



Marin Local Agency Formation Commission

Municipal Service Review

Central Marin Wastewater Study

FINAL

February 2025

PREFACE

This Municipal Services Review (MSR) documents and analyzes services provided by local governmental agencies that are providing wastewater collection and/or treatment in the central corridor 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.

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Eric Lucan	County	District 5 Supervisor
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Table of Contents

<u>1.0</u>	<u>INTRODUCTION</u>	<u>7</u>
1.1	ROLE AND RESPONSIBILITY OF LAFCO	7
1.2	MUNICIPAL SERVICE REVIEWS	8
1.3	MARIN LAFCO COMPOSITION	9
<u>2.0</u>	<u>EXECUTIVE SUMMARY</u>	<u>10</u>
2.1	AFFECTED PUBLIC AGENCIES	10
2.2	PLANS, POLICIES, STUDIES	10
2.3	AGENCY AND PUBLIC PARTICIPATION	11
2.4	WRITTEN DETERMINATIONS	12
<u>3.0</u>	<u>DETERMINATIONS</u>	<u>14</u>
<u>4.0</u>	<u>RECOMMENDATIONS</u>	<u>18</u>
<u>5.0</u>	<u>REGIONAL SETTING</u>	<u>21</u>
<u>6.0</u>	<u>CENTRAL MARIN SANITATION AGENCY</u>	<u>23</u>
6.1	OVERVIEW	23
6.2	FORMATION AND DEVELOPMENT	23
6.3	SERVICE AREA	25
6.4	GROWTH AND POPULATION	26
6.5	MUNICIPAL SERVICES	26
6.6	ORGANIZATION STRUCTURE	29
6.7	ACCOUNTABILITY AND TRANSPARENCY	32
6.8	FINANCIAL OVERVIEW	33
<u>7.0</u>	<u>MURRAY PARK SEWER MAINTENANCE DISTRICT</u>	<u>36</u>
7.1	OVERVIEW	36
<u>8.0</u>	<u>ROSS VALLEY SANITARY DISTRICT</u>	<u>37</u>
8.1	OVERVIEW	37
8.2	FORMATION AND DEVELOPMENT	37
8.3	DISTRICT BOUNDARY AND SPHERE OF INFLUENCE	40

8.4	GROWTH AND POPULATION.....	40
8.5	MUNICIPAL SERVICES	42
8.6	ORGANIZATION STRUCTURE	44
8.7	ACCOUNTABILITY AND TRANSPARENCY.....	44
8.8	FINANCIAL OVERVIEW	45
9.0	<u>SAN RAFAEL SANITATION DISTRICT</u>	48
9.1	OVERVIEW	48
9.2	FORMATION AND DEVELOPMENT.....	48
9.3	DISTRICT BOUNDARY AND SPHERE OF INFLUENCE.....	50
9.4	GROWTH AND POPULATION.....	51
9.5	MUNICIPAL SERVICES.....	52
9.6	ORGANIZATION STRUCTURE.....	52
9.7	ACCOUNTABILITY AND TRANSPARENCY.....	54
9.8	FINANCIAL OVERVIEW	55
10.0	<u>SANITARY DISTRICT NO. 2 OF MARIN COUNTY</u>	58
10.1	OVERVIEW.....	58
10.2	FORMATION AND DEVELOPMENT	58
10.3	DISTRICT BOUNDARY AND SPHERE OF INFLUENCE	61
10.4	GROWTH AND POPULATION.....	62
10.5	MUNICIPAL SERVICES.....	63
10.6	ORGANIZATION STRUCTURE.....	64
10.7	ACCOUNTABILITY AND TRANSPARENCY	64
10.8	FINANCIAL OVERVIEW	65
11.0	<u>SAN QUENTIN VILLAGE SEWER MAINTENANCE DISTRICT</u>	68
11.1	OVERVIEW.....	68
11.2	FORMATION AND DEVELOPMENT	68
11.3	DISTRICT BOUNDARY AND SPHERE OF INFLUENCE	70
11.4	GROWTH AND POPULATION.....	70
11.5	MUNICIPAL SERVICES.....	70
11.6	ORGANIZATION STRUCTURE	71
11.7	ACCOUNTABILITY AND TRANSPARENCY	72
11.8	FINANCIAL OVERVIEW	72
12.0	<u>LAS GALLINAS VALLEY SANITARY DISTRICT</u>	73
12.1	OVERVIEW.....	73
12.2	FORMATION AND DEVELOPMENT	73

12.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE 76
12.4 GROWTH AND POPULATION..... 77
12.5 MUNICIPAL SERVICES..... 78
12.6 ORGANIZATION STRUCTURE 80
12.7 ACCOUNTABILITY AND TRANSPARENCY 81
12.8 FINANCIAL OVERVIEW 81

List of Figures

FIGURE 6- 1:CENTRAL MARIN SANITATION AGENCY SERVICE AREA25

FIGURE 6- 2: CMSA DISCHARGE MAP29

FIGURE 6- 3: CMSA ORGANIZATION CHART30

FIGURE 6- 4: DRAFT CMSA ORGANIZATION CHART.....32

FIGURE 8- 1:ROSS VALLEY SANITARY DISTRICT JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE39

FIGURE 9- 1: SAN RAFAEL SANITATION DISTRICT JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE.....50

FIGURE 9- 2: DRAFT CMSA ORGANIZATION CHART.....54

FIGURE 10- 1: SANITARY DISTRICT NO. 2 OF MARIN COUNTY JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE61

FIGURE 11- 1: SAN QUENTIN VILLAGE SEWER MAINTENANCE DISTRICT SERVICE AREA.....69

FIGURE 12- 1: LAS GALLINAS VALLEY SANITARY DISTRICT JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE76

List of Tables

TABLE 1-1: LAFCo's REGULATORY POWERS	7
TABLE 1-2: MANDATORY DETERMINATIONS.....	8
TABLE 1-3: MARIN LAFCo COMMISSION MEMBERSHIP	8
TABLE 2-1: CENTRAL MARIN WASTEWATER MSR AGENCY NAMES	10
TABLE 2-2: CENTRAL MARIN WASTEWATER MSR AGENCIES' MEETING INFORMATION	11
TABLE 6-1: CENTRAL MARIN SANITATION AGENCY OVERVIEW.....	22
TABLE 6-2: CENTRAL MARIN SANITATION AGENCY BOARD OF COMMISSIONERS	28
TABLE 6-3: CMSA REVENUES AND EXPENDITURES.....	32
TABLE 8-1:ROSS VALLEY SANITARY DISTRICT OVERVIEW	35
TABLE 8-2: POPULATION CHANGES AS SINGLE CENSUS-DESIGNATED AREAS FOR 2010 AND 2024.....	39
TABLE 8-3: ROSS VALLEY SANITARY DISTRICT BOARD OF DIRECTORS	42
TABLE 8-4: ROSS VALLEY SANITARY DISTRICT FINANCIAL INFORMATION	44
TABLE 9-1: SAN RAFAEL SANITATION DISTRICT OVERVIEW	46
TABLE 9-2: SAN RAFAEL SANITATION DISTRICT BOARD OF DIRECTORS	51
TABLE 9-3: SAN RAFAEL SANITATION DISTRICT TOTAL REVENUES AND OPERATING EXPENDITURES DATA	54
TABLE 10-1: SANITARY DISTRICT No. 2 OF MARIN COUNTY OVERVIEW.....	56
TABLE 10-2: SANITARY DISTRICT No. 2 BOARD OF DIRECTORS	61
TABLE 10-3: SANITARY DISTRICT No. 2 TOTAL REVENUES AND OPERATING EXPENDITURES DATA.....	64
TABLE 11-1: SAN QUENTIN VILLAGE SEWER MAINTENANCE DISTRICT OVERVIEW	65
TABLE 11-2: MARIN COUNTY BOARD OF SUPERVISORS.....	68
TABLE 12-1: LAS GALLINAS VALLEY SANITARY DISTRICT OVERVIEW	70
TABLE 12-2: LAS GALLINAS VALLEY SANITARY DISTRICT BOARD OF DIRECTORS	77
TABLE 12-3: LAS GALLINAS VALLEY SANITARY DISTRICT FINANCIAL INFORMATION	79

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

Table 1-3: Marin LAFCo Commission Membership

Name	Position	Agency Affiliation
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>
Rachel Farac	City Alternate	<i>City of Novato</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 wastewater services in the region of central 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 two independent special districts, four dependent special districts, and one joint powers authority (JPA) operating in the central corridor of Marin County as listed below and shown in Figure 2.1.

Table 2-1: Central Marin Wastewater MSR Agencies

Central Marin Wastewater MSR Agency Names
Ross Valley Sanitary District (RVSD)
Sanitary District No. 2 of Marin County (SD2)
Central Marin Sanitation Agency (CMSA)
San Rafael Sanitation District (SRSD)
San Quentin Village Sewer Maintenance District (SQVSMD)
Las Gallinas Valley Sanitary District (LGVSD)
Murray Park Sewer Maintenance District (MPSMD)

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 eight cities/towns, multiple census-designated unincorporated communities, as well as a number of unincorporated neighborhoods 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 eight 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
- Housing Elements
- Specific Plans
- Community Plans
- Sewer System Master Plans
- Wastewater Treatment Plant Master Plan
- 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 a 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: Central Marin Wastewater MSR Agencies’ Meeting Information

Central Marin Wastewater Municipal Service Review – Agency Transparency					
Agency	Governing Body	Meeting Date/Time	Meeting Location	Televised/ Streaming	Website
Ross Valley Sanitary District	Board of Directors	3 rd Wednesday at 5:00 p.m.	RVSD Admin Building 1111 Anderson Drive San Rafael, CA	No	https://www.rvsd.org/198/Board-of-Directors
Central Marin Sanitation Agency	Board of Commissioners	2 nd Tuesday at 6:00 p.m.	CMSA Board Room 1301 Andersen Drive San Rafael, CA	No	https://www.cmsa.us/board/agendas-and-minutes
San Rafael Sanitation District	Board of Directors	3 rd Friday at 9:00 a.m.	San Rafael City Hall 1400 5 th Avenue San Rafael, CA	Yes	https://www.cityofsanrafael.org/sanitation-district-board-of-directors/
Las Gallinas Valley Sanitary District	Board of Directors	1 st and 3 rd Thursday at 4:00 p.m.	LGVSD Office 101 Lucas Valley Road San Rafael, CA	No	https://www.lgvsd.org/board-meetings
San Quentin Village Sewer Maintenance 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

Sanitary District No. 2 of Marin County	Board of Directors	1 st and 3 rd Tuesday at 6:45 p.m.	Corte Madera Town Hall 300 Tamalpais Drive Corte Madera, CA	No	https://www.cortemadera.gov/600/Councilmembers
Murray Park Sewer Maintenance District	Board of Directors	3 rd Wednesday at 5:00 p.m.	RVSD Admin Building 1111 Anderson Drive San Rafael, CA	No	https://www.rvsvd.org/198/Board-of-Directors

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 they relate 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.

Within the affected agencies in the study area, the total estimated population is 129,282. Each of the agencies among LGVSD, RVSD, SD2, SQVSMD, and SRSD have seen minimal growth since 2010, with SD2 having the highest annual growth rate during this stretch of 0.66%. As each of the areas within the affected agencies is essentially built out, additional growth over the next ten years is expected to be minimal and on par with what has been experienced over the past decade. Despite the Regional Housing Needs Allocation (RHNA) housing mandates within each of the affected agencies' jurisdictions, the anticipated growth impacts from these prospective developments are anticipated to be dispersed well beyond the current planning cycle due in part to the nature of development difficulties in Marin County, the current costs of development in correlation to the requirement of affordable housing, and the cost of living in the area.

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

a) One census tract block group (Tract 1121, Block Group 1) that has been designated by Marin LAFCo as a disadvantaged unincorporated community (DUC) based on 2023 American Community Survey data has been identified within the study area. The block group is situated within the northern section of the California Park unincorporated island in the southern 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) All of the affected agencies with collection systems and/or treatment facilities in Central Marin are accounting for and funding therein replacement of their capital infrastructure, albeit to different degrees and accordingly producing a sizeable range in equipment age among the agencies. Each of the agencies over the course of the study window has accelerated its approach to infrastructure rehabilitation in comparison to the previous study window. All of the wastewater collection systems within Central Marin appear adequately sized in accommodating current and projected flow demands. This comment is substantiated given none of the affected agencies' collection systems' peak-day demands generated during the study period exceeded 74% of estimated capacity.

LGVSD is the entity responsible for treating and disposing of all wastewater generated within the Las Gallinas Watershed portion of Central Marin and has adequate capacity to accommodate current and projected flows through the next 5 years. CMSA is the entity responsible for treating and disposing of all wastewater generated within the Ross Valley and San Rafael Creek Watersheds portion of Central Marin and has adequate capacity to accommodate current and projected flows through the next 5 years.

Financial ability of agencies to provide services.

a) The Central Marin Sanitation Agency, Ross Valley Sanitary District, San Rafael Sanitation District, Las Gallinas Valley Sanitary District, Sanitary District No. 2 of Marin County, and San Quentin Village Sewer Maintenance District all prepare annual budgets and financial statements in accordance with established governmental accounting standards. The Boards of Directors, Boards of Commissioners, and the County Board of Supervisors acting as the

Board for SQVSMD, 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, JPA Commission, and County Board of Supervisors acting as the Board for the SQVSMD, 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 current and projected financial responsibilities to provide services. While SQVSMD creates sufficient annual revenue to meet current expense trends, a rate increase would be necessitated in the case that the District's residents were charged for CMSA treatment services that are currently being received. Each of the affected agencies within the study area has demonstrated strong financial health over the study window. All of the agencies, with the exception of SQVSMD due to its minimal infrastructure and focus on the proactive maintenance of that infrastructure as opposed to large-scale replacement, have been proactive in ensuring rates are adjusted to ensure that both current and future capital improvement plans are attainable while continuing to provide the same level of uninterrupted service to its user base. Each of the agencies has shown consistent growth in net position, significant investment in capital assets, and budgetary management that has shown revenues outpacing operating expenditures on an annual basis.

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) Given the contiguous nature of the three single-service wastewater collection agencies within CMSA as well as the significant possibility of the pending consolidation of services between SRSD and CMSA, the Commission as well as the affected agencies should continue to evaluate options to potentially reorganize and consolidate public wastewater services in Central Marin among agencies in the Ross Valley and San Rafael Creek Watersheds. Should the consolidation efforts between SRSD and CMSA be completed, an annual evaluation of not just cost savings but also employee retention and service delivery efficiency should be completed in order to further examine whether further consolidation efforts throughout the region could produce greater accountability and efficiency within the combined watershed.

b) The reorganization of SQVSMD by dissolving the District and concurrently placing its respective service area into RVSD by annexation appears readily merited to improve local accountability and service efficiencies. This reorganization would eliminate a seemingly superfluous dependent special district governed by the County of Marin in favor of recognizing RVSD as the preferred and more capable service provider moving forward.

c) Corrective action is needed to appropriately amend jurisdictional boundaries to better align service areas with existing property lines within the Ross Valley and San Rafael Creek Watersheds. Similarly, boundary clean-ups are needed to correct instances where actual service provision in this region does not match up with assigned jurisdictional boundaries.

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

a) During the course of this municipal service review, Marin LAFCo requested information from the Las Gallinas Valley Sanitary District regarding the area that is currently outside of its jurisdictional boundary just to the southwest of its treatment plant. The area in question holds the McInnis Park Golf Center, the San Rafael Airport, and two recently completed developments of Gravity Vault Marin and Flyte Racquet Club. Given that this area is essentially surrounded by LGVSD lands and is in such close proximity, Marin LAFCo inquired as to whether the District was providing wastewater collection/treatment to these high-use facilities. District staff was unable to provide Marin LAFCo with the requested information within the allotted time available. As such, LGVSD staff should complete the necessary testing to assess whether service is currently being provided to this area and report back to Marin LAFCo with the findings. If service is currently being provided, the District should submit an application for annexation to Marin LAFCo in a timely manner.

b) During the course of this study, staff discovered that SQVSMD ratepayers do not receive charges for the treatment of their wastewater from CMSA. It appears that this has been occurring due to the SQVSMD system feeding into the San Quentin Rehabilitation Center, which then mixes with that facility's wastewater flows, and the facility being charged a fixed annual fee under the current contractual agreement. In addition, the Caltrans Maintenance yard which is just outside of SQVSMD boundaries has been sending wastewater flows through SQVSMD to CMSA without payment to SQVSMD for collection or to CMSA for treatment.

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 the County of Marin, acting on behalf of the San Quentin Village Sewer Maintenance District, and staff from the Ross Valley Sanitary District should continue to explore the feasibility of the reorganization of the area of SQVSMD into RVSD. Should an agreement be reached, any application for annexation of SQVSMD should also include the annexation of assessor parcel number 018-154-11. This parcel lies adjacent to SQVSMD on the eastern side of Main Street and is approximately 11.43 acres. It contains a California Department of Transportation (Caltrans) maintenance station. The wastewater from this parcel flows into the SQVSMD system on its way to the Central Marin Sanitation Agency treatment plant and should be subject to the respective collection and treatment fees associated. Should an agreement between SQVSMD and RVSD not be forthcoming in the near future then SQVSMD and Caltrans should work to submit an application for the Caltrans parcel to be annexed into SQVSMD so it can pay for its use of the systems.
2. The Ross Valley Sanitary District should submit an application to Marin LAFCo for the annexation of the area of the San Quentin Peninsula that is currently outside of its jurisdictional boundary but within the area of its current sphere of influence for the Commission's consideration. Should the annexation be approved, the District would still bear the responsibility of negotiating any agreement for future service with the San Quentin State Rehabilitation Center as well as the reorganization of the San Quentin Village Sewer Maintenance District.
3. Given the contiguous nature of the three single-service wastewater collection agencies within CMSA as well as the ongoing discussions surrounding the possible consolidation of services between SRSD and CMSA, the Commission as well as the affected agencies should continue to evaluate options to potentially reorganize and consolidate public wastewater services in Central Marin among agencies in the Ross Valley and San Rafael Creek Watersheds. Should the consolidation efforts between SRSD and CMSA be completed, an annual evaluation of not just cost savings but also employee retention and service delivery efficiency should be completed in order to provide a clearer analysis of whether further consolidation efforts throughout the region could produce greater accountability and efficiency within the combined watershed.

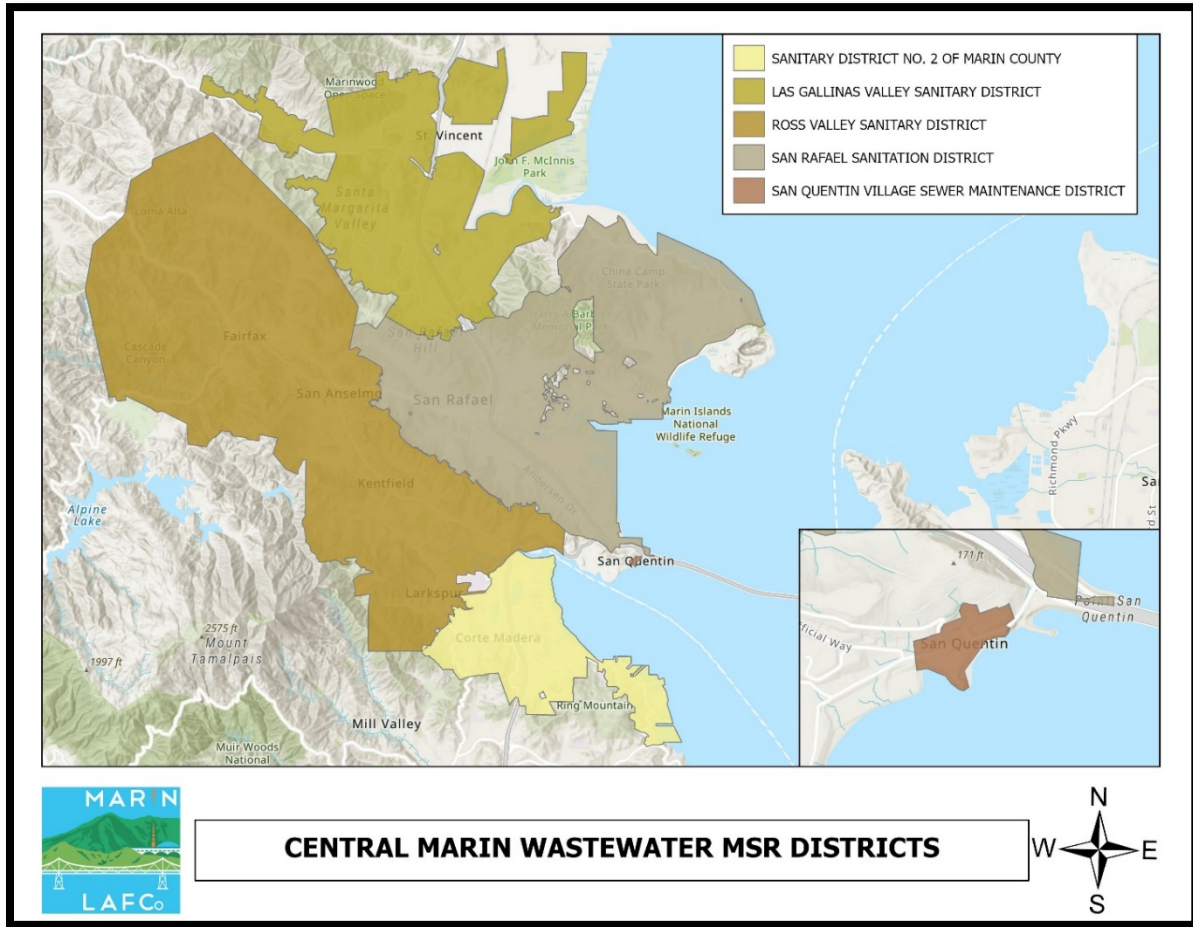
4. Though not a legislatively mandated requirement of public agency websites, the San Rafael Sanitation District should add information to its website regarding its current rates, rate schedule, the most recent Prop 218 process it completed, and any rate study that was completed as this has become standard operating procedure and a generally accepted best practice amongst public wastewater agencies.
5. During the course of this municipal service review, Marin LAFCo requested information from the Las Gallinas Valley Sanitary District regarding the area that is currently outside of its jurisdictional boundary just to the southwest of its treatment plant. The area in question holds the McInnis Park Golf Center, the San Rafael Airport, and two recently completed developments of Gravity Vault Marin and Flyte Racquet Club. Given that this area is essentially surrounded by LGVSD lands and is in such close proximity, Marin LAFCo inquired as to whether the District was providing wastewater collection/treatment to these high-use facilities. District staff was unable to provide Marin LAFCo with the requested information within the allotted time available. As such, LGVSD staff should complete the necessary testing to assess whether service is currently being provided to this area and report back to Marin LAFCo with the findings. If service is currently being provided, the District should submit an application for annexation to Marin LAFCo in a timely manner.
6. In the same manner that staff from RVSD and SD2 worked collaboratively and proactively to test and confirm which district was providing service to each of the properties along their shared boundary area, SRSD, LGVSD, and RVSD should make an effort to perform a similar analysis in order to ensure boundary lines are correct and that customers are receiving billing from the correct agency. In addition, any district that has island(s) of areas within their broader boundary that do not show as being serviced and in one of these smaller islands should determine if they are getting service and then work with LAFCo to fix the situation.
7. Through the course of this study, LAFCo staff determined that a sphere of influence was never formally established for SQVSMD. It appears, though not substantiated in any identified document, this is the result of previous notions that SQVSMD falls outside of the Commission's authority due to its size and the principal act under which it was formed. Commission staff has revisited this matter as part of this study and, after conferring with both other LAFCos around the state as well as State Government Code, conclude that SQVSMD and more specifically sewer maintenance districts formed under Public Health and Safety Code Section 4860-4927 are subject to LAFCo and as such a sphere designation is ultimately required. Marin LAFCo staff recommends the Commission adopt a zero sphere of influence in order to indicate the Commission's stance that the District should be reorganized in the future.
8. Land use authorities in Central Marin should work proactively to match the affected wastewater service provider with sites that have been identified for potential

development opportunities in their recently updated housing elements as a means to better sync land use and service planning in the region.

