Las Gallinas VALLEY SANITARY DISTRICT

101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
Fax: 415-499-7715
www.LGVSD.org

MANAGEMENT TEAM
General Manager, Curtis Paxton
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

The Mission of the Las Gallinas Valley Sanitary District is to protect public health and our environment, providing effective wastewater collection, treatment, and resource recovery.

BOARD MEETING AGENDA

December 19, 2024

MATERIALS RELATED TO ITEMS ON THIS AGENDA ARE AVAILABLE FOR PUBLIC INSPECTION DURING NORMAL BUSINESS HOURS AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300, SAN RAFAEL, OR ON THE DISTRICT WEBSITE [WWW.LGVSD.ORG](http://www.lgvsd.org)

Estimated Time

OPEN SESSION:

4:00 PM **1. PUBLIC COMMENT**

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

4:05 PM **2. ELECTION RESULTS – SWEARING IN OF BOARD MEMBERS**

Board Members Lavrov, Murray, and Robards will be officially sworn in for their terms.

4:15 PM **3. PUBLIC HEARING FOR ORDINANCE 196 AMENDING TITLE 4, CHAPTER 1 – REGULATING SOLID WASTE, RECYCLABLE AND ORGANIC MATERIALS, AND THE COLLECTION, REMOVAL AND DISPOSAL THEREOF INCLUDING THE GARBAGE AND REFUSE RATE ADJUSTMENT FOR 2025**

Board to consider adoption of Ordinance No. 196 – An Ordinance amending Title 4, Chapter 1 of the District Ordinance Code and increasing the garbage and refuse rate by 3.63%. Representatives of Marin Sanitary Service and R3 Consulting Group will be in attendance to answer any questions.

4:45 PM **4. CONSENT CALENDAR**

These items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.

A. Approve the Board Minutes for December 5, 2024

B. Receive and Ratify the Check Warrant List

C. Approve Board Compensation for November 2024

Possible expenditure of funds: Yes, Item B and C.

Staff recommendation: Adopt Consent Calendar – Items A through C,

4:50 PM **5. INFORMATION ITEMS:**

STAFF/CONSULTANT REPORTS:

1. General Manager's Report – verbal
2. Audit Report 2023-24 and Annual Comprehensive Financial Report (ACFR) - written

5:15 PM **6. ORDINANCE NO. 197 MODIFICATION TO SEWER LATERAL ASSISTANCE PROGRAM**

Board to review and approve Ordinance 197 modifying the Sewer Lateral Assistance Program.

5:25 PM **7. BOARD ELECTIONS FOR PRESIDENT AND VICE PRESIDENT**

The Board to elect a President and Vice-President for 2025.

5:30 PM **8. BOARD MEMBER REPORTS:**

1. CLARK
   a. NBWA Board Committee, Operations Control Centers Ad Hoc Committee, Fleet Management Ad Hoc Committee, FutureSense Ad Hoc Committee, Energy Ad Hoc Committee, CASA Workforce Committee, Other Reports

2. LAVROV
   a. TBD

3. MURRAY
   a. Marin LAFCo, Flood Zone 6, Biosolids Ad Hoc Committee, CASA Energy Committee, Development Ad Hoc Committee, San Francisco Bay Trail Ad Hoc Committee, Energy Ad Hoc Committee, Other Reports

4. ROBARDS
   a. Gallinas Watershed Council/Miller Creek, NBWRA, Engineering Ad Hoc Committee re: STPURWE, McInnis Marsh Ad Hoc Committee, Development Ad Hoc Committee, FutureSense Ad Hoc Committee, Other Reports

5. YEZMAN
   a. Flood Zone 7, CSRMA, Ad Hoc Engineering Committee re: STPURWE, Marin Special Districts, Biosolids Ad Hoc Committee, Other Reports

5:45 PM **9. BOARD REQUESTS:**

A. Board Meeting Attendance Requests – Verbal

B. Board Agenda Item Requests – Verbal

5:50 PM **10. VARIOUS INDUSTRY RELATED ARTICLES**

CLOSED SESSION:

6:00 PM **11. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION –** Significant exposure to litigation pursuant to subdivision (b) of Gov. Code Section 54956.9 - One potential case.

