



Marin Local Agency Formation Commission

Municipal Service Review

Southern Marin Wastewater Study

ADOPTED

September 2023

PREFACE

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

Context

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

Commissioners, Staff, Municipal Services Review Preparers

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Dennis Rodoni -Vice Chair	County	District 4 Supervisor
Eric Lucan	County	District 5 Supervisor
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Larry Chu	Public	Commission
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1.0 INTRODUCTION

1.1 ROLE AND RESPONSIBILITY OF LAFCO

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

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

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

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

Regulatory Responsibilities

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

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

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

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

Table 1-1: LAFCo's Regulatory Powers

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

Planning Responsibilities

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

1.2 MUNICIPAL SERVICE REVIEWS

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

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

Table 1-2: Mandatory Determinations

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

1.3 MARIN LAFCO COMPOSITION

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

Table 1-3: Marin LAFCo Commission Membership

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

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

2.0 EXECUTIVE SUMMARY

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

2.1 AFFECTED PUBLIC AGENCIES

This report focuses on four independent special districts and one joint powers authority (JPA) operating in the Southern Marin County region as listed below and shown in Figure 2.1.

Table 2-1: Southern Marin Wastewater Study MSR Agencies

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

2.2 PLANS, POLICIES, STUDIES

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

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

- County General Plans
- Specific Plans
- Community Plans

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

2.3 AGENCY AND PUBLIC PARTICIPATION

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

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

Table 2-2: Southern Marin Wastewater Agencies’ Meeting Information

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

2.4 WRITTEN DETERMINATIONS

The Commission is directed to prepare written determinations to address the multiple governance factors enumerated under G.C. Section 56430 anytime it prepares a municipal service review. These determinations are similar to findings and serve as independent statements based on information collected, analyzed, and presented in this study’s subsequent sections. The underlying intent of the determinations is to identify all pertinent issues relating to the planning,

delivery, and funding of municipal services as it relates to the Commission’s role and responsibilities. An explanation of these seven determination categories is provided below.

1. Growth and Population

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

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

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

3. Capacity and Infrastructure

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

4. Financing

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

5. Shared Facilities

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

6. Government Structure and Local Accountability

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

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

Marin LAFCo has specified the sustainability of local agencies as a priority matter for consideration in this MSR. Sustainability is not simply about the environment but can consider the sustainability of an organization and its ability to continue to provide services efficiently for many years to come. Sustainable local governments that take

practical steps to protect the environment and our natural resources through land conservations, water recycling and reuse, preservation of open space, and opting to use renewable energy are the key players in determining the sustainability of the region.

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

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

3.0 DETERMINATIONS

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

Growth and population projections for the affected area.

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

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

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

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

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

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

Financial ability of agencies to provide services.

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

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

Status of, and opportunities for, shared facilities.

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

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

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

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

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

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

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

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

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

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

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

While reorganization of the agencies themselves may not be feasible in the foreseeable future without the support of the board members, an examination of the number of members that make up the governing boards of Alto and Almonte should be considered in an effort to provide these small districts with a greater probability of seats being filled by way of “local control” as opposed to the alternative when there is not enough public interest generated, which is appointments by the Marin County Board of Supervisors. The adjustment of the number of members on a given board from five to three would alleviate the burden of finding additional members to fill the seats as well as the realization of a small annual cost savings to the district in board member meeting participation stipends.