9. SQVSMD, CMSA, the San Quentin Rehabilitation Center, and Caltrans should all work together to ensure each is paying its proper share for both the collections and treatment of wastewater in that area. RVSD may also need to be included in discussions if it is determined that in the near future, a consolidation of the SQVSMD into RVSD could occur.

10. Given the apparent and continually evolving impacts of climate change on local precipitation totals, CMSA should continue to explore the feasibility of the production of both recycled water and direct potable reuse in order to aid in the sustainability of Central Marin's future water supplies

5.0 REGIONAL SETTING



The Central Marin Wastewater Municipal Service Review (MSR) study area consists of the Central Marin County Highway 101 Corridor encompassing an area that is approximately 60 square miles. Seven public agencies, including one joint powers authority (JPA), 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 service responsibilities in the Study Area both by contractual and informal agreements. These service arrangements and relationships for providing municipal services within the Study Area are described in this report.

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

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

6.0 CENTRAL MARIN SANITATION AGENCY

6.1 OVERVIEW

The Central Marin Sanitation Agency (CMSA) was established in 1979 as a joint powers authority (JPA) under Section 6500 of the California State Government Code. The JPA provides wastewater treatment and disposal to the three member agencies that comprise the authority: Ross Valley Sanitary District, San Rafael Sanitation District, and Sanitary District #2. CMSA is also contracted by the State of California to treat and dispose of wastewater received from the San Quentin Rehabilitation Center, and also by the County of Marin for the operation and maintenance of the San Quentin Village Sewer Maintenance District. The JPA’s service area encompasses approximately 36.5 square miles. The last municipal service review that included CMSA was conducted in 2017.

Table 6-1: Central Marin Sanitation Agency Overview

Central Marin Sanitation Agency			
Primary Contact:	Jason Dow	Phone:	(415)-459-1455
Mailing Address:	1301 Anderson Drive, San Rafael		
Formation Date:	October 15, 1979		
Services Provided:	Wastewater Treatment/Disposal		
Service Area:	23,350 acres	Population Served:	≈105,000

6.2 FORMATION AND DEVELOPMENT

The Central Marin Sanitation Agency was formed in October of 1979 for the purpose of carrying out the construction and installation of advanced wastewater treatment and disposal facilities to serve the Central Marin area. The initial agreement included four member agencies: the City of Larkspur, San Rafael Sanitation District, Sanitary District #1 of Marin County², and Sanitary District #2 of Marin County. The agreement provided for the planning, acquisition, financing, construction, maintenance, and operation of a regional wastewater treatment facility, and maintenance of certain facilities already in place, as well as responsibility for all functions pertaining to the treatment, reclamation, and disposal of sewage and other wastewater.

The service areas that would eventually make up CMSA’s contracted service area were primarily agricultural hubs in the early 1900s, with a population totaling just over 6,000 residents in 1900. Over the course of the following 40 years however, significant increases in accessibility to the region such as multiple rail lines, ferry services, and the completion of the Golden Gate Bridge in 1937 would all contribute to this population total ballooning to just under 21,000 in 1940. As the growth continued into the 1950s, multiple agencies were necessitated for wastewater collection to accommodate the current and anticipated growth. The four that provided wastewater collection service within what would become CMSA’s service area were Sanitary District #1 of

² Sanitary District #1 of Marin County adopted a resolution changing the District’s name to the Ross Valley Sanitary District (RVSD) in February of 2018 and will be referred to as such throughout this document.

Marin County (SD1), Sanitary District #2 of Marin County (SD2), San Rafael Sanitation District, and the City of Larkspur. SD1 also had a treatment facility and contracted with SD2 and the City of Larkspur to provide treatment and disposal of the three agencies' wastewater. San Rafael Sanitation District owned and operated its own two treatment plants.

Between 1940 and 1970, the population within the CMSA service area grew by nearly four times to just over 81,000 residents. This rapid population growth, not just in this service area but throughout the greater Bay Area at the time, began to raise significant concerns about the manner in which agencies were handling wastewater discharges. New federal and state water pollution laws, such as the Clean Water Act of 1972 with its National Pollutant Discharge Elimination System (NPDES) permit requirements added much-needed regulations to help improve the quality of wastewater discharges into surface waters. The new legislation simultaneously provided a grant funding mechanism for local agencies to receive monies to construct the new treatment facilities that would be necessary to meet the new regulations that required all wastewater discharges to meet enhanced quality standards.

Soon after the official formation of CMSA on October 15, 1979, the newly formed Joint Powers Agency (JPA) applied for grant funding for the construction of numerous wastewater system improvements in central Marin County, such as pump stations, interceptors, a new regional treatment plant, and wastewater outfall. Of what would eventually amount to a total construction cost of \$84 million for the new facilities, approximately 87.5% of the total cost was funded by federal and state clean water grants. The new treatment plant, located on San Quentin Point, began operation in January of 1985 with a permitted average dry weather flow capacity of 10 million gallons per day³ and a sustained peak secondary treatment design capacity of 30 million gallons per day.

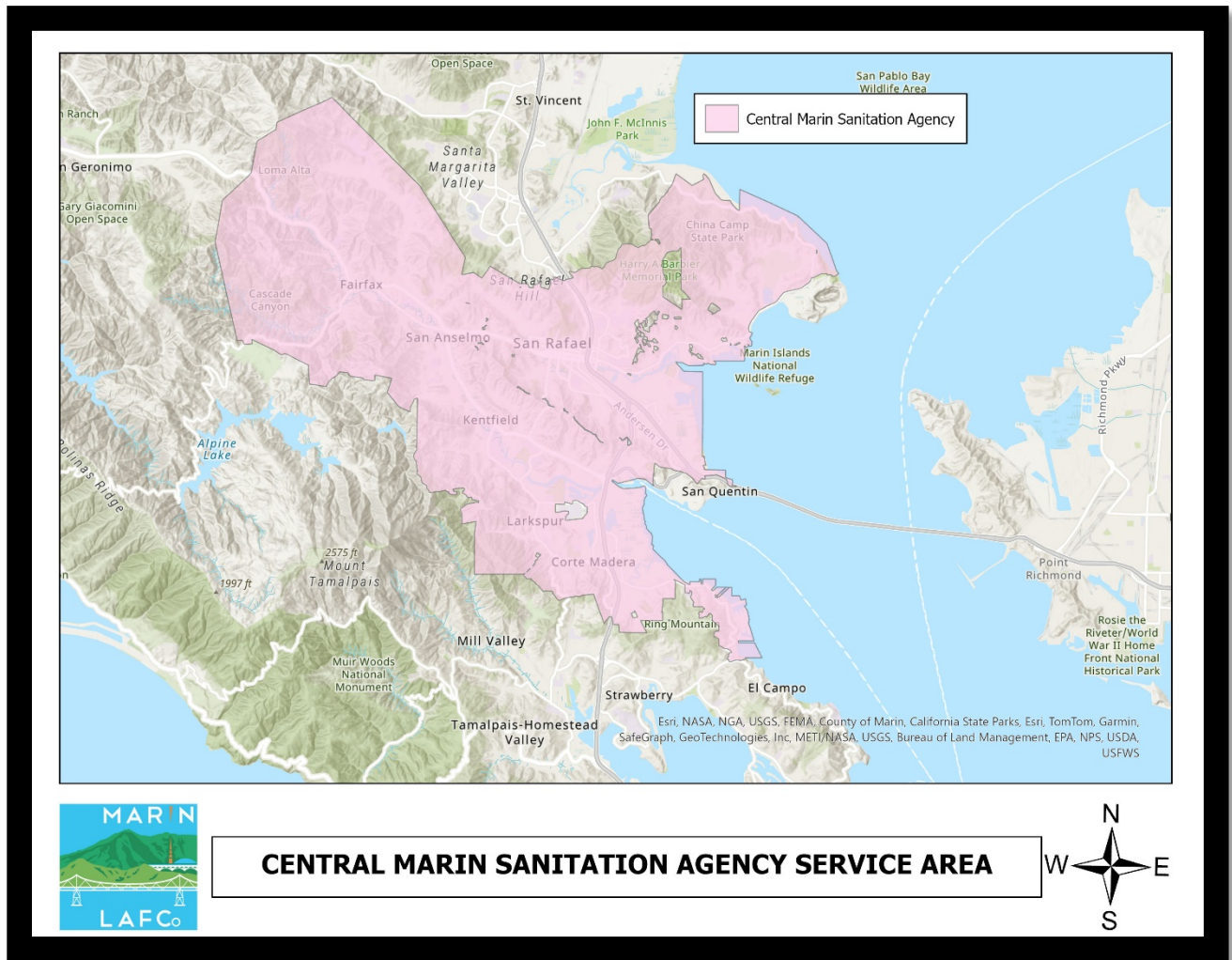
In 1993, Marin LAFCo approved the annexation of the territory of the City of Larkspur by SD1 and the transfer of responsibility for sewer service provided by Larkspur to the Sanitary District. LAFCo, however, did not attach terms and conditions of approval requiring the alteration of representation on the CMSA governing board. As a result, the City of Larkspur continued to appoint a representative to the CMSA board despite having no role in services provided by CMSA.

In May 2012, the County of Marin entered into an agreement with CMSA for the operation and maintenance of the San Quentin Village Sewer Maintenance District's (SQVSMD) sewer system assets. The County owns and had previously been operating the SQVSMD sewer collection system.

At its December 12, 2018, meeting, the Larkspur City Council approved a resolution to withdraw the City from CMSA due to its wastewater operations having been annexed by the Ross Valley Sanitary District (formerly SD1). The withdrawal agreement and revised JPA both reflected the City of Larkspur's removal from representation on the CMSA board. The updated JPA agreement was approved by the CMSA member agencies in January 2020.

³ [CMSA Facilities Master Plan Pg. 1-1](#)

Figure 6-1: Central Marin Sanitation Agency Service Area



6.3 SERVICE AREA

There is no formal jurisdictional boundary set by the Commission for CMSA, as would be the case for other agencies under LAFCo oversight such as cities, towns, and special districts, due to the agency’s formation as a joint powers authority. CMSA’s service area is statutorily bound to match its three member agencies’ jurisdictional boundaries. This area covers 23,350 acres (36.5 square miles), within which there are nine distinct land use authorities. The County of Marin accounts for approximately 40% of the CMSA service area and includes the census-designated places of Kentfield, Greenbrae, and Sleepy Hollow, as well as the unincorporated areas surrounding the City of San Rafael, the Town of Tiburon, and the Town of Fairfax, and also CMSA’s largest single customer, the San Quentin State Rehabilitation Center. Approximately 19% of the CMSA service area is within the city limits of San Rafael (approximately two-thirds of the City of San Rafael in total), 15% within the Town of San Anselmo, 12% in the Town of Fairfax, 3% in the Town of Corte Madera, 4% in the Town of Ross, 6% in the City of Larkspur, 2% in the Town of Tiburon, and the City of Mill Valley makes up slightly less than 1%. As joint

powers authorities are not assigned spheres of influence within the California State Government Code, CMSA in and of itself has no assigned sphere of influence.

6.4 GROWTH AND POPULATION

The service area of the Central Marin Sanitation Agency is coterminous with the jurisdictional boundaries of its three member agencies. The growth and population data for those three districts within this study (San Rafael Sanitation District, Ross Valley Sanitary District, and Sanitary District No. 2) can be found in those district’s respective agency profiles within this study. CMSA also contracts with the County of Marin to provide service to the San Quentin Village Sewer Maintenance District. The growth and population data for that district can be found in that agency’s profile within this study. Lastly, CMSA contracts with the State of California Department of Corrections to provide service to the San Quentin Rehabilitation Center. As of June 2024 (the most recent data publicly available) the total population of the San Quentin Rehabilitation Center⁴ was 3,361.

6.5 MUNICIPAL SERVICES

Wastewater Collection and Treatment

CMSA provides wastewater treatment and disposal to each of the three collection agencies that create the JPA’s service area, as well as the San Quentin Rehabilitation Center and the San Quentin Village. The wastewater treatment plant treats raw wastewater from its members through a process consisting of screening and grit removal, followed by primary and secondary treatment processing, after which the processed wastewater is disinfected and dechlorinated before ultimately being discharged into the San Francisco Bay. Figure 6-2 shows a satellite view of the location of the wastewater treatment plant as well as the effluent outflow and discharge areas. CMSA operates under the permit provisions of the California Regional Water Quality Control Board – San Francisco Bay Region (RWQCB) with respect to discharge allowances. This permit⁵ was most recently renewed on May 10, 2023, and extends through June 30, 2028. Biosolids removed from the wastewater stream are treated by sludge thickening, anaerobic digestion, biosolids dewatering, and the biogas generated in the digesters is used as fuel in a cogeneration system that produces renewable power. Biosolids are reused at the Redwood Landfill, land application sites in Sacramento County and the Organic Materials Recovery Center in Fairfield.

In 2010, CMSA completed a \$58 million upgrade to the facility known as the Wet Weather Improvements Project to expand treatment and storage facilities to accommodate intense wet weather events and better protect against inflow and infiltration during wet weather flows from its collection agencies. Among other significant improvements, the project included two new primary clarifiers to increase the primary treatment capacity to 125 million gallons per day (previously 90 million gallons per day) and a new 155 million gallons per day effluent pumping station. While the agency is no longer reliant upon it, CMSA maintains a storage pond for

⁴ [California Department of Corrections Office of Research Statistical Reports \(SB601\)](#)

⁵ [Reference to RWQCB National Pollutant Discharge Elimination System Permit No. CA0038628](#)

effluent flow shaving with the ability to hold 7.2 million gallons in the case of emergencies or to allow for facility shutdowns to accommodate maintenance and construction activities.

In 2023, CMSA provided treatment and disposal within its service area in the total amount of 51,268 equivalent dwelling units (EDU). CMSA’s definition of an EDU is “A unit of wastewater discharge that is the estimated volume and strength generated by a single-family residence.” In that same year, the wastewater treatment plant had an average dry weather flow of 8.3 million gallons per day and a total average daily wastewater treatment of 13.3 million gallons per day. The total annual flow for the facility for the year was approximately 4.8 billion gallons. These totals were all in line with the averages throughout the course of the study window.

CMSA reported zero sanitary sewer overflows (SSO) from its treatment facility during the course of the study window. In the event of an SSO occurrence, CMSA has established protocols such as contacting the RWQCB within two hours of a spill being identified as well as notifying Marin County Environmental Health Services and the Office of Emergency Services. Final effluent exceedances of compounds specified in CMSA’s NPDES permit must be followed by a notification to RWQCB within 24 hours of discovery. Samples must also be collected to quantify any environmental safety impacts. CMSA has not experienced an exceedance of its NPDES permit during the course of the study window.

CMSA bills its JPA member agencies an annual regional sewer service charge that is from a CMSA Board adopted 5-year Revenue Plan, and a semi-annual debt service charge pursuant to revenue bond payment agreements. CMSA bills San Quentin Rehabilitation Center a monthly service fee for wastewater treatment, debt service, and operation and maintenance of the facility’s main pump station. CMSA allocates sewer service charges to each of its member agencies based on a three-year rolling average of the volume and strength of delivered wastewater. This methodology allows for the calculation of a cost per equivalent dwelling unit. Beginning in fiscal year 2018, the annual debt service charges have been billed to member agencies based upon fixed EDU counts (totaling 52,044 EDUs) assigned to each member in an effort to avoid fluctuations in debt service allocation. In FY 2023, the regional sewer service charge was \$278.59 per EDU and the debt service charge was \$108.61 per EDU. Ross Valley Sanitary District produced the most EDUs at 22,114, followed by San Rafael Sanitation District at 19,334, and Sanitary District No 2 at 5,815. San Quentin Rehabilitation Center has a fixed EDU total of 4,005 annually. Over the course of the 5-year study window, the regional service charge has increased 17.6%⁶.

The CMSA treatment facility is equipped with two 261,381 cubic foot capacity anaerobic digesters that are fed wastewater sludge from the primary and secondary clarifiers, fats/oils/grease (FOG)⁷, liquid organic wastes, and food wastes from private haulers. The

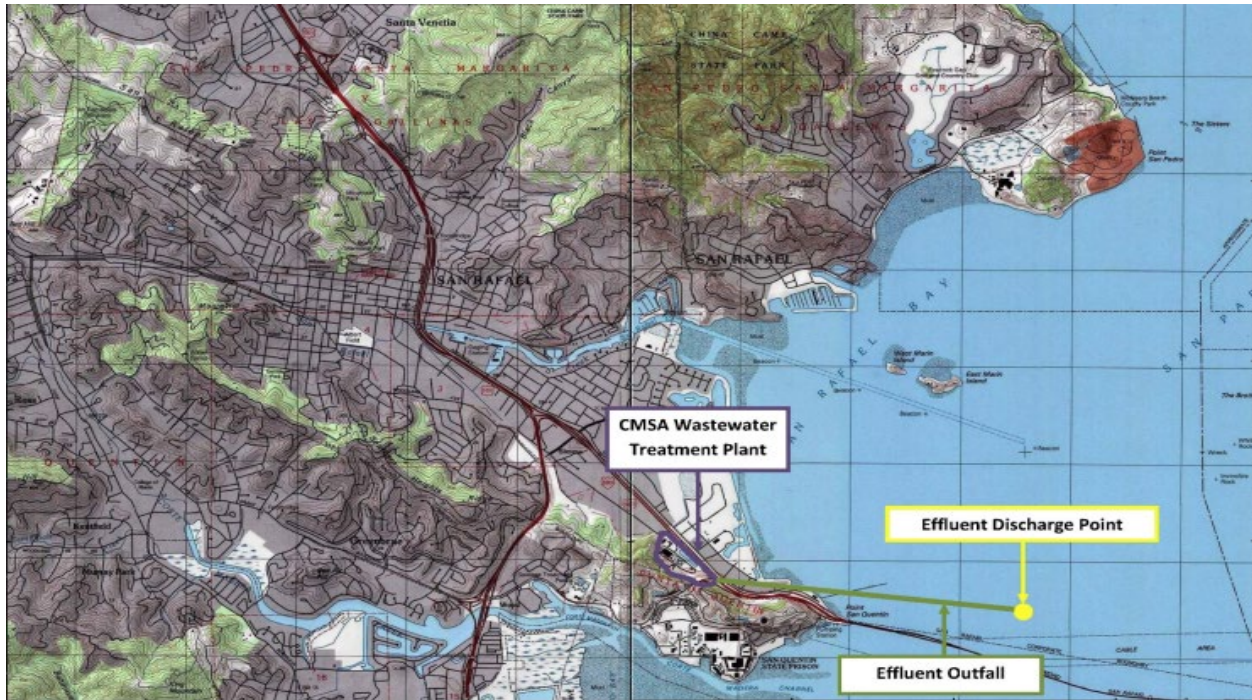
⁶ CMSA FY 2023 ACFR; Pg. 120

⁷ In 2006, the SWRCB issued a statewide general waste discharge requirement for all collection system agencies within the State that requires each to prepare a Sewer System Master Plan and a source control program for FOG, if FOG is determined by the collection system agency to be a contributor to sewer overflows. CMSA has agreements with each of its member agencies as well as the Tamalpais Community Services District and the Almonte Sanitary District to administer a FOG source control program.

agency's organic waste program, known as the Central Marin Food-to-Energy (F2E) program, was instituted in 2014 in partnership with Marin Sanitary Service. Marin Sanitary Service collects pre-consumer food waste from restaurants, markets, and other small businesses in its service area and after being processed at the Marin Sanitary Service Facility, a truck transports the processed food waste to CMSA's organic waste facility. Organic wastes are mixed with the wastewater sludges in the digesters and produce enough biogas to power the CMSA facility an average of 19.6 hours per day over the past year, and for several days each week, CMSA is energy independent and exports excess to Marin Clean Energy. The organic waste receiving program and cogeneration system have been so successful that in FY 2021, CMSA received permission from Pacific Gas and Electric (PG&E) to export excess power to its electrical grid, and CMSA has exported and sold renewable power to Marin Clean Energy through a Power Purchase Agreement. CMSA brought a new 995kW cogeneration system online in 2023 that allowed for even greater renewable energy production capacity.