6:30 PM **12. ADJOURNMENT**

FUTURE BOARD MEETINGS JANUARY 16 AND JANUARY 23, 2025

AGENDA APPROVED:	Craig K. Murray, President	Patrick Richardson Legal Counsel

CERTIFICATION: I, Teresa Lerch, Board Secretary of the Las Gallinas Valley Sanitary District, hereby declare under penalty of perjury that on or before December 16, 2024 4:00 p.m., I posted the Agenda for the Board Meeting of said Board to be held on December 19, 2024 at the District Office, located at 101 Lucas Valley Road, Suite 300, San Rafael, CA.

DATED: December 13, 2024

Teresa L. Lerch
Board Secretary

The Board of the Las Gallinas Valley Sanitary District meets regularly on the first and third Thursday of each month. The District may also schedule additional special meetings for the purpose of completing unfinished business and/or study sessions. Regular meetings are held at the District Office, 101 Lucas Valley Road, Suite 300, San Rafael, CA.

In compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), if you need special assistance to participate in this meeting, please contact the Board Secretary at the District at (415) 472-1734 at least 24 hours prior to the meeting**. Notification prior to the meeting will enable the District to make reasonable disability-related modifications or accommodations, including auxiliary aids or services, to help ensure accessibility to this meeting.**

12/19/2024

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

Item 2
December 19, 2024

CERTIFICATE OF ELECTION

I, LYNDA ROBERTS, the Registrar of Voters for the County of Marin, in the State of California, do hereby certify the canvass of the results of the votes cast at the General Election, held on November 5, 2024, for measures and contests that were submitted to the voters, and that the Statement of Votes Cast is full, true, and correct. The official record is retained with the office of the Marin County Elections Department, and the Official Final Results summary is provided herewith.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal on this 3rd day of December, 2024.

Registrar of Voters, County of Marin

Las Gallinas Valley Sanitary District Director, Short Term
Vote for 1

Precincts Reported: 10 of 10 (100.00%)

Ballots Received / Number of Registered Voters	17,170 / 20,175	85.11%

Candidates		
Nicholas Lavrov	6,908	55.11%
Barry Nitzberg	5,626	44.89%
Total Votes	12,534	

Certificate of Election

STATE OF CALIFORNIA

County of Marin

I, Lynda Roberts, Registrar of Voters of the County of Marin, do hereby certify

NICHOLAS LAVROV

*to be duly elected, as recorded in the official canvass and Statement of Votes cast at the General Election held on the **5th day of November 2024**, to the office of **Director, Las Gallinas Valley Sanitary District**, a term ending December, 2026.*

*IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal on this **3rd day of December, 2024**.*

Lynda Roberts

Registrar of Voters, County of Marin

MARIN COUNTY CA
COUNTY OF MARIN
REGISTRAR OF VOTERS

* * * * * * * * *

STATE OF CALIFORNIA

County of Marin

OATH OF OFFICE

*I, **NICHOLAS LAVROV**, do solemnly swear or affirm that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution for the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.*

Director, Las Gallinas Valley Sanitary District	______________________________
OFFICE AND JURISDICTION	*SIGNATURE OF NOMINATED OFFICIAL*
______________________________	______________________________
SIGNATURE OF PERSON ADMINISTERING OATH	*TITLE OF PERSON ADMINISTERING OATH*

_____ day of ___________, 202__

Before taking office, each member must take and subscribe to the Oath of Office before a governing board member, other school officer, state or county officer, judicial officer or notary public, to be filed with the County Clerk/Registrar of Voters. (Gov. Code 1360-1369)

RESOLUTION NO. 2024-112

RESOLUTION OF THE MARIN COUNTY BOARD OF SUPERVISORS APPOINTING NOMINEES IN LIEU OF ELECTION FOR THE NOVEMBER 5, 2024, GENERAL ELECTION

WHEREAS, California Elections Code section 10515 provides for the appointment of nominees in lieu of election if the number of nominees does not exceed the number of open seats and no petition requesting an election has been presented to the Registrar of Voters; and

WHEREAS, for the November 5, 2024, General Election, the number of nominees for certain special districts did not exceed the number of open seats and no petition requesting an election was presented.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Marin appoints nominees to the open seats listed in the attached report.