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

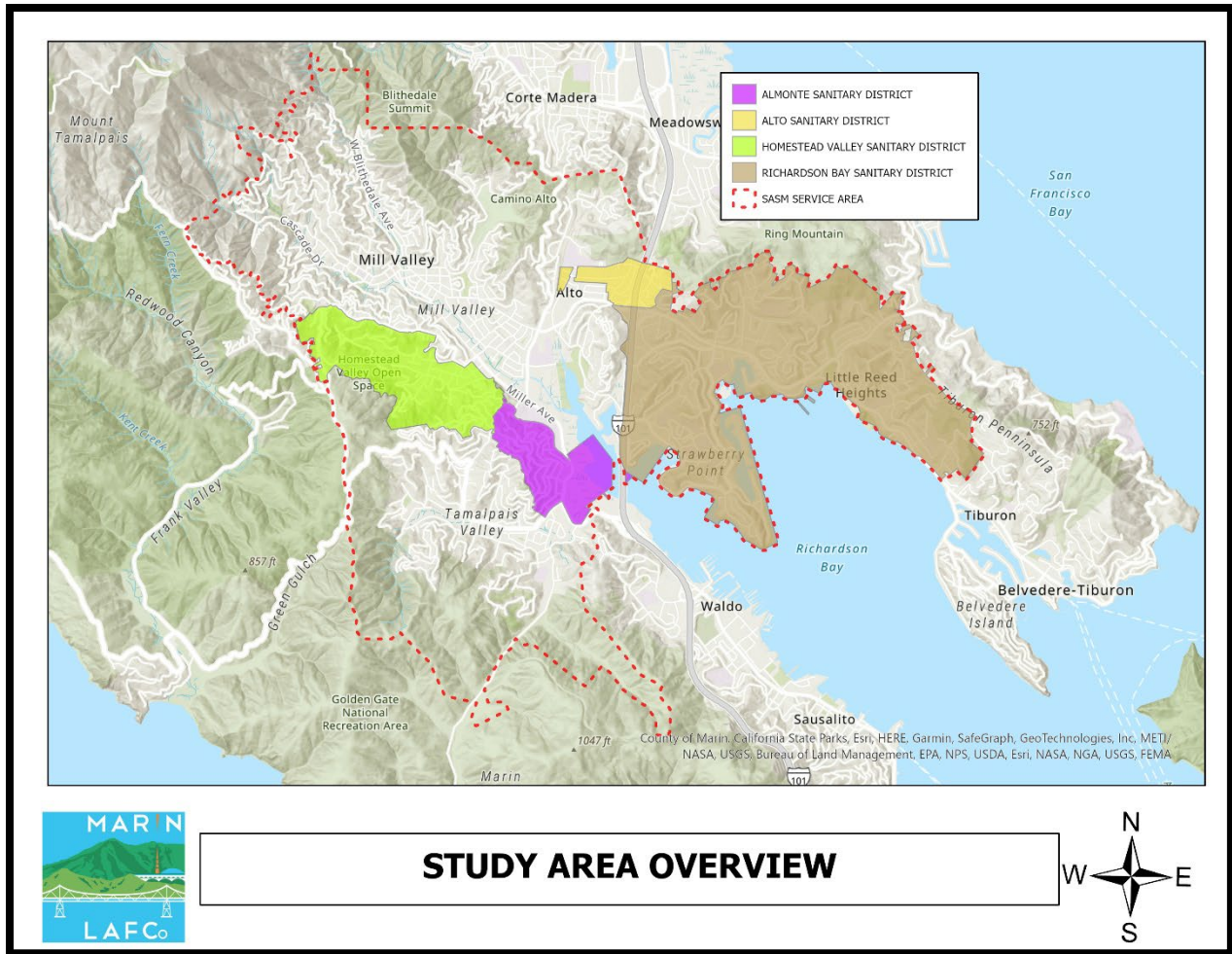
a) Currently, Alto Sanitary District, Almonte Sanitary District, Homestead Valley Sanitary District, and Richardson Bay Sanitary District share what is known within Marin LAFCo policy as a sphere of influence in common. In 2010, the Marin LAFCo Policy Handbook was updated with the following in section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

“The policies, procedure, and guidelines of Marin LAFCo provide that, where two or more single-purpose special districts providing the same service are contiguous, those districts may

be allocated a sphere of influence in common to include the areas served by both (or all) districts. This designation may be assigned where LAFCo believes that the particular service would be most efficiently provided to multiple communities by a single special district.”