CMSA maintains multiple contractual agreements for service with local agencies that offer such services as operating, maintaining, and monitoring wastewater pump stations and force mains, operating and maintaining sewer collection systems, and regulating commercial and industrial businesses that discharge to the sewer system. The first of these such agreements is with Sanitary District No. 2. CMSA and SD2 entered into this agreement in 1985 for CMSA to operate and maintain SD2's 19 pump stations and provide maintenance to the District's force mains. In 2012, CMSA entered into an agreement with the California Department of Corrections to operate and maintain the San Quentin Rehabilitation Center's main pump station and force main that transports wastewater to CMSA's treatment plant, as well as the treatment and disposal of the facility's wastewater. Additionally, in 2012 CMSA and the County of Marin entered into an agreement for the operation and maintenance of the County's sewer collection system and pump station in the San Quentin Village Sewer Maintenance District.

Figure 6- 2: CMSA Discharge Map



6.6 ORGANIZATION STRUCTURE

Board of Commissioners

The Central Marin Sanitation Agency receives oversight and policy direction by way of a five-member Board of Commissioners. Their governance authority is established under the Joint Exercise of Powers Act which authorizes two types of joint powers authority arrangements. The first type consists of two or more public agencies that jointly contract to exercise common service powers, and the second type consists of two or more public agencies that jointly contract to form a separate legal entity to provide common service powers. CMSA was formed under the latter structure as a legally autonomous agency. Each of the three member agencies appoints at least one member of its governing body as a delegate to serve on the CMSA Board of Commissioners, with the larger two agencies – SRSD and RVSD – each being allocated two representatives of its choosing.

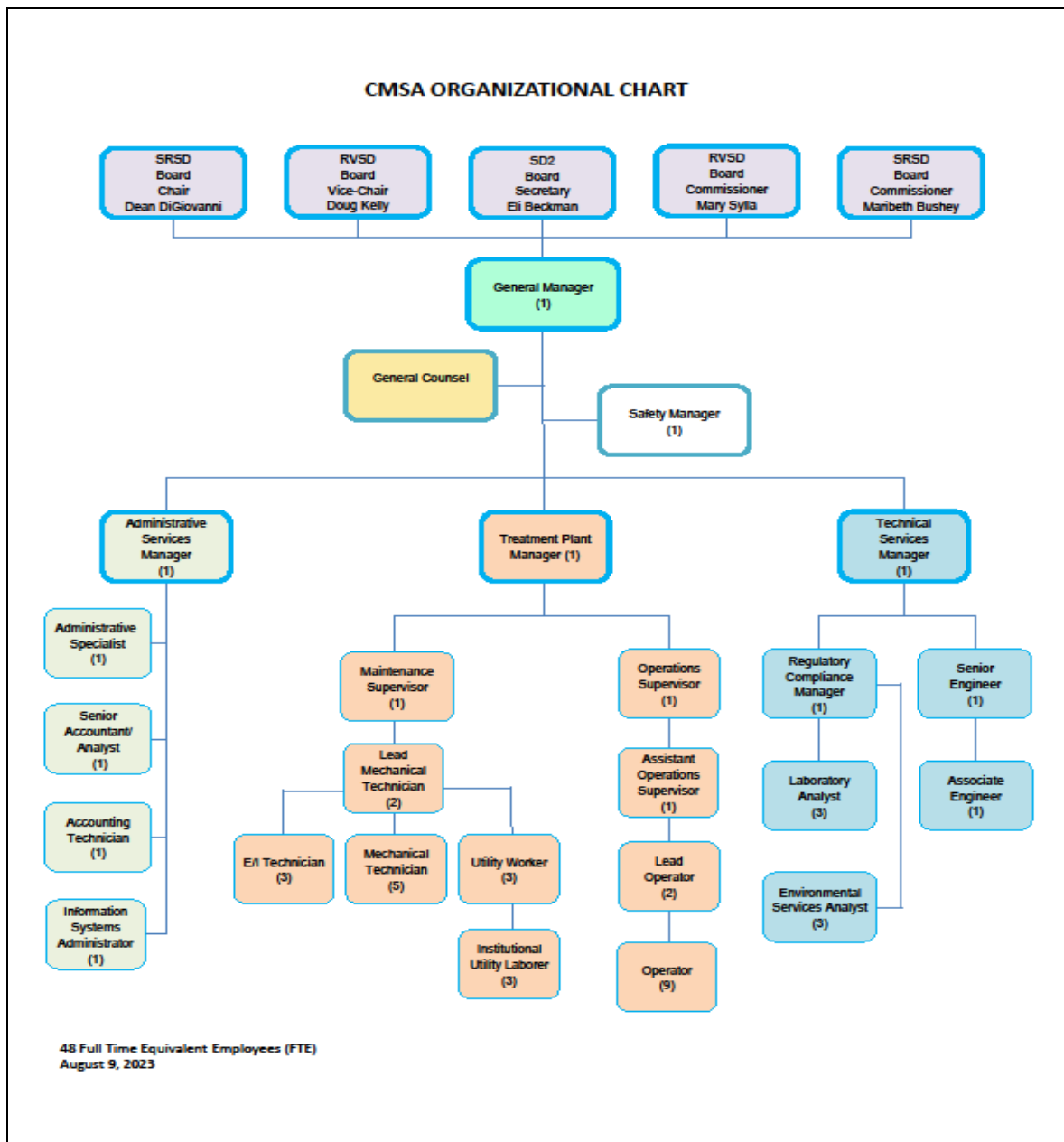
Table 6-2: Central Marin Sanitation Agency Board of Commissioners

Member	Position	Member Agency
Eli Beckman	Chair	SD2
Dean DiGiovanni	Vice-Chair	SRSD
Mary Sylla	Secretary	RVSD
Maribeth Bushey	Commissioner	SRSD
Doug Kelly	Commissioner	RVSD

Administration

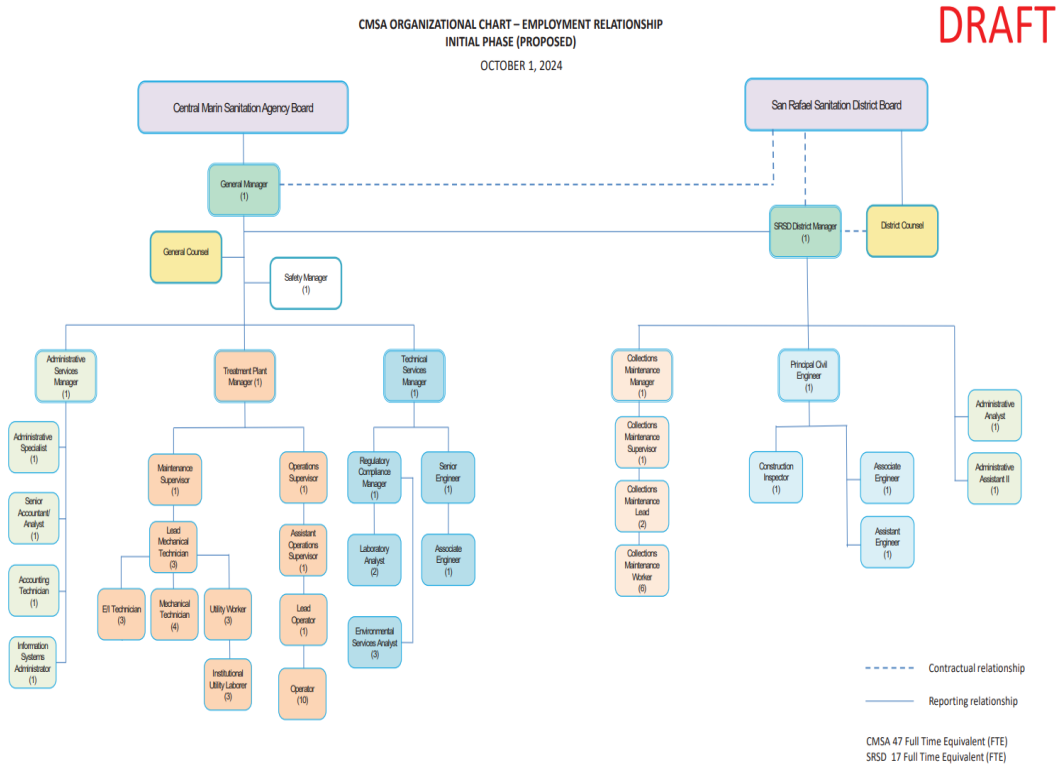
CMSA appoints an at-will General Manager to oversee all agency operations. The current General Manager, Jason Dow, was hired as an engineer in June 1993 and later was appointed to the General Manager position by the Commission in 2002 and is full-time. The General Manager currently oversees 48 other full-time employees, and this includes four senior management support positions: Safety Specialist/Manager, Administrative Service Manager, Treatment Plant Manager, and Technical Services Manager. The JPA's current org chart can be seen below in Figure 6-3.

Figure 6- 3: CMSA Organization Chart



CMSA is currently in advanced discussions with the San Rafael Sanitation District towards a service agreement for CMSA to “provide all staffing, regulatory compliance, Board support coordination and services necessary for the proper management, administration, and operation of SRSD including all owned and operated SRSD assets.” Due to the manner in which SRSD’s labor contract is currently structured, the District has experienced significant difficulty over recent years in recruiting and retaining employees. This difficulty led the District to exploring options to ensure a high level of service would be maintained throughout its service area. Under the most recent iteration of the proposed service agreement between the two agencies, CMSA would agree to hire all of SRSD’s 17 current employees who would continue working in their current capacity within the SRSD service area. Preliminarily, the agreement would be set up so that SRSD would fully reimburse CMSA for all services provided including all overhead costs for CMSA general services by way of monthly invoices provided to SRSD from CMSA. The agreement also states that “The services provided to SRSD shall not result in increased costs to other JPA members”. SRSD would also agree to remit payment to CMSA for any of the unfunded pension liabilities for the transferring employees prior to the employees' transfer to CMSA. The two agencies have enlisted the services of an independent consultant as well as created an ad-hoc Committee of CMSA JPA Member Representatives to consider the JPA’s Organization Development Future to continue to pursue this endeavor. To date, the Committee has held four public meetings to discuss the subject matter, fine-tune the proposed agreement, and continue to try to mitigate any possible disruptions that could arise. The proposed agreement would hold an initial 5-year term. The preliminary proposed org chart for what this agreement would entail in the initial phase can be seen below in Figure 6-4.

Figure 6- 4: Draft CMSA Organization Chart



6.7 ACCOUNTABILITY AND TRANSPARENCY

The Central Marin Sanitation Agency makes a concerted effort to maintain high accountability and transparency in all of its activities. The Agency’s website maintains a robust web presence with multiple pages dedicated to the JPA (cmsa.us). The CMSA web pages provide extensive documentation and information on Board meetings, financial reports, services, projects, studies, and more. Additionally, CMSA has been awarded recognition from the Government Finance Officers Association (GFOA) for its financial reporting, and a Platinum Peak Performance Award from the National Association of Clean Water Agencies for an exceptional NPDES permit compliance record. At this time, CMSA is meeting all of the transparency requirements of a public agency for the State of California.

Meeting and Agendas

The CMSA Board of Commissioners meets regularly on the 2nd Tuesday of each month at 6:00 p.m. at the CMSA office at 1301 Andersen Drive in San Rafael. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the [CMSA website](https://cmsa.us).

6.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years), CMSA has maintained increases in total net position each year, with the exception of fiscal year 2019-20. The Agency implemented a two-year budget cycle format beginning in FY 2020. All operating and capital activities of CMSA are included in the approved biennial budget, along with a 10-year capital improvement program and a 10-year financial forecast model. The FY 2024 and 2025 budgets were crafted through the incorporation of a 5-year revenue plan that currently forecasts through FY 2028. Strictly operationally, CMSA’s revenues have outpaced expenditures in each of the past five fiscal years, by an annual average of approximately \$1,783,176. The average annual operating revenues for the Agency over the 5-year period were \$19,765,119. The most significant apportionment (approximately 89% annually) of the Agency’s revenue comes from service charges paid to the Agency by its members. An additional eight percent comes from CMSA’s contract maintenance with local agencies for collection system operation and source control services. The remaining amounts are produced from fees charged for permitting and site inspections, organic waste and septage tipping fees, and renewable energy sales. The primary annual operating expenses for CMSA are Salaries and Benefits (53%), and Operations Supplies and Services (9%). The projected total revenue for the Agency for fiscal year 2024-25 is \$23,518,100⁸. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 6-3.

Table 6-3: CMSA Revenues and Expenditures from the Past Five Fiscal Years

Operating Revenue	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	Averages
Service Charges	\$16,400,143	\$16,974,164	\$17,578,817	\$18,183,132	\$18,819,541	\$17,591,159.40
Contract Maintenance	\$1,067,515	\$1,401,010	\$1,670,204	\$2,126,787	\$1,856,889	\$1,624,481.00
Other Revenues	\$434,012	\$427,699	\$602,417	\$556,030	\$727,233	\$549,478.20
Total	\$17,901,670	\$18,802,873	\$19,851,438	\$20,865,949	\$21,403,663	\$19,765,118.60

Operating Expenses	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	Averages
Salaries and Benefits	\$8,486,703	\$9,925,545	\$9,679,736	\$8,619,869	\$11,105,246	\$9,563,419.80
Operations Supplies and Services	\$1,436,895	\$1,638,012	\$1,364,543	\$1,510,280	\$2,098,928	\$1,609,731.60
Repairs and Maintenance	\$1,034,818	\$588,963	\$654,095	\$1,344,474	\$650,455	\$854,561.00
Permit Testing and Monitoring	\$144,968	\$178,099	\$176,099	\$198,248	\$204,105	\$180,303.80

⁸ [CMSA Operating and Capital Budget; Pg 47](#)

Insurance	\$111,545	\$134,522	\$380,764	\$445,916	\$410,435	\$296,636.40
Utilities and Telephone	\$454,082	\$495,207	\$263,560	\$591,547	\$446,020	\$450,083.20
General and Administrative	\$774,050	\$736,513	\$647,269	\$840,867	\$792,304	\$758,200.60
Depreciation and Amortization	\$4,110,575	\$4,128,150	\$4,221,630	\$4,299,319	\$4,585,208	\$4,268,976.40
Total	\$16,553,636	\$17,825,011	\$17,387,846	\$17,850,520	\$20,292,701	\$17,981,942.80

Debt

As of June 30, 2023, CMSA was carrying \$60,086,943 in long-term liabilities. This amount is inclusive of net pension and other post-employment benefits (OPEB) liabilities as well as compensated absences. The sources of the Agency’s long-term liabilities are outlined below.

- **2015 Refunding Revenue Bonds** - In March of 2015, CMSA issued \$49,310,000 in Series 2015 revenue Bonds. The Bonds were used to refund the Series 2006 Revenue Bonds whose proceeds were used to finance improvements to the wastewater treatment and disposal system to increase capacity for wet weather flows, to pay costs of issuance of the Bonds and for certain other capital projects to provide treatment capacity, replace capital assets at the end of service life, and to make other capital improvements.
- **2020 Revenue Bonds** – In November of 2020, CMSA issued \$9,115,000 in Series 2020 Revenue Bonds. The Bonds were used primarily for improvements to the treatment plant and for certain other capital improvements.
- **2022 Pension Obligation Bonds** – In April of 2022, CMSA issued \$9,432,000 in private placement Series 2022 taxable pension Obligation Bonds. The bonds were used solely for reducing the Agency’s unfunded actuarial pension liability by paying off a significant portion of the balance.
- **Net Pension Liability** – CMSA provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee’s years of service, age, and final compensation. As of measurement year ended June 30, 2022, CMSA’s Net Pension Liability is \$6,951,524. CMSA’s pension-funded ratio is approximately 87.3%. The Agency further funds an Internal Revenue Code (IRC) Section 115 pension trust to prefund its pension liability. As of fiscal year, ended June 30, 2023, the balance within the Agency’s pension trust is \$207,709, which adds to the Agency’s pension-funded ratio to 87.7%. The Agency expects to continue funding its IRC Section 115 trust in future years to manage its pension liability.
- **Other Post-Employment Benefits (OPEB)** – CMSA provides other post-employment benefits to its retirees. As of measurement year ended June 30, 2022, the Agency’s Net OPEB liability is \$1,569,984, with a funding ratio of 65.9%. The OPEB Plan provides retiree medical reimbursement to eligible employees either at both the single payer Kaiser medical rate and required CalPERS medical contribution rate, or the required CalPERS medical contribution rate and 1.5% contribution to a health reimbursement trust account.

Employees hired after January 1, 2010, are to receive the required CalPERS medical contribution rate and 1.5% contribution to a health reimbursement trust account. The health reimbursement account contributions are performed on a pay-as-you-go basis and are excluded from the actuarial figure. The Net OPEB Liability is expected to significantly decrease by 2039 as a result of the health reimbursement account update and the Agency prepares an OPEB funding plan to manage its expected funding ratio by contributing to or withdrawing from its IRC Section 115 OPEB trust fund. There are 82 total employees, both active and inactive, within the District's OPEB plan.

While technically not yet on the books, CMSA is planning in FY 2026⁹ to issue \$13 million in revenue bonds to continue the financing of its 10-year capital improvement program which currently contains 46 projects carrying an estimated total cost of \$75.8 million.

⁹ CMSA ACFR 2023; Pg 40

7.0 MURRAY PARK SEWER MAINTENANCE DISTRICT

7.1 OVERVIEW

In December of 2019, Marin LAFCo approved the annexation¹⁰ of the Murray Park Sewer Maintenance District (MPSMD) to the Ross Valley Sanitary District (RVSD). Information regarding MPSMD can be found within the RVSD agency profile section of this study.

¹⁰ Marin LAFCo Resolution 19-08

8.0 ROSS VALLEY SANITARY DISTRICT

8.1 OVERVIEW

The Ross Valley Sanitary District was formed in 1899 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection to the Town of Fairfax, the Town of Ross, the Town of San Anselmo, the City of Larkspur, and the unincorporated communities¹¹ of Sleepy Hollow, Kentfield, and Greenbrae. The District is one of three member agencies that comprise the Central Marin Sanitation Agency which is a joint powers authority (JPA). The District’s jurisdictional boundary encompasses just under 27 square miles. The last municipal service review that included Ross Valley Sanitary District was conducted in 2017.

Table 8-1: Ross Valley Sanitary District Overview

Ross Valley Sanitary District			
Primary Contact:	Steve Moore	Phone:	(415)-259-2949
Mailing Address:	1111 Andersen Drive, San Rafael		
Formation Date:	May 27, 1899		
Services Provided:	Wastewater Collection		
Service Area:	17,120 acres	Population Served:	≈47,000

8.2 FORMATION AND DEVELOPMENT

The Ross Valley Sanitary District’s service area was originally a sparsely developed rural area that was home to a handful of ranchers and loggers in the early 1800s. The land that Marin County residents now refer to as the Ross Valley, originally owned by Mexico, was gifted in 1840 to an English settler by the name of John Rodgers Cooper as part of a 9,000-acre land grant referred to as the Rancho Punta de Quentin Canada de San Anselmo. In 1857, James Ross purchased a significant apportionment of the land grant for \$50,000. Upon Ross’s passing in 1862, the majority of his land holdings were sold off to newer settlers in the area and it would thus garner its name as Ross Valley.

The initial urban development in the area began in 1875 with the completion of the North Pacific Railroad that connected the area that is now the City of Sausalito to the City of San Rafael. At the time of the railroad’s completion, there was an estimated total of residents throughout the Ross Valley of less than 1,000. A main hub for the railroad was located in the Town of San Anselmo. This station allowed passengers less than an hour-long journey to San Francisco by way of connecting to the ferry station to the south. This new accessibility led to an increase in demand to settle in the area and the corresponding subdividing of lots to meet the demand. By the latter stages of the 1890s, the population in the area had grown to just under 2,000, and the added wastewater runoff was becoming problematic for the local creeks to handle. In addition,

¹¹ While not a formally census-designated place, the District also provides service to the unincorporated developments outside of the jurisdictional boundary of the Town of Fairfax and the Town of San Anselmo.

the local water quality – particularly that of the San Anselmo Creek, which had become a primary source for the region’s growing water provider, Marin County Water Company – was seeing an increase in adverse effects. This led local landowners to petition the State Legislature to utilize the recently established Sanitary District Act of 1891 to create a solution. In 1899, the petition was confirmed by the voters, and the Ross Valley Sanitary District¹² was formed even before a single sewer main had been constructed. Not long after the formation, work began to construct the District’s first 10-inch trunk line that would stretch from the community of Fairfax south to the community of Greenbrae, allowing wastewater discharge into a deep-water slough of Corte Madera Creek.

The Ross Valley continued to grow in the early 1900s, with the Town of San Anselmo formally incorporating in 1907, followed by the incorporation of the Town of Ross and the City of Larkspur in 1908. With this steady growth, the practice of discharging untreated wastewater into the San Francisco Bay became untenable, and in 1922 a bond measure was passed to release \$450,000 to the District for the construction of an additional 7.5 miles of sewer line as well as a wastewater treatment facility in Greenbrae to provide basic screening of wastewater before discharging.

The Town of Fairfax was incorporated in 1931 and, not long after in 1937, the completion of the Golden Gate Bridge connecting the City of San Francisco north to Marin County created an influx of development demand throughout the Ross Valley. The population of approximately 2,000 in 1900 ballooned to over 12,000 by 1940. In order to meet the increasing demands, in 1945¹³ RVSD, in collaboration with the City of Larkspur and the Sanitary District No. 2 of Marin County, constructed a second wastewater facility at Larkspur Landing to provide secondary treatment before discharging into the Corte Madera estuary. This facility would undergo several expansions over the following decades until its decommissioning in 1984.