BE IT FURTHER RESOLVED that after taking their oaths of office, the nominees shall take office and serve exactly as if elected at the election for the office.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Marin held on this 24th day of September 2024, by the following vote:

AYES:	SUPERVISORS	Eric Lucan, Katie Rice, Stephanie Moulton-Peters, Mary Sackett, Dennis Rodoni
NOES:	NONE	
ABSENT:	NONE	
ABSTAINED:	NONE	

Dennis Rodoni, President
Board of Supervisors

ATTEST:

Marie Banas
Deputy Clerk

Candidate's for Appointment In-Lieu of Election

November 5 2024 General Election - 11/5/2024

Contests: 6211 to 8740 -

Contest	Date/Time Qualified
Marinwood Community Services District, Director	
Lisa Ruggeri	7/19/2024
Christopher Case	7/17/2024
Kathleen Kilkenny	7/30/2024
Muir Beach Community Services District, Director	
David H. Taylor	7/16/2024
Nikola H. Tede	7/24/2024
Tomales Village Community Services District, Director	
Donna L. Clavaud	8/09/2024
David Kitts	8/06/2024
Bolinas Fire Protection District, Director	
Simon Dunne	8/02/2024
Billy Pierce	7/31/2024
Chris Martinelli	8/09/2024
Kentfield Fire Protection District, Director	
Michael G. Murray	7/23/2024
Bruce Corbet	7/25/2024
Novato Fire Protection District, Director, District 1	
Lj Silverman	7/15/2024
Novato Fire Protection District, Director, District 2	
Michael Hadfield	7/17/2024
Novato Fire Protection District, Director, District 3	
Shane Francisco	7/15/2024
Sleepy Hollow Fire Protection District, Director	
Sharon R. Adams	7/18/2024
Thomas J. Finn	7/30/2024
Stinson Beach Fire Protection District, Director	
Michele Sileo	7/19/2024
James Ritchie	8/05/2024
Jeffrey R. Walsh	8/07/2024
Tiburon Fire Protection District, Director	
Mark J. Capell	7/24/2024
Brett Tucker	8/05/2024
Tiburon Fire Protection District, Director - Short Term	
Joy Ho	7/24/2024
Marin Healthcare District, Director, Division 2	
Ann Sparkman	8/08/2024
Marin Healthcare District, Director, Division 5	
Edward Alfrey	7/26/2024
Bolinas Community Public Utility District, Director	
Kevin Mc Elroy	8/01/2024
Kirsten Walker	8/08/2024
Inverness Public Utility District, Director	
Dakota Whitney	8/05/2024
Kathryn Donohue	7/25/2024
Brent R. Johnson	7/31/2024

Contest	Date/Time Qualified
Mesa Park Recreation District, Director	
David Lich	8/08/2024
Noah Skinner	8/08/2024
Strawberry Recreation District, Director	
Cale Nichols	8/09/2024
Christian Michael	7/19/2024
Strawberry Recreation District, Director - Short Term	
Sarah G. Waterfield	8/01/2024
Marin Resource Conservation District, Director	
David Terry Sawyer	8/09/2024
Michael L. Moretti	8/09/2024
David Sherwood	7/31/2024
Alto Sanitary District, Director	
Janis M. Bosenko	7/15/2024
Todd Gates	8/07/2024
Michael Faust	8/09/2024
Homestead Valley Sanitary District, Director	
Joan Florsheim	7/29/2024
Rick Montalvan	7/24/2024
Alan W. Wuthnow	8/08/2024
Las Gallinas Valley Sanitary District, Director	
Craig K. Murray	7/26/2024
Gary E. Robards	7/24/2024
Novato Sanitary District, Director, Division 1	
Jean Mariani	7/29/2024
Novato Sanitary District, Director, Division 4	
Jerry Peters	8/07/2024
Richardson Bay Sanitary District, Director	
Jeff Slavitz	8/01/2024
Mark Slater	8/02/2024
Sausalito-Marin City Sanitary District, Director	
William Ring	7/15/2024
Don Beers	7/26/2024
Sausalito-Marin City Sanitary District, Director - Short Term	
Shirley A Thornton	8/06/2024
Sanitary District No. 5, Director	
Richard N. Snyder	7/15/2024
Omar Arias - Montez	7/23/2024
John Carapiet	7/25/2024
North Marin Water District, Director, Division 2	
Jack Baker	7/22/2024
North Marin Water District, Director, Division 4	
Stephen Petterle	7/16/2024
Stinson Beach County Water District, Director	
Sandra Cross	8/07/2024
Laurie Ellis	8/13/2024

