

# Item #7

Informational Discussion and Receive Input from the Commission on Potential Reorganization, which may Include Dissolving the San Quentin Village Sewer Maintenance District and Annexing the Properties within the Ross Valley Sanitary Sphere of Influence into the Ross Valley Sanitary District

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# Initialisms

- ❖ CDCR – California Department of Corrections and Rehabilitation (Prison)
- ❖ CMSA – Central Marin Sanitation Agency
- ❖ JPA – Joint Powers Agreement
- ❖ MSR – Municipal Service Review
- ❖ MPSMD – Murray Park Sewer Maintenance District
- ❖ RVI – Ross Valley Inverter
- ❖ RVSD – Ross Valley Sanitary District
- ❖ SD2 – Sanitary District No. 2 of Marin County (Corte Madera)
- ❖ SOI – Sphere Of Influence
- ❖ SQVSMD – San Quentin Village Sewer Maintenance District
- ❖ SRSD – San Rafael Sanitation District

# History of SQVSMD

- San Quentin Village development was originally constructed in the 1940s
- District formed in 1962
- Organized as a limited-purpose agency municipal operation under Section 4860 of the California State Health and Safety Code statutorily limited to providing wastewater collection to the unincorporated community of San Quentin Village
- 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.

# History of the RVSD SOI in the San Quentin Region

- ❖ SOI was originally established on February 15, 1985, as part of Marin LAFCo's initial sphere of influence studies for special districts throughout Marin County.
- ❖ SOI was amended in May of 2007 as an interim sphere of influence coterminous with the existing District boundaries, with the additions of the jurisdictional boundaries of Murray Park Sewer Maintenance District and the San Quentin Village Sewer Maintenance District. The "interim" tag was added by the Commission in order to signify its support of the ongoing exploration of the consolidation of the collection agencies in Central Marin.
- ❖ SOI was most recently amended in February of 2025 to add a small area in the easternmost corner of San Quentin Peninsula.

# Current Boundaries in the Area



# LAFCo Discussions on SQVSMD and RVSD

- ❖ May 9, 2011 LAFCo Presentation (by Peter Banning) to the RVSD board (Pg. 318 of linked document) shows discussion about RVSD annexing MPSMD and SQVSMD. EO Banning laid out multiple ways that the process could be completed.
- ❖ 2017 – Marin LAFCo recommends within Central Marin Wastewater Services Study “The Commission should consider proceeding with reorganizations to dissolve MPSMD and SQVSMD and concurrently place their respective service areas in RVSD. These reorganizations would eliminate two dependent special districts governed by the County of Marin in favor of recognizing RVSD as the preferred and more able service provider going forward.”

# CMOSA JPA Agreement and Past Legal Settlements

## 2015 Settlements

- ❖ Agreement between CMOSA and RVSD (Plaintiff)
- ❖ Agreement between CDCR and RVSD (Plaintiff)
- ❖ Agreement between Marin County and RVSD (Plaintiff)

## CMOSA Joint Powers Agreement

- ❖ Last Updated 2019

## Summary of settlement between RVSD and CDCR, as mentioned in CMOSA JPA

### Operations:

- ❖ CMOSA is prohibited from serving properties within a JPA member agency's area without that agency's board approval
- ❖ CDCR will retain all regulatory, financial, maintenance, and other responsibilities for the safe and reliable operation and maintenance of the San Quentin Force Main and San Quentin Pump Station

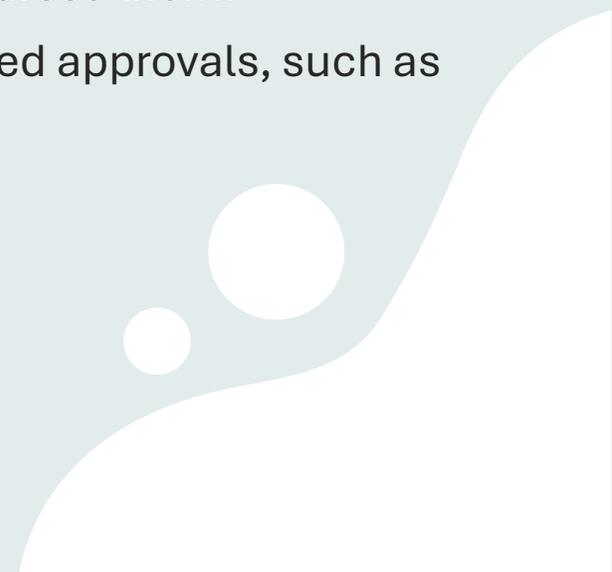
### Direct Contracting Allowed:

- ❖ CMOSA may contract directly with:
  - CDCR for the Prison.
  - County of Marin for SQVSMD

### Service & Billing:

- ❖ CMOSA will bill prison based on wastewater flow and strength, like its member agencies.
- ❖ Charges include a share of capital debt and future asset replacement costs.
- ❖ Funds for asset replacements will be held in a restricted CMOSA account.