As populations continued to grow, not just in RVSD’s service area but throughout the greater Bay Area at the time, significant concerns began to arise surrounding the manner in which agencies were handling wastewater discharges. Resulting regulations such as the Clean Water Act of 1972 and the National Pollutant Discharge Elimination System (NPDES) added much-needed restrictions to help regulate the treatment of wastewater discharges into surface waters. The new legislation simultaneously provided a funding mechanism for local agencies to receive monies to construct the new facilities that would be necessary to meet the updated regulations that required all discharges to meet enhanced standards. Given these circumstances, in 1979 RVSD – along with Sanitary District No. 2 of Marin County, the City of Larkspur, and the San Rafael Sanitation District – formed the Joint Powers Authority (JPA) known as the Central Marin Sanitation Agency. Soon after the official formation of CMSA in October of 1979, the newly formed agency applied for grant funding for the construction of a new treatment plant

¹² The Ross Valley Sanitary District was originally formed as the Sanitary District No. 1 of Marin County. It was not until February of 2018 that the District adopted a resolution to formally change its name. For the sake of uniformity, the District will be referred to as Ross Valley Sanitary District (RVSD) throughout the course of this section.

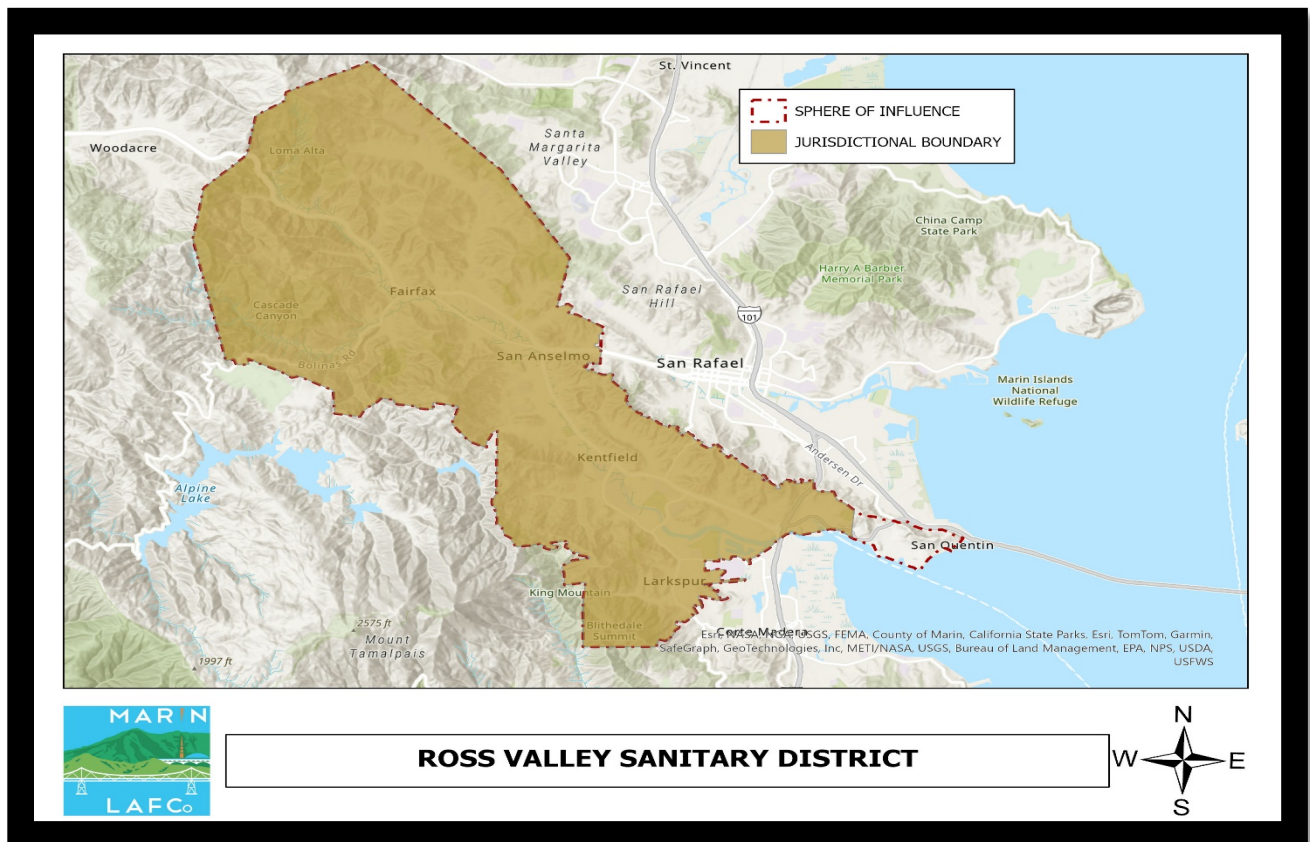
¹³ This facility was completed and began operating in 1948.

facility. Of what would eventually amount to a total construction cost of \$84 million for the new facility, approximately 87.5% of the total cost was funded by federal and state clean water grants. The new treatment plant, located on San Quentin Point, began operation in January of 1985. At this time RVSD deactivated the Larkspur Landing treatment facility and redirected all wastewater flows to the CMSA wastewater facility.

On April 1st, 1993, Marin LAFCo approved¹⁴ the annexation of the City of Larkspur Sanitation Area to the Ross Valley Sanitary District. The City of Larkspur would retain its voting membership status within CMSA until December 2018, at which time the Larkspur City Council approved a resolution to withdraw the City from CMSA. The updated JPA agreement was approved by the CMSA member agencies in January 2020.

In December of 2019, Marin LAFCo approved the annexation¹⁵ of the Murray Park Sewer Maintenance District (MPSMD) to RVSD. MPSMD is a small residential area of just under 60 acres between the City of Larkspur and Kent Woodlands. The District was created by the Marin County Board of Supervisors in 1949 and includes about 6,000 feet of sewer pipelines and serves 91 living units.

Figure 8- 1: Ross Valley Sanitary District Jurisdictional Boundary and Sphere of Influence



¹⁴ Marin LAFCo Resolution 92-7

¹⁵ Marin LAFCo Resolution 19-08

8.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Ross Valley Sanitary District’s jurisdictional boundary encompasses approximately 26.75 square miles of both incorporated and unincorporated Marin County. The District’s service area includes five land use authorities within the jurisdictional boundary. The County of Marin accounts for approximately 41% of all RVSD lands and includes the communities of Kentfield, Sleepy Hollow, Greenbrae, and all of the unincorporated lands surrounding the Town of Fairfax. The municipalities of the Town of San Anselmo, the Town of Fairfax, the City of Larkspur, and the Town of Ross comprise the remainder¹⁶ of the District’s jurisdictional lands.

While not yet formally approved, through a collaborative effort between Sanitary District No 2., RVSD, and Marin LAFCo, a tentative agreement is in place pending approvals for a total of 7 parcels that are currently within the jurisdictional boundary of SD2 to be transferred to RVSD due to RVSD being the agency that is providing service to those parcels. Through the work of a multi-year dye testing project by both SD2 and RVSD staff, it was determined that these parcels were not receiving service from the jurisdiction in which they resided. The collaborative effort between the three agencies has allowed for the development of a tax exchange agreement in order to reorganize the parcels into their proper jurisdiction. The formal reorganization requires a sphere of influence update. This update coincided with the timeline of this study, and as such the formal approval of this reorganization is tentatively planned for the early part of 2025.

The District’s sphere of influence was established in 1985 as part of Marin LAFCo’s initial sphere of influence studies for special districts throughout Marin County. The sphere was subsequently amended in 2006 following the Ross Valley Area Municipal Service Review to be coterminous with the District’s boundaries with the addition of the Murray Park Sewer Maintenance District area and the San Quentin Village Sewer Maintenance District/San Quentin Rehabilitation Center. This amendment included the Commission labeling this as an “interim sphere of influence” in order to signify its support of the ongoing exploration of the consolidation of the collection agencies in Central Marin. The most recent update of the sphere of influence occurred in 2017 and added all of the area of 238 Summit Drive to the District’s sphere following a reorganization of a number of parcels between the District and SD2.

8.4 GROWTH AND POPULATION

The Ross Valley Sanitary District provides service to four of the eleven incorporated towns/cities in Marin County (Fairfax, Larkspur, Ross, San Anselmo) as well as the two census-designated places of Kentfield and Sleepy Hollow. The District also provides service to the community of Greenbrae as well as the unincorporated developments surrounding the Town of Fairfax. While the communities of Kentfield and Greenbrae may have local distinctions separating one from the other, the US Census Bureau recognizes both of these spaces as a single census-designated place for population data. The population change data for the cities, towns, and census-designated places within the District’s boundary from 2010 and 2024¹⁷ can be seen below in Table 8-2.

¹⁶ The District also has approximately 15 parcels in the City of San Rafael currently within its jurisdictional boundary.

¹⁷ 2024 data is based upon State of California Department of Finance 2024 Estimates.

Table 8-2: Population Changes as Single Census-Designated Areas for 2010 and 2024

Community Name	2010	2024
Sleepy Hollow	2,384	2,401
Kentfield/Greenbrae	6,485	6,808
Town of Fairfax	7,441	7,371
Town of Ross	2,415	2,272
Town of San Anselmo	12,336	12,426
City of Larkspur	11,926	12,655

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 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, 353¹⁸ of those have identified sites for development within the unincorporated spaces in Ross Valley Sanitary District’s sphere of influence. Meanwhile, the additional housing unit mandates for each of the incorporated spaces within the District’s sphere of influence create a sum total of 2,413¹⁹ and are as follows:

- Town of Fairfax – 490
- City of Larkspur – 979
- Town of San Anselmo – 833
- Town of Ross – 111

The current projection in the hypothetical scenario that each of the member agencies (including RVSD) within the Central Marin Sanitation Agency were to be developed to their maximum buildout potential, the additional dry weather flow would be approximately 0.18 million gallons per day²⁰. Given its current average dry weather flows as well as the permitted allowances for flows, CMSA has the capacity to accommodate this level of growth. As far as growth within strictly RVSD, the District’s EDU levels have seen a minimal increase over the past 10 years, with a total EDU count of 21,940 in 2014 and 22,114 in 2023. In that same time frame, the District maintained an average annual wastewater flow to CMSA of 1,995.7 million gallons. Over the course of the study window, the District’s total number of service connections has increased by 71.

¹⁸ [Marin Countywide Plan; 2023-2031 Housing Element; Pg. 210](#)

¹⁹ [ABAG Final RHNA Plan](#)

²⁰ [Marin Countywide Plan; 2023-2031 Housing Element; Pg. 115](#)

8.5 MUNICIPAL SERVICES

Wastewater Collection

Ross Valley Sanitary District provides wastewater collection to all residents and businesses within its jurisdictional boundary. The District has a total of 15,999 service connections. In total, the District's sewer infrastructure is composed of approximately 199 miles of mainline and trunk line and 7.3 miles of force main pipe with approximately 66% of all the pipes being 6" diameter or less, 20% being 8", 9% ranging from 9"-18", and 5% being greater than 18" in diameter. The pipes throughout the District vary between vitrified clay (VCP), high-density polyethylene (HDPE), ductile iron (DI), cast iron (CIP), and polyvinyl chloride (PVC) among others. There are 5 major pump stations owned and operated by the District, as well as 14 smaller pump and lift stations. The District's sewer service rates were last adjusted on July 1, 2024, as the first year of what is to be a 5-year rate schedule following a service rate study that was presented to the RVSD Board in May of 2024. The District has two distinct service rate zones: the Ross Valley zone and the Larkspur zone. The Larkspur zone is administered higher rates as the District does not receive any of the ad-valorem from property taxes in that area as part of the annexation agreement. The Ross Valley rate zone does provide ad-valorem to the District, so in order to achieve equitable costs to all of its customers, the District utilizes this two-rate zone structure. The updated rate schedule calls for a 4% annual increase from 2024 to 2026, followed by a 3.8% increase in 2027, and 3.5% in 2028. For FY 2024-25, a single-family home in the Ross Valley rate zone could expect to see a sewer service charge of \$1,238, while the same home in the Larkspur rate zone would see a charge of \$1,773.

Over the past five fiscal years, the District has replaced a total of approximately 17 miles of pipe within its boundary as a product of its Capital Improvement Plan. The District maintains a ten-year capital improvement plan, with the current plan running through fiscal year 2033-34. Within that span, the District has plotted capital improvements that include funding allocations of \$66.4 million for gravity sewer improvements, \$9.8 million for force main sewer improvements, \$18.7 million for pump station improvements, and \$12.9 million for upgrades to the District's facilities, vehicle fleet, and other capital assets.

In May of 2013, the Regional Water Board issued a Cease-and-Desist Order (CDO) to the District in response to annually reoccurring excessive sewer system overflows (SSO). The CDO contained a list of specific actions and best practices for the District to implement in order to minimize the number of future SSOs. One of the requirements was the development of an Infrastructure Asset Management Plan (IAMP). Through the implementation of the IAMP, which was updated in 2021, the District has made significant improvements in both infrastructure and operations. The risk points identified in the IAMP aid the district in developing its Capital Improvement Plan (CIP). In FY 2023, the District's Capital Budget expenditures totaled \$10,733,288. Over the course of the past five fiscal years, the District has experienced a total of 63 sanitary sewer overflows (25 dry weather and 38 wet weather) totaling approximately 172,187 gallons. While a number of the sewer collection agencies throughout Marin County contract with private contractors for sewer system overflow response, the District's in-house staff are trained and respond to all incident reports within the District's

boundaries. The District is making continual efforts to upgrade the infrastructure throughout its service area in order to minimize inflow and infiltration as well as other structural defects. In the past 5 years, the District has restored 34.3 miles of pipe and has cleaned 910 miles of pipes.

Murray Park Sewer Maintenance District

In December of 2019, Marin LAFCo approved the annexation²¹ of the Murray Park Sewer Maintenance District (MPSMD) to RVSD. The MPSMD's jurisdictional boundary spanned approximately 60 acres with a population of 193 and is generally considered part of the unincorporated community of Kentfield. MPSMD's formation was approved by the County of Marin's Board of Supervisors in 1949 as a means for landowners to self-tax themselves for purposes of constructing and operating a community wastewater collection system. The initial collection system for MPSMD was constructed in early 1951 with the County of Marin's Public Works Department overseeing all operational and maintenance activities. In March of 1975, MPSMD entered into a service agreement with the City of Larkspur. This agreement transferred operational management of MPSMD's collection system and wastewater flows to Larkspur in exchange for an annual service fee based on the number of dwelling units within the District. Following the annexation of the City of Larkspur to RVSD in 1993, RVSD became the successor to the City of Larkspur's agreement to provide operational management of MPSMD's collection system and wastewater flows in August 1993.

The MPSMD collection system includes approximately 6,000 feet of lines ranging in size from four to eight inches. The lines are all gravity feed with no public pump stations. All wastewater generated from the collection system is conveyed for treatment to CMSA. There are a total of 89 service connections, with all but one serving residential uses. Upon being annexed into RVSD, MPSMD had a fund balance of \$315,301 that was transferred to RVSD with language in the annexation agreement restricting the use of those funds strictly to MPSMD. Residential customers within MPSMD's area paid an annual rate of \$472 each, which totals \$43,896 in total rate collections within the area. This rate is significantly (approximately 54%) less than what the RVSD rate is for the service in the Ross Valley rate zone. As such, for the four fiscal years leading up to the rate restructuring, an apportionment of the funds that were transferred from MPSMD to RVSD was used to subsidize the rate shortfall. In total, \$238,737 has been allocated to this rate subsidy. An additional \$111,492 of the transferred funds was allocated to the Pump Station 14 Rehabilitation Project as the Murray Park system flows into pump station 14 in order to get to the CMSA plant. The Murray Park system represents 4.9% of the total flows received at pump station 14, and thereby was charged 4.9% of the total cost of the pump station rehabilitation, which was completed in FY 2023/24. As of October 11, 2024, all of the transferred funds have been allocated to support the MPSMD.

After the preparation of a sewer rate study and a duly noticed Prop 218 process, the RVSD Board of Directors adopted Ordinance 102, updating the District's sewer service rate schedule. This

²¹ Marin LAFCo Resolution 19-08

rate schedule became effective on July 1, 2024. At that time, the former MPSMD area became included in the Ross Valley rate zone for the District.

8.6 ORGANIZATION STRUCTURE

Board of Directors

The Ross Valley Sanitary District is an independent special district receiving oversight and policy direction by way of a five-member Board of Directors that is elected to staggered four-year terms by way of at-large elections within the service boundary. All directors are required to be registered voters residing within the District’s jurisdictional boundary. Two of the Board members are annually appointed to the Central Marin Sanitation Agency Commission, with the remaining Board members serving as alternates. Based on data provided by the County Department of Elections which span from 1972 to 2022, Ross Valley Sanitary District had 14 election cycles during that timeframe in which a formal election process was necessitated, 11 seats were appointed in lieu of an election, and the District’s Board necessitated zero appointments to seats on the Board by the Marin County Board of Supervisors.

Table 8-3: Ross Valley Sanitary District Board of Directors

Member	Position	Term Expiration
Mary Sylla	President	April 2028
Doug Kelly	Secretary	April 2028
Michael Boorstein	Director	July 2026
Pamela Meigs	Director	July 2026
Thomas Gaffney	Director	July 2026

Administration

The Board of Directors of Ross Valley Sanitary District appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager for Ross Valley Sanitary District is full-time and manages the other 35 FTE employees employed by the District. The General Manager oversees the three operational departments of Engineering and Inspection, Administration, and Operations and Maintenance. The General Manager also serves as the District Engineer.

8.7 ACCOUNTABILITY AND TRANSPARENCY

The Ross Valley Sanitary District maintains a high level of accountability and transparency in all its activities. The District [website](#) provides documentation on board meeting agendas and minutes as well as financial reports, services, studies, sewer system management plan, permitting, contracts, and more.

Meeting and Agendas

The Ross Valley Sanitary District Board of Directors meets regularly on the 3rd Wednesday of each month at 5:00 p.m. in the District Administrative Office at 1111 Andersen Drive in San Rafael. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District’s [website](#).

Annual Budget Review

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

8.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Ross Valley Sanitary District has maintained increases in total net position each year and seen an increase in unrestricted net position in that same time frame of approximately \$6.2 million. The District's total annual revenues²² (operating and nonoperating) have outpaced operating expenditures in each of the five fiscal years by an annual average of \$5,429,789. These excess funds are primarily allocated toward the District's capital improvement projects and maintaining the District's target reserves. The average annual operating revenues for the District over the 5-year period were \$23,510,110, with a total increase of just over 26% in that span.

The primary revenue sources for the District are sewer service charges (70%) and property taxes (25%) with permit and inspection fees, lease income by way of renting space within its administrative building to Comcast Corporation, miscellaneous revenues, and investment income supplementing the District's total revenues at approximately 5%. The primary annual operating expenses for Ross Valley Sanitary District are treatment costs (37%), Operating and Maintenance (26%), and General and Administrative (12%).

Debt

As of June 30, 2023, RVSD carried a total long-term debt amount of \$94,345,794. Below is a description of the borrowings comprising that amount:

- **2023 State Revolving Fund Loan** – In April of 2022, the District received approval through a loan program sponsored by the California State Water Resources Control Board for capital project financing in the amount of \$1,708,256. The proceeds of the loan were allocated to the refurbishment of existing wastewater collection and conveyance system infrastructure.
- **2013 Revenue Bonds** – In August of 2013, the District issued \$17,780,000 of revenue bonds in order to both provide new money for wastewater capital projects and refund \$9,103,322 of the District's privately placed debt obligations. As of June 30, 2023, the outstanding principal balance is \$14,780,000.
- **2014 Revenue Bonds** – In November of 2015, the District issued \$30,155,000 of revenue bonds in order to provide new money for wastewater capital projects. As of June 30, 2023, the outstanding principal balance is \$23,515,000.

²² As the District views its operating purpose is to provide wastewater collection and conveyance services that are funded by sewer service charges, property tax and leasing revenues are classified as nonoperating within the District's accounting policies.

- **2018 Revenue Bonds** – In January of 2018, the District issued \$21,870,000 of revenue bonds in order to provide new money for wastewater capital projects. As of June 30, 2023, the outstanding principal balance is \$19,250,000.
- **2019 Revenue Bonds** – In July of 2019, the District issued \$31,455,000 of revenue bonds in order to provide new money for wastewater capital projects as well as purchasing the building at 1111 Anderson Drive for the District administrative offices, and also for the completion of the remediation project at 2000 Larkspur Landing at the site of the District’s former treatment plant. As of June 30, 2023, the outstanding principal balance is \$27,715,000.

The District plans a bond refunding in early 2025 for the 2013, 2014, and 2018 bonds, with an anticipated total savings of approximately \$7 million over the life of the bonds.

The District also provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee’s years of service, age, and final compensation. As of June 30, 2023, the District’s Net Pension Liability was \$8,636,262. As of the most recent CalPERS actuarial Valuation on June 30, 2023, the District’s pension-funded ratio was 70.1% which does not include the District’s Section 115 trust assets. The District’s CalPERS Section 115 Trust holds irrevocable deposits for future pension contributions to achieve a Board policy funding ratio of at least 90%. In addition to the pension plan, the District provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2023, the District carried a net OPEB liability of \$819,797. The District currently has 47 employees, both active and inactive, in its OPEB plan.

A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 8-4.

