ALTO SANITARY DISTRICT
P.O. BOX 163, MILL VALLEY, CA 94942; PHONE: (415) 388-3696
Regular meeting of the Board of Directors held at the
Sewerage Agency of Southern Marin, 450 Sycamore Avenue, Mill Valley, CA
6:30 P.M. WEDNESDAY, July 22, 2026
(Please note meeting time change)

AGENDA

1. **Call to Order**

2. **Roll Call**- President Janis M. Bosenko
Directors: Secretary/Treasurer Marc Nash, Michael Faust, Todd Gates, Porter Merriman

3. **Approve Agenda**

4. **Public Open Time** – *The Public is invited to address the Board on items that do not appear on the agenda and that are within the subject matter jurisdiction of the Board. State law prohibits Board action on any item not listed on the agenda. Please avoid repetition and please limit your comments to three minutes.*

5. **Consent Calendar** – *The following items listed are considered routine and may be approved by a single motion without discussion. The Board President or any Board Director or the public may request that any item listed under the Consent Calendar be removed and action taken separately. In the event an item is removed from the Consent Calendar, it shall be considered in its numerical order.*

   a. Approval of the Minutes of June 24, 2026 Meeting

   b. Approval of June 2026 Financial Reports & and July 2026 List of Payments

6. **Regular Business**

   a. Adopt Resolution No. 2026-04 approving Alto SD response to the Marin County Civil Grand Jury Report, "Better Service At Lower Cost – Optimizing Essential Services For The Future Of Marin"

   b. Adopt Resolution No.2026- 05 requesting a regularly scheduled election to be held in this jurisdiction; requesting the Board of Supervisors to consolidate with any other election conducted on said date, and requesting election services by the Marin County Elections Department

   c. Adopt Resolution No. 2026-06 approving reimbursement policy for certain District expenditures advanced by TCSD and receive update regarding transition of administrative services to Tamalpais Community Services District (TCSD)

   d. Conduct biennial review of the District's Conflict of Interest Code and consider no amendments to the code

   e. Vote for one candidate for the California Special District Association (CSDA) Board of Directors for Seat C – Bay Area Network for the term 2027-2029

Board of Directors Meeting Agenda (Continued)

7. **Update Reports** (oral reports)
   - **a.** Manager's Report – Update on staff activities
   - **b.** SASM meeting
   - **c.** District Managers meeting in July
8. **Future Agenda Items**

   Note: District Manager is on vacation for the August Board meeting.
9. **Directors Open Time** – Information Only. No actions to be taken.
10. **Adjournment**

The next regular meeting will be held in the conference room of Sewerage Agency of Southern Marin, 450 Sycamore Ave, Mill Valley, CA, unless noticed otherwise on the district's website, on **Wednesday, August 22, 2026 at 6:30pm.**

ALTO SANITARY DISTRICT
Staff Report
Board Meeting
July 22, 2026

TO: BOARD OF DIRECTORS

FROM: GARRETT TOY, DISTRICT MANAGER

SUBJECT: STAFF REPORT FOR JULY 22, 2026 AGENDA

This is the staff report for Consent Calendar, Agenda Items 6a-e, Item 7a-c

5. **Consent Calendar**
   a. Approval of the Minutes of June 24, 2026 Meeting
   b. Approval of June 2026 Financial Reports & July 2026 List of Payments.

6. **Regular Business**

   a. **Adopt Resolution No. 2026-04 approving Alto SD response to the Marin County Civil Grand Jury Report, "Better Service At Lower Cost – Optimizing Essential Services For The Future Of Marin"**

   Staff has prepared a draft response for Board consideration. Although the Marin County Civil Grand Jury report addresses a broad range of special districts, much of its discussion and many of its examples relate specifically to fire protection agencies. Because the report addresses multiple types of special districts with different responsibilities, staff prepared the District's response from the perspective of wastewater utility operations, including Alto's shared services agreement with TCSD and the legal and financial services provided by Marin County.

   Accordingly, the proposed response focuses on those findings and recommendations applicable to wastewater utility district operations and explains why certain observations and conclusions regarding fire protection agencies are not directly transferable to infrastructure-based utility districts. The response also includes General Comments discussing these distinctions and the reasons they are important when evaluating opportunities for collaboration, shared services, or consolidation. We used the TCSD response to the Grand Jury as a template for the Alto response.

   <u>Fiscal Impact</u>: None at this time

   <u>Recommended Action</u>: Adopt Resolution No. 2026-04

   b. **Adopt Resolution No. 2026-05 requesting a regularly scheduled election to be held in this jurisdiction, requesting the Board of Supervisors to consolidate with any other election conducted on said date, and requesting election services by the Marin County Elections Department**

Two (2) current Board member terms expire this year and Alto SD will need to participate in the November 3, 2026, election to fill those seats. The resolution request Marin County to conduct the election for Alto.

Fiscal Impact: None

Recommended Action: Adopt Resolution No. 2026-05

c. **Adopt Resolution No. 2026-06 approving reimbursement policy for certain District expenditures advanced by TCSD and receive update regarding transition of administrative services to Tamalpais Community Services District (TCSD)**

Since February 2026, TCSD has been providing District Manager services to Alto Sanitary District pursuant to the Shared Services Agreement approved by both agencies. Staff continues to implement the administrative transition, including technology, records management, website services, financial procedures, and other administrative systems necessary to support the District's long-term operations.

As part of the transition, staff has identified situations where vendor invoices may become due before the next regularly scheduled warrant approval, as well as the practical difficulty of purchasing equipment, such as a laptop, when payment must be approved in advance for a specific amount. The proposed reimbursement policy would authorize TCSD, in its discretion, to advance payment of (1) third-party expenditures previously authorized or approved by the Alto Board and (2) certain routine operational expenditures, consistent with the adopted budget or existing Board-approved contracts, not exceeding $2,500 per invoice, service contract, or purchase.

Alto Sanitary District would reimburse TCSD for actual third-party costs advanced on the District's behalf. No administrative overhead would be charged. Reimbursement requests would be presented as a separate item on the Board's warrant report, and TCSD would retain sole discretion to defer or not make an advance payment and instead present an item to the Board through the normal warrant approval process.

Staff will provide an oral update regarding the administrative transition and implementation of the proposed reimbursement policy during the Board meeting.

Fiscal Impact: Alto Sanitary District will reimburse TCSD for actual third-party costs advanced on the District's behalf.

Recommended Action: Adopt Resolution No. 2026-06 establishing the reimbursement policy.

d. **Conduct biennial review of the District's Conflict of Interest Code and consider no amendments to the code.**

Pursuant to Government Code Section 87306.5, local agencies are required to review their Conflict of Interest Code (Code) every two years and submit a Biennial Notice to the agency's code-reviewing body. For the Alto, the Marin County Board of Supervisors serves as the reviewing body. The District's Code was last amended in 2020. We recommend no revisions to the Code at this time.

Fiscal Impact: None

Recommended Action: Authorize staff to submit to the County no amendments at this time.

e. **Vote for one candidate for the California Special District Association (CSDA) Board of Directors for Seat C – Bay Area Network for the term 2027-2029**

Attached are the candidates applications for review.

Fiscal Impact: none

Recommended Action: Vote for one candidate

7. **Update Reports** (oral reports)
   - **a.** Manager's Report – Update on staff activities
   - **b.** SASM meeting
   - **c.** District Managers meeting in July

ATTACHMENTS

A. June 24, 2026 Meeting Minutes
B. Financial reports
C. Resolution No. 2026-04 with response to Grand Jury
D. Grand Jury report
E. Resolution No. 2026-05 consolidate elections
F. Resolution No. 2026-06 reimbursement policy
G. CSDA candidate statements

Attachment A

ALTO SANITARY DISTRICT

Meeting Minutes
Regular Meeting of the Board of Directors
Wednesday, June 24, 2026, 6:30 p.m.
Location: SASM, 450 Sycamore Ave, Mill Valley, CA

1. Call to Order and Roll Call
President Janis M. Bosenko called the meeting to order at 6:41p.m.

2. Roll Call
Present: Directors Bosenko, Faust, Gates, and Nash.
Absent: Merriman
Staff: Garrett Toy, District Manager.

3. Approve Agenda
Motion to approve agenda.
Motion/Second (M/S): Gates/Faust.
Ayes: 4 (Bosenko, Faust, Gates, Nash)
Nays: 0
Absent: 1 (Merriman)

4. Open Time
No public comments.

5. Consent Calendar
Motion to approve Consent Calendar
a. Approval of the May 27, 2026 meeting minutes
b. Approval of May financial reports and May/June 2026 list of payments

No public comment.
M/S: Faust/Gates
Ayes: 4 (Bosenko, Faust, Gates, Nash)
Nays: 0
Absent: 1 (Merriman)

6. Regular Business

a. Public Hearing and Adopt Resolution No. 2026-02 Approving the FY26-27 Operating Budget and Capital Improvement Program Budget

Staff presented the proposed FY26-27 Operating and CIP Budget. We noted that the budget reflect changes the Board made at the last meeting and updated website development costs.

Public hearing opened at 6:47pm and closed at 6:48pm. No public comment received.

Motion to adopt Resolution No. 2026-02 approving the FY26-27 Operating Budget and CIP.
M/S: Nash/Faust
Ayes: 4 (Bosenko, Faust, Gates, Nash)
Nays: 0
Absent: 1 (Merriman)

b. Adopt Resolution No. 2026-03 Establishing the FY26-27 Gann Appropriations Limit

Staff presented the FY26-27 appropriations limit.

No public comment.

Motion to adopt Resolution No. 2026-03.
M/S: Gates/Nash
Ayes: 4 (Bosenko, Faust, Gates, Nash)
Nays: 0
Absent: 1 (Merriman)

c. Authorize the District Manager to Execute a Service Agreement with Proud City for Website Services

Staff provided an update on cost. The previous Board approval did not include the on-boarding set-up fee of $4,000. The total fee for the first year is $7,000 and $3,000/yr after year one. The fee reflects a first year discount of $2,200 and an annual discount of $700.

