliard, Alternate
Southern Marin Fire Protection District

Larry Chu, Regular
Public Member

Roger Smith, Alternate
Public Member

Project	Staff Assigned	Summary	Status
Staff currently working on			
Multi-Regional Services Study	Jeren	MSR for agencies that cover multiple regions	Public Draft was released on May 14 and will be presented to the Commission at the June meeting.
Countywide Fire Study	Jeren/Claire	Perform a phased review of fire services in Marin County.	Based on commission approval staff has now started researching and writing the report. Claire has rough drafts for approximately 10 fire agencies and an additional overview section in the works.
Large Scale GIS Topology Fix	Jeren/Claire	Over the course of the past couple of decades, adjustments to GIS mapping layers for multiple jurisdictional boundaries has created thousands of topological inconsistencies within those mapping layers. These inconsistencies have led to some ambiguities on jurisdictional boundaries throughout the county and with the upcoming election, correcting these inconsistencies has become a priority for Marin County. Staff is working collaboratively with County of Marin GIS specialists to correct approximately 16,000 topological issues within 19 jurisdictions and, in the process, ensuring that both Marin LAFCo and Marin County present the same data sets to the public upon completion.	Staff has met with County staff as well as held a meeting with main County staff member leading the effort along with Marin LAFCo's GIS consultant. A functional work flow for the project between the two agencies and Marin LAFCo's consultant has been agreed upon and initial work by County staff has begun.
Property Tax Review For Special Districts	Jason/Claire	This is a low level item for staff to work on. Currently when parcels are annexed into a district they get zero of the current ad valorem so staff will research if there are options, without changing the Master Tax Exchange Agreement, for district to get additional revenue to cover the cost of service that they get from current parcels from the 1% ad valorem.	Staff has started some early research on this, based on other items this may get completed in 2024.
Marin RCD and Stinson Beach Fire boundaries	Jason	As noted in West Marin MSR both agencies want to look at their current boundaries and make some adjustments.	Staff will work with both agencies in helping them with any changes they look to do.
Digital Library	Claire	Staff has learned how to make current documents ADA compliant and is looking to add more information to the website for applications and resolutions to make it easier for the public to access documents from us.	Working on as time permits. Currently working on remediating documents already posted on the website (i.e. minutes, agendas and packets). Between the June and August meeting streamline has introduced a remediation checking feature, this brought to light many small errors within remediating documents and un-remediated documents. With this new feature Claire has been going back fixing remediating documents to ensure they are fully compliant.
Strawberry Recreation District Reorganization of Dredging Services	Jason	Staff identified in Tiburon Peninsula MSR that SRD has dredging services that are an activity that State Government Code does not explicitly give to a recreation district. SRD and the County, with LAFCo help, are working to see if a CSA can be created to cover those services.	Unfortunately the County has informed LAFCo that it is no longer willing to help create a CSA to take these responsibilities over for SRD. Staff will need to do some research to see what other options may be available to solve this issue.
Tiburon Fire Protection District OSA with Belvedere	Jason	As identified in the Tiburon Peninsula MSR, the City of Belvedere currently has an OSA with the TFPD to cover services. In the MSR staff suggests that TFPD boundaries should be extended to cover Belvedere.	Both Tiburon FD and Belvedere have agreed to that a study should be done to review how to make this occur. Staff is hoping to present at the October meeting an agreed upon plan that moves this item forward.
NMWD Boundary Changes	Jason	In the Multiple Region MSR it was identified that IPUD customers were never removed from NMWD jurisdiction when IPUD took over water service from a private water company. The goal is to remove IPUD from the boundary of NMWD. In addition there are several parcels in the Marshal area that are within NMWD boundary but have no connections into the NMWD boundary. NMWD is asking to remove those parcels from it boundary.	Staff has already started working with NMWD and IPUD on the process to do public outreach before an application gets submitted to LAFCo.
NMWD OSA Review	Jason	NMWD back in the late 1970's through the 1980's requested and received approval for Out of Service Agreements for several parcels in Sonoma County who were to far removed from NMWD boundary to be annexed into the district so LAFCo gave approval for an OSA to NMWD to service there properties since it main water line that bring water to the district passed by these parcels. Since then the City of Petaluma water system has explained and is now near some of these parcels. NMWD and Marin LAFCo want to see if it given the expansion of the Petaluma system since these approvals were given if it make more sense now for them to take on some of these customers.	Staff is already trying to coordinate a meeting between NMWD, the City of Petaluma, Sonoma LAFCo, and us to discuss this matter.
Items being monitored by LAFCo staff but not currently working on or Items waiting for something else to occur first			