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

4.0 REGIONAL SETTING



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

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

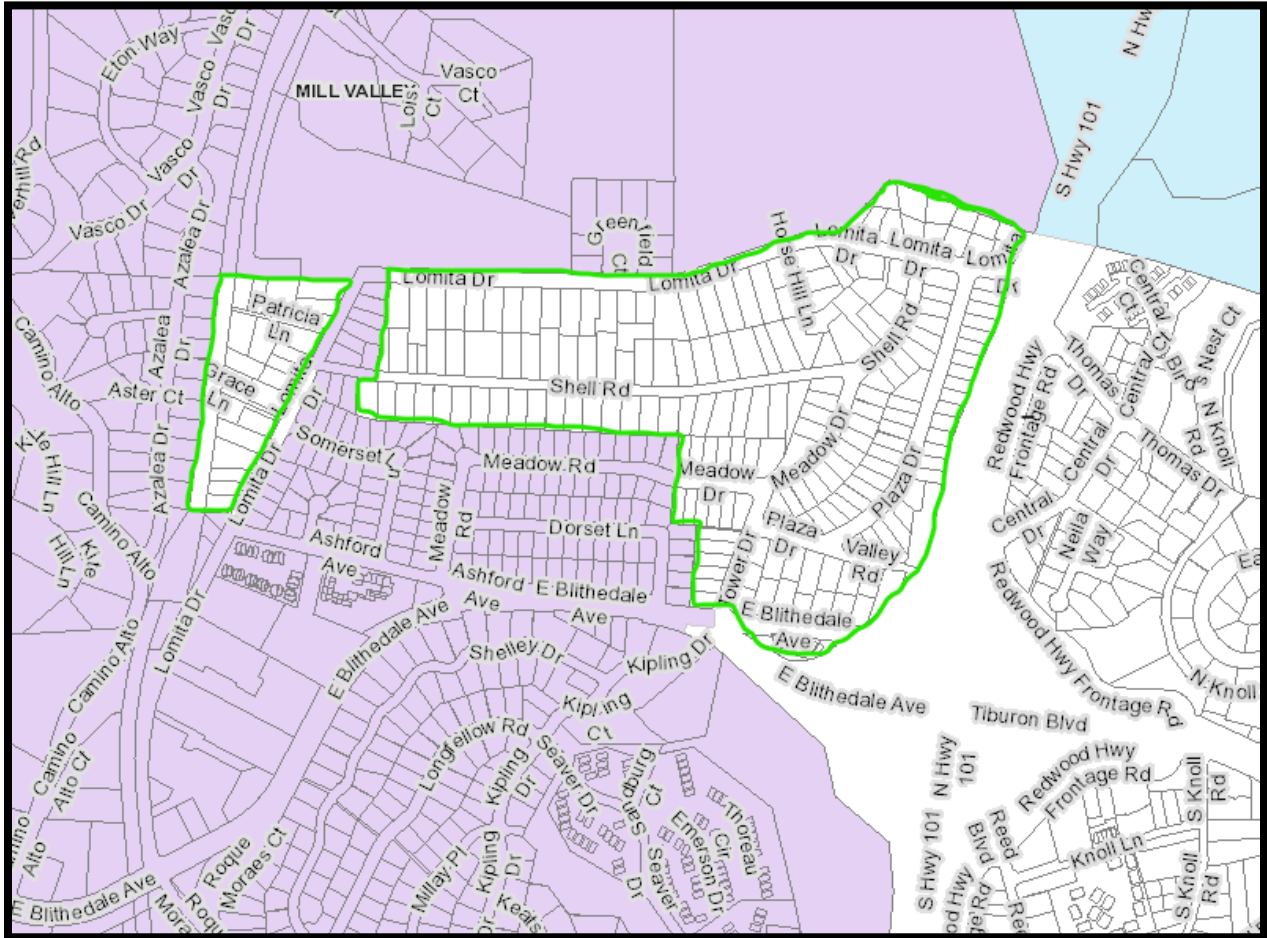
of one of the sanitary sewer agencies. The Marin Municipal Water District provides water for domestic use and fire-flow to the entire Study Area.