No public comment.

Motion to authorize the District Manager to contract with Proud City for website services with a first year costs of $7,000 and subsequent annual costs of $3,000.

No public comment

M/S: Nash/Faust
Ayes: 4 (Bosenko, Faust, Gates, Nash)
Nays: 0
Absent: 1 (Merriman)

d. Receive Update Regarding Transition of Administrative Services to Tamalpais Community Services District (TCSD)

Staff provided an update regarding implementation of the shared services agreement, including the status of the financial systems, audit, website migration, and other administrative transition activities. Staff also discussed the need for Alto to establish its own dedicated laptop, QuickBooks account, and cellular phone to support District operations, improve the separation of Alto and TCSD administrative functions, and facilitate future staffing transitions. The Board expressed support for moving forward with these expenditures as part of the ongoing administrative transition.

No public comment.

7. Update Reports

a. Manager's Report
Staff reported on attending a meeting with SASM and County CDA staff to discuss planning documents such as the Housing Element which could have impacts on future SASM operations. We also reported that the County indicated the developer of 70 Knoll has withdrawn their planning application.

b. SASM meeting
No report as the June meeting was canceled.

c. District Managers meeting in June
SASM will be retaining a firm to review EDU allocation calculations for SASM.

No public comment on any Update Reports.

8. Future Agenda Items

Response to Grand Jury Report

9. Directors Open Time

The Board asked about past meeting minutes. Staff will check with Bill Hansell.

10. Adjournment

Motion to adjourn. Meeting adjourned at 7:19 pm.

Minutes respectfully submitted by Garrett Toy

APPROVED: ______________________________

Attachment B

FUND 8036 - Operations Fund

	05/31/26	Former Balance (re: last report):		1,593,564.72
		Starting Balance		1,593,564.72
Revenues:				
	06/15/26	PROP TX-CUR SEC	2,799.51	
	06/15/26	PROTX CURSEC BEN TX	28,145.25	
	06/30/26	SUP PROP TX-CUR	160.94	
	06/30/26	SUP PROP TX PR REDM	1.67	
	06/05/26	ST HMNER PRO TXRLF	38.07	
		Total Revenues:		31,145.44
Debits:				
	06/02/26	Prior month check payments	24,320.00	
		Total Debits:		(24,320.00)
	06/30/26	Ending Balance:		**1,600,390.16**

Warrants to be issued:

Check #	Payee	For	Amount	
803600812	Nute Engineering	*Inv 28361= $228.00 (GIS & Gen Eng) *Inv 28362 = $262.00 (Lat Ord)	490.00	
803600813	Marin County LAFCO	LAFCO Charges for FY2026/27	520.41	
803600814	Proud City	New website hosting	5,000.00	
803600815	Roto-Rooter	Cleaning Services Inv#135662465 & 135898517	450.00	
		Total Warrants:		**(6,460.41)**

Deposits to be credited:

Date	Payer	For	Amount	
07/23/26	Amesos Plumbing	Sewer Permit for 30 Shell Rd.	573.00	
		Total Deposits:		**573.00**

Projected Balance*: **1,594,502.75**

*Not incl unreported interest or tax revenue.

Attachment B

FUND 8129 - Reserve Fund				
	05/31/26			765,268.31
			0.00	
		Starting Balance		765,268.31
Revenues:				
		Transfer from Operations Fund	0.00	
		Total Revenues:		0.00
Debits:				
		N/A	0.00	
		Total Debits:		0.00
	06/30/26	Ending Balance:		**765,268.31**

Personnel Payment Account				
	06/16/26	Beginning Balance		2,877.38
Deposits:				
	07/15/26	Interest Pmt	0.02	
				0.02
Withdrawals:				
	06/29/26	Ooma Inc	66.90	
	06/29/26	Paychex TPS Taxes	118.15	
	06/29/26	Paychex Payroll	569.06	
	07/10/26	Paychex Inv.	76.50	
		Total Withdrawals:		(830.61)
Fees:				
		Monthly Service Fee		0.00
	07/15/26	Ending Balance:		**2,046.79**

Alto Sanitary District Budget and Actuals for Fiscal Year 2025-26 000000PRELIMINARY

Attachment B

Revenue														
Item	*Budget*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*YTD*	*%*
Operating Revenue															
Program Revenues (Sewer Service Charges)	758,385						442,283				321,660			763,943	101%
Franchise Fees (MVRS)	18,188				4,522		5,264	5,199					5,046	20,031	110%
Marin Housing Authority Sewer Fee	84,000				84,000									84,000	100%
Permits & Fees	4,500	1,122			1,307			1,486	1,122					5,037	112%
MarinMap Reimbursement	0														
Misc	0														
Operating Revenue:	**865,073**	**1,122**	**0**	**0**	**89,829**	**0**	**447,546**	**6,685**	**1,122**	**0**	**321,660**	**0**	**5,046**	**873,011**	101%
Non-Operating Revenue															
Property Taxes	72,870	36,915	6	14	1,338	194	43,992	1,186	5,340	6,768	32,640	224	31,145	159,764	219%
Excess ERAF	30,848		3,674				17,551				15,047	0	0	36,272	118%
Aid from Govt Agencies (HOPTR)	219						38					89	0	127	58%
Interest (Operations Acct Only)	18,871				10,851		13,789							24,639	131%
Grants	0													0	
Misc	0													0	
Non-Operating Revenue:	**122,808**	**36,915**	**3,681**	**14**	**12,189**	**194**	**75,370**	**1,186**	**5,340**	**6,768**	**47,686**	**313**	**31,145**	**220,802**	180%
Total Revenue:	**987,881**	**38,037**	**3,681**	**14**	**102,019**	**194**	**522,917**	**7,871**	**6,462**	**6,768**	**369,346**	**313**	**36,191**	**1,093,813**	111%

Expenses														
Item	*Budget*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*YTD*	*%*
Sewage Treatment															
Sewage Treatment SASM	397,090						210,037						210,037	420,074	106%
Sewage Treatment:	**397,090**	**0**	**0**	**0**	**0**	**0**	**210,037**	**0**	**0**	**0**	**0**	**0**	**210,037**	420,074	106%
Sewer System Maintenance															
Cleaning	20,000		4,920					2,460			9,750	10,200		27,330	137%
Televising Program	0				3,000									3,000	
Repairs	5,000													0	
Lateral Rehab Prog (Inspections)	0													0	
Lateral Abatement (Charged to Property)														0	
Underground Service Alert	7,500	700	225	675	225	1,013					450			3,288	44%
Smoke Testing	15,000													0	0%
Unscheduled Services	10,000													0	0%
Sewer System Maintenance:	**57,500**	**700**	**5,145**	**675**	**3,225**	**1,013**	**0**	**2,460**	**0**	**0**	**10,200**	**10,200**	**0**	33,618	58%

Professional Services															
Marin County Admin Fees	1,500						987				691			1,678	112%
LAFCO Dues	750	591												591	79%
Marin County Encroachment Fee	490				490									490	100%
CSDA Dues	3,500			3,632										3,632	104%
PO Box Fee	216	234												234	108%
SWRCB (Annual Permit)	3,500					3,945								3,945	113%
Underground Service Alerts Fees - USA Nor Cal	300	300												300	100%
Audit (FY23 & F24)	10,400	4,853												4,853	47%
Bookkeeping	2,500													0	0%
EDU Consultant	0													0	
Legal	2,000													0	0%
MarinMap Membership Share	0													0	#DIV/0!
Marketing/Public Outreach	4,500													0	0%
SASM Consultant (SERP Revision)	0													0	
Professional Development (CWEA Cert, Etc)	500													0	0%
Engineering (GIS,EPA,SSMP, EDU, Reporting)	5,000	2,148	4,579	2,823	99	111		1,630	456	1,230	1,500	2,730	1,548	18,852	377%
Engineering (Lateral Oversight)	7,500	419	66	419	177	1,867	1,237	3,366	1,910	1,036	1,354	2,390	1,010	15,251	203%
Engineering (Other)	5,000													0	0%
Professional Services:	**47,656**	**8,544**	**4,645**	**6,874**	**766**	**5,923**	**2,224**	**4,996**	**2,366**	**2,266**	**3,545**	**5,120**	**2,558**	**49,824**	105%

Expenses (Continued)

Item	*Budget*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*YTD*	*%*
Administration Costs															
Insurance: CSRMA	2,750						4,006							4,006	146%
Election Notices and Fees	0													0	
Office Expenses (Postage, Printing, Supplies)	1,300													0	0%
Utilities (Office Phone, Zoom,Website)	1,000	84	84	84	84	84	84	84	84	84	104	84	67	1,007	101%
Miscellaneous - Shared Service Contract	1,000										0	9,000		9,000	900%
Administration Costs:	**6,050**													0	0%
Payroll Expenses															
Payroll for Manager	64,480		3,770		1,032	1,032	2,064		2,064					9,962	15%
Stipends for Board (includes YTD Special Mtgs)	9,000		1,050		775	775	1,550		775	625	775	625	625	7,575	84%
Management of Special Projects	0													0	
Employer Taxes	6,000	225	392		155	155	311		280	62	77	122	118	1,671	28%

Payroll Service	1,500	138	54		138	60	63		189		65	77	77	859	57%
Payroll Bank Account Fees	0													0	
Payroll Expenses:	**80,980**	**363**	**5,266**	**0**	**2,100**	**2,022**	**3,988**	**0**	**3,307**	**687**	**917**	**823**	**820**	20,293	25%
Grant Expenses															
Grant Distribution for Private Laterals	20,000													0	0%
Grant Expenses:	**20,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0%
Total Operating Expenses:	**609,276**	**9,607**	**15,055**	**7,549**	**6,091**	**8,957**	**216,248**	**7,456**	**5,673**	**2,953**	**14,662**	**16,143**	**213,415**	**523,809**	86%
Net Operations (Revenue - Expenses):	**378,605**	**28,430**	**(11,375)**	**(7,535)**	**95,928**	**(8,763)**	**306,668**	**415**	**789**	**3,815**	**354,685**	**(15,830)**	**(177,223)**	**570,004**	151%