Total Number of Candidates: 60

Certificate of Appointment In-Lieu of Election and Oath of Office

STATE OF CALIFORNIA

County of Marin

I, Lynda Roberts, Registrar of Voters of Marin County, having jurisdiction over the conduct of the ***Statewide General Election*** *held on the* ***5th*** *day of* ***November 2024,*** *do hereby certify that*

CRAIG K. MURRAY

is nominated and to be appointed in-lieu of election, and will take office and serve a ***4-year*** *term exactly as if elected, to the office of*
Director, Las Gallinas Valley Sanitary District

IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal on this ***24th*** *day of* ***September, 2024***

s/ Lynda Roberts ***- Registrar of Voters***

MARIN COUNTY CA
COUNTY OF MARIN
REGISTRAR OF VOTERS

STATE OF CALIFORNIA

County of Marin

OATH OF OFFICE

I, ***CRAIG K. MURRAY****, do solemnly swear or affirm that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution for the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.*

Director, Las Gallinas Valley Sanitary District
NAME OF OFFICE

______________________________ _____ *day of* ___________, *2024*
SIGNATUREOF APPOINTEE AS REQUIRED BY EC SECTION 200

______________________________ ______________________________
SIGNATURE OF PERSON ADMINISTERING OATH *TITLE OF PERSON ADMINISTERING OATH*

Before taking office, each member must take and subscribe to the Oath of Office before a governing board member, other school officer, state or county officer, judicial officer or notary public, to be filed with the County Clerk/Registrar of Voters. (Gov. Code 1360-1369)

Certificate of Appointment In-Lieu of Election and Oath of Office

STATE OF CALIFORNIA

County of Marin

I, Lynda Roberts, Registrar of Voters of Marin County, having jurisdiction over the conduct of the ***Statewide General Election*** *held on the* ***5th*** *day of* ***November 2024,*** *do hereby certify that*

GARY E. ROBARDS

is nominated and to be appointed in-lieu of election, and will take office and serve a ***4-year*** *term exactly as if elected, to the office of*
Director, Las Gallinas Valley Sanitary District

IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal on this ***24th*** *day of* ***September, 2024***

s/ Lynda Roberts ***- Registrar of Voters***

STATE OF CALIFORNIA

County of Marin

OATH OF OFFICE

I, ***GARY E. ROBARDS****, do solemnly swear or affirm that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution for the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.*

Director, Las Gallinas Valley Sanitary District

NAME OF OFFICE

________________________________ _____ *day of* ___________, *2024*

SIGNATUREOF APPOINTEE AS REQUIRED BY EC SECTION 200

________________________________ ________________________________

SIGNATURE OF PERSON ADMINISTERING OATH *TITLE OF PERSON ADMINISTERING OATH*

Before taking office, each member must take and subscribe to the Oath of Office before a governing board member, other school officer, state or county officer, judicial officer or notary public, to be filed with the County Clerk/Registrar of Voters. (Gov. Code 1360-1369)

Las Gallinas VALLEY SANITARY DISTRICT

Item Number_______3_______
GM Review ______CP________

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager DM
(415) 526-1519 dmcdonald@lgvsd.org
Meeting Date: December 19, 2024
Re: Refuse Rate Adjustment for 2025
Item Type: **Consent** ________ **Action** __X__ **Information**_______ **Other**_______.
Standard Contract: **Yes**_______ **No**_______ **(See attached) Not Applicable** __X__ .

STAFF RECOMMENDATION

1. Conduct a public hearing to allow for discussion and input from the public concerning the proposed refuse rate increase of 3.63%.
2. Adopt Ordinance No. 196 Amending Title 4, Chapter 1 of the Las Gallinas Valley Sanitary District Code establishing the maximum rates collected by Marin Sanitary Service for Solid Waste Services, to be effective January 1, 2025, in the unincorporated areas of the Las Gallinas Valley Sanitary District.