4.1 UNINCORPORATED ISLANDS

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

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

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



5.0 SEWERAGE AGENCY OF SOUTHERN MARIN

5.1 OVERVIEW

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

Table 5-1: Sewerage Agency of Southern Marin Overview

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

5.2 FORMATION AND DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

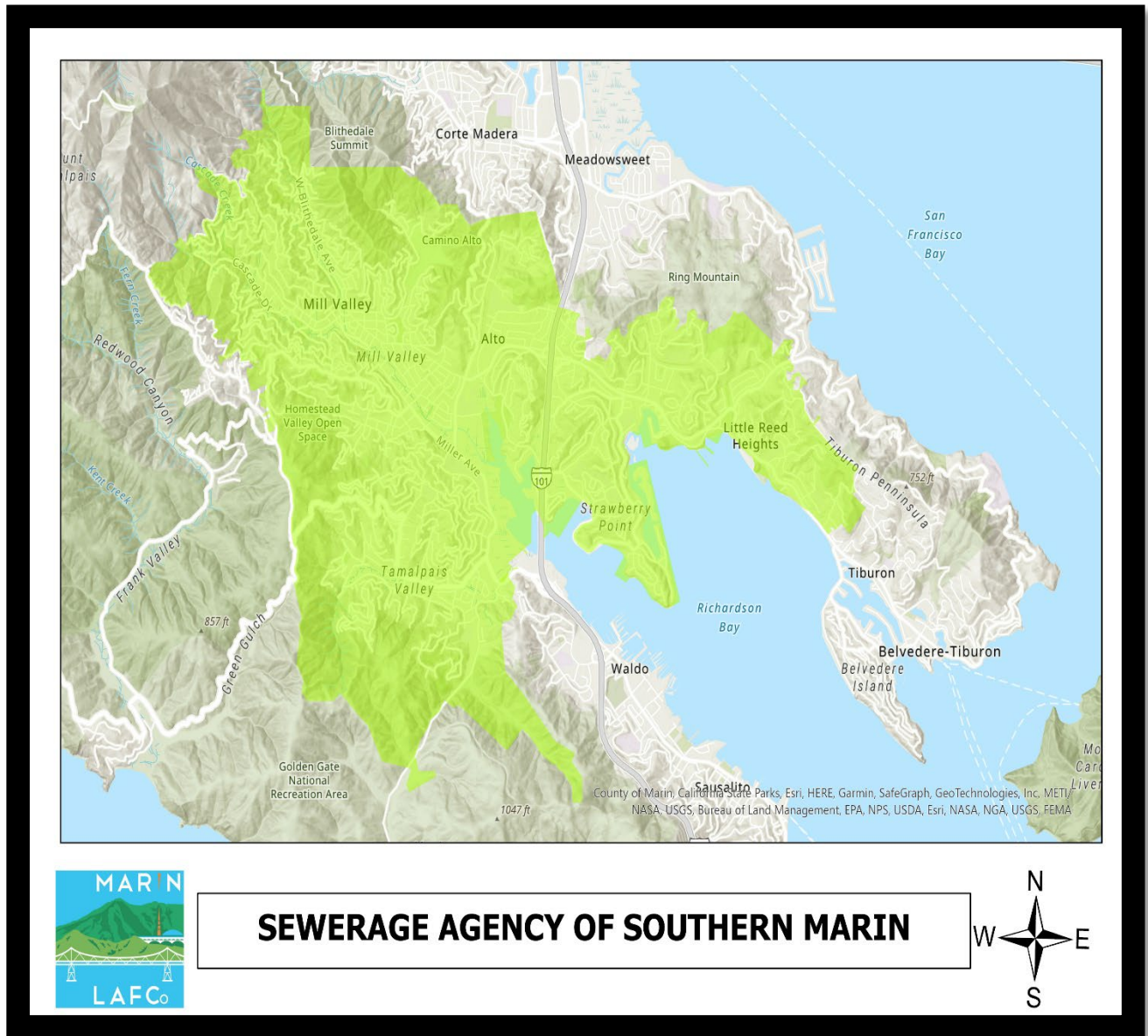
In January 2008, SASM’s treatment plant experienced two major storm-related spill events. A Spill Investigation Report was produced by the State Water Resources Control Board Office of Enforcement in April 2008. The investigation concluded that on January 25, 2008, SASM bypassed 2.45 million gallons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

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

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

beginning in April of 2018. Phase 1 of the renovations was completed in late 2020 and Phase 2 was completed in early 2023.

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



5.3 SERVICE AREA

The Sewerage Agency of Southern Marin’s service area is coterminous with the jurisdictional boundaries of its six member agencies. The one significant caveat in this area is that, while the entirety of the Tamalpais Community Services District is technically in the JPA’s service area, the actual area within the District that flows into SASM is only a small portion of the District’s collection lines. The area that is served by the SASM treatment plant is just what is known as the Kay Park area. The remainder of the District’s wastewater collection flows into the Sausalito-Marin City Sanitary District. The total service area of SASM is approximately 7,721

acres (12.06 square miles). As joint powers authorities are not assigned spheres of influence within the California State Government Code, SASM in and of itself has no assigned sphere of influence.