CIP Program

Item	*Budget*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*Jun*	*YTD*	*%*
2022-2023 CIP Contractor														0	
2022-2023 CIP Engineering														0	
2024-2025 CIP Contractor	375,000													0	
2024-2025 CIP Engineering														0	
CIP Expense:	**375,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Net Operations - CIP Expense:	**3,605**	**28,430**	**(11,375)**	**(7,535)**	**95,928**	**(8,763)**	**306,668**	**415**	**789**	**3,815**	**354,685**	**(15,830)**	**(177,223)**	**570,004**	

ALTO SANITARY DISTRICT
RESOLUTION NO. 2026-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALTO SANITARY DISTRICT APPROVING THE DISTRICT'S RESPONSE TO THE MARIN COUNTY CIVIL GRAND JURY REPORT ENTITLED "BETTER SERVICE AT LOWER COST – OPTIMIZING ESSENTIAL SERVICES FOR THE FUTURE OF MARIN" AND AUTHORIZING ITS SUBMITTAL PURSUANT TO CALIFORNIA PENAL CODE SECTION 933.05

WHEREAS, the Marin County Civil Grand Jury issued a report entitled "Better Service at Lower Cost – Optimizing Essential Services for the Future of Marin"; and

WHEREAS, the report includes findings and recommendations directed to special districts and other local governmental agencies within Marin County; and

WHEREAS, California Penal Code section 933.05 requires a written response; and

WHEREAS, because the report addresses multiple types of special districts, the District's response focuses on findings and recommendations applicable to wastewater utility operations and reflects Alto Sanitary District's operational experience, including its use of shared services with the Tamalpais Community Services District, the Marin County Department of Finance, and Marin County Counsel; and

WHEREAS, District staff prepared a proposed response; and

WHEREAS, the Board has reviewed the response and finds it accurately reflects the District's position; and

WHEREAS, the Board desires to approve and transmit the response.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALTO SANITARY DISTRICT, AS FOLLOWS:

1. The recitals are incorporated herein by reference.

2. The Board approves the attached response as Exhibit A and incorporates it herein by reference.

3. The District Manager is authorized to submit the response with minor revisions, if necessary and appropriate, pursuant to California Penal Code section 933.05.

/
/

PASSED, APPROVED AND ADOPTED at the regular meeting of July 22, 2026, by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

____

Janis Bosenko, President

ATTEST:

____

Marc Nash, Secretary

ALTO SANITARY DISTRICT
RESPONSE TO MARIN COUNTY CIVIL GRAND JURY REPORT: "BETTER SERVICE AT LOWER COST — OPTIMIZING ESSENTIAL SERVICES FOR THE FUTURE OF MARIN"

INTRODUCTION

The Alto Sanitary District (District/Alto) appreciates the Marin County Civil Grand Jury's efforts to examine opportunities to improve public services and encourage collaboration among Marin's special districts. The District supports thoughtful evaluation of opportunities that improve efficiency, transparency, service quality, and long-term organizational resilience.

Although the report addresses a broad range of special districts, it relies extensively on examples involving fire protection agencies and emergency response systems. Because Alto Sanitary District provides wastewater collection services—not fire protection—the District's comments focus on sanitary and wastewater utility operations, which are within its area of expertise.

The General Comments section included at the end of this response apply broadly to several Findings and Recommendations and are incorporated by reference where applicable.

FINDINGS

Finding F1
Response: Partially Agrees.

The District agrees that opportunities may exist for increased collaboration and shared administrative services among special districts. For example, Alto Sanitary District currently receives district management services from the Tamalpais Community Services District pursuant to a shared services agreement. The District also utilizes the Marin County Department of Finance for treasury and banking services and Marin County Counsel for legal services.

Finding F2
Response: Partially Agrees.

The District agrees that some smaller agencies may face resource constraints. However, organizational size alone is not a reliable indicator of an agency's ability to make long-term strategic investments.

The District has adopted long-range financial planning, maintains combined operating and capital reserves equal to approximately 12 months of operating expenses, and has implemented capital improvement planning that enabled Alto to complete most of its major capital improvement projects while maintaining stable sewer service charges since 2018. The District is now focused on a proactive maintenance program, including annual cleaning of its entire wastewater collection system, while continuing to build reserves for the future replacement or rehabilitation of a major sewer pipeline beneath U.S. Highway 101. These efforts demonstrate that organizational size alone is not a reliable indicator of an agency's ability to responsibly manage long-term infrastructure needs.

Finding F3
Response: Partially Agrees.

The District recognizes that staffing challenges affect all public agencies. However, wastewater utilities operate fundamentally differently than emergency response agencies. As discussed in the General Comments, wastewater service delivery depends primarily on infrastructure management, regional treatment partnerships, contingency planning, and long-term asset planning rather than emergency staffing models.

Finding F4
Response: Partially Disagrees.

The District agrees that consolidation discussions involve complex governance considerations. However, the District is unaware of evidence demonstrating that board tenure or political influence are the primary barriers to collaboration among sanitary districts.

As discussed in the General Comments, infrastructure conditions, regulatory requirements, debt obligations, rate structures, and service priorities generally represent the more significant considerations when evaluating collaboration or consolidation opportunities.

Finding F5
Response: Partially Disagrees.

The District does not agree that differences in sewer service rates necessarily indicate inequity or inefficiency.

As discussed in the General Comments, wastewater rates are driven by each agency's infrastructure condition, capital improvement requirements, treatment costs, financing obligations, regulatory requirements, and cost-of-service analysis. Comparisons of annual sewer charges alone do not provide a reliable measure of operational efficiency or customer value.

The District's experience demonstrates that stable sewer service charges can be achieved through prudent long-term financial planning, completion of major capital improvements, and a proactive maintenance program. Alto Sanitary District has not increased sewer service charges since 2018 while continuing to annually clean its entire wastewater collection system and build reserves for future capital infrastructure needs, including the eventual replacement or rehabilitation of a major sewer pipeline beneath U.S. Highway 101.

Finding F6
Response: Partially Agrees.

The District supports increased transparency and meaningful public reporting.

As discussed further in Response R3, the District supports collaborating with peer sanitary districts to develop meaningful and technically appropriate performance measures tailored to wastewater operations and their regulatory environment.

Finding F7
Response: Disagrees.

The District supports proactive planning and continuous evaluation of opportunities to improve service delivery. However, the District does not agree that consolidation is the only or most likely response to future challenges.

As discussed in Findings F2 and F3 and the General Comments, the District's long-range financial planning, capital investment, reserve policies, regional partnerships, and voluntary collaboration provide effective tools to address future operational and infrastructure needs while preserving local accountability.

RECOMMENDATIONS

Recommendation R1
Response: Will Be Implemented in Part.

The District supports continued discussions with neighboring sanitary agencies regarding opportunities for collaboration, shared services, and operational efficiencies. The District will participate in discussions that are productive and relevant to its mission.

Recommendation R2
Response: Requires Further Analysis.

The District supports voluntary shared administrative services where demonstrable efficiencies and service improvements can be achieved.

As discussed in the General Comments, implementation raises governance, legal, operational, financial, technology, and service-level considerations that require careful evaluation. Accordingly, the District believes shared services should remain voluntary and supported by a comprehensive cost-benefit analysis before implementation.

Recommendation R3
Response: Will Be Implemented in Part.

As discussed in Response F6, the District supports increased transparency and will evaluate opportunities to publish additional performance measures relevant to wastewater operations. The District is willing to work collaboratively with peer sanitary districts to develop meaningful, technically appropriate, and comparable performance measures where appropriate.

Recommendation R4
Response: Will Be Implemented in Part.

The District will continue to inform the public regarding collaborative efforts and opportunities to improve operational efficiency and service delivery.

Recommendation R5
Response: Requires Further Analysis.
The District believes the proposed County oversight warrants additional evaluation in light of California law governing the independence of special districts. The District's concerns are discussed in Recommendation R2 and the General Comments.

Recommendation R6
Response: Will Be Implemented in Part.

The District already participates in voluntary shared-service arrangements by receiving district management services from the Tamalpais Community Services District pursuant to a shared services agreement. Alto will continue to evaluate additional voluntary shared-service opportunities where measurable public benefits can be achieved.

Recommendation R7
Response: Has Been Implemented or Will Be Implemented.

The District supports transparency regarding board compensation and related information and will ensure required information is publicly available.

Recommendation R8
Response: Will Not Be Implemented.

The District does not support mandatory term limits at this time. Voters currently determine board membership through regular elections. The District believes local voters are best positioned to decide whether board members should continue to serve. However, the District will continue to encourage public participation, candidate recruitment, and board succession planning.

Recommendation R9
Response: Has Been Implemented.

Board compensation is established pursuant to California law and publicly disclosed. The District will continue to ensure transparency regarding compensation and reimbursement practices.

GENERAL COMMENTS

The following General Comments provide background and context applicable to several of the District's responses to the Findings and Recommendations. To avoid unnecessary repetition, the District incorporates these comments by reference where applicable throughout this response. These comments explain the operational, financial, and regulatory distinctions between wastewater utility agencies and the fire protection examples frequently cited in the Grand Jury Report.

In general, the District supports collaboration among public agencies and recognizes opportunities for shared services and cooperative efforts. However, the District believes several conclusions in the Grand Jury Report do not adequately distinguish between infrastructure-based utility districts and fire protection agencies, the operational and financial characteristics of wastewater utility agencies, and the factors that drive wastewater utility rates.