Table 8-4: Ross Valley Sanitary District Financial Information

Operating Revenue	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Sewer Service Charges	\$20,565,156	\$21,963,689	\$23,547,004	\$24,478,887	\$25,965,473	\$23,304,041.80
Permit and Inspection Fees	\$173,389	\$138,587	\$152,053	\$156,473	\$183,369	\$160,774.20
Other Operating	\$8,456	\$39,111	\$18,165	\$63,386	\$91,263	\$44,076.20
Total	\$20,747,0010	\$22,141,387	\$23,717,222	\$24,698,746	\$26,240,105	\$23,508,892

Operating Expenses	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Treatment Costs	\$7,776,952	\$8,026,987	\$8,144,157	\$8,462,641	\$8,869,040	\$8,255,955.40
Operating and Maintenance	\$5,844,749	\$6,128,753	\$6,152,281	\$6,884,268	\$6,047,437	\$6,211,497.60
Engineering and Inspections	\$1,614,279	\$1,443,706	\$1,002,285	\$1,137,982	\$1,078,643	\$1,255,379.00

Lateral Replacement Grants	\$625,330	\$515,929	\$406,608	\$237,500	\$242,500	\$405,573.40
Provision for Uncollectable Accounts	N/A	N/A	N/A	\$26,414	\$4,729	\$15,571.50
General and Administrative	\$3,353,756	\$3,638,021	\$3,333,796	\$3,733,204	\$2,960,311	\$3,403,817.60
Depreciation and Amortization	\$3,058,862	\$4,082,590	\$4,613,779	\$4,655,488	\$4,469,692	\$4,608,626.20
Total	\$22,273,928	\$23,835,986	\$23,652,906	\$25,137,497	\$23,672,352	\$24,156,420.70

Financial Audit

The Ross Valley Sanitary District annually has its financial statements audited by an outside certified public accounting firm and currently contracts with Cropper Accountancy Corporation. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2023.

9.0 SAN RAFAEL SANITATION DISTRICT

9.1 OVERVIEW

The San Rafael Sanitation District (SRSD) was formed in 1947²³ as a dependent special district under Section 4700 of the California State Health and Safety Code. The District provides wastewater collection to the central and southern areas of the City of San Rafael, including the unincorporated areas of Country Club, Bayside Acres, and California Park. The District in effect covers the portion of San Rafael south of Puerto Suello Hill to the southerly city limit. The jurisdictional boundary encompasses just over 12.9 square miles. The District is one of three member agencies that comprise the Central Marin Sanitation Agency which is a joint powers authority (JPA). The last municipal service review that included the San Rafael Sanitation District was conducted in 2017.

Table 9-1: San Rafael Sanitation District Overview

San Rafael Sanitation District			
Primary Contact:	Doris Toy	Phone:	(415)-454-4001
Mailing Address:	111 Morphew Street, San Rafael		
Formation Date:	May 26, 1947		
Services Provided:	Wastewater Collection		
Service Area:	8,194 acres	Population Served:	43,466

9.2 FORMATION AND DEVELOPMENT

The primary service area of the San Rafael Sanitation District, the City of San Rafael, is an area that saw some of the earliest development within Marin County. Established in December of 1817, the Mission San Rafael Arcángel was founded as the 20th Spanish mission in what was then the Spanish province of Alta California. It was constructed to provide treatment to the Central Valley Native Americans who had fallen ill at Mission Dolores in San Francisco. Under the leadership of Father Luis Gil, who was fluent in several Native American languages, the mission quickly grew its residency to nearly 1,000 and gained its full mission status in 1822, just a month prior to Alta California declaring independence from Spain as part of Mexico. Despite the mission flourishing in its early years, following the Mexican Secularization Act of 1833, the Mexican government took control of the California missions in 1834, and by 1844, Mission San Rafael had been abandoned.

Following the American conquest of California, the area of San Rafael began to transition from a mission settlement to a growing agricultural community and regional commerce hub. The community officially incorporated as a city in 1874 with an initial resident count of 840, marking the beginning of San Rafael's development as an urban center. The arrival of the San Francisco and North Pacific Railroad in 1879 significantly boosted the city's growth and economic prospects, allowing for easier transportation of goods and people between San Rafael and San

²³ Marin County Board of Supervisors Resolution No. 938

Francisco, as well as other areas of Northern California. The newfound ease of travel made commuting to jobs in San Francisco possible and allowed thousands of San Franciscans to visit San Rafael on weekends. By 1900, the population had surged to 3,879, an amount that represented over one-fourth of the total population in Marin County at the time. By 1930, that total had increased to just over 8,000. This rapid growth necessitated a more organized wastewater management, and in 1947 the County of Marin's Boundary Change Commission approved the official service area of the District to include what was the City's incorporated boundary at the time, as well as adjacent unincorporated lands to the east towards Bayside Acres and south to California Park. At the time of its formation, the District owned and operated two smaller treatment plants.

By 1960, the population within SRSD's service area had ballooned to 20,460. This growth, not just in SRSD's service area but throughout the greater Bay Area at the time, began to raise significant concerns about the manner in which agencies were handling wastewater discharges. Resulting regulations such as the Clean Water Act of 1972 and the National Pollutant Discharge Elimination System (NPDES) added much-needed restrictions to help regulate the treatment of wastewater discharges into surface waters. The new legislation simultaneously provided a funding mechanism for local agencies to receive monies to construct the new facilities that would be necessary to meet the updated regulations that required all discharges to meet enhanced standards.

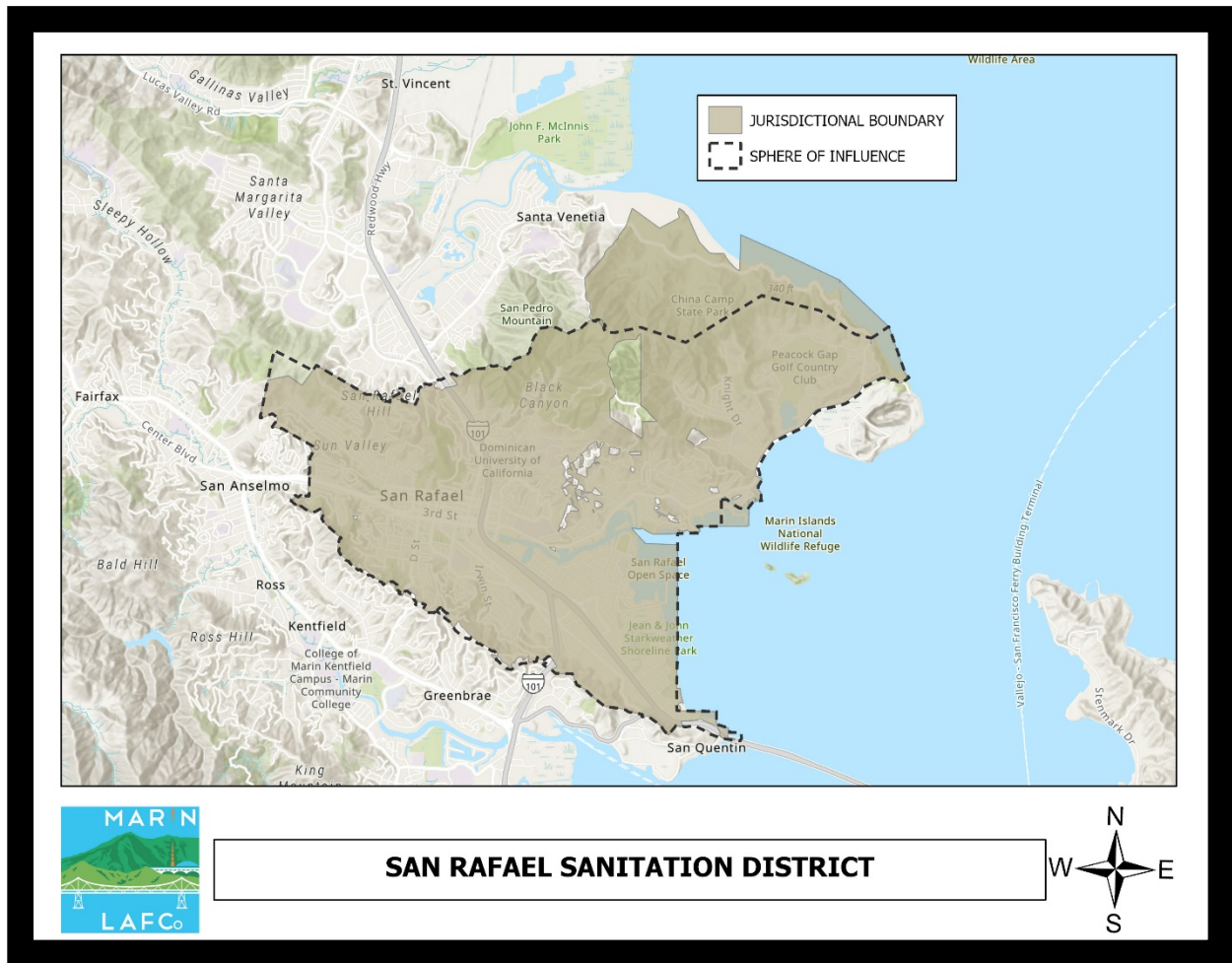
On October 15, 1979, SRSD joined three other neighboring agencies, the City of Larkspur, Sanitary District No. 1 of Marin County, and Sanitary District No. 2 of Marin County, to form the Joint Powers Authority (JPA) of the Central Marin Sanitation Agency. The JPA was created for the purpose of planning, constructing, and operating wastewater treatment and disposal services for its member agencies. Soon after its formation, the newly formed Joint Powers Authority applied for grant funding for the construction of a new treatment plant facility. Of what would eventually amount to a total construction cost of \$84 million for the new facility, approximately 87.5% of the total cost was funded by federal and state clean water grants. The new treatment plant, located on San Quentin Point, began operation in January of 1985 with an average dry weather flow capacity of 10 million gallons per day²⁴ and a sustained peak secondary treatment capacity of 30 million gallons per day.

On January 13, 1989, Marin LAFCo approved²⁵ an application by SRSD for the annexation of the area of China Camp State Park. The total annexation area added 1,160 acres to the District's jurisdictional boundary.

²⁴ [CMSA Facilities Master Plan Pg. 1-1](#)

²⁵ Marin LAFCo Resolution No. 89-2

Figure 9- 1: San Rafael Sanitation District Jurisdictional Boundary and Sphere of Influence



9.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The SRSD jurisdictional boundary encompasses approximately 12.9 square miles of both incorporated and unincorporated Marin County. The District’s service area includes three land use authorities overlapping the jurisdictional boundary. The City of San Rafael accounts for a majority of the total acreage in the District at approximately 60%, while the unincorporated spaces within the District’s boundary, of which the County of Marin has general land use authority, primarily make up the remaining approximately 39% of the District’s jurisdictional area. The unincorporated neighborhoods within the boundary include the Country Club neighborhood in the Central San Rafael basin east of Highway 101 off of Point San Pedro Road, the Bayside Acres neighborhood just to the east of the Country Club area, and the California Park neighborhood in the southern portion of the Central San Rafael basin west of Highway 101. The Town of San Anselmo comprises less than 1% of the District’s boundary, with approximately 25 parcels within the District.

The District’s sphere of influence was established in November of 1984 as part of Marin LAFCo’s initial sphere of influence studies for special districts throughout Marin County. The

initial sphere was coterminous with the District’s jurisdictional boundary. At the time, the Commission gave the sphere the designation of “interim” to signify the belief that the District should be reorganized with the other members of CMSA as the Central Marin Sanitation District, combining the four members of CMSA into a single sanitation district with an appointed governing board. The sphere received its first amendment in February of 1989 to include the area of the recent annexation of China Camp State Park. The sphere was subsequently amended in 2006 following the San Rafael Area Municipal Service Review to be coterminous with the District’s boundaries with the inclusion of the area of Sun Valley. This amendment included the Commission labeling this as an “interim sphere of influence” in order to signify its support of the ongoing exploration at the time of the consolidation of the collection agencies within CMSA.

9.4 GROWTH AND POPULATION

The San Rafael Sanitation District provides service to two of the eleven incorporated towns/cities in Marin County (San Rafael and San Anselmo) as well as the unincorporated neighborhoods of California Park, Country Club, and Bayside Acres. The area comprising the District’s boundary is nearly coterminous with the areas that comprise ten U.S. Census Tracts.²⁶ The current²⁷ total combined population of these tracts is 43,466. This amount is an increase of 1,749 (4.2%) from the 2010 population total of 41,717.

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 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. There is currently one identified site for RHNA-specific development within the unincorporated spaces in SRSD’s sphere of influence²⁸. Meanwhile, the additional RHNA housing unit mandates within the City of San Rafael are 3,220. In its recently updated Housing Element, the City of San Rafael has identified sites and projects that are suitable to accommodate 4,858 total units, with 1,957 of these already having been approved or proposed. Of those 1,957, 677 are within the jurisdictional boundary of SRSD.

The current projection in the hypothetical scenario that each of the member agencies (including RVSD) within the Central Marin Sanitation Agency were to be developed to their maximum buildout potential, the additional dry weather flow would be approximately 0.18 million gallons per day²⁹. Given its current average dry weather flows as well as the permitted allowances for flows, CMSA has the capacity to accommodate this level of growth. As far as growth within

²⁶ U.S. Census Tracts: 1121, 1122.02, 1122.03, 1122.04, 1110.01, 1110.02, 1090.02, 1090.01, 1101, 1102

²⁷ 2023 American Community Survey Data

²⁸ Auburn Cove; 79 units

²⁹ [Marin Countywide Plan; 2023-2031 Housing Element; Pg. 115](#)

strictly SRSD, the District’s EDU levels, and annual wastewater flow totals have been relatively static over the course of the past 5 years.

9.5 MUNICIPAL SERVICES

Wastewater Collection

San Rafael Sanitation District provides wastewater collection to all residents and businesses within its jurisdictional boundary. In total, the District’s sewer infrastructure is composed of approximately 134 miles of gravity sewer line and 13 miles of force main pipe with approximately 91% of all the gravity sewer pipes being 12” in diameter or less, while the majority (approximately 54%) of the force main pipes are greater than 12” in diameter. The pipes throughout the District vary between vitrified clay (VCP), high-density polyethylene (HDPE), ductile iron (DI), cast iron (CIP), and polyvinyl chloride (PVC) among others. There are a total of 32 pump stations within the District. The District’s sewer service rates were last adjusted on June 21st, 2024³⁰, by way of the adoption of Ordinance No. 59. The newly adopted rate schedule became effective on July 1, 2024, and was the first-rate increase by the District since 2017. The adopted rate schedule increased the District’s rate for an Equivalent Dwelling Unit (EDU) for all customer classes from \$860.63 to \$963.91 in the first year, which is an increase of 12%. This amount will undergo an annual increase through FY 2026-27 to an amount of \$1062.72 per EDU. The most recent available data from the district shows an EDU total of 19,334. Over the course of the study window, the average total annual volume of wastewater flow from the District into CMSA is 1,588 million gallons.

From 2020-2024, the District experienced a total of 50 sanitary sewer overflows. These overflows equated to approximately 161,982 gallons, with approximately 97,904 of those gallons reaching the waters of the State.

9.6 ORGANIZATION STRUCTURE

Board of Directors

SRSD’s governance authority is established under the County Sanitation District act of 1923 and codified under Public Health and Safety Code Sections 4700-4858. This principal act empowers SRSD to provide a moderate range of municipal services upon approval by LAFCo. As of the writing of this study, SRSD is authorized to provide only one municipal service, wastewater collection. Any and all other latent powers enumerated under the principal act would need to be formally activated by LAFCo before SRSD would be allowed to initiate service. Similarly, should it ever seek to divest itself of directly providing wastewater services, SRSD would also need to seek LAFCo approval.

SRSD has been governed since its formation in 1947 as a dependent special district with three appointments to its Board of Directors with two made by the San Rafael City Council and the third by the County Board of Supervisors. As the majority of District’s service area lies within

both Marin County Board of Supervisors Districts 1 and 2 and a small amount within District 4, the Marin County Supervisors that serve on the SRSD Board are appointees from one of those two majority voting districts. As a member agency of the Central Marin Sanitation Agency, the District appoints two members to CMSA’s Board of Commissioners. The SRSD Board meets on the 3rd Friday of each month at 9:00 a.m. at the San Rafael City Hall located at 1400 Fifth Avenue in San Rafael. A current listing of the SRSD Board of Directors can be seen below in Table 9-2.

Table 9-2: San Rafael Sanitation District Board of Directors

Member	Position	Term Expiration
Kate Colin	Chair	December 2028
Maribeth Bushey	Director	December 2026
Katie Rice	Director	December 2024

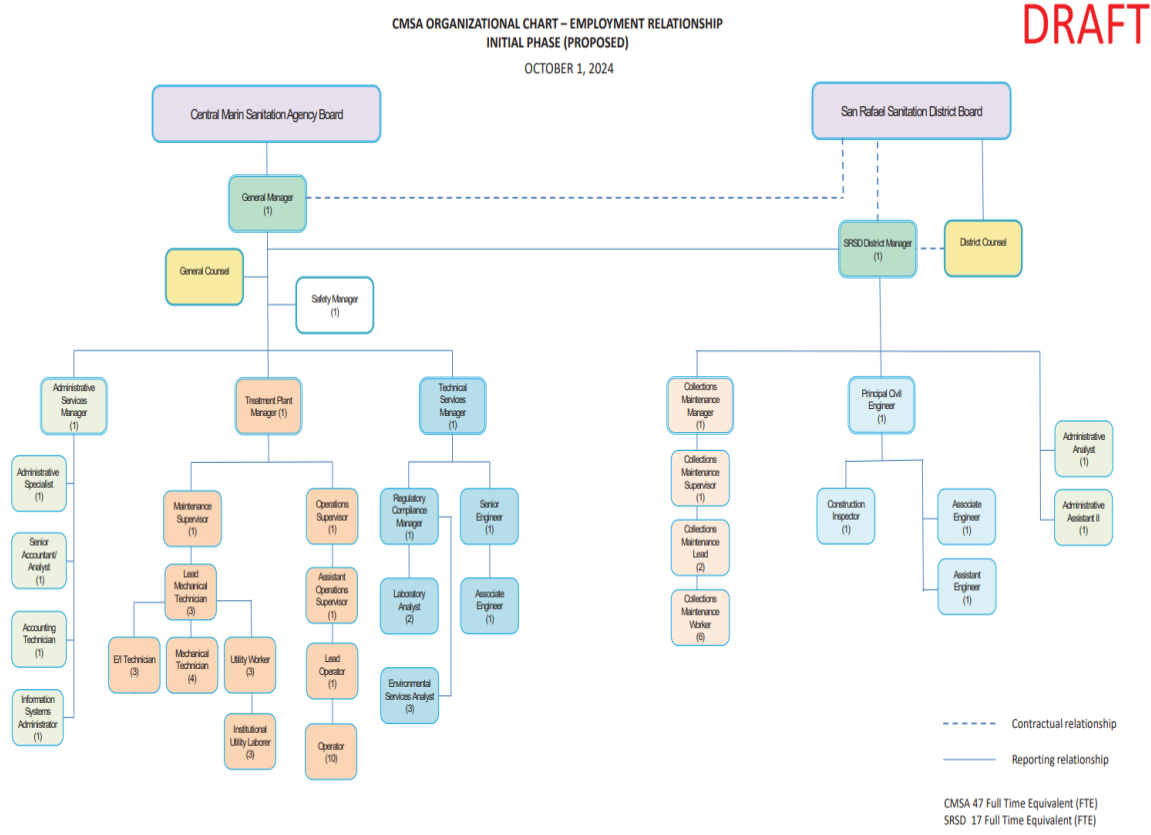
Administration

SRSD appoints an at-will General manager to oversee all District operations. The current District Manager, Doris Toy, was appointed by the Board in 2009 and is full-time. The General manager oversees 16 other full-time employees, and this includes two senior management support positions: Principal Civil Engineer and Operations and Maintenance manager. SRSD contracts with the City of San Rafael for a number of staff support services including (but not limited to) information technology, payroll, and human resources.

SRSD is currently in advanced discussions with the Central Marin Sanitation Agency towards a service agreement for CMSA to “provide all staffing, regulatory compliance, Board support coordination and services necessary for the proper management, administration, and operation of SRSD including all owned and operated SRSD assets.” Due to the manner in which SRSD’s labor contract is currently structured, the District has experienced significant difficulty over recent years in recruiting and retaining employees. This difficulty led the District to explore options to ensure a high level of service would be maintained throughout its service area. Under the most recent iteration of the proposed service agreement between the two agencies, CMSA would agree to hire all of SRSD’s 17 current employees who would continue working in their current capacity within the SRSD service area. Preliminarily, the agreement would be set up so that SRSD would fully reimburse CMSA for all services provided including all overhead costs for CMSA general services by way of monthly invoices provided to SRSD from CMSA. The agreement also states that “The services provided to SRSD shall not result in increased costs to other JPA members”. SRSD would also agree to remit payment to CMSA for any of the unfunded pension liabilities for the transferring employees prior to the employees' transfer to CMSA. SRSD has enlisted the services of an independent consultant as well as CMSA has created an ad-hoc Service Contract Development Committee to continue to pursue this endeavor. To date, the Committee has held four public meetings to discuss the subject matter, fine-tune the proposed agreement, and continue to try to mitigate any possible disruptions that could arise.

The proposed agreement would hold an initial 5-year term. The preliminary proposed org chart for what this agreement would entail in the initial phase can be seen below in Figure 9-2.

Figure 9- 2: Draft CMSA Organization Chart



9.7 ACCOUNTABILITY AND TRANSPARENCY

The San Rafael Sanitation District maintains a high level of accountability and transparency in all its activities. The District [website](#) is housed within the website for the City of San Rafael, and provides documentation on board meeting agendas and minutes as well as financial reports, services, sewer system management plan, permitting, projects, and more.

Meeting and Agendas

The SRSD Board of Directors meets regularly on the 3rd Friday of each month at 9:00 a.m. at the San Rafael City Hall located at 1400 Fifth Avenue in San Rafael. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District’s [website](#).

9.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), San Rafael Sanitation District has maintained increases in total net position each year which has been driven primarily by its increases in capital assets and net investment in its infrastructure. In total, the District has seen a growth in net position 29% from FYE 2019 to FYE 2023. The District has also realized a significant increase in unrestricted net position of approximately 56% in that same timeframe. The District's total revenues have outpaced operating expenditures in each of the five fiscal years. These excess funds are primarily allocated toward the District's capital improvement projects and maintaining the District's target reserves. The average annual operating revenues for the District over the 5-year period were \$16,849,471 and saw a total decline of approximately 1% in operating revenues over the course of the study window. The recently enacted rate schedule will significantly bolster the District's essentially stagnant operating revenues over the course of the next five years. Conversely, the District's nonoperating revenues saw an increase of approximately 53% over the course of the study window. This was due in large part to an anomalous influx of nonoperating revenues in FYE 2023 as investment returns from the Marin County Investment Pool experienced a large increase.