5.4 GROWTH AND POPULATION

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

5.5 MUNICIPAL SERVICES

Wastewater Collection and Treatment

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

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

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

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

Figure 5-2 – SASM Member Agency Assessments

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

5.6 ORGANIZATION STRUCTURE

Board of Directors

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

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

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

Administration

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

5.7 ACCOUNTABILITY AND TRANSPARENCY

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

Meeting and Agendas

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

Annual Budget Review

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

5.8 FINANCIAL OVERVIEW

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

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

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

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

Debt

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

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

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

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

Financial Audit

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

6.0 ALMONTE SANITARY DISTRICT

6.1 OVERVIEW

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

Table 6-1: Almonte Sanitary District Overview

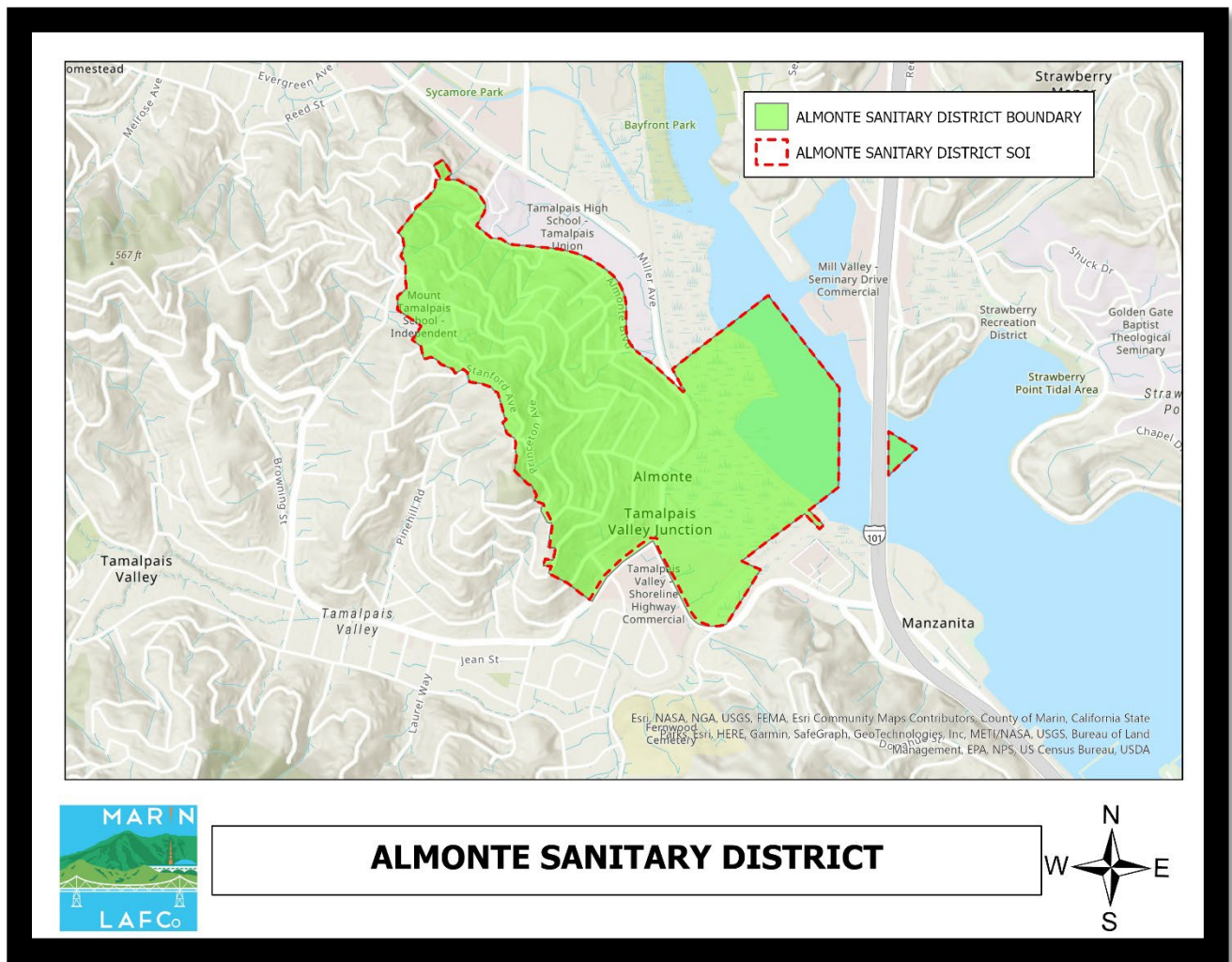
Almonte Sanitary District			
Primary Contact:	Shonn Dougherty	Phone:	(415)-388-8775
Mailing Address:	P.O. Box 698, Mill Valley, CA 94942		
Formation Date:	1952		
Services Provided:	Wastewater Collection, Garbage/Refuse Collection		
Service Area:	259.66 acres	Population Served:	≈2,000