The following sections provide additional context regarding these distinctions, wastewater rate methodology, shared administrative services, long-term infrastructure planning, and implementation timeframes.

Distinction Between Fire Agencies and Wastewater Utilities

The District believes the report does not sufficiently distinguish between fire protection agencies and infrastructure-based utility districts. Fire agencies already operate within highly integrated countywide response systems that routinely cross jurisdictional boundaries through automatic aid, mutual aid, shared dispatch, and standardized emergency response protocols. Consequently, many of the efficiencies associated with consolidation have already been achieved through regional cooperation.

Sanitary districts do not have an equivalent ability to share or reassign infrastructure across jurisdictional boundaries because their assets are geographically fixed. Wastewater systems are capital-intensive networks whose costs are driven primarily by infrastructure, regulatory compliance, environmental requirements, treatment charges, debt service, and long-term capital investment.

Sewer Rate Structures

The District is concerned with the report's suggestion that technology has made entirely usage-based sewer billing practical and equitable. Unlike water systems, which measure consumption directly through customer water meters, sanitary districts generally do not possess technology capable of accurately and cost-effectively measuring wastewater discharge from individual residential sewer laterals.

Wastewater flows occur within buried gravity systems that are not designed for customer-level metering. Installation and maintenance of accurate residential sewer flow meters would require substantial capital investment and ongoing maintenance costs that would likely exceed any potential benefit.

As a result, sanitary districts throughout California commonly rely on winter water consumption as a reasonable proxy for wastewater generation. The District's current rate structure uses winter water consumption because irrigation demands are minimal during that period and water use most closely approximates wastewater discharge. This methodology was developed through multiple rate studies and remains consistent with accepted wastewater utility practices and Proposition 218 cost-of-service requirements.

Furthermore, a purely variable sewer rate structure would undermine the long-term financial stability of wastewater agencies because most wastewater utility costs are fixed and must be incurred regardless of fluctuations in customer water usage. Sewer agencies must maintain pipelines, pump stations, treatment capacity, emergency response capabilities, debt service obligations, and regulatory compliance programs even when flows decline. A rate structure overly dependent on volumetric charges would increase revenue volatility, create uncertainty for capital planning, and potentially shift costs inequitably among customers.

Shared Administrative Services

The District also believes that shared administrative services should not be viewed as a universal solution. While collaboration can provide benefits in certain areas, any proposal involving legal, information technology, finance, payroll, procurement, or human resources functions should be evaluated through a comprehensive cost-benefit analysis that considers implementation costs, service impacts, governance implications, responsiveness, district independence, and the specialized operational requirements of utility agencies. As discussed in the District's response to Recommendation R2, shared services arrangements may provide benefits in some circumstances but should remain voluntary and be evaluated on a case-by-case basis.

The District already participates in several shared-service arrangements, including district management services provided by the Tamalpais Community Services District, treasury and banking services provided by the Marin County Department of Finance, and legal services provided by Marin County Counsel. These arrangements demonstrate that the District supports shared services where they provide operational efficiencies and public benefit.

Long-Term Infrastructure Planning

The District has adopted long-range financial planning supported by reserve policies and capital improvement planning. Alto maintains combined operating and capital reserves equal to approximately 12 months of operating expenses, has completed most of its major capital improvement projects while maintaining stable sewer service charges since 2018, and has transitioned from major capital construction to a proactive maintenance and rehabilitation program that includes annual cleaning of its entire wastewater collection system. At the same time, the District continues to build reserves for the future replacement or rehabilitation of a major sewer pipeline crossing beneath U.S. Highway 101. These planning efforts demonstrate that a smaller independent sanitary district can responsibly manage its infrastructure, preserve affordable sewer service charges, maintain financial stability, and prepare for future capital obligations without organizational consolidation.

Implementation Timeframes

The District is concerned that several implementation deadlines contemplated by the Grand Jury report are not realistic given the complexity of the recommendations and the governance structure of independent special districts.

Many recommendations would require coordination among multiple agencies, legal and financial analysis, evaluation of operational impacts, public outreach, board consideration, and, in some cases, negotiation and approval of interagency agreements.

Meaningful evaluation would likely require multiple budget cycles.

Given current fiscal constraints, staffing limitations, infrastructure investment requirements, and the need to maintain reliable public services, the District does not believe such efforts can reasonably be completed within the timeframes contemplated by the report.

The District supports continued discussion regarding opportunities for collaboration and efficiency. However, successful implementation requires careful planning and realistic timelines that recognize the operational realities of public agencies and the statutory requirements governing special districts. Accordingly, the District believes a planning horizon of approximately twenty-four (24) months would provide a more realistic timeframe for evaluating significant organizational or administrative changes while maintaining reliable public services.

Better Service at Lower Cost — Optimizing Essential Services for the Future of Marin

June 11, 2026

SUMMARY

Marin County depends on more than 50 special districts to deliver essential public services including fire protection, water, sanitation, and refuse services. Many currently provide average or above average levels of service according to recent county surveys[1], due in part to conscientious local stewardship and decades of dedicated civic engagement. However, the current fragmented structure of essential service delivery has produced structural weaknesses: duplicated administrative systems; uneven service quality and fees; and limited capacity for strategic investment. In addition, vulnerability to staff turnover, and difficulty adapting to countywide risks such as climate change, aging infrastructure, workforce shortages, and rising costs present increasing challenges.

This report outlines an opportunity for the public and board members to make changes that will benefit Marin residents for decades. Optimization of these special districts into resilient, more efficient entities can offer improved services at lower costs for residents. It will also provide strategic direction and improve career opportunities and compensation for special district employees. Our inquiry revealed widespread agreement on the benefits of collaboration, and acknowledged that in many cases this may lead to legal consolidation.

Unfortunately, there is no county entity solely responsible for taking action. We are therefore calling on the directors of Marin's special districts to work with Marin County government to realize, for all of Marin's residents, the evident benefits of consolidation, cooperation, and simplification. Absent proactive reform, the county risks governance by crisis rather than governance by design. Unwanted results of the current stagnation could yield not just a decline in the levels of services offered, but also substantially higher cost for all.

Throughout its interview process, the Grand Jury found almost unanimous agreement that consolidation would benefit most special districts. We realize that consolidation is not appropriate for every district in every circumstance. However, functional collaboration for strategic projects and unification for common general shared services (e.g., legal, finance, human resources, purchasing, information technology) is a good first step. Strategic, mission-focused optimization, implemented locally and deliberately, driven bottom-up by the special district boards, offers a credible path toward stronger services, more equitable outcomes, and improved value for residents.

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[1] https://marin.granicus.com/MetaViewer.php?view_id=33&clip_id=12012&meta_id=1289454

Although this report is not about school districts, the Grand Jury believes that its findings and recommendations are relevant for school districts as well.

The Grand Jury ultimately finds that the status quo is increasingly misaligned with Marin's long-term needs. **The time to begin deliberate, structured optimization of special districts is now.**

This report presents formal Findings and Recommendations; a phased circle of success for consolidation (Graphic 3); a tactical table for meaningful next day actions (see Appendix C); and a call to leadership to special district boards, the Local Agency Formation Commission (LAFCo), the Marin County leadership, and the public.

BACKGROUND

Special districts in Marin County were formed to provide services — such as water, sanitation, and mosquito control — that our cities and the County did not offer. Historically, these districts demonstrated that infrastructure services can be governed locally and effectively. One of the earliest major agencies was the Marin Municipal Water District (formed in 1912), followed by sanitation and fire protection districts as suburban growth accelerated after the 1937 opening of the Golden Gate Bridge. Post-World War II population growth led to the creation of many additional utility and fire districts, especially in unincorporated areas. In 1963, LAFCo was established as a state-mandated local California regulatory body that oversees the formation and boundaries of cities and special districts. Today, Marin has a multitude of independent and dependent special districts providing focused public services across the county. For a more comprehensive overview, see the LAFCo website[2].

The Grand Jury's inquiry has focused on how accelerated collaboration and consolidation could be achieved and why it has not occurred despite decades of discussion, including at special district board meetings and in previous Grand Jury reports.

APPROACH

The investigation relied on structured interviews with stakeholders across local and county government, special districts, and union representatives; attendance at special district board meetings; analysis of district documentation, past Grand Jury reports and publicly available information; examination of historical trends in special district governance; and review of comparative data regarding district consolidation statewide. The Grand Jury evaluated governance structures, board dynamics, financial pressures, workforce challenges, and public accountability mechanisms to determine the practical barriers and opportunities related to broader collaboration and consolidation.

DISCUSSION

Marin's special districts generally deliver average to above-average services at reasonable cost. But this stability has led to complacency, and reinforces the erroneous belief that structural

[2] https://www.marinlafco.org/special-districts-list

reform is unnecessary. The pressures of climate change, aging infrastructure, demographic shifts, workforce shortages, and funding uncertainty are cumulative and accelerating, and will require a different long-term strategy.

Smaller sanitary and fire districts struggle to compete as employers. Some districts have just one employee. They often offer limited advancement opportunities, narrower service offerings, and non-competitive compensation. These constraints increase turnover risk and reduce institutional resilience. In contrast, larger, consolidated agencies such as the Southern Marin Fire District offer greater stability, broader expertise, improved training environments, and stronger succession planning.

The Grand Jury heard consistent testimony that no single actor is empowered or incentivized to lead collaboration or consolidation efforts. Boards fear political consequences and/or an elimination of their roles; administrators fear career disruption; and the public often misunderstands both the risks of inaction and the benefits of reform. This diffusion of responsibility has resulted in decades of analysis with limited structural change.