The primary revenue sources for the District are sewer charges (91%) and property taxes (7%) with investment income and connection fees supplementing the District's total revenues at approximately 2%. The primary annual operating expenses for SRSD are sewage treatment (54.9%), sewage collection (26.2%), depreciation and amortization³¹ (16%), and general and administration (2.4%).

The District's capital improvement program (CIP) has been proactively working towards replacing the older pipes and rehabilitating pump stations, among other things, throughout the boundary. The District adopted a policy in June of 2017 requiring transfers to separate reserve accounts to provide funding for planned capital improvement projects. The transfers are based on average annual expenditures projected for the subsequent ten years. One of the primary objectives related to the recently updated rate schedule was to increase the District's amount of annual pipe replacement from 1.6 miles to 2.5 miles. The District has created three separate capital improvement funds: the 80-Year Life-Cycle Program, the Pump Station and Force Main Capital Improvement Program, and the Equipment Replacement Program. Each of these targeted reserves has seen an increase in fund balance, with the 80-Year Life Cycle Program totaling \$20.6 million at the FYE 2023, the Pump Station and Force Main Program totaling \$10.1 million, and the Equipment Replacement Program totaling \$2.2 million. In FYE 2023, the District totaled \$6.43 million in capital expenditures.

³¹ Depreciation is shown as an operating expense in the financial statements in step with generally accepted governmental accounting standards, and as such impacts - and often negatively - gross profit or total margin. Depreciation takes into account the wear and tear on physical infrastructure, such as sewer lines, pumps, and other capital equipment. Government accounting standards direct agencies to spread out the costs of replacing these assets over the long term, which generates the term depreciation or amortization. The "charge" for using these assets during the period is a fraction of the original cost of the assets based on the expected life of the assets and presumably is rolled into the agencies' fund balance at the end of the fiscal year and as part of the restricted reserve.

The District currently carries no long-term debt that has been reviewed by an independent auditor, however, as a member agency of CMSA it shares in the debt service of the joint power's authority. Additionally, The District's staff is provided by the City of San Rafael under a contractual arrangement that requires the District to pay all related employee costs incurred by the City on its behalf. Quarterly payments are made by the District to the City and include amounts sufficient to cover the City's currently required contributions to employee benefit plans, including a portion for past service costs. During fiscal year 2014-15, the District and the City agreed that SRSD was also responsible for unfunded obligations related to past service. Under the agreement, this obligation will be funded and will correspond to the City's required payments to fund its pension and post-employment health benefits. As of June 30, 2023, the District's portion of the unfunded obligations was \$2,002,944. A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 9-3.

Table 9-3: San Rafael Sanitation District Total Revenues and Operating Expenditures Data

Revenue	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	Averages
Sewer Charges	\$16,638,611	\$16,458,113	\$16,945,721	\$16,874,361	\$16,964,083	\$16,776,177.80
Property Taxes	\$2,129,197	\$2,086,682	\$1,888,197	\$1,833,137	\$1,727,221	\$1,932,886.80
Aid from Governmental Agencies	\$5,531	\$5,568	\$5,609	\$5,719	\$5,907	\$5,666.80
Investment Income (loss)	\$1,328,202	(\$406,535)	\$48,614	\$876,369	\$519,793	\$473,288.60
Miscellaneous Income	\$11,759	\$0	\$0	\$489	\$7,768	\$4,003.20
Connection Fees	\$175,481	\$517,752	\$277,752	\$175,217	\$1,433,871 ³²	\$516,014.60
Total	\$20,288,781	\$18,661,580	\$19,165,893	\$19,765,292	\$20,658,643	\$19,708,037.80

Operating Expenses	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	Averages
Sewage Collection	\$2,850,158	\$2,458,749	\$3,923,907	\$4,368,531	\$3,923,907	\$3,505,050.40
Sewage Treatment	\$7,770,615	\$7,657,698	\$7,480,877	\$6,996,412	\$6,687,210	\$7,318,562.40
Depreciation and Amortization	\$2,443,272	\$2,360,343	\$2,075,305	\$2,154,056	\$1,889,198	\$2,184,434.80
General and Administration	\$477,882	\$415,897	\$310,816	\$334,264	\$100,942	\$327,960.20
Total	\$13,541,927	\$12,892,687	\$13,790,905	\$13,853,263	\$12,601,257	\$13,336,007.80

³² There was a notable spike in connection fees in FYE 2019, primarily due to a one-time reimbursement from Caltrans for a sewer line relocation project.

Financial Audit

The San Rafael Sanitation District annually has its financial statements audited and contracts with an outside certified public accounting firm, most recently Maze & Associates. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2023.

10.0 SANITARY DISTRICT NO. 2 OF MARIN COUNTY

10.1 OVERVIEW

The Sanitary District No. 2 of Marin County (SD2) was formed in 1901 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection to the Town of Corte Madera as well as a portion of the Town of Tiburon along Paradise Drive, a small number of parcels in the City of Larkspur, the unincorporated Greenbrae area, and the unincorporated area of Paradise Cay. The District is one of three member agencies that comprise the Central Marin Sanitation Agency which is a joint powers authority (JPA). The District’s jurisdictional boundary encompasses just under 3.9 square miles. The last municipal service review that included Sanitary District No. 2 of Marin County was conducted in 2017.

Table 10-1: Sanitary District No. 2 of Marin County Overview

Sanitary District No. 2 of Marin County			
Primary Contact:	R.J. Suokko	Phone:	(415)-927-5057
Mailing Address:	300 Tamalpais Drive, Corte Madera		
Formation Date:	January 21, 1901		
Services Provided:	Wastewater Collection		
Service Area:	2,468 acres	Population Served:	≈11,500

10.2 FORMATION AND DEVELOPMENT

The majority of SD2’s present-day service area’s earliest motion towards development came in 1834 when the area of land that was then known as the Rancho Corte Madera del Presidio was granted to the European settler, John Reed, but the Mexican Governor Jose Figueroa. The total area of the land grant was 7,845 acres, and John Reed promptly shortened the name of his new holdings to Corte Madera, which translates to “wood cutting”. Reed soon after completed the construction of a sawmill in order to create lumber from the local redwood trees to sell for the burgeoning construction within the City of San Francisco. As more and more area was cleared, cattle grazing and other avenues of local farming became more prominent. By the time of the State of California’s second official census in 1860, only a few dozen residents were calling the area home, with Marin County as a whole having a population of just over 3,000.

The spur for the first real development of the Corte Madera area arrived with the completion of the North Pacific Coast Railroad in 1875. This newfound access to travel that stretched through Marin County and continued north gave residents of San Francisco the ability to travel by ferry to Sausalito and then take the train to different locations within Marin. This included tracks that ran directly along with is now Montecito Drive and the construction of a train station in 1885 where Montecito is now intersected by Tamalpais Drive. The area surrounding the train station slowly developed into a small commercial area that grew outward to accommodate both the area’s business owners as well as a growing number of laborers who now had daily access to work in San Francisco.

By 1900, the local population had grown to approximately 300 and there was a rapidly increasing need to coordinate the collection and disposal of the raw sewage flows from the downtown area that had formed around the train station. SD2's formation was petitioned by the local area landowners to the legislators for just this purpose. The template for these proceedings had been laid locally just two years prior by the formation of the neighboring County Sanitary District No. 1 of Marin County. Following this groundwork, a successful election was held, and the formation of County Sanitary District No. 2 of Marin County was officially incorporated on January 21, 1901.

In June of 1916, the Town of Corte Madera was officially incorporated and while the District and the Town remained separate legal entities, they worked collaboratively in such areas as the sharing of office space, equipment, and other facilities. The two agencies remained separate until the late 1960s following the creation of the District Reorganization Act in 1965 as well as changes to the Municipal Organization Act. These legislative changes allowed the District to be reorganized into a dependent subsidiary district³³ of the Town of Corte Madera on January 15, 1969. By April 1, 1969, the former employees of the District became employees of the Town.

By 1970 there had been rapid population growth, with the Town of Corte Madera going from a population of 1,933 in 1950 to 8,464 in 1970. This growth, not just in SD2's service area but throughout the greater Bay Area at the time, began to raise significant concerns about the manner in which agencies were handling wastewater discharges. Resulting regulations such as the Clean Water Act of 1972 and the National Pollutant Discharge Elimination System (NPDES) added much-needed restrictions to help regulate the treatment of wastewater discharges into surface waters. The new legislation simultaneously provided a funding mechanism for local agencies to receive monies to construct the new facilities that would be necessary to meet the updated regulations that required all discharges to meet enhanced standards.

On October 15, 1979, SD2 joined three other neighboring agencies, the City of Larkspur, Sanitary District No. 1 of Marin County, and the San Rafael Sanitation District, to form the Joint Powers Authority (JPA) of the Central Marin Sanitation Agency. The JPA was created for the purpose of planning, constructing, and operating wastewater treatment and disposal services for its member agencies. Soon after its formation, the newly formed Joint Powers Authority applied for grant funding for the construction of a new treatment plant facility. Of what would eventually amount to a total construction cost of \$84 million for the new facility, approximately 87.5% of the total cost was funded by federal and state clean water grants. The new treatment plant, located on San Quentin Point, began operation in January of 1985 with an average dry weather flow capacity of 10 million gallons per day³⁴ and a sustained peak secondary treatment capacity of 30 million gallons per day.

On September 8, 2020, SD2 as well as the Town of Corte Madera entered into a settlement agreement and mutual release of claims with the environmental advocacy non-profit, California

³³ Marin LAFCo Resolution 68-21

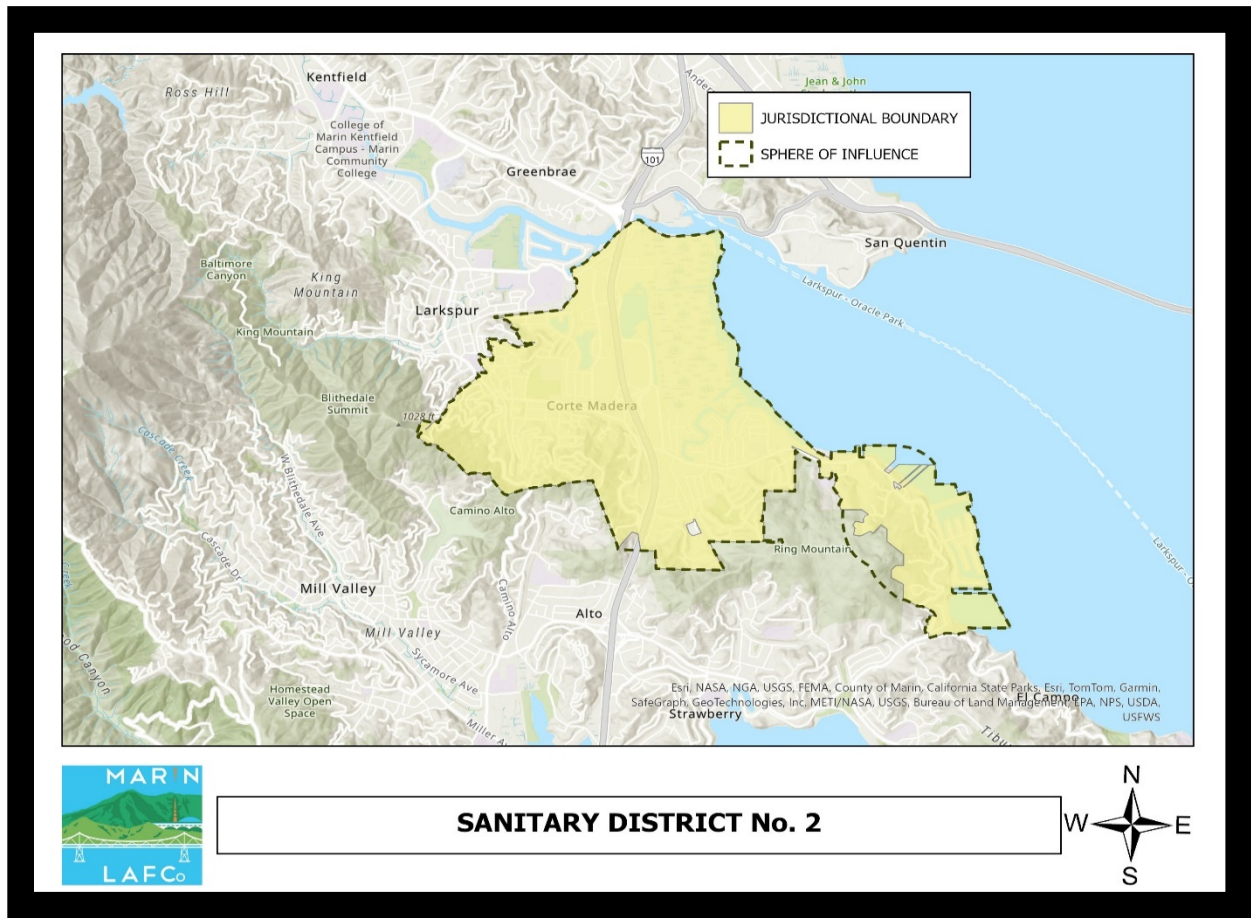
³⁴ [CMSA Facilities Master Plan Pg. 1-1](#)

River Watch. The agreement outlined a number of specific action items for the District to accomplish prior to the agreement's termination date in 2027. Among other things, the agreement committed SD2 to complete a full gravity pipe condition assessment by September of 2022³⁵ using closed-circuit television data that had been obtained within the previous 10 years. It required SD2 to invest up to \$5 million over a 5-year period to repair significantly defective³⁶ gravity sewer lines. Additionally, SD2 was required to conduct a desktop study of the force mains and pump stations that had not already been assessed, rehabilitated, repaired, or replaced within the prior 10 years. The agreement required the updating of the District's Sanitary Sewer Master Plan (SSMP) within 120 days of the effective date of the agreement. The District's current SSMP was most recently updated in March of 2024 and holds numerous specific projects that have been identified by the District in order to ensure the satisfaction of all of the items agreed to within the 2020 settlement in conjunction with the District's capital improvement program.

³⁵ The District' completed the inspection of its 232,082 linear feet of gravity mains by November of 2021. The assessment showed approximately 9% of that system as having Structural Quick Score 5 defects.

³⁶ The qualification for "significantly defective" was defined as a Pipeline Assessment and Certification Program (PACP) structural rating grade 5. The PACP rating system was developed by the National Association of Sewer Service Companies and is a nationally recognized sewer pipeline condition rating system for CCTV inspections.

Figure 10- 1: Sanitary District No. 2 of Marin County Jurisdictional Boundary and Sphere of Influence



10.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The SD2 jurisdictional boundary encompasses approximately 3.85 square miles of both incorporated and unincorporated Marin County. The District’s service area includes seven land use authorities overlapping the jurisdictional boundary. The Town of Corte Madera accounts for a significant majority of the total acreage in the District. The Town of Tiburon and the City of Larkspur comprise the remainder of the District’s incorporated jurisdictional lands. The unincorporated spaces within the District’s boundary, of which the County of Marin has general land use authority, make up the remaining approximately 20% of the District’s jurisdictional area.

While not yet formally approved, through a collaborative effort between Sanitary District No 2., RVSD, and Marin LAFCo, a tentative agreement is in place pending approvals for a total of 7 parcels that are currently within the jurisdictional boundary of SD2 to be transferred to RVSD due to RVSD being the agency that is providing service to those parcels. Through the work of a multi-year dye testing project by SD2 staff, it was determined that these parcels were not receiving service from the jurisdiction in which they resided. The collaborative effort between the three agencies has allowed for the development of a tax exchange agreement in order to

reorganize the parcels into their proper jurisdiction. The formal reorganization requires a sphere of influence update. This update coincided with the timeline of this study, and as such the formal approval of this reorganization is tentatively planned for the early part of 2025. In addition to this, the District has identified 3 parcels outside of its boundary along Paradise Drive as well as Ranch Road that it plans to submit an application for annexation. Lastly, the Tamalpais Union High School District property that holds, among other structures, Redwood High School, will be annexed into SD2, along with three surrounding parcels adjacent to the property that will be transferred from RVSD to SD2.

The District's sphere of influence was established in 1982 as part of Marin LAFCo's initial sphere of influence studies for special districts throughout Marin County. The initial sphere included the totality of the District's boundary as well as the Ring Mountain area that, at the time, was proposed for development off Taylor Road. At the time, the Commission gave the sphere the designation of "interim" to signify the belief that the District should be reorganized with the other members of CMSA as the Central Marin Sanitation District, combining the four members of CMSA into a single sanitation district with an appointed governing board. The sphere was subsequently amended in 2006 following the Ross Valley Area Municipal Service Review to be coterminous with the District's boundaries. This amendment included the Commission labeling this as an "interim sphere of influence" in order to signify its support of the ongoing exploration at the time of the consolidation of the collection agencies within CMSA. The most recent update of the sphere of influence occurred in 2017 and added all of the areas of 244, 246, and 260 Summit Drive to the District's sphere following a reorganization of four parcels between the District and RVSD.

10.4 GROWTH AND POPULATION

The Sanitary District No. 2 of Marin County provides service to three of the eleven incorporated towns/cities in Marin County (Corte Madera, Larkspur, and Tiburon) as well as the unincorporated community of Paradise Cay, and the Greenbrae Boardwalk area and Lucky Drive areas. The area comprising the District's boundary in the Paradise Cay area that is made up of unincorporated lands as well as the Town of Tiburon is nearly coterminous with U.S. Census Block Group 2 within Census Tract 1241. As such, population estimates for the District will be projected using this area's population determinations. The town of Corte Madera has a 2024 population estimate from the California Department of Finance of 9,882, which is a 6.8% increase from the Town's population totals from the 2010 Census total of 9,253. Census Tract 1241; Block Group 2 has an estimated current population of 1,284, which is an 11.7% increase from its population totals from the 2010 Census of 1,149.

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 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. There are currently no identified sites for RHNA-specific development within the unincorporated spaces in SD2's sphere of influence. Meanwhile, the additional RHNA housing unit mandates for each of the incorporated spaces within the District's sphere of influence create a sum total of 818³⁷ and are as follows:

- Town of Tiburon³⁸ – 93³⁹
- Town of Corte Madera – 725

The current projection in the hypothetical scenario that each of the member agencies (including RVSD) within the Central Marin Sanitation Agency were to be developed to their maximum buildout potential, the additional dry weather flow would be approximately 0.18 million gallons per day⁴⁰. Given its current average dry weather flows as well as the permitted allowances for flows, CMSA has the capacity to accommodate this level of growth. As far as growth within strictly SD2, the District's EDU levels, and annual wastewater flow totals have been relatively static over the course of the past 5 years.

10.5 MUNICIPAL SERVICES

Wastewater Collection

Sanitary District No.2 of Marin County provides wastewater collection to all residents and businesses within its jurisdictional boundary with the exception of approximately six parcels that are currently known to be operating by way of a septic tank. In total, the District's sewer infrastructure is composed of approximately 45 miles of gravity sewer line and 4 miles of force main pipe with approximately 91% of all the gravity sewer pipes being 12" in diameter or less, while the majority (approximately 54%) of the force main pipes are greater than 12" in diameter. The pipes throughout the District vary between vitrified clay (VCP), high-density polyethylene (HDPE), ductile iron (DI), cast iron (CIP), and polyvinyl chloride (PVC) among others. There are 4 major pump stations owned and operated by the district, as well as 15 other stations that are classified as minor. The District contracts with the Central Marin Sanitation Agency for the operation and maintenance of its pump stations as well as limited maintenance to the District's force mains. The District's sewer service rates were last adjusted on May 21st, 2024⁴¹, by way of the adoption of Ordinance No. 49. Following the adoption of the District's Sanitary Sewer Master Plan in March of 2024 which outlined the necessary funding to ensure the District's continued operation, an independent consultant was contracted to produce a rate study report. This report developed a five-year rate schedule which the District adopted. The adopted rate increase was the first increase for the District since FY 2009-10. The updated rate schedule went into effect on July 1, 2024, and increased the District's rate for a Sewer Equivalent Unit (SEU)

³⁷ [ABAG Final RHNA Plan](#)

³⁸ [4576 Paradise Drive](#)

³⁹ This amount is representative of just the sites designated for RHNA development for the Town that are within the SD2 jurisdictional boundary.

⁴⁰ [Marin Countywide Plan; 2023-2031 Housing Element; Pg. 115](#)

⁴¹ Resolution No. 04/2024

for all customer classes from \$498 to \$697, which is an increase of 39%. This amount will undergo an annual increase through FY 2028-29 to an amount of \$1,233.02 per SEU. The most recent available data from the district shows an SEU total of 6,155.

10.6 ORGANIZATION STRUCTURE

Board of Directors

The Sanitary District No. 2 of Marin County receives oversight and policy direction as a subsidiary District to the Town of Corte Madera from the Corte Madera Town Council Members as District Board Members. The District’s business matters are incorporated as part of the Town’s regular meeting schedule, albeit as a separate entity within the same meeting space/day. All directors are required to be registered voters residing within the District’s jurisdictional boundary. One of the Board members is annually appointed to the Central Marin Sanitation Agency Commission.

Table 10-2: Sanitary District No. 2 Board of Directors

Member	Position	Term Expiration
Eli Beckman	President	November 2026
Pat Ravasio	Vice-President	November 2026
Fred Casissa	Director	November 2024
Charles Lee	Director	November 2024
Rosa Thomas	Director	November 2026

Administration

The Director of Public Works for the Town of Corte Madera serves as the District Manager for SD2 as a subsidiary district of the Town. Service activities directly performed by SD2 are done so by way of the Corte Madera Public Works Department staff, or through contractual agreements for services with both the Ross Valley Sanitary District and the Central Marin Sanitation Agency.