6.2 FORMATION AND DEVELOPMENT

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

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

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



6.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

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

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

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

6.4 GROWTH AND POPULATION

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

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

6.5 MUNICIPAL SERVICES

Wastewater Collection/Solid Waste Collection

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

² [2020 US Census Redistricting Data](#)

³ [Marin CWP; Pg. 414](#)

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

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

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

6.6 ORGANIZATION STRUCTURE

Board of Directors

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

Table 6-2: Almonte Sanitary District Board of Directors

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

Administration

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

6.7 ACCOUNTABILITY AND TRANSPARENCY

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

Meeting and Agendas

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

Annual Budget Review

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

6.8 FINANCIAL OVERVIEW

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

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

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

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

Table 6-3: Almonte Sanitary District Financial Information

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

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

Financial Audit

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

7.0 ALTO SANITARY DISTRICT

7.1 OVERVIEW

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

Table 7-1: Alto Sanitary District Overview

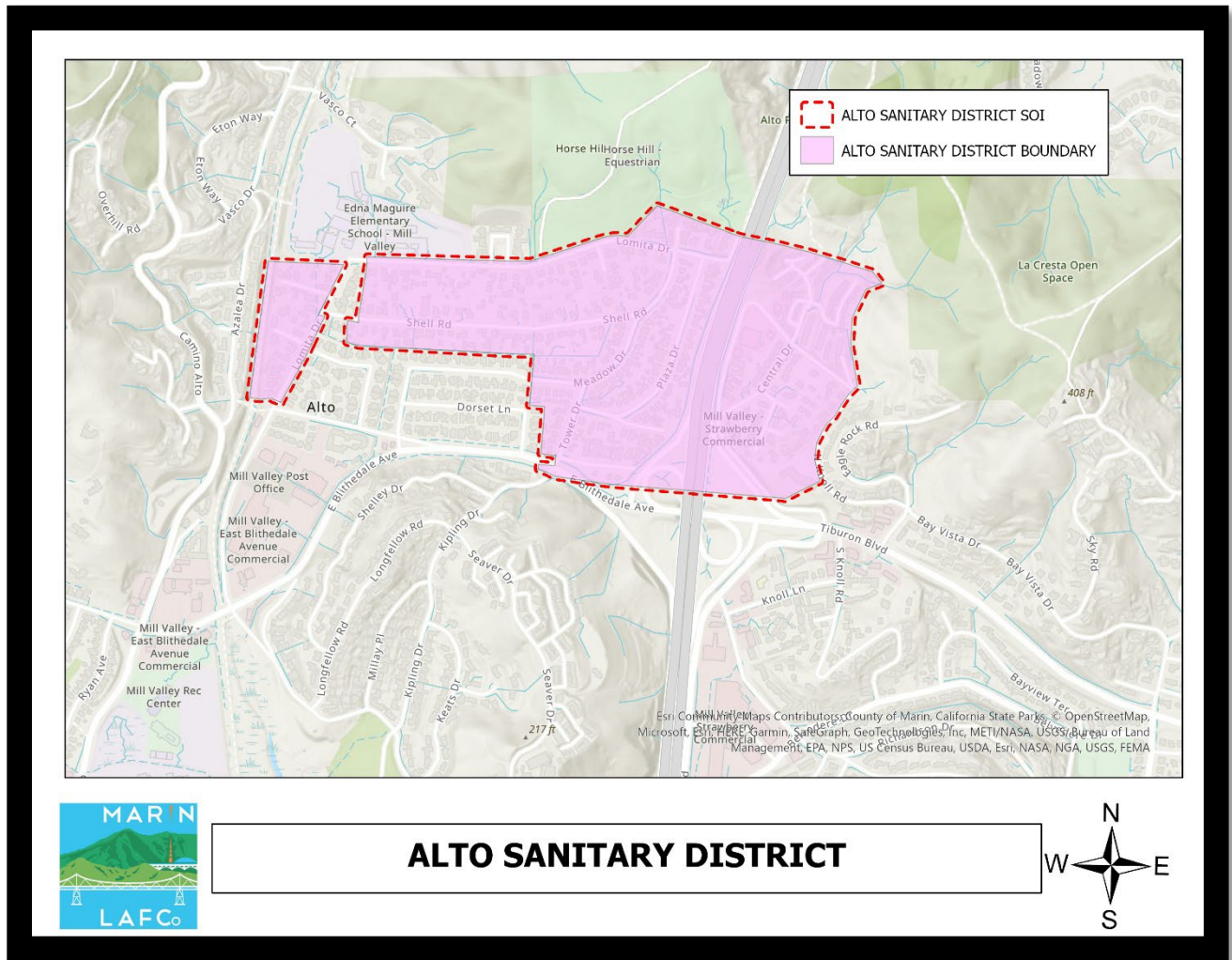
Alto Sanitary District			
Primary Contact:	Bill Hansell	Phone:	(415)-388-3696
Mailing Address:	P.O. Box 163, Mill Valley, CA 94942		
Formation Date:	1951		
Services Provided:	Wastewater Collection, Solid Waste Collection		
Service Area:	113.67 acres	Population Served:	≈1,200