BENEFITS OF OPTIMIZING FOR BETTER SERVICES

The evidence reviewed by the Grand Jury supports numerous benefits of collaboration and consolidation, including:

- Reduced administrative overhead and elimination of duplicative functions. *Every special district has a similar need for basic administrative services in the areas of finance, legal, human resources (HR), insurance and information technology services (IT). Significant opportunities exist to harmonize and save costs through shared services in these areas — either provided by the County or organized by the special districts themselves.*
- Increased purchasing power and potential cost savings by aggregating and standardizing equipment, services and supplies — *e.g., Southern Marin Fire fronted the cost of new self-contained breathing apparatus (SCBA) equipment for San Rafael, Novato, and Tiburon to be repaid when the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant money is received. The unit cost was reduced for all four fire districts because of this partnership.*
- Stronger professional staffing levels through improved training opportunities, career development and specialized capabilities. *Larger organizations provide the opportunity to attract and retain employees early in their careers and develop them into strong contributors over time with clear career paths and training opportunities.*
- Improved and uniform salary bands, competitive benefits, and employee assistance programs. *Firefighters from different fire departments sustaining similar injuries at the same fire might, as a consequence, receive different levels of care, long-term disability benefits and workers compensation benefits that can result in dramatically different outcomes. Outcomes can range from a speedy and healthy return to work, to a premature career end. Appendix A illustrates the wide range of base salaries for firefighting*

personnel across fire districts in Marin. Pay inequalities typically result in higher attrition, less job satisfaction and reduced training investments.

- More consistent service levels and fairer pricing across comparable communities. *See Table 7 below regarding sanitary sewer charges and water charges.*
- Enhanced asset management and long-term infrastructure planning aided by combining financial reserves. *Examples include: monitoring technology in sanitary districts and new specialized firefighting equipment.*
- Stronger governance through more strategic, less operationally burdened boards.
- Greater organizational resilience to financial and operational shocks. *Bundling reserve funds would, for example, provide substantial insurance against even larger events and at the same time free up capital for long-term improvement projects.*
- Reduce the possibility of crisis-driven interventions.

As mentioned earlier in this report, this inquiry revealed widespread agreement on the benefits of collaboration, often acknowledging that this may lead to legal consolidation. Unfortunately, there is no county entity solely responsible for taking action.

BARRIERS AND CHALLENGES

The Grand Jury recognizes many legitimate barriers to consolidation, including:

- Public concern about loss of local control
- Resistance from board members concerned about preserving authority
- Concern from administrators about employment
- Complexity of labor and pension alignment and integration
- Differences in funding mechanisms
- Time and cost involved in consolidation studies

These barriers, however, are not unique to Marin. They have been successfully addressed in other jurisdictions and in prior Marin consolidations. The Grand Jury finds that these challenges, while real, are manageable with leadership, transparency, and structured planning. The most promising path to create larger, meaningfully-sized special districts in Marin is a bottom-up approach that puts the board members of these special districts in control of their own destiny.

The Grand Jury encourages the consolidation of a limited number of special districts at one time. Previous failed attempts had one thing in common — too many involved parties. That gave change-resistant participants a larger platform to sow doubt and fear. In the end, this derailed a successful outcome. Our research found that the main driver of resistance — aside from intimidation by the complexity of the task — was the perceived "loss of local control."

The fight to restore the Town of Ross Fire Station is a clear example of misguided civic engagement at odds with effective service today, which relies on coordinating resources across jurisdictions, not maintaining standalone structures for symbolic reasons.

Ross' risk profile has also changed. Stronger building standards have reduced fire risk, while an aging population requires better medical response. Staffing a standalone station is easy to demand, but difficult to sustain, according to local firefighters. Rather than "building for yesterday," Ross' elected officials should focus on a coordinated countywide system, emphasizing strong medical response capabilities.

In attending special district board meetings, the Grand Jury found that discussions about consolidation were often torpedoed by a single board member advocating for "local control" and emphasizing the risk of losing it. But local control is often more perception than reality. In the end, residents care about getting good services at a reasonable cost. Residents who call for fire response are often not aware of which agency ends up assisting them. For example, because of the current consolidated and efficient emergency dispatch system in Marin County, the closest emergency unit is sent to respond to the call regardless of district boundaries. Prioritizing local control does a disservice to its residents. It ignores economies of scale, group purchasing power, collective bargaining with unions, and the ability to maintain staff who often leave for better career opportunities.

Often the local control advocates are board members who have long tenure on the board and seem reluctant to give up authority. One solution could be for special districts to maintain their voice after consolidation by requiring that there be board seats from all represented areas on their governing board for a specific period as a transition. An example of a special district consolidation doing this well is Southern Marin Fire District, where board seats represent different communities and ensure that local voices are still heard.

THE CASE FOR TERM LIMITS FOR BOARD POSITIONS

The Grand Jury finds that the majority of special district board members are passionate about the special district they govern, and take the role very seriously. Many of them have amassed an impressive amount of institutional knowledge via decades of service, and are very involved in day-to-day operations and tactical decision making. Typically, there are often a wide variety of opinions among board members about how to best perform their role. We witnessed forward-thinking, well-informed members with an impressive drive to change things for the benefit of residents. We also saw board members who did not meet that mark.

Although board tenure in some cases can add value, overall we witnessed that long tenure on the same board leads to stagnation and outright resistance to change. We were unable to find a special district board in Marin that had term limits in place, and many boards have members who have served for decades. The Grand Jury believes that adopting term limits would have a positive impact overall on the development of essential services in Marin:

- Influx of new talent — open board positions would attract interested residents with new ideas, skills, expertise and ambition, who would be willing to "throw their hat in the ring" for uncontested board positions instead of running against an incumbent.
- "Retiring" board members (after recommended two four-year terms) would get the opportunity to apply their process knowledge to new areas of local government and further improve the community through cross-pollination.

- Old ideas and concepts would get a fresh look. Projects that may have been tried unsuccessfully 15 years ago might work today. Times and opinions change.

Marin County often experiences a shortage of residents willing to serve on smaller special district boards. A welcome side effect of consolidation would be the aggregation of board seats empowered to drive strategic and meaningful change in the newly designed district. This opportunity would attract more qualified candidates as well in the long run. It would further eliminate the current observed practice of "board seat accumulation"; the Grand Jury noticed that the same persons serve on multiple agencies, councils and committees within their area of expertise. This is particularly concerning when the same person is serving in capacities that are meant to supervise and monitor the operations and decisions of a special district, thus muting the intended checks and balances.

THE CASE FOR HARMONIZED FEES, PRICING MODELS AND SERVICE LEVELS

One obvious shortcoming of the current special district structure is wide variation in service fees and service levels. Residents in the same neighborhood sometimes pay a very different price for the same service. Sewer service fees (see Graphic 1 below) are a prime example. Sanitary districts differ widely in their approach to cover costs — from yearly flat fees to a fair and transparent usage-based approach. Advances in technology have made the usage-based approach practical, efficient, and fair, giving households an incentive to act responsibly with scarce resources. If Marin County had one uniform scale for these services, it could be an opportunity to show that cooperation and partnership is possible without legal consolidation. It's up to the boards to organize themselves and deliver.

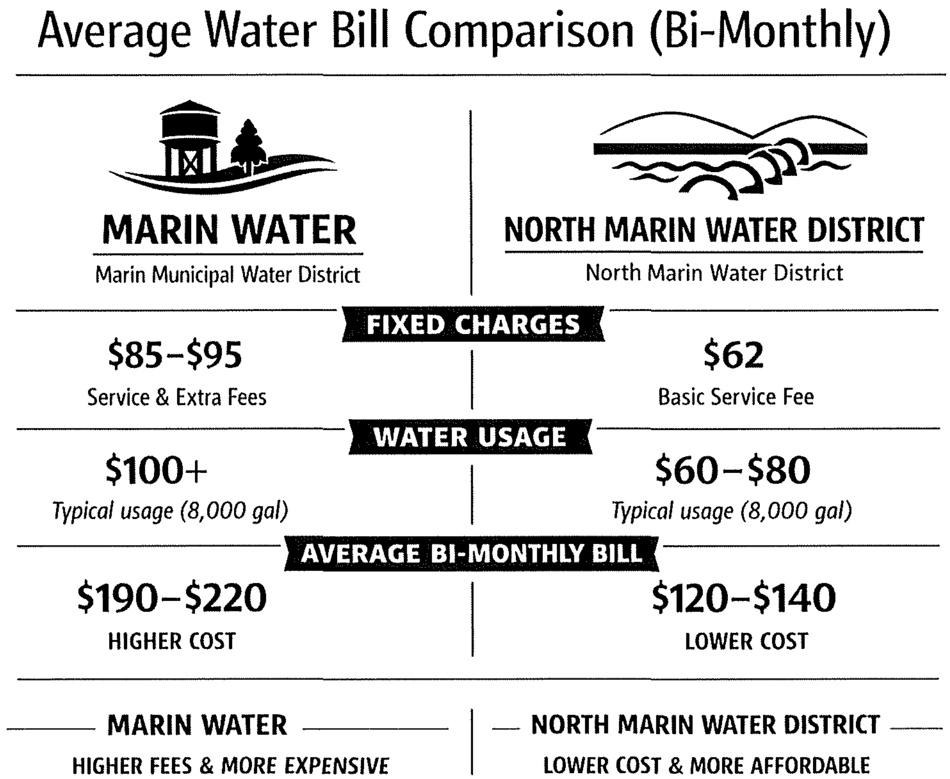
Graphic 1*: Annual Sewer Service Charges —* *Novato Sanitary District Final Budget 2025–2026*[3]

AGENCY	RATE($/yr.)
Sanitary District No. 5 - Belvedere	$2,237
Sanitary District No. 5 - Tiburon	$2,237
Sanitary District No. 1 - City of Larkspur	$1,844
City of Mill Valley	$1,595
Tamalpais Community Services District	$1,584
Las Gallinas Valley Sanitary District	$1,492
Ross Valley Sanitary District (SD#1)	$1,288
Vallejo Sanitation & Flood Control District	$1,272
City of Santa Rosa	$1,260
City of Petaluma	$1,087
Sausalito-Marin City Sanitary District	$1,053
City of San Rafael	$1,012
Sanitary District No. 2 - Town of Corte Madera	$906
Napa Sanitation District	$739
NOVATO SANITARY DISTRICT	**$729**

Notes: All charges for FY 25-26 (proposed or adopted) unless otherwise noted

[3] https://novatosan.com/doc/10320/

Graphic 2: *Comparison of water charges in Marin based on published customer water rates*



Source: Calculated customer water rates effective 2025 from
Marin Municipal Water District and North Marin Water District.
Chart created by the Grand Jury.