BACKGROUND

The Las Gallinas Valley Sanitary District ("District") entered into a Franchise Agreement ("Agreement") with Marin Sanitary Service ("MSS") to provide for the collection, removal and delivery for Disposal, Recycling or processing of Solid Waste collected and accumulated within the unincorporated areas of the District. As part of an amendment to the agreement entered into between both parties on January 10, 2019, a simplified and streamlined annual rate setting methodology to establish stable and predictable rates, and a firm basis for rate control in future years, was established.

The following jurisdictions within Marin have similar agreements with MSS and work together to share information and reduce costs: the City of San Rafael, City of Larkspur, the Towns of Ross, San Anselmo, and Fairfax, the County of Marin, and the District. This Marin Franchisors' group meets throughout the year to collaborate on oversight of MSS's operations and works together to conduct a single annual rate review analysis rather than each jurisdiction having to conduct and pay for a separate review.

DISCUSSION AND PUBLIC HEARING

In accordance with the Agreement, MSS submitted an application for rate review, requesting an increase in service charges to be effective January 1, 2025. The District retained R3 Consulting Group, Inc. ("R3") as an independent consultant on behalf of the Franchisors' group and the District, and R3 reviewed the rate application in accordance with the rate-setting methodology set forth in the Agreement. The review yielded a calculated rate adjustment of 3.63%. R3's Review of Marin Sanitary Service's 2025 Rate Application (Attachment A) was presented to the Board of Directors on November 21, 2024.

The maximum rate increase applies to all residential, commercial, and multi-family dwellings and incorporated into Appendix, Las Gallinas Valley Sanitary District Schedule of Rates, incorporated into Ordinance No. 196 (Attachment B) amending Title 4, Chapter 1 of the District Code.

In accordance with the requirements of the Agreement, as well as state law, the District posted notice of the December 19, 2024 public hearing in the three designated places in the District, as well as on the District website, advising that this public hearing to consider the requested increase would be held on December 19, 2024 and that any person interested, including all persons owning property within the District, was invited to appear and be heard on the matters set forth in the public hearing notice.

PREVIOUS BOARD ACTION
Ordinance 194 – Refuse rates effective January 1, 2024 adopted March 21, 2024.

Resolution No. 2024-2344 approving the Third Amendment to the Franchise Agreement adopted on November 21, 2024.

ENVIRONMENTAL REVIEW
N/A

FISCAL IMPACT
Rates are paid directly by MSS's customers to MSS within the unincorporated areas of the District.

Franchise Fee revenue that will be received from Marin Sanitary Service in 2025 will be $185,259. This is slightly below the anticipated revenue included in the District's 2024-25 Budget. The budget anticipated a 4.05% increase in franchise related revenue when the actual increase will be closer to 3.95%.

<u>Attachments:</u>

Attachment A Review of Marin Sanitary Service's 2025 Rate Application by R3

Attachment B Ordinance 196 Amending Title 4, Chapter 1 of the District Code, Regulating Garbage, Rubbish, Waste Matter and Refuse, and the Collection, Removal and Disposal Thereof, including Schedule of Rates effective January 1, 2025.

FINAL REPORT

Las Gallinas Valley Sanitary District

Review of Marin Sanitary Service's 2025 Rate Application

submitted electronically: October 30, 2024

CONSULTING GROUP, INC.

RESOURCES · RESPECT · RESPONSIBILITY

October 30, 2024

Dale McDonald
Administrative Services Manager
Las Gallinas Valley Sanitary District
101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
submitted via email: dmcdonald@lgvsd.org

SUBJECT: Final Report – Review of Marin Sanitary Service's 2025 Rate Application

Dear Mr. McDonald,

R3 Consulting Group, Inc. (R3) is pleased to submit this report detailing the results of our review of Marin Sanitary Service's (MSS's) 2025 rate application for the Las Gallinas Valley Sanitary District (District).

This review was conducted pursuant to R3's engagement with the seven agencies (Agencies) served by MSS, including the City of San Rafael, City of Larkspur, County of Marin, Las Gallinas Valley Sanitary District, Town of Ross, Town of Fairfax, and the Town of San Anselmo.