10.7 ACCOUNTABILITY AND TRANSPARENCY

The Sanitary District No. 2 of Marin County maintains a high level of accountability and transparency in all its activities. The District [website](#) is housed within the website for the Town of Corte Madera and provides documentation on board meeting agendas and minutes as well as financial reports, services, studies, sewer system management plan, permitting, contracts, and more.

Meeting and Agendas

The SD2 Board of Directors meets regularly on the 1st and 3rd Tuesday of each month at 6:45 p.m. or upon conclusion of the Corte Madera Town Council Meeting. Meetings are held at the

Town Hall Council Chambers at 300 Tamalpais Drive in Corte Madera. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District's [website](#).

Annual Budget Review

The District's budget, typically adopted no later than the June Board meeting each year in alignment with the budget process for the Town of Corte Madera, provides overall control of revenue and expenditures including appropriations on a line-item basis and the means of financing them. The District's budgetary financial planning consists of a two-fund system, planning for both operating and capital expenditures each year. The District Manager presents financial reports to the Board every month to ensure budgetary compliance.

10.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Sanitary District No. 2 of Marin County has maintained increases in total net position each year which has been driven primarily by its increases in capital assets and net investment in capital assets. The District's total revenues have outpaced operating expenditures in each of the five fiscal years. These excess funds are primarily allocated toward the District's capital improvement projects and maintaining the District's target reserves. The average annual operating revenues for the District over the 5-year period were \$3,083,119 and saw a total decline of approximately 5% in operating revenues over the course of the study window. The recently enacted rate schedule will significantly bolster the District's essentially stagnant operating revenues over the course of the next five years. Conversely, the District's nonoperating revenues saw an increase of approximately 40% over the course of the study window.

The primary revenue sources for the District are property taxes (55%) and sewer user fees (40%) with investment income and miscellaneous revenues supplementing the District's total revenues at approximately 4%. The primary annual operating expenses for SD2 are collection maintenance (26%), treatment and disposal (23%), and depreciation (20%). The District's capital improvement program (CIP) has been proactively working towards replacing the older pipes and rehabilitating pump stations, among other things, throughout the boundary. This aggressive infrastructure focus by the District has resulted in the depletion of its unrestricted fund balance by approximately 59% during the previous five years. Despite this, the District still maintains a healthy unrestricted fund balance of over \$5.6 million in addition to the District's \$2.5 million emergency reserve. In its continued efforts to proactively improve the condition of the District's infrastructure throughout its boundary, on October 15, 2024, the District's Board approved an amendment to the approved budget for FY 2024-25. The amendment to the budget allowed for the following updates:

- Add proceeds of Certificates of Participation in the amount of \$10,000,000
- Add Carryover Capital Expenditures for Meadowsweet Trunk Sewer Rehabilitation Project for \$240,000.

- Add Carryover Capital Expenditures for 2023 Madera Gardens Sewer Rehabilitation Project for \$16,525
- Add Other Capital Expenditures in the amount of \$7,915,000
- Add Debt Service Payment in the amount of \$380,757.

While during the FY 2024-25 budget review and adoption process, the District’s staff and Board were of the plan to issue Certificates of Participation (COP) in order to finance capital projects, the District did not finalize a bidder until late September⁴², thereby necessitating the budget adjustment to add the funds to the current fiscal year. In addition, this influx of funds will also increase the District’s planned capital expenditures in FY 2024-25 from \$4,875,000 to \$13,046,525

The District currently carries no long-term debt that has been reviewed by an independent auditor, however, as a member agency of CMSA it shares in the debt service of the joint powers authority. This will change at the end of the current fiscal year as impacted by the issuance of the COPs. A breakdown of the past 5 years of operational revenues and expenses⁴³ can be seen below in Table 10-3.

Table 10-3: Sanitary District No. 2 of Marin County Total Revenues and Operating Expenditures Data

Revenue	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Property Taxes	\$3,410,344	\$3,523,798	\$3,719,195	\$3,981,260	\$4,239,909	\$3,774,901.20
Sewer User Fees	\$3,050,716	\$2,977,371	\$3,207,792	\$2,841,560	\$2,891,162	\$2,993,720.20
Investment Earnings	\$297,857	\$240,239	\$64,016	\$36,804	\$169,542	\$161,691.60
Other	\$94,592	\$85,222	\$127,068	\$122,351	\$67,542	\$99,355.00
Total	\$6,853,509	\$6,826,630	\$7,118,071	\$6,981,975	\$7,367,939	\$7,029,624.80

Operating Expenses	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Average
Administration and General	\$241,169	\$360,970	\$457,767	\$262,425	\$394,462	\$343,358.60
Collection Maintenance	\$1,176,876	\$1,951,027	\$1,791,645	\$1,222,452	\$1,569,734	\$1,542,346.80
Pump Station Maintenance				\$362,515	\$451,256	\$406,885.50
CMSA Debt Service				\$668,608	\$668,157	\$668,382.50
Utilities				\$177,396	\$249,316	\$213,356.00

⁴² On September 25, 2024, SD2 sold Certificates of Participation to Morgan Stanley in the total amount of \$10,000,000.

⁴³ In FYE 2022, the District’s independent auditor updated the manner in which it calculated the annual revenues and expenses by including the CMSA Debt Service in expenses, whereas it had previously been deducted from nonoperating revenues. The firm also began including utilities and pump station maintenance as standalone line items.

Treatment and Disposal	\$972,624	\$993,458	\$1,030,384	\$1,127,450	\$1,245,679	\$1,073,919.00
Depreciation	\$1,127,580	\$1,134,300	\$1,124,939	\$931,929	\$1,356,405	\$1,135,030.60
Total	\$3,518,249	\$4,439,755	\$4,401,735	\$4,752,775	\$5,935,009	\$4,609,504.60

Financial Audit

The Sanitary District No. 2 of Marin County annually has its financial statements audited and contracts with an outside certified public accounting firm, The Pun Group. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2023.

11.0 SAN QUENTIN VILLAGE SEWER MAINTENANCE DISTRICT

11.1 OVERVIEW

The San Quentin Village Sewer Maintenance District (SQVSMD) was formed in 1962 as a dependent special district under Section 4860 of the California State Health and Safety Code. The District is organized as a limited-purpose agency municipal operation statutorily limited to providing wastewater collection to the community of San Quentin Village, a small unincorporated area that is directly adjacent to the San Quentin Rehabilitation Center. The District’s jurisdictional boundary encompasses .012 square miles. The last municipal service review that included the San Quentin Village Sewer Maintenance District was conducted in 2017.

Table 11- 1: San Quentin Village Sewer Maintenance District Overview

San Quentin Village Sewer Maintenance District			
Primary Contact:	Christopher Blunk	Phone:	(415)-499-6528
Mailing Address:	3501 Civic Center Drive STE 304, San Rafael, CA		
Formation Date:	May 1962		
Services Provided:	Wastewater Collection		
Service Area:	8.22 acres	Population Served:	110

11.2 FORMATION AND DEVELOPMENT

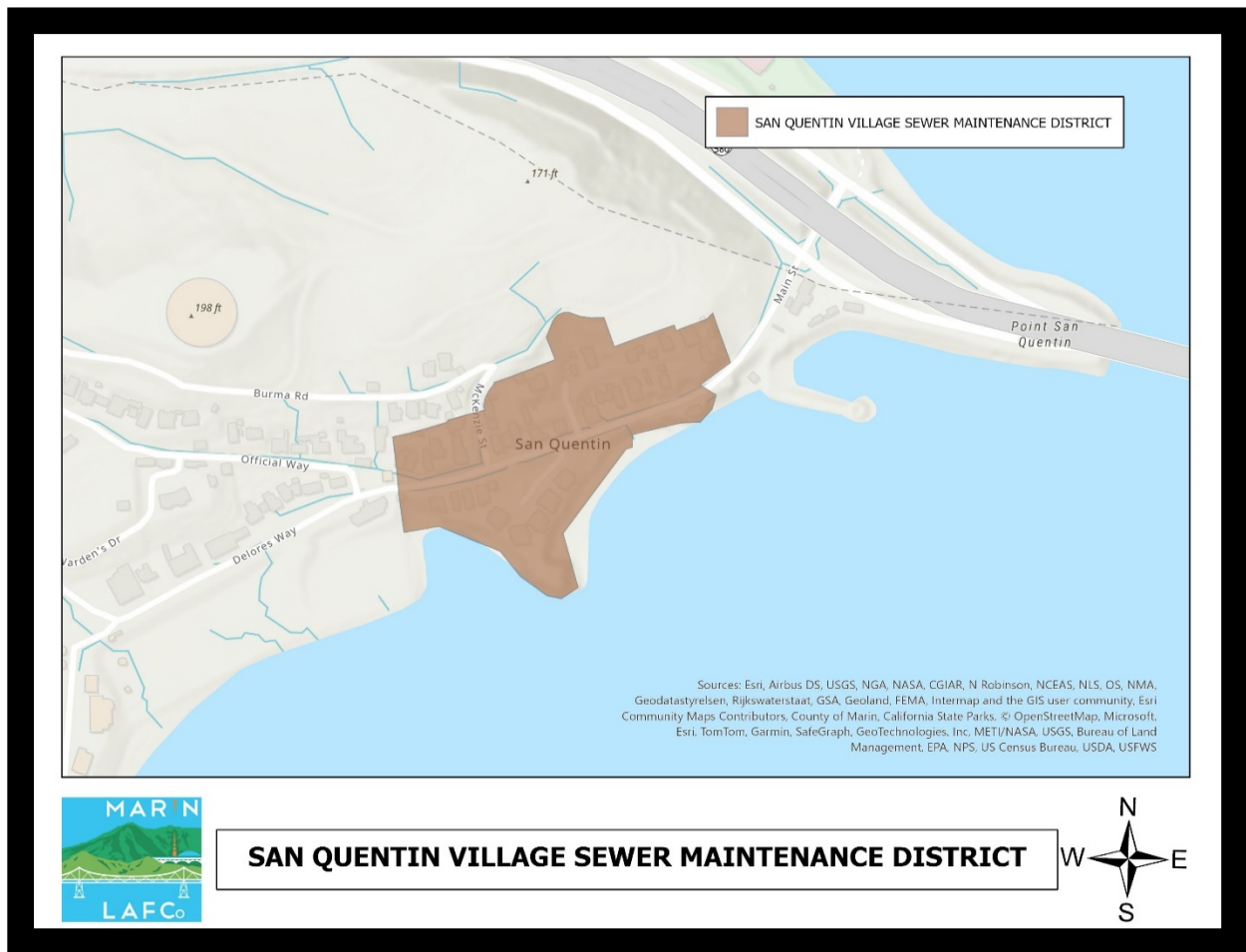
The area of Point San Quentin was originally a small apportionment of the 8,877-acre Mexican land grant known as Rancho Punta de Quentin. The land was given in 1840 by Governor Juan B Alvarado to John Cooper, and also encompassed what is now the Towns of Ross and San Anselmo, as well as the community of Kentfield. In 1850, Benjamin Rush Buckelew purchased the Rancho Punta de Quentin from Cooper with the intention of creating the country’s first major west-coast port city. When the new city failed to materialize, Buckelew moved his sawmill from the Larkspur area to Point San Quentin used as space for making lumber for the rapidly increasing construction in San Francisco.

In 1852, the California State Legislature appointed a committee to investigate sites for the establishment of a state prison. The committee ultimately decided on the San Quentin site and on July 7, 1852, Buckelew sold 20 acres to the State of California for \$10,000. At the time, the State was utilizing a large ship, the Waban, as the first state prison. In the latter part of 1852, the Waban was anchored offshore with approximately 40 incarcerated inmates. During the day, the workers were transported to land in order to quarry stone and make bricks to construct the first prison cells. The construction of the prison was completed in 1854 and originally featured 48 windowless cells. Initially, the prison was under private management, with individuals awarded contracts to run the facility. After a few years that were fraught with abuse of this arrangement, the State of California took over in 1860.

The area immediately surrounding the prison developed a few temporary structures in the late 1850s to accommodate prison staff members. It wasn't until the 1870s that the construction of permanent residences ultimately replaced the temporary housing. By the end of the 1940s, over two dozen residences had been constructed into what was referred to as San Quentin Village housing approximately 50 people. In 1962, the Marin County Board of Supervisors approved the formation of the San Quentin Village Sewer Maintenance District as a means for landowners to tax themselves for the purposes of constructing and operating a community wastewater collection system. The initial collection system's construction was completed in 1965 with the Marin County Department of Public Works overseeing all operational and maintenance activities. Just prior to the completion of the construction in 1964, SQVSMD entered into a contract with the State of California to direct wastewater flows directly into the adjacent State Prison's collection system for access to the subsequent treatment and disposal at the facility's wastewater treatment plant.

In May of 2012, SQVSMD entered into an agreement with the Central Marin Sanitation Agency to provide operation and maintenance of the SQVSMD collection system and pump station.

Figure 11- 1: San Quentin Village Sewer Maintenance District Service Area



11.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The SQVSMD jurisdictional boundary encompasses approximately .012 square miles and covers eight total acres. The jurisdictional boundary is entirely within the land use authority of the County of Marin and comprises the unincorporated community of San Quentin Village. The District is made up of 41 assessor parcels on both sides of Main Street from the eastern end of the residential properties to approximately 260 feet to the west of the intersection of Main Street and McKenzie Street.

The Commission has not established a sphere of influence designation for SQVSMD. It appears this is the result of an earlier determination that SQVSMD falls outside of the Commission's authority. Commission staff has revisited this matter as part of this study and concludes that SQVSMD and, more specifically, sewer maintenance districts formed under Public Health and Safety Code Section 4860-4927 are subject to LAFCo. As such, a sphere designation should ultimately be assigned to the District.

11.4 GROWTH AND POPULATION

SQVSMD's resident population within its jurisdictional boundary is independently estimated by the Commission at 110 as of the term of this study. This projection is based on a calculation of the number of housing units multiplied by 2.45 which is the current average in Marin County for residents per housing unit. This calculation is necessitated as the District resides within two separate U.S. Census tracts that make up significantly larger areas. Of the 45 units, 33 are single-family and 12 are multi-family. The 41 developable assessor parcels in the District are fully built out, leaving no current possibility for any significant future growth within the District's boundary.

11.5 MUNICIPAL SERVICES

Wastewater Collection

San Quentin Village Sewer Maintenance District provides wastewater collection to all 41 of the assessor parcels within its jurisdictional boundary. In total, the District's sewer infrastructure is composed of approximately 1,500 feet of gravity sewer lines and one force main, 12 manholes, and one pump station. The pump station pushes the collected wastewater through a force main to a gravity sewer that flows into the State-owned gravity sewer system on the site of the San Quentin Rehabilitation Center (SQRC). The District's wastewater flow discharges into the SQRC collection system where it is pumped to the Central Marin Sanitation Agency for treatment and disposal. Due to the wastewater flow from the District being directly incorporated into the SQRC collection system, SQVSMD does not independently track wastewater flow totals generated within its jurisdictional boundary. The District contracts with the Central Marin Sanitation Agency for the operation and maintenance of its collection system and pump station.

The District has had no instances of any sanitary sewer overflows in the course of this study window (past 5 years). Since no further significant development in San Quentin Village is projected, the major sewer system planning consists of ensuring that the collection system is properly maintained and that deteriorated lines are repaired or replaced. The District reports that

there are currently a total of 37 service connections within the District. In FY 2023-24, those 37 connections created a wastewater collection flow equivalent of 45 equivalent dwelling units (EDU). The current sewer service rate is \$472 per EDU. Property owners receiving service from SQVSMD are assessed this annual fee which is included on their property tax bill. Rate changes are made by the Board of Supervisors. There have been no rate changes at any point within the study window.

Staff in the past was involved in discussions between the County and RVSD about the possible reorganization that would end with the SQVSMD being annexed into RVSD. While those discussions have stalled it was discovered that Caltrans has a maintenance yard between SQVSMD and I 580 on the bay side of Main Street. This maintenance yard currently connects into the SQVSMD system to transport its wastewater to the CMSA treatment plant. It would appear that neither SQVSMD nor Caltrans pay for treatment that is performed by CMSA but rather the prison seems to pay for the treatment of these groups.

11.6 ORGANIZATION STRUCTURE

Board of Directors

The governance for SQVSMD is dependently provided by the County of Marin through its five-member Board of Supervisors that are elected by supervisorial district to staggered four-year terms. SQVSMD-related matters are considered, as needed, during regular meetings held by the Board of Supervisors.

Table 11- 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	Supervisor	January 2, 2025
Stephanie Moulton-Peters	Supervisor	January 2, 2027

Administration

The Marin County Board of Supervisors assigns the Director of Public Works to serve as the SQVSMD District Engineer. Key duties of the Public Works Department performed on behalf of SQVSMD include proposing an annual budget, recommending changes to the fee schedule, and collaborating with CMSA to oversee capital improvements. The day-to-day operation of SQVSMD and its collection system is managed contractually by CMSA.

11.7 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 District's budget, typically adopted no later than the June Board meeting each year in alignment with the budget process for the County of Marin, provides overall control of revenue and expenditures including appropriations on a line-item basis and the means of financing them. The Public Works Director presents financial reports to the Board as necessary to ensure budgetary compliance.

11.8 FINANCIAL OVERVIEW

Revenues for the District are generated almost entirely from the taxes assessed in each customer's property tax roll. For the course of the study window, total annual revenues have averaged \$49,140. Annual expenses consist primarily of minor maintenance and repairs as well as planned infrastructure upgrades/rehabilitation and the cost of the contract with CMSA. The average annual expenses over the course of the study window were \$40,626. As of the FYE June 30, 2023, the District maintained a fund balance of \$301,656.

12.0 LAS GALLINAS VALLEY SANITARY DISTRICT

12.1 OVERVIEW

The Las Gallinas Valley Sanitary District (LGVSD) was formed in 1954 as an independent special district under Section 6400 of the California State Health and Safety Code. The District provides wastewater collection to the City of San Rafael that is north of Puerto Suello Hill in primarily the Terra Linda community area of the City, as well as to the unincorporated communities of Santa Venetia, Los Ranchitos, and Marinwood stretching through the area of Lucas Valley. LGVSD’s current service area includes the tributary areas to Miller Creek and Gallinas Creek. The District’s jurisdictional boundary encompasses just under 9.6 square miles. The last municipal service review that included the Las Gallinas Valley Sanitary District was conducted in 2017.

Table 12- 1: Las Gallinas Valley Sanitary District Overview

Las Gallinas Valley Sanitary District			
Primary Contact:	Curtis Paxton	Phone:	(415)-472-1734
Mailing Address:	101 Lucas Valley Road Suite 300, San Rafael		
Formation Date:	April 6, 1954		
Services Provided:	Wastewater Collection, Recycled Water, Solid Waste Collection		
Service Area:	6,058 acres	Population Served:	29,120

12.2 FORMATION AND DEVELOPMENT

The Las Gallinas Valley Sanitary District’s service area’s earliest development began in 1844 in the form of cattle ranchers who established themselves in the locale through a Mexican land grant to one of Marin County’s first western settlers, Timothy Murphy. The grant contained three distinct ranchos – San Pedro, Santa Margarita, and Las Gallinas – totaling approximately 21,000 acres and running from east to west from what is present-day Point San Pedro to Big Rock Ridge in Lucas Valley. The land was maintained as cattle ranches until Murphy’s death in the early 1850s. The land was bequeathed to Murphy’s nephew, John Lucas, who quickly began dividing and selling lots to interested outside parties. One of the larger lot sales was to a Portuguese settler named Manuel T. Freitas whose family established a large homestead that is now present-day Terra Linda.

The division and sale of lots progressively led to an increase in residential and commercial development throughout the area. On the southeastern end of the rancho, the area of what is present-day Santa Venetia produced two significant goldmines in the hills that operated until 1884 and 1889 respectively. The area of Santa Venetia, which would later serve as LGVSD’s initial service area, was developed on marshland that was filled in 1914. The area was originally planned for development to be modeled after Venice, Italy, with proposals including canals and gondolas. These development plans were ended due to the economic decline following World War I, and the area remained largely undeveloped through the early 1900s. Following the end of World War II, the same subdivision map that had been created for the earlier development

proposal in the area was utilized to construct the Gallinas Village. Development around this area continued throughout the 1940s and into the early 1950s, however, the infill that had been used to create the area came under such duress that the County of Marin had to halt the approvals of new construction permits in lieu of establishing a community wastewater system.

The formation of the Las Gallinas Valley Sanitary District came to fruition following the petition by landowners in Santa Venetia who were faced with the inability to create new developments in the area due to the halting of permit approvals as well as area residents who were faced with a serious health problem from failing septic tanks and resulting pollution of Gallinas Creek. The petition was heard and approved by the County of Marin's Boundary Change Commission and following a successful vote of local landowners, the Las Gallinas Valley Sanitary District was formed on April 6, 1954. A note of interest within the formation proceedings was that a significant premise of the formation was a desire of the local landowners to remain independent of the neighboring City of San Rafael, and the dependent wastewater district that it had formed just a few years earlier in 1947.

LGVSD completed the construction of its first wastewater treatment facility in 1955, and in 1958, completed a significant expansion to accommodate the continued growth throughout the Gallinas Valley. The District annexed the area of Terra Linda in November of 1965⁴⁴, followed soon after by the areas of San Rafael Meadows, Marinwood, and Lucas Valley, among others. By 1972, a majority of the unincorporated area of Terra Linda had been developed and was ultimately annexed that year by the City of San Rafael. LGVSD completed a second major upgrade to its treatment facility in this same year as much of the new growth within the service area shifted primarily to the east of U.S. Highway 101. The District completed a third major expansion of the treatment facility in 1984. With a continually shrinking capacity due to continued growth, in 1985 the District purchased and developed 383 acres of land for wastewater disposal adjacent to its wastewater treatment facility. The project included a 20-acre wildlife marsh, 40 acres of storage ponds, a 10-acre saltwater marsh, 20 acres of irrigated landscaping, and 200 acres of irrigated pasture. As part of the reclamation project, LGVSD dedicated three and one-half miles of public easements along the shore of the storage ponds and around the saltwater marsh.