The Grand Jury also observed another barrier for successful self-optimization of essential services: The emotional resistance to modernization by some of the recipients and payers of more complex, situational services such as fire protection and health-related emergency services. Small groups of residents and town officials share the perception that they don't receive "value for money" and lobby for outdated solutions that are not based on current and future needs — as noted earlier about the fight to restore the Town of Ross Fire Station.

THE CASE FOR COUNTY-WIDE SHARED SERVICES FOR COMMON ADMINISTRATIVE NEEDS

Duplication of efforts for common administrative services is another significant opportunity to improve quality and lower cost — without compromising core services or a loss of perceived "local control." Every special district has currently organized these services in ways it perceives to be affordable and meet its needs, and cover its risks. These common administrative tasks range from general IT services (cyber security, web hosting), legal support and advice, finance (reporting, accounting), purchasing services, HR (payroll, employee relations, staffing processes and procedures) to general business insurance needs. All of these functions take a significant amount of time to organize and divert energy from tasks and responsibilities that are key contributors to the success of each district. During our investigation, the Grand Jury found these services organized along many different standards, from highly professional, to very basic, to substandard. We believe that providing these services on a county level would result in:

- Efficiency gains and lower operating cost
- Fair and improved employee benefits with a county-wide standard
- Increased sharing of best practices and best-in-class vendors across all special districts
- Combined purchasing power and transparent vendor selection
- Reduced exposure to legal risks by more consistent practices and quality across all services
- Lowered risk of self-dealing and mismanagement through greater financial transparency

We conclude that the County of Marin could help support these efficiency efforts by developing a comprehensive set of cost-efficient, general shared services for special districts to optimize expenditures and secure a Marin-wide acceptable quality and standard.

THE CASE FOR LEGAL CONSOLIDATION

For situations when it makes strategic sense, the Grand Jury identified a clear pattern for successful legal consolidations in Marin, with the best example being the Southern Marin Fire District. This was a proactive, collaborative consolidation where the parties embraced the principles of efficiency that we highlight in this report. Consolidation typically follows a three-phased approach and can still be considered the safest road to significantly improving service delivery and managing costs because it reduces overhead, simplifies reporting structures, and eliminates expensive redundant management layers.

Phase 1: "Dating" — Districts engage in structured dialogue with similar districts, comparing key performance indicators (KPIs), exploring shared service agreements, and increasing transparency to the public.

Phase 2: "Engagement" — Districts expand shared services, commission formal studies, consult with LAFCo (the state-mandated local regulatory body that reviews and approves changes of special district boundaries), and begin governance and labor harmonization planning.

Phase 3: "Marriage" — LAFCo issues a Certificate of Completion, formalizing consolidation. The new entity must demonstrate transparency, accountability, and measurable performance outcomes.

***Graphic 3**: Special District legal consolidation — circle of success (starts at the top and perpetually recycles)*

Source: Created by Marin Civil Grand Jury 2025–2026.

CONCLUSION

The Grand Jury concludes that Marin's special districts are staffed by dedicated individuals and have historically served the county well. But the structure in which they operate is increasingly fragile in the face of modern challenges. Consolidation is not always the solution, but it is a practical and necessary tool for strengthening governance, improving service equity, and enhancing long-term resilience. It is most effective when organized around mission-specific services (e.g., fire with fire, sanitation with sanitation) rather than geographic bundling of unrelated services. Mission-specific consolidation may be more challenging in West Marin because of its geography.

Our inquiry revealed widespread agreement about the benefits of collaboration, often acknowledging that this may lead to legal consolidation. Kudos to the special districts who have already taken proactive steps in this direction. Unfortunately, there is no county entity solely responsible for taking action. We are therefore calling on the directors of Marin's special districts to work with their peers and the County to realize for all of Marin's residents the evident benefits of simplification, cooperation and consolidation. Absent proactive reform, Marin County risks governance by crisis rather than governance by design. **The time to begin deliberate, structured optimization and/or consolidation is now.**

FINDINGS

F1. The current fragmented structure of special districts results in unnecessary duplication of administrative services and operational inefficiencies.

F2. Some districts perform competently but lack sufficient scale to support long-term strategic investment in infrastructure, technology, staffing, and resilience.

F3. Smaller districts are disproportionately vulnerable to staffing disruptions and catastrophic events that could rapidly impair service delivery.

F4. Although consolidation is a popular idea among many elected board members, current governance structures, absence of board member term limits, and fear of loss of political influence discourage boards and administrators from initiating consolidation even when they recognize its benefits.

F5. Service and pricing inequities currently exist across Marin and may increase if consolidation and functional collaboration do not accelerate.

F6. Performance metrics for essential, mission-specific services exist but they are not readily available and standardized, which prevents meaningful public comparison of district effectiveness and undermines accountability.

F7. Without proactive reform, future consolidations are more likely to occur through crisis-driven intervention, resulting in greater disruption and higher costs.

RECOMMENDATIONS

R1. By January 1, 2027, all special district boards should have conducted their first semi-annual consolidation exploration meeting with similar districts and will have established a regular meeting schedule moving forward.

R2. By October 1, 2026, the Board of Supervisors should direct the development of comprehensive, cost-efficient shared services (such as IT, legal, finance, HR/payroll, harmonized compensation/benefits package, insurance) for special districts to optimize expenses and secure a Marin-wide acceptable quality standard. First limited-service offerings are encouraged to be made available by January 1, 2027.

R3. By January 31, 2027, with the assistance of the County, all districts should develop and publish on their website standardized, comparable Key Performance Indicators (KPIs) with regard to service pricing, finance, staffing, operations, and customer satisfaction.

R4. By January 31, 2027, each district should publicly update findings and progress regarding consolidation opportunities, and share those findings with the Board of Supervisors and the public on a semi-annual basis.

R5. By January 31, 2027, the Board of Supervisors should oversee compliance with R1–R4 and update the public on the districts' performance.

R6. By October 1, 2026, in the process of implementing R1 and R2, districts should prioritize functional consolidation in operations, procurement, training, and administration as a precursor to formal consolidation.

R7. By October 1, 2026, the district's board compensation, benefits, length of service, date of term end, and expenses related to board work should be clearly and prominently posted on each district's website and updated annually.

R8. By June 1, 2027, special districts should adopt term limits of two consecutive four-year terms for all board members. Staggered implementation of term limits to avoid disruptions is encouraged.

R9. By June 1, 2027, board compensation structures should be reviewed across districts, and considered for adjustment. All components of board compensation should be posted on their website (see best practice example in Appendix B).

REQUIRED RESPONSES

Pursuant to Penal Code section 933.05, the Grand Jury requires responses to all findings and recommendations (F1-F8 and R1-R9) from the following governing bodies:

From the following governing bodies within 90 days:

- Marin County Board of Supervisors
- San Rafael City Council, City of San Rafael
- Town of Ross
- Almonte Sanitary District
- Alto Sanitary District
- Central Marin Sanitation Agency
- Corte Madera Sanitary District #2
- CSA #28 (West Marin Paramedic)
- CSA #31 (Marin County Fire)
- Homestead Valley Sanitary District
- Kentfield Fire Protection District
- Las Gallinas Valley Sanitary District
- Marin City Community Service District
- Marin Municipal Water District
- Marinwood Community Service District
- Murray Park Sewer Maintenance District
- North Marin Water District
- Novato Fire Protection District
- Novato Sanitary District #1
- Richardson Bay Sanitary District
- Ross Valley Sanitary District
- Ross Valley Fire Department
- Ross Valley Paramedic Authority
- San Quentin Village Sewer Maintenance District
- San Rafael Sanitation District
- Sausalito/Marin City Sanitary District
- Sewerage Agency of Southern Marin (SASM)
- Sleepy Hollow Fire Protection District
- Southern Marin Emergency Medical-Paramedic System
- Southern Marin Fire District
- Strawberry Recreation District

- Tamalpais Community Service District
- Tiburon Fire Protection District
- Tiburon/Belvedere Sanitary District #5

INVITED RESPONSE

From the following county official within 60 days:

- Marin County Executive

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code section 933, subdivision (c) and subject to the notice, agenda and open meeting requirements of the Brown Act.

Note: At the time this report was prepared information was available at the websites cited.