7.2 FORMATION AND DEVELOPMENT

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

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

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



7.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

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

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

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

7.4 GROWTH AND POPULATION

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

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

⁴ [2020 US Census Redistricting Data](#)

⁵ [Marin CWP; Pg. 414](#)

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

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

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

7.5 MUNICIPAL SERVICES

Wastewater Collection/Solid Waste Collection

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

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

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

7.6 ORGANIZATION STRUCTURE

Board of Directors

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

Table 7-2: Alto Sanitary District Board of Directors

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

Administration

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

7.7 ACCOUNTABILITY AND TRANSPARENCY

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

Meeting and Agendas

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

Annual Budget Review

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

7.8 FINANCIAL OVERVIEW

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

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

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

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

Table 7-3: Alto Sanitary District Financial Information

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

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

Financial Audit

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

8.0 HOMESTEAD VALLEY SANITARY DISTRICT

8.1 OVERVIEW

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

Table 8-1: Homestead Valley Sanitary District Overview

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

8.2 FORMATION AND DEVELOPMENT

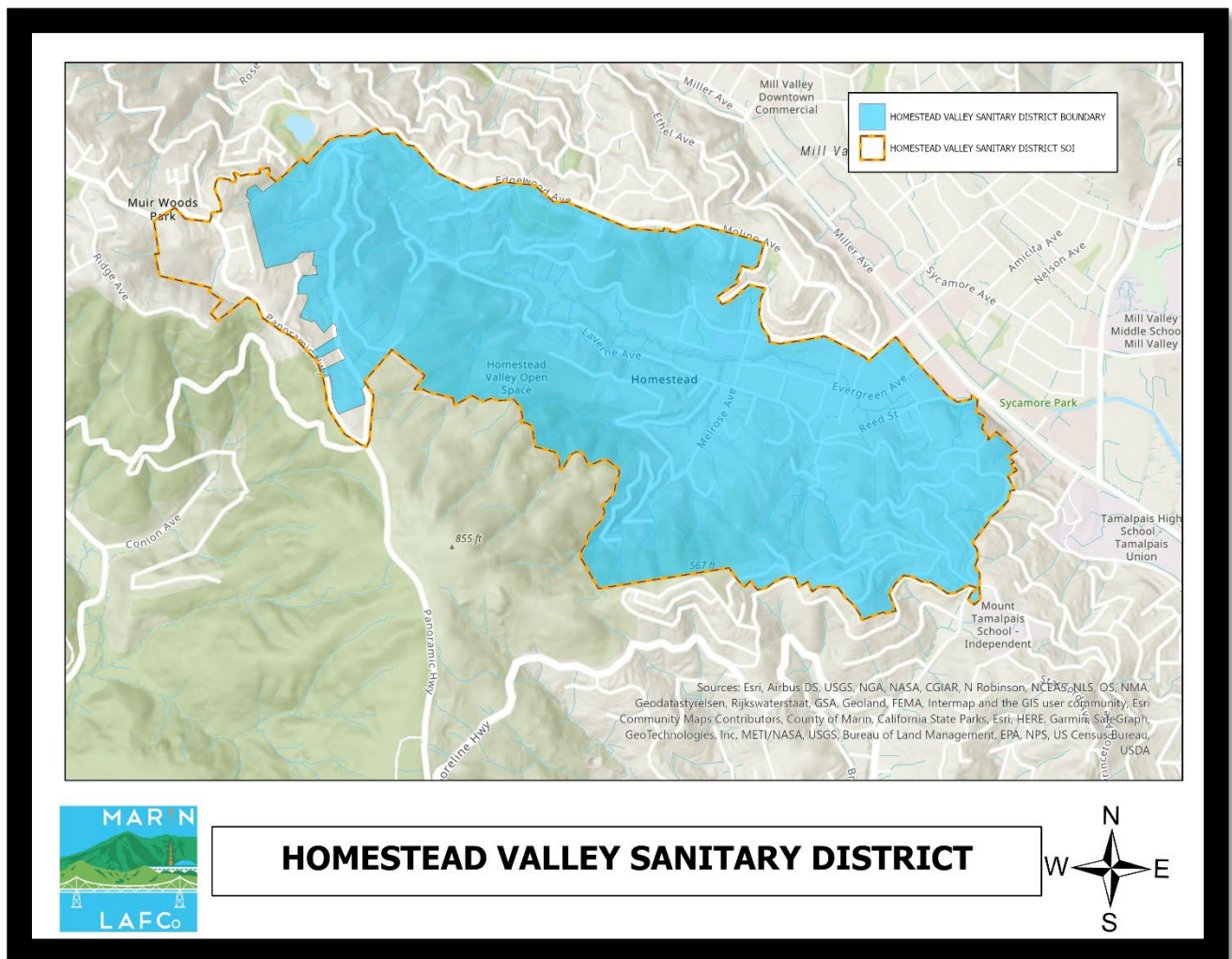
The Homestead Valley Sanitary District is comprised of the unincorporated community of Homestead Valley. The community originally sprung up in the early 1900s, but it garnered its name all the way back in 1866 when Samuel Throckmorton built a lodge at the crossing of what is now Ethel Avenue and Montford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

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

district, but there simply was not the necessary community support to take it to a ballot measure. No further discussions of annexation have occurred since.

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

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



8.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

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

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

8.4 GROWTH AND POPULATION

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

⁶ [2020 US Census Redistricting Data](#)

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

8.5 MUNICIPAL SERVICES

Wastewater Collection/Solid Waste Collection

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