In 1989, LGVSD entered into an agreement with the Marin Municipal Water District (MMWD) to provide a joint agency effort to treat the District's secondary treated wastewater through the tertiary phase and then distribute the treated wastewater throughout the District to make it available for landscape irrigation and for other purposes. MMWD distributes the treated wastewater through a dedicated distribution system ("purple pipes") to irrigate golf courses, landscaping at office and apartment buildings, and along freeways, streets, and parks. MMWD has ownership and provides maintenance to all purple pipes throughout this connection. This treated water is distributed throughout Marinwood, Terra Linda, and down to North San Pedro Road.

⁴⁴ Marin LAFCo Resolution 65-02

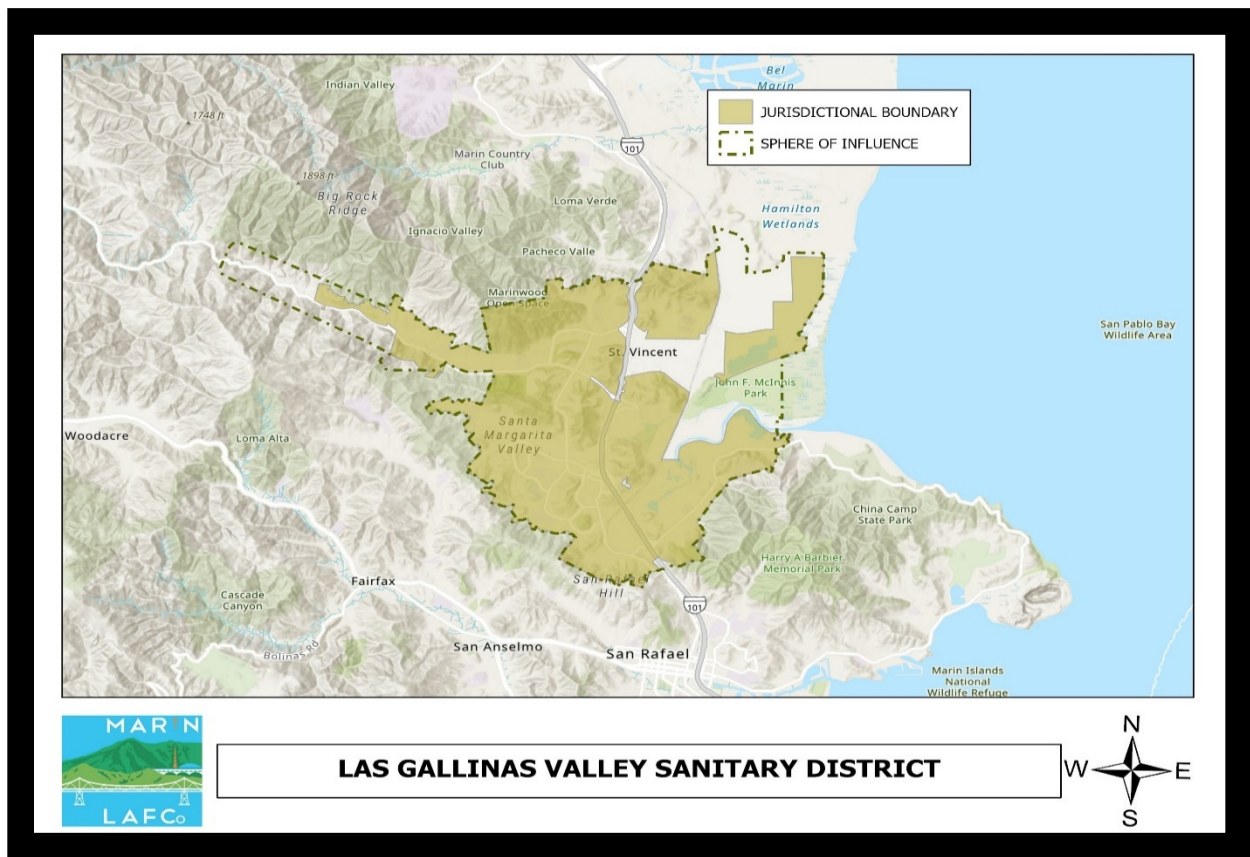
Since 1955, LGVSD has provided solid waste (garbage/refuse/recycling) services through the District's franchise service provider, Marin Sanitary Service to the entire North San Rafael area, both incorporated and unincorporated. In April 2004, the City of San Rafael acted to assume responsibility for the collection of all refuse within the City's boundaries including north San Rafael in order for the entire city to pay the same rates and receive the same level of service. Following this act, LGVSD's provision of solid waste collection within its service area was reserved to just the unincorporated areas outside of the City of San Rafael's jurisdictional boundary.

Also in 2004, the District installed an 81-kilowatt photovoltaic system to provide green power for its reclamation area. The District followed this act in 2006 with the installation of an 850,000 kWh/year photovoltaic system to power its treatment plant facilities with green power.

In 2011, LGVSD entered into an agreement with the North Marin Water District (NMWD) to provide fully treated recycled water supplies for distribution in the Novato area and surrounding communities.

In 2019, the District began a major multi-year expansion to its treatment plant which would ultimately increase the plant's capacity to 3.2 million gallons per day. The upgrade also included the rebuilding and expansion of the District's recycled water production facility, which enabled the production capacity of approximately 5 million gallons of recycled water per day. The new recycled water facility has been online since March 2021.

Figure 12- 1: Las Gallinas Valley Sanitary District Jurisdictional Boundary and Sphere of Influence



12.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

The Las Gallinas Valley Sanitary District’s jurisdictional boundary encompasses approximately 9.6 square miles of both incorporated and unincorporated Marin County. The District’s service area includes three land use authorities that overlay the District’s jurisdictional boundary. The County of Marin accounts for approximately 63% of all LGVSD lands and includes the communities of Santa Venetia and Marinwood as well as the Los Ranchito and Lucas Valley neighborhoods. The City of San Rafael comprises approximately 36% of the District’s service area and generally encompasses the City’s Terra Linda area. The remaining 1% of the jurisdictional boundary falls under the land use authority of the City of Novato and is specific to the Marin Valley Mobile Country Club and an adjacent open space property. In total, the District encompasses 10,443 assessor parcels, providing sewer service to 9,730 parcels.

The District’s sphere of influence was established July 14, 1983, as part of Marin LAFCo’s initial sphere of influence studies for special districts throughout Marin County. The sphere was established as the full jurisdictional boundary of the District as well as the non-jurisdictional lands along Lucas Valley Drive that encompass the Miller Creek tributary, the area of the Terra Linda-Sleepy Hollow Divide, and the unincorporated St. Vincent area. The sphere was subsequently amended in 2006 following the San Rafael Area Municipal Service Review to remove the area of the Terra Linda-Sleepy Hollow Divide as this area had been designated as

public open space with no opportunity for future service needs. The most recent update of the sphere of influence occurred in April of 2016⁴⁵ during the reorganization of one parcel from the San Rafael Sanitation District was annexed into LGVSD.

12.4 GROWTH AND POPULATION

The Las Gallinas Valley Sanitary District provides service to two of the eleven incorporated towns/cities in Marin County (San Rafael, Novato) as well as the two census-designated places of Santa Venetia and Marinwood/Lucas Valley. The District also provides service to the unincorporated Los Ranchito neighborhood. While the communities of Marinwood and Lucas Valley may have local distinctions separating one from the other, the US Census Bureau recognizes both of these spaces as a single census-designated place for population data. The District's boundaries are nearly coterminous with the inhabited spaces within six U.S. Census tracts⁴⁶. The current combined population within these tracts is estimated to be 30,567⁴⁷. This total is an increase of 4.96% from the 2010 U.S. Census population total for the area of 29,120, which equates to an annual growth rate over this period of approximately 0.35%.

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 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, 1,160⁴⁸ have identified sites for development within the unincorporated spaces in Las Gallinas Valley Sanitary District's sphere of influence. Meanwhile, the additional RHNA sites that have been identified in/by the City of San Rafael that lie within the sphere of influence of the District would create an additional 1,817^{49/50} units

The current projection in the hypothetical scenario that each of the identified sites for RHNA development within LGVSD were to be developed to their maximum buildout potential, the

⁴⁵ Marin LAFCo Resolution 2016-03; 91 Glenside Way Annexation

⁴⁶ U.S. Census Tracts: 1081, 1082.02, 1082.01, 1060.01, 1060.02, 1070

⁴⁷ Population estimates are a combination of data provided by the State of California Department of Finance as well as the American Community Survey.

⁴⁸ [Marin Countywide Plan; 2023-2031 Housing Element; Pg. 210](#)

⁴⁹ [San Rafael Housing Element; 2023-2031](#)

⁵⁰ This amount is inclusive of all 1,422 planned units in both of the 2 phases of the Northgate Town Square redevelopment proposal. The initial phase consists of the construction of 907 units and, pending the still needed approval, would be the only phase that would be completed within the current Housing Element cycle. Both the City and the Developer have already identified that the second phase of the development proposal would require a sewer line upsizing as part of the project.

additional dry weather flow would be approximately 0.18 million gallons per day⁵¹ from the unincorporated spaces and 0.20 million gallons per day from the City of San Rafael. Given its current average dry weather flows as well as the permitted allowances for flows, LGVSD has the capacity to accommodate this level of growth. The District's total number of sewer customers have been essentially stagnant over the past 10 years⁵², with a total residential customer sanitary unit count of 12,629 in 2014 and 12,491 in 2023. In that same time frame, the District maintained an average daily wastewater flow to the treatment facility of 2.52 million⁵³ gallons.

12.5 MUNICIPAL SERVICES

Wastewater Collection/Treatment

Las Gallinas Valley Sanitary District provides wastewater collection to the vast majority of residents and businesses within its jurisdictional boundary. The District has a total of 15,745 sewer service customers, which includes commercial customers class count based on their Equivalent Sanitary Unit which fluctuates based on prior year water use. In total, the District's sewer infrastructure is composed of approximately 105 miles of mainline and trunk line and 6.72 miles of force main. The average age of the collection system dates between 40 to 50 years with an expected lifespan of up to 80 years. The pipes throughout the District vary between vitrified clay (VCP), high-density polyethylene (HDPE), ductile iron (DI), cast iron (CIP), and polyvinyl chloride (PVC) among others. The area has a total of 28 pump stations throughout the District's boundary that lead to an advanced secondary-level treatment facility. The treatment plant experienced a significant upgrade in 2008, followed by another upgrade that started in 2019 and is considered the largest single capital improvement project in the District's history. The \$68 million upgrade, completed in 2023, increased the plant's secondary treatment capacity from 8 to 18 million gallons per day and increased the District's recycled water production capacity from 1.8 million gallons per day to 5 million gallons per day. The treatment plant is also equipped with a 588kW solar photovoltaic system that supplies solar energy to help power the treatment plant. The solar photovoltaic system is offline for safety reasons but the District plans to replace the system as part of a capital project. In addition to the solar energy generation system, the District also has constructed and utilizes a closed-loop biogas energy recovery system. This system allows for the recovery of 100% of the methane produced from the anaerobic digestion of wastewater sludge at the treatment facility and conditions it for onsite combined heat and power generation. This process helps lower energy costs for the District by, on average, \$53,000 over a 12-month period⁵⁴, as well as furthering the District's environmental goals by increasing the amount of its operation that is powered by renewable energy.

The District's sewer service rates were last adjusted in FY 2023/24 following a rate review by an independent consultant and a full Prop 218 process. The increase from FY 2022/23 to 2023/24 was a total of 11% and raised the annual sewer service charge for a single-family home to \$1,233. This rate is scheduled to increase by 10% annually for each of the following three fiscal

⁵¹ [Marin Countywide Plan; 2023-2031 Housing Element; Pg. 115](#)

⁵² [LGVSD ACFR 2023; Pg 60](#)

⁵³ [LGVSD ACFR 2023; Pg 68](#)

⁵⁴ [California Energy Commission Final Project Report](#)

years, through FY 2026/27. The approved rate schedule supports the District’s operations and maintenance as well as a robust capital improvement program. The District operates on a 7-year capital improvement program, with the current iteration spanning FY 2024/25 through FY 2030/31. As it currently stands, the total amount forecasted for projects within the capital improvement program is \$172,611,432.⁵⁵

Over the course of the past five years of publicly available data (2018-2022), the District has experienced 12 sanitary sewer overflows⁵⁶ totaling approximately 35,604 gallons.

Recycled Water

Las Gallinas Valley Sanitary District has played a part in the distribution of recycled water in Marin County since 1977, when the District leased land to the Marin Municipal Water District (MMWD) for the construction of Marin County’s first recycled water treatment facility. This facility would receive a significant upgrade in 1998 that expanded its capacity from producing 1.0 to 2.0 million gallons daily. On April 1, 2017, LGVSD entered into an agreement with MMWD to decommission MMWD’s older facility and partner in the construction of a new recycled water treatment facility. The current agreement between the two agencies grants MMWD access to 1.87 million gallons per day of recycled water through 2047. The decommissioning of the 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 water. The upgraded plant has a treatment capacity of approximately 5 million gallons daily. This recycled water service is confined to the Terra Linda, Marinwood, Smith Ranch, Santa Venetia, and Marin County Civic Center areas. The water is distributed by way of three pump stations owned by MMWD at Freitas Parkway, Channing Way, and Quail Hill through approximately 25 miles of MMWD’s “purple pipe”. The treatment facility operates seven months per year on average during the dryer seasons to coincide with the seasonal demand for recycled water. In FY 2023, LGVSD provided recycled water for 218 MMWD service connections, for a total average of approximately 638 acre-feet annually.

In 2012, North Marin Water District (NMWD) completed the construction of a purple pipeline approximately 2.5 miles long to distribute recycled water to the community of Novato. LGVSD provides recycled water and NMWD distributes this recycled water for irrigation to the Hamilton Field area of southern Novato. In FY 2022/23, the District produced 43.25 million gallons to NMWD.

In 2023, LGVSD was named California’s “Recycled Water Agency of the Year” by the California WaterReuse Association.

⁵⁵ [LGVSD Adopted Budget Book FY 2024/25; Pg 30](#)

⁵⁶ [LGVSD ACFR 2023; Pg 70](#)

Solid Waste

Since 1955, LGVSD has provided solid waste (garbage/refuse/recycling) services through contract with the District’s franchise service provider, Marin Sanitary Service, to the entire North San Rafael area within the District’s boundaries. In April 2004, the City of San Rafael Acted to assume responsibility for the collection of all refuse within the city boundaries including north San Rafael in order for the entire city to pay the same rates and receive the same level of service. The City’s action was also intended to equalize franchise fees paid by private waste haulers for the maintenance of streets throughout the City. Following this action and continuing today, LGVSD provides solid waste removal services to the unincorporated areas within its jurisdictional boundaries. As of January 1, 2023, residential customers pay a monthly service fee of \$43.93 for a 32-gallon cart.

12.6 ORGANIZATION STRUCTURE

Board of Directors

The Las Gallinas Valley Sanitary District receives oversight and policy direction by way of a five-member Board of Directors that is elected to staggered four-year terms by way of at-large elections within the service boundary. All directors are required to be registered voters residing within the District’s jurisdictional boundary. Based on data provided by the County Department of Elections which span from 1972 to 2022, Las Gallinas Valley Sanitary District had 19 election cycles during that timeframe in which a formal election process was necessitated, 9 seats were appointed in lieu of an election, and the District’s Board necessitated zero appointments to seats on the Board by the Marin County Board of Supervisors.

Table 12- 2: Las Gallinas Valley Sanitary District Board of Directors

Member	Position	Term Expiration
Craig Murray	Director	December 2028
Gary Robards	President	December 2028
Crystal Yezman	Vice-President	December 2026
Megan Clark	Director	December 2026
Nicholas Lavrov	Director	December 2026

Administration

The Board of Directors of Las Gallinas Valley Sanitary District appoints the District’s General Manager who leads and manages the District’s day-to-day operations. The General Manager for Las Gallinas Valley Sanitary District is full-time and manages the other 31 FTE employees employed by the District.

12.7 ACCOUNTABILITY AND TRANSPARENCY

The Las Gallinas Valley Sanitary District maintains a high level of accountability and transparency in all its activities. The District [website](#) provides documentation on board meeting agendas and minutes as well as financial reports, services, studies, sewer system management plan, permitting, contracts, and more.

Meeting and Agendas

The Las Gallinas Valley Sanitary District Board of Directors meets regularly on the 1st and 3rd Thursday of each month at 4:00 p.m. in the District Administrative Office at 101 Lucas Valley Road, Suite 300 in San Rafael. Special meetings are held as needed to go over specific topics. Meeting agendas and minutes can be found on the District's website, [lgvsd.org](#).

Annual Budget Review

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

12.8 FINANCIAL OVERVIEW

Over the course of the study window (past 5 fiscal years of available audited financials), Las Gallinas Valley Sanitary District has maintained increases in total net position each year, with a total increase in net position during that time of just over 30%, indicating a consistent addition by the District to its asset base and concerted effort at a reduction in liabilities. Simultaneously, the District has seen a fluctuation in unrestricted net position that has ultimately resulted in a total increase over the 5 years of approximately 9%. The District's total annual operating revenues⁵⁷ have outpaced operating expenditures in each of the five fiscal years by an annual average of 13.8%. These excess funds are primarily allocated toward the District's capital improvement projects and maintaining the District's target reserves. The average annual operating revenues for the District over the 5-year period were \$15,590,930, with a total increase of just over 21% in that span. Overall, LGVSD demonstrates strong financial health over the study window. The consistent growth in net position, steady increase in revenues outpacing expenses, decreasing debt ratio, and significant investment in capital assets all point to a well-managed and financially sound organization. The District appears to be balancing the need for infrastructure investment with maintaining financial stability and flexibility.

The primary revenue sources for the District are sewer use charges (89%) and property taxes (8%) with franchise fees, recycled water fees, and interest income supplementing the majority of the remaining 3% annually. The primary annual operating expenses for Las Gallinas Valley

⁵⁷ As the District views its operating purpose is to provide wastewater collection and treatment services that are funded by sewer service charges, property tax and franchise fees are classified as nonoperating within the District's accounting policies.

Sanitary District are sewage treatment (27%), sewage collection and pump stations (20%), and general and administrative (17%), and depreciation⁵⁸ (25%). A breakdown of the past 5 years of operational revenues and expenses can be seen below in Table 12-3.

Table 12- 3: Las Gallinas Valley Sanitary District Financial Information

Operating Revenue	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Averages
Sewer Use Charges	\$14,228,877	14,831,995	\$15,284,365	\$15,491,846	\$16,999,751	\$15,3367,367.00
Recycled Water Fees	\$63,463	\$67,288	\$123,155	\$27,345	\$127,742	\$81,798.60
Other	\$42,905	\$65,401	\$614,272	\$6,175	\$67,675	\$159,286.40
Total	\$14,335,245.00	\$14,964,684.00	\$16,021,792.00	\$15,525,366.00	\$17,195,168.00	\$15,608,451.00

Operating Expenses	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Average
Sewage Collection and Pump Stations	\$1,162,234	\$1,272,839	\$1,570,736	\$1,941,906	\$2,741,055	\$1,737,754.00
Sewage Treatment	\$1,934,173	\$4,269,850	\$2,865,940	\$3,211,152	\$3,671,060	\$3,190,435.00
Sewage and Solid Waste Disposal	\$197,680	\$616,172	\$506,939	\$435,226	\$712,974	\$493,798.20
Laboratory	\$318,732	\$359,635	\$498,183	\$506,403	\$534,204	\$443,431.40
Engineering	\$469,826	\$616,435	\$874,206	\$982,986	\$937,443	\$776,179.20
Recycled Water	\$181,058	\$115,532	\$106,416	\$62,460	\$102,306	\$113,554.40
General and Administrative	\$1,773,711	\$2,890,950	\$2,582,892	\$2,898,595	\$2,290,957	\$2,487,421.00
Depreciation	\$2,654,616	\$2,896,926	\$3,044,656	\$3,127,040	\$3,619,251	\$3,068,497.80
Totals	\$8,692,030.00	\$13,038,339.00	\$12,049,968.00	\$13,165,768.00	\$14,609,250.00	\$12,311,071.00

Debt

As of June 30, 2023, LGVSD carried a total long-term debt amount of \$51,766,054 with a debt ratio of 0.36. Below is a description of the borrowings comprising that amount as of June 30, 2023:

⁵⁸ Depreciation is shown as an operating expense in the financial statements in step with generally accepted governmental accounting standards, and as such impacts - and often negatively - gross profit or total margin. Depreciation takes into account the wear and tear on physical infrastructure, such as sewer lines, pumps, and other capital equipment. Government accounting standards direct agencies to spread out the costs of replacing these assets over the long term, which generates the term depreciation or amortization. The “charge” for using these assets during the period is a fraction of the original cost of the assets based on the expected life of the assets and presumably is rolled into the agencies’ fund balance at the end of the fiscal year and as part of the restricted reserve.

- **Loan Payable 2011** – \$2,279,755
- **State Revolving Fund Loan 2012** - \$2,254,080
- **Loan Payable 2019** – \$10,623,025
- **Revenue Bonds 2005** – \$2,068,800
- **Revenue Bonds 2017** – \$32,265,000

The District also provides a pension plan for employees and is part of the California Public Employees Retirement System (CalPERS). CalPERS provides retirement, disability, and death benefits based on the employee’s years of service, age, and final compensation. As of June 30, 2023, the District’s Unfunded Actuarial Liability was \$5,412,284. As of the most recent CalPERS actuarial Valuation on June 30, 2023, the District’s pension-funded ratio was 71.8%. In addition to the pension plan, the District provides other post-employment benefits (OPEB) to its retirees. As of June 30, 2023, the District carried a net OPEB liability of \$899,028.

Financial Audit

The Las Gallinas Valley Sanitary District annually has its financial statements audited and contracts with an outside certified public accounting firm, Nigro &Nigro. The most recent audited financial statement was prepared for the fiscal year ending June 30, 2023.