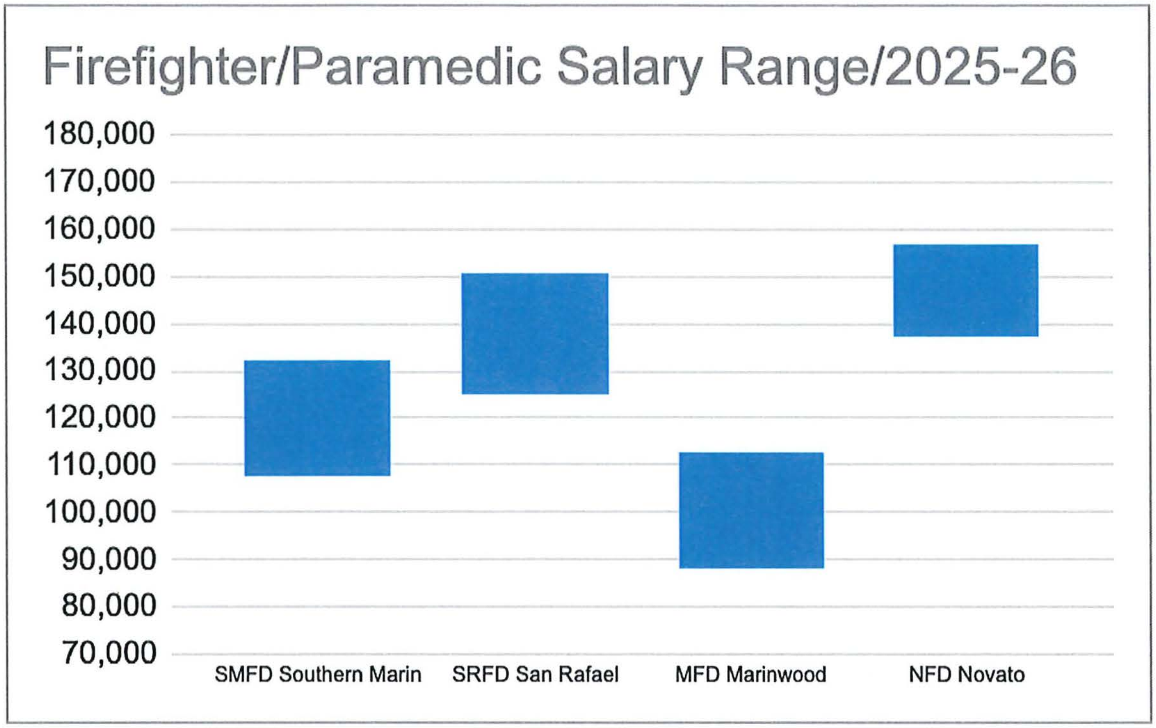
Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury *not* contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends Penal Code section 929 to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

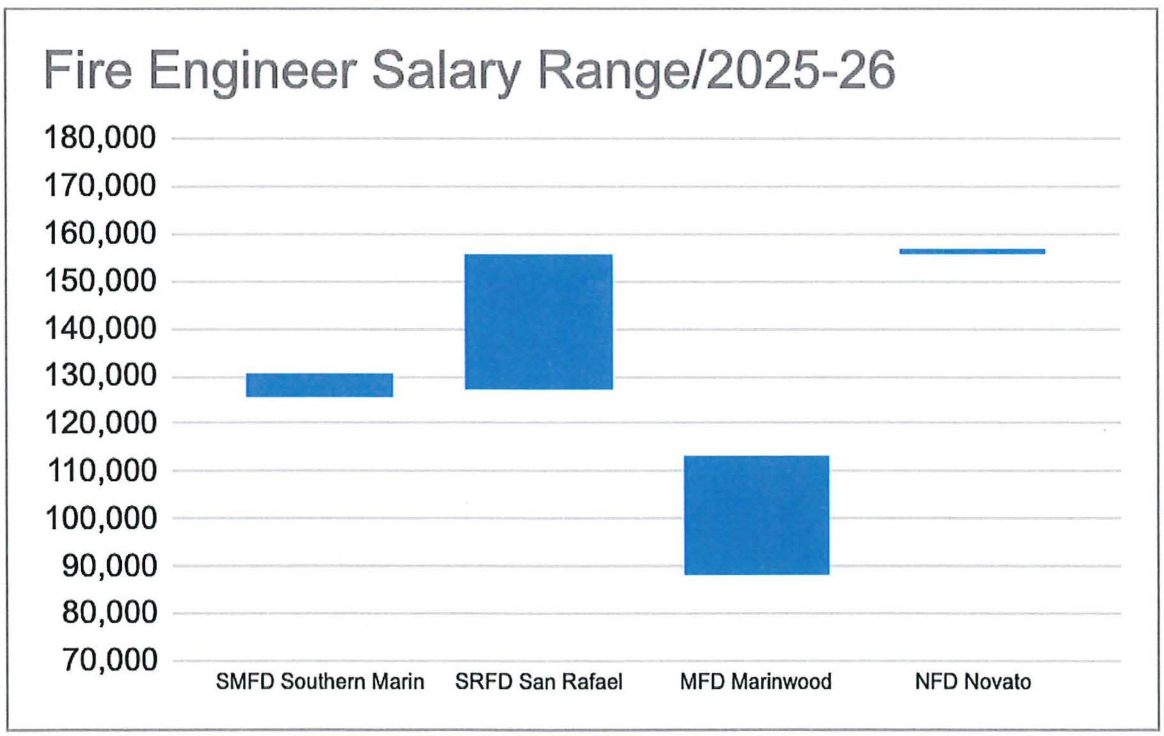
GLOSSARY

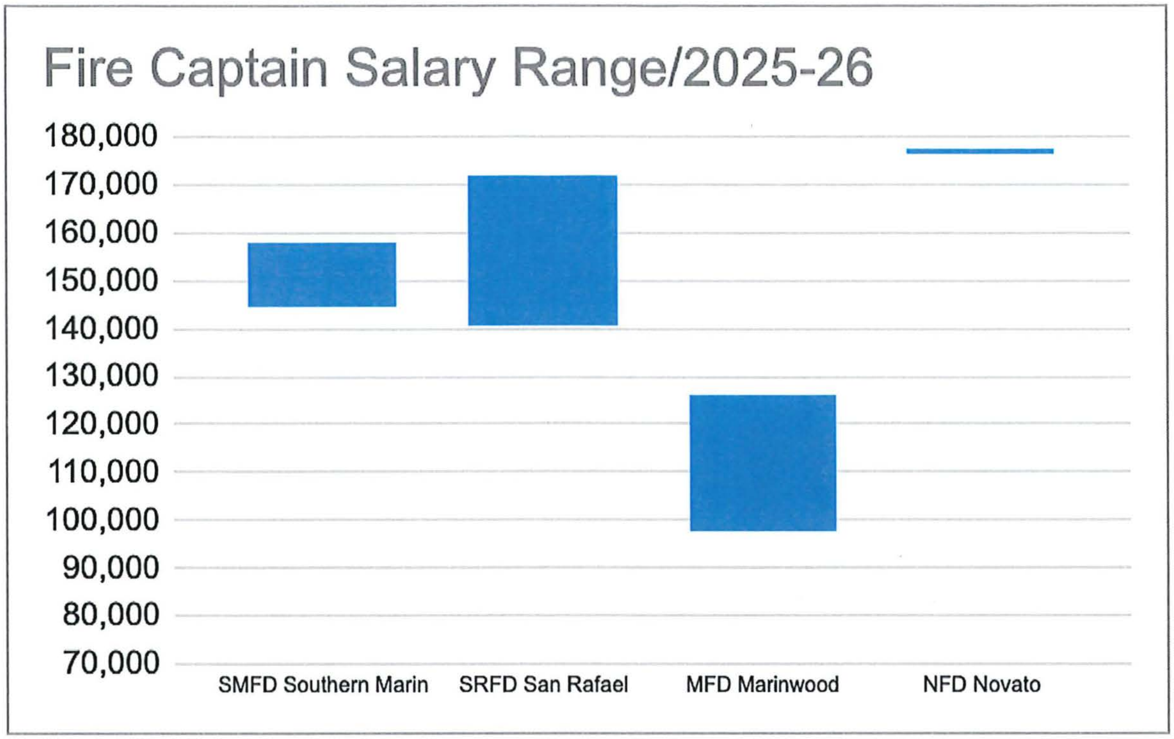
A comprehensive overview of special district related terms and acronyms can be found on the Marin LAFCo[4] website.

[4] https://www.marinlafco.org/special-districts-list

APPENDIX A: Examples of Marin County Fire Departments Salaries, FY 2025-2026







Source: Websites of Southern Marin, San Rafael, Marinwood and Novato Fire Departments.

APPENDIX B: Example of Best Practice Board Compensation Transparency

Shown: Marin Municipal Water District, 2024–2025

Board of Directors Expenses - 2024/25						
Type of Activity or Benefit	**Ranjiv Khush**	**Diana Maier**	**Larry Russell**	**Matt Samson**	**Monty Schmitt**	**Jed Smith**
Regular Board Meetings	5,550	4,000	5,800	4,850	1,800	5,550
Board Committees and Other Special Board Meetings	5,600	3,000	5,750	5,550	1,800	5,300
Liaison Assignments to Advisory Committees, Councils and Forums	2,650	1,250	4,950	4,600	200	5,500
Conferences, Training and Memberships	990	3,882	8,159	2,095	-	30
Medical/Dental Benefits	-	14,071	6,831	116	8,941	-
Total	**$ 14,790**	**$ 26,203**	**$ 31,490**	**$ 17,211**	**$ 12,741**	**$16,380**

Source: https://marinwater.org/wp-content/uploads/2025/09/Board-Mem.-Expenses-FY23.pdf

APPENDIX C: Special District Consolidation Tactical Table

STAKE-HOLDERS	Phase 1 Collaboration	Phase 2 Functional Consolidation	Phase 3 Consolidation
SD Board	Conduct consolidation exploration workshop (risk & reward, financials, Key Performance Indicators, staffing, service offerings, roadblocks, capital infrastructure). Meet with peers at corresponding districts to agree on areas of collaboration and compare notes. **Key Deliverable**: Shared Service Agreement.	Implement Shared Services Agreement; review and monitor, assess and adjust services. Evaluate progress against deliverables. Regular reports back to public stakeholders **Key Deliverable**: Certificate of Completion.	Reconfigure board, execute consolidation (new services, pricing, staffing). Prepare the next consolidation opportunity.
SD Staff	Prepare consolidation impact analysis on staff opportunities, assets and services. Continue to meet with peers at corresponding districts to agree on areas of further collaboration. **Key Deliverable**: Staffing Impact Analysis, Culture Mapping.	Execute functional consolidation activities and provide feedback and improvement opportunities to board.	Execute consolidation activities and provide feedback and improvement opportunities to board. Perform as one entity.
Unions	Support staff and board; map out benefits of consolidation for their members; lead discussion among their members. Present county-wide assimilation of compensation, benefits and pension structure for the desired end state (one SD per county). **Key Deliverable**: County-wide MOU proposal.	Negotiate and agree on MOU (memorandum of understanding). Evaluate retirement systems, workers comp.	
Elected Officials	Openly support mission-specific SD consolidation in their jurisdiction. Encourage SD boards to drive consolidation. Provide access to infrastructure (facilities, counsel, staff). Actively dismantle CSDs (community service districts). Drive towards county-wide ordinance. Establish "State of SDs" as a fixed agenda point.	Endorse, campaign for and validate consolidation efforts (in public). Assist and remove roadblocks, share best practices, role model and embrace change. Support constituents with adapting to change.	Assist and remove roadblocks, share best practices, role model and embrace change. Endorse, campaign for and validate consolidation efforts (in public). Support constituents with adapting to change.