This report summarizes results from our review of MSS's 2025 indexed rate application per the streamlined rate setting methodology established in 2019. The methodology is described in the amended Exhibit B to the Franchise Agreement that the District holds with MSS.

* * * * *

We appreciate the opportunity to be of service to the District. Should you have any questions regarding this report or need any additional information, please do not hesitate to reach out directly.

Sincerely,

Jim Howison | *Sr. Managing Consultant*
R3 Consulting Group, Inc.
925.768.7244 | jhowison@r3cgi.com

1. FINDINGS

Executive Summary

On August 30, 2024, MSS submitted its application for an increase to its solid waste rates, to be effective January 1, 2025. This is an indexed year rate adjustment, which primarily projects compensation due to MSS based on the applicable Water-Sewer-Trash CPI Index (WST). Based on our review of the rate application, R3 concurs with MSS's calculated 2025 rate revenue requirement for the District of $3,742,906, which is $131,056 higher than the 2024 rate revenue requirement of $3,611,849. The corresponding adjustment to the District's solid waste rates for 2025 is 3.63%, based on January 1, 2025 effective date.

Table 1: 2025 Rate Adjustment Summary

	2024	2025	Dollar Change	Percentage Change	Adjustment to Rates
Collector Operations	2,441,216	2,553,227	112,011	4.59%	3.10%
Garbage Landfilling and Organics Processing	398,080	425,715	27,635	6.94%	0.77%
State Compliance Database Subscription	(561)	0	561	-100.00%	0.02%
SB 1383 Compliance	26,521	26,761	240	0.90%	0.01%
Profit Calculation	300,773	315,516	14,743	4.90%	0.41%
Recyclable Materials Processing	100,299	88,407	(11,892)	-11.86%	-0.33%
Interest	55,516	58,064	2,548	4.59%	0.07%
Zero Waste Marin Fees	52,740	38,496	(14,244)	-27.01%	-0.39%
Franchise Fees	178,221	185,259	7,038	3.95%	0.19%
Annual Rate Revenue Reconciliation	47,421	37,716	(9,705)	-20.47%	-0.27%
Recycling Property Insurance	11,624	13,745	2,121	18.25%	0.06%
Total Annual Rate Revenue Requirement	**3,611,849**	**3,742,906**	**131,056**	**3.63%**	**3.63%**

2025 Rate Adjustment Details

Collector Operations

Collector Operations compensates MSS for labor, benefits, general and administrative, depreciation and lease, maintenance, fuel and oil. Per Exhibit B, compensation for Collector Operations is adjusted using the CPI index for Water and Sewer and Trash Collection. R3 used publicly available Bureau of Labor Statistics data to verify the calculated increase of 4.59% to Collector Operations. Per Exhibit B, the rate adjustment is subject to a 2.5% minimum and a 5% maximum rate cap for MSS's collection operations. The result is $2,553,227 in Collector Operations for the District in 2025, which is an increase of $112,011 compared to 2024.

Garbage and Organics Tipping Fees

Garbage Landfilling and Organics Processing tipping fee projections are calculated using actual tonnages collected from January 1 through June 30, 2024, which are then annualized to project total 2024 tonnages. Those tonnages are then multiplied by the projected 2025 tipping fees calculated in accordance with Exhibit B. This is based on the actual per ton tipping fees for each waste stream category, or if unavailable, projected tipping fees are calculated using the current year per ton tipping fees escalated by the change in WST— subject to a minimum increase of 2.5% and a maximum increase of 5.0%.

R3 reviewed MSS's projected 2024 tons and the 2025 per ton tipping fees for residential garbage, residential green waste/organics, commercial garbage, commercial mixed waste for processing, commercial food scraps, and MSS-served Agencies' waste delivered to MSS. Per Exhibit B, R3 confirmed that MSS materially correctly projected tons by category using annualized actual tons for the first six months of the current rate year and, as actual tipping fees are unavailable, applied the 4.59% WST adjustment to project 2025 per ton tip fees. The result is $425,715 in Garbage and Organics Tipping fees for the District in 2025, which is an increase $27,635 compared to 2024.