Central Marin Wastewater Study	Jeren	MSR for agencies of CMSA	Will be started once multi-regional MSR draft is released
Next Round of MSR	Jeren	The review of what the next round of MSR will look like was started in July 2022 and staff will present a more formal workplan once we get closer to the end of the current round.	Will be presented once CMSA MSR is started
Ross Valley Fire	Jason	As identified in the Upper Ross Valley MSR currently fire services are provided by a JPA in the region. There is a desire to see if there is a different model that would work for the area.	Staff is ready and able to assist if requested by them.
City of Sausalito/Sausalito-Marin City SD Consolidation	Jason	Currently, the City of Sausalito collects wastewater and then transmits that wastewater into SMCSO pipes within the city limits. The city is looking to see if SMCSO can take over this process from them. In areas outside of the City limits SMCSO does what the City is looking to do within the City limits.	Staff will monitor this issue as it moves through review process and will assist as requested.
Flood Zone 10	Jason	When doing the West Marin MSR it was noted that FZ10 was created to deal with an event that occurred in the area. It was given a pot of funds that are mostly spent. As noted in the MSR the zone does not have a funding source so the Flood District, with help from its CAB, should determine if there is work that the local community is willing to fund.	Staff has been asked to attend meeting and help advise on best practices for changing boundaries.
Flood Zone 3	Jason	As noted in Golden Gate MSR there are some issues within the FZ. While not directly LAFCo related staff may be needed to help be a neutral advisor on dealing with these issues.	Staff will monitor this issue as it moves through review process and will assist as requested.
Countywide Police Study	TBD	TBD	Once fire study is complete this will be revisited
Boundary Fixes	Jason/Claire	Staff has been working with SD2 around fixing issues with its boundary where parcels that are receiving services from them but not currently in the district. We should be getting a formal application about this in early 2024. As that process wraps up staff will be reaching out to other agencies to work with them on seeing if they have boundary issues as well.	We have the needed information but need to wait for the current Central Marin Wastewater MSR to be completed so we can fix the SOI in the area.
Dillon Beach Sewer	Jason	Staff has been invited by both the County and NMWD to advise on the possible creation of a new sewer system for the residents of Dillon Beach Village which would require annexation of the area into NMWD	Early planning meetings are occurring and staff is attending as needed. Receiving additional analysis during multi-regional MSR.
San Rafael Sanitary District	Jason	SRSD is currently looking at other staffing models that would have them possibly lead to another agency overseeing its day to day operations with a possible long term goal of consolidation of itself with another agency.	Staff attended the July CMSA meeting to address an interest by one of its members agency on LAFCo ability to do review of staffing issues. Staff will attend any future meeting as requested by our member agencies.
Items that had been worked on where staff has stopped work because they are not likely to happen at this time.			
Paradise Drive	n/a	As identified in the Tiburon Peninsula MSR, Paradise Drive goes through areas that are both incorporated and unincorporated as multiple unincorporated islands exist along it. The road itself does not reflect the parcels around it as far as which jurisdiction it is in.	Not currently working on
SQVSMD consolidation with RVSD	n/a	Based on the Central Marin Wastewater MSR, work with district staff on the possibility of consolidating services with RVSD.	Not currently working on
San Rafael Area Fire Working group	n/a	Based on San Rafael Area MSR the concept of merging fire services was mentioned. This working group will determine if it is possible and in the best interest of the public and all agencies providing services.	Not currently working on
Angel Island Fire Service	n/a	There are two different, but similar, issues around fire services. One is, while Angel Island falls into CSA 31 service area, Tiburon FPD actually provides those services but does not get reimbursed for those services. Second is the Town of Tiburon pays to the State Parks an annual fee to cover fire protection cost but the Town offers no fire protection services.	Not currently working on
Unincorporated Islands	n/a	Work to remove unincorporated islands throughout Marin County	Not currently working on