STAKE-HOLDERS	Phase 1 Collaboration	Phase 2 Functional Consolidation	Phase 3 Consolidation
Public	Attend board meetings and inquire about consolidation efforts. Speak to your neighbors and start a movement. Provide input for desired service offerings, send letters to the editor, and contact SD board, offices and administrators to express support for their cooperation and consolidation efforts.	Continue to stay engaged, offer feedback and service improvement opportunities, support consolidation, and defend consolidation during hearings.	Monitor success and benefits. Encourage further consolidation.
Media	Continue to cover the benefits of SD consolidation through articles, case studies, and best practices. Activate the public to attend board meetings (publish board meeting dates).	Continue to cover the benefits of SD functional consolidation through articles, case studies, and best practices. Activate the public to attend scheduled and posted board meetings.	Continue to cover the benefits of SD consolidation through articles, case studies, and best practices. Activate the public to attend scheduled and posted board meetings.
LAFCo	Advise districts about resources available, benefits, external consulting support, timelines, cost, and the process of consolidation. Hold workshops about how to mitigate potential roadblocks.	Provide analysis, accept application, manage public hearings and protests, issue Certificate of Completion.	Review, encourage and facilitate further consolidation efforts.
Board of Supervisors	Mandate and oversee compliance of GJ recommendations, provide funds pursuant to Gov. Code sections 60350–60356 (District Consolidation Assistance Program), provide strategic direction and monitor optimization progress. Provide shared services for special districts.		

Attachment E

ALTO SANITARY DISTRICT

RESOLUTION NO. 2026-05

A REGULARLY SCHEDULED ELECTION TO BE HELD IN THIS JURISDICTION. REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY OTHER ELECTION CONDUCTED ON SAID DATE, AND REQUESTING ELECTION SERVICES BY THE MARIN COUNTY ELECTIONS DEPARTMENT

WHEREAS, it is the determination of said governing body the regularly scheduled election to be held on the 3rd day of November 2026, at which election the issue to be presented to the voters shall be to elect the following members to the Board of Directors:

Number of Regular Term Positions (4-year) 2
Number of Short-Term Positions (2-year) 0

NOW, THEREFORE, BE IT RESOLVED, pursuant to Elections Code §10002, the Board of Supervisors of the County of Marin is hereby requested to:

1) Consolidate said election with any other applicable election conducted on the same day in the manner prescribed in Elections Code §10418;

2) Authorize and direct the Marin County Elections Department at District expense, to provide all necessary election services and to canvass the results of said election.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Alto Sanitary District at a duly noticed meeting held in said District on the 22nd day of July 2026 by the following vote:

PASSED, APPROVED AND ADOPTED at the regular meeting of July 22, 2026, by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Janis Bosenko, President

ATTEST:

____
Marc Nash, Secretary

ALTO SANITARY DISTRICT
RESOLUTION NO. 2026-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALTO SANITARY DISTRICT ADOPTING A REIMBURSEMENT POLICY FOR CERTAIN EXPENSES ADVANCED BY THE TAMALPAIS COMMUNITY SERVICES DISTRICT

WHEREAS, the Tamalpais Community Services District (TCSD) provides administrative services to the Alto Sanitary District pursuant to a Shared Services Agreement approved by both agencies; and

WHEREAS, the Board of Directors recognizes that many District expenditures are previously authorized through the annual budget, Board-approved contracts, purchase orders, or other Board action, yet invoices for those expenditures may become due before the next regularly scheduled warrant approval; and

WHEREAS, the Board further recognizes that certain routine operational expenses consistent with the adopted budget or existing Board-approved contracts may occasionally require payment before the next regularly scheduled warrant approval to avoid late fees, service interruptions, or unnecessary administrative delays; and

WHEREAS, the Board desires to establish a reimbursement policy that provides administrative flexibility during the transition while maintaining appropriate fiscal oversight.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Alto Sanitary District hereby adopts the following reimbursement policy:

1. Previously Authorized Expenditures. TCSD is authorized, in its discretion, to advance payment of third-party costs and expenses previously authorized or approved by the Alto Sanitary District Board of Directors, including expenditures approved through the annual budget, Board-approved contracts, purchase orders, or other Board action, when payment before the next regular warrant approval is necessary to avoid late fees, service interruptions, or other administrative delays.

2. Routine Operational Expenditures. TCSD may, in its discretion, advance payment of third-party costs incurred in the ordinary course of District operations that are consistent with the District's adopted budget or existing Board-approved contracts, require payment before the next regularly scheduled warrant approval, and do not exceed $2,500 per invoice, service contract, or purchase.

3. Reimbursement. Alto Sanitary District shall reimburse TCSD for the actual third-party costs advanced pursuant to this Resolution. TCSD shall not charge administrative overhead for such advances. If the administrative effort associated with advancing and processing reimbursements becomes unreasonable or excessive, TCSD reserves the right to seek reimbursement for employee time after first discussing the matter with the Alto Sanitary District. The total amount requested for reimbursement shall be included as a separate item on the Board's warrant report for approval.

4. TCSD Discretion. Nothing in this Resolution requires TCSD to advance funds on behalf of the Alto Sanitary District. TCSD retains sole discretion to defer payment of any invoice or expense and may instead present the item to the Board for approval through the District's normal warrant approval process.

5. Documentation. As part of the Board's monthly financial reports, TCSD shall provide a summary of all amounts advanced under this Resolution during the reporting period and submitted to the Alto Sanitary District for reimbursement.

6. Effective Date. This Resolution shall take effect immediately upon adoption and shall remain in effect until amended or repealed by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of the Alto Sanitary District at a regular meeting held on July 22, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____

President, Board of Directors

ATTEST:

____

District Clerk/Secretary

California Special
Districts Association
CSDA
Districts Stronger Together

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Antonio Martinez

District/Company: Contra Costa Water District

Title: Board Vice President

Elected/Appointed/Staff: Elected

Length of Service with District: 5 years, 4 months

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

   See Attachment 1

2. What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):

   See Attachment 1

3. List your local government involvement (such as LAFCo, Association of Governments, etc.):

   See Attachment 1

4. List your involvement in civic and/or non-profit organization:

   See Attachment 1

**Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot. (SEE ATTACHMENT 2)

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET
ANTONIO MARTINEZ – CONTRA COSTA WATER DISTRICT

1. **Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**
   I currently serve as a Director for the CSDA Bay Area Network and as Treasurer on the Executive Committee for 2026. I am also an active member of the Fiscal and Audit Committees. Since joining CSDA, I have maintained consistent engagement and have not missed a conference.

   In 2024, I attended the Special Districts Leadership Academy Conference, further strengthening my leadership and governance skills. In 2025, I had the privilege of participating in the CSDA Planning Session as a Director, contributing to the organization's strategic direction. I also regularly participate in CSDA's Legislative Days to stay informed and engaged in advocacy efforts impacting special districts.

2. **What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):**
   I am a member of the Association of California Water Agencies (ACWA) and serve as a Director for ACWA Region 5, as well as a member of ACWA's Energy Committee. I am also a member of American Water Works Association (AWWA) and have participated in conferences where I delivered leadership training and presentations on testing new pipe materials for water distribution systems.

3. **List your local government involvement (such as LAFCo, Association of Governments, etc.)**
   I am an active member of Contra Costa Special Districts Association (CCSDA), a CSDA Chapter, and regularly attend quarterly meetings and the annual membership dinner. The Contra Costa County Local Agency Formation Commission (LAFCo) is a member of CCSDA so we receive updates on their ongoing work. I also participate in the monthly Contra Costa Mayors' Conference to exchange updates on water-related issues and attend quarterly meetings of the Industrial Association of Contra Costa County, where I network with refinery executives, labor union representatives, and engineering consultants.

4. **List your involvement in civic and/or non-profit organization:**
   I support local workforce development programs, including CiviCorps (Oakland/Pittsburg), Cypress Mandela Training Center (Oakland, MC3 Apprenticeship), Richmond Build (Richmond, MC3 Apprenticeship), and Future Build (Pittsburg, MC3 Apprenticeship). My current focus is Future Build; I provide a presentation to each cohort and participate in mock interviews to support program graduates.

   I also leverage partnerships with ACWA, AWWA, and BayWork, to pursue funding for workforce development. Additionally, I am collaborating with the Contra Costa Community College District to help develop water studies program focused on that targets water and wastewater careers.

California Special
Districts Association
CSDA
Districts Stronger Together

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Philip Pierpont

District/Company: Livermore Area Recreation and Park District

Title: Board Chair

Elected/Appointed/Staff: Elected November 2022 to a 4 year term

Length of Service with District: ______

1. **Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

______

2. **What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):**

______

3. **List your local government involvement (such as LAFCo, Association of Governments, etc.):**

Livermore Valley Chamber of Commerce

4. **List your involvement in civic and/or non-profit organization:**

______

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**