# How MPSMD Application Worked

- ❖ LAFCo, County Staff, and RVSD started meeting in late 2018 to see if it is possible to consolidate MPSMD into RVSD.
  - ❖ County and RVSD shared financial and system information.
  - ❖ Once MPSMD and RVSD were comfortable that the consolidation could occur, with the help of Sup. Rice, a meeting with Community leaders in the Murray Park area was held to hear their concerns.
  - ❖ The group works to address community concerns.
  - ❖ A second public meeting is held with postcards sent to all properties in MPSMD to help inform them of what an upcoming application would look like and hear any concerns they have. Thanks to the first smaller group meeting, we had heard all the concerns they had and were able to address them.
  - ❖ MPSMD Board and RVSD Board vote to submit an application along with other needed approvals, such as a tax exchange agreement.
  - ❖ December 2019 LAFCo approves application with zero opposition.
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# SQVSMD/RVSD History Since 2018

- ❖ Late 2018 discussions around the consolidation of MPSMD and SQVSMD into RVSD. RVSD requests we work on MPSMD only, and if that occurs, we come back to SQVSMD.
- ❖ December 2019 MPSMD consolidation into RVSD is completed. In early 2020, LAFCo asked RVSD staff if they were ready to start the process for SQVSMD consolidation. RVSD staff does not want to work on this until an unrelated issue is resolved with the County.
- ❖ LAFCo staff works to help coordinate meetings between RVSD and the County to resolve the issue. Unfortunately, no agreement is reached, so for several years, no work was done on issue.
- ❖ In late 2024/ early 2025, during discussion on other applications, RVSD informs LAFCo they are ready to go through the process to consolidate SQVSMD into RVSD, and in addition, do the entire SOI, which includes the prison.
- ❖ May 2025, the CDCR informs LAFCo that they do not want to be in the RVSD boundary discussions.

# Positions of Involved Government Agencies

- ❖ RVSD – Wants to move forward to annex the entire SOI for the San Quentin area. Has not taken position on LAFCo suggestions to modify JPA and/or legal settlements. LAFCo staff have not had a chance to discuss with RVSD staff ways to deal with concerns made by their board members at its August 20<sup>th</sup> meeting.
- ❖ SQVSMD – On October 8<sup>th</sup>, Marin County, on behalf of SQVSMD, sent a letter to LAFCo expressing support of SQVSMD annexation as well as the larger area in one application to RVSD.
- ❖ CDCR – Has expressed opposition to being annexed into RVSD. CDCR has agreements in place that they feel best fit their needs, which would go away if annexed into RVSD.
- ❖ CMSA – Has concerns about CDCR's inability to contract with CMSA directly. The impact it will have on the CMSA, who help assist with the maintenance of the prison's system, could lead to staff layoffs.

# RVSD Board Member Concerns

Based on Aug. 20<sup>th</sup> meeting of RVSD

- ❖ RVSD Board Member Concern – Agencies, not property owners, decide who gets service.
  - LAFCo staff response – If talking about areas completely surrounded by an agency, staff would generally agree; however, when dealing with areas along boundary lines, that choice can be given to the property owner based on needs of the property. From staff perspective, the Prison could qualify for this boundary area rule, given that they have the ability to collect and transport their own wastewater to the RVI, a CMSA pipe. Examples of properties picking the agency that best fits needs can be found in staff report.
- ❖ RVSD Board Member Concern – SQVSMD currently uses the prison’s system to get its wastewater to the CMSA treatment plant, so the prison needs to be included in any application to ensure the RVSD can get SQVSMD wastewater to CMSA for treatment.
  - LAFCo staff response – First, we do not think CDCR would look to cut off needed access to SQVSMD. Staff understands the concern raised that ensuring that the area next to the prison can utilize the prison system to transport the wastewater to the treatment plant is extremely important. We have legal concerns with the opinion that simply because the prison is inside the RVSD boundary, it automatically gets access to that system. In September, we asked County staff if it currently has any agreements in place that could be transferred to RVSD. County staff needs time to investigate this and will share what they find. More work on this matter will be needed.

# Issues Needing To Be Worked Out

Beyond the normal items that still need to be worked on as part of any application, two major questions should be addressed with LAFCo staff suggested solutions

- ❖ To have the prison property included or not?
  - Possible solutions could be if including the prison to amend any current legal agreements and CMSA JPA to allow CDCR the ability to contract with CMSA as it currently does.
  - Possible solution: simply leave the prison out of the application, revisit the issue in the future as a standalone process with the understanding that some items need to be addressed in access rights.
- ❖ Access rights to collection systems by area outside of the prison. Two issues arise here. A few buildings on CDCR property feed into the SQVSMD system before it goes into the prison's system. Second, the Caltrans yard also feeds into SQVSMD system. In addition, the SQVSMD then takes all of those two groups and its own wastewater and puts it into the prison's systems.
  - Possible solution is to have CDCR, RVSD, and County staff work out side agreement(s) on how each group will properly pay for its needs.

In addition discussion with the community of SQVSMD needs to occur to determine any issues they want to see addressed before an application gets submitted.

# Questions for the Commission

From Staff Memo

- ❖ Question 1- Does the Commission desire to see an application that includes the prison, should the prison continue expressing its desire not to be annexed, should a future application be presented to LAFCo?
- ❖ Question 2 – The current fee schedule allows for LAFCo to waive our fees (all third-party fees are still covered by the applicant) if it is doing something that LAFCo has recommended in an MSR. This was meant for applications that have full support, but in this case, at least right now, the CDCR is opposed. If there is opposition to an application, it means more work needs to be done, so the question is, should a future application be presented where we know from the start that opposition is going to occur, should we apply the free application or charge normal LAFCo fees for the application to properly cover our costs?



**QUESTIONS?**