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

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

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

⁷ [Marin CWP; Pg. 414](#)

8.6 ORGANIZATION STRUCTURE

Board of Directors

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

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

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

Administration

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

8.7 ACCOUNTABILITY AND TRANSPARENCY

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

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

Meeting and Agendas

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

Annual Budget Review

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

8.8 FINANCIAL OVERVIEW

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

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

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

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

Table 8-3: Homestead Valley Sanitary District Financial Information

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

Financial Audit

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

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

9.0 RICHARDSON BAY SANITARY DISTRICT

9.1 OVERVIEW

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

Table 9-1: Richardson Bay Sanitary District Overview

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

9.2 FORMATION AND DEVELOPMENT

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

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

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



9.3 DISTRICT BOUNDARY AND SPHERE OF INFLUENCE

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

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

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

9.4 GROWTH AND POPULATION

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

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

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

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

9.5 MUNICIPAL SERVICES

Wastewater Collection

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

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

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

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

9.6 ORGANIZATION STRUCTURE

Board of Directors

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

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

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

Administration

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

9.7 ACCOUNTABILITY AND TRANSPARENCY

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

Meeting and Agendas

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

Annual Budget Review

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

9.8 FINANCIAL OVERVIEW

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

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

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

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

Table 9-3: Richardson Bay Sanitary District Financial Information

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

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

Financial Audit

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