Database Subscription for Compliance with State Law

The rate setting methodology allows for the recovery of additional revenues associated with costs for changes in law and/or new State mandates. For increased operating expenses due to State Laws, including AB 1826 and SB 1383, MSS has included in its rate application a line item for a compliance database. Zero Waste Marin has assumed responsibility for the tracking and reporting of materials. In, 2024, MSS discontinued its subscription to Recyclist and received a refund of $561. For 2025 there is no remaining portion of the credit.

Compliance with SB 1383

MSS is requesting continued revenue in association with SB 1383 with the goal of increasing compliance with the State of California's organics state mandate(s). The company will continue to provide compliance monitoring and inspection services, contamination monitoring, outreach and education, and reporting functions on behalf of the District. The total 2025 revenue recovery for these new SB 1383 compliance measures for MSS is $26,761, or an increase of $240 or 0.90% from 2024.

Profit Calculation

R3 reviewed the calculation of MSS's profit, which is a function of total allowable operating expenses ($3,005,703 for the District) divided by the contractually set operating ratio of 90.5% and subtracting the same sum, rounded to the nearest dollar. MSS's actual profit achievement will vary depending on the company's real revenues and expenses; as such, profit is not guaranteed. The result is $315,516 in Calculated Profit for the District in 2025, which is an increase of $14,743 compared to 2024. The increase is due to increases in allowable operating expenses, which were described in the previous sections of this report.

Recyclable Materials Processing

A net recyclable materials processing cost is calculated each year to share the risks and rewards of changing recycling markets between rate payers and MSS. Per Exhibit B, the Recyclable Materials Processing cost is escalated by the annual change in the WST and that amount is then divided by the number of all tons of recyclable materials processed at Marin Recycling Center from July 1 of the prior rate year through June 30 of the current rate year.

The recyclable materials revenue amount is calculated based on 90% of the total revenue received by the Marin Recycling Center for recyclable materials, which is then divided by the number recyclable material tons processed at Marin Recycling Center. The calculation does not include income or tons from recyclable materials processed for third parties or agencies that were not customers of MSS or the Marin Recycling Center as of December 31, 2018. For Rate Year 2025, the resulting Net Recyclable Materials Processing Cost Per Ton is $73.58, a decrease of $5.29 from the 2024 value of $78.87. The result is $88,407 in Recyclable Materials Processing costs for the District in 2025, which is a decrease of $11,892.

Interest

Interest is based on MSS's actual interest from its loan amortization schedules for actual and projected capital expenditures for services under the Agreement as of the last base year review in 2019. This is increased in the same manner as Collector Operations, as described above, via WST annually.
The result is $58,064 in interest for the District in 2025, which is an increase of $2,548 compared to 2024.

Zero Waste Marin Fees

Zero Waste Marin Fees are set as a pass-through as government fees and, per Exhibit B to the agreements, changes in such fees result in appropriate adjustments to rates to compensate MSS for increases or decreases in such fees. Zero Waste Marin fees included in the annual indexed rate applications for the MSS service area are set to be equal to the current Zero Waste Marin Fee assessments for the current fiscal year, with 100% of the MSS hauler fees passed through to the MSS Agencies, and with none of the MSS Transfer Station fees passed through to the MSS Agencies. The result is $38,496 in Zero Waste Marin Fees for the District in 2025, which is a decrease of $14,244 compared to 2024. The decrease is due to grant funding obtained by Zero Waste Marin.

Franchise Fees

Franchise Fees are calculated by multiplying the applicable franchise fee percentage by each agency served by MSS by the revenues projected for each that Rate Year. The District's Franchise Fee is 5% of gross revenues. The result is $185,259 in Franchise Fees for the District in 2025. Franchise Fees fund the costs of compliance with State laws, management and administration of the District's Agreement with MSS, and compensate the District for the value of the property rights conveyed to MSS via the Agreement.

Annual Rate Revenue Reconciliation

The Rate Revenue Reconciliation item is to reconcile the projected rate revenue from the 2023 rate adjustment to the actual revenue collected through rates charged during the 2023 rate year. MSS experienced a shortfall of $37,716 in 2023 billed revenues in the District compared to the 2023 revenue requirement. That amount is therefore included in the 2025 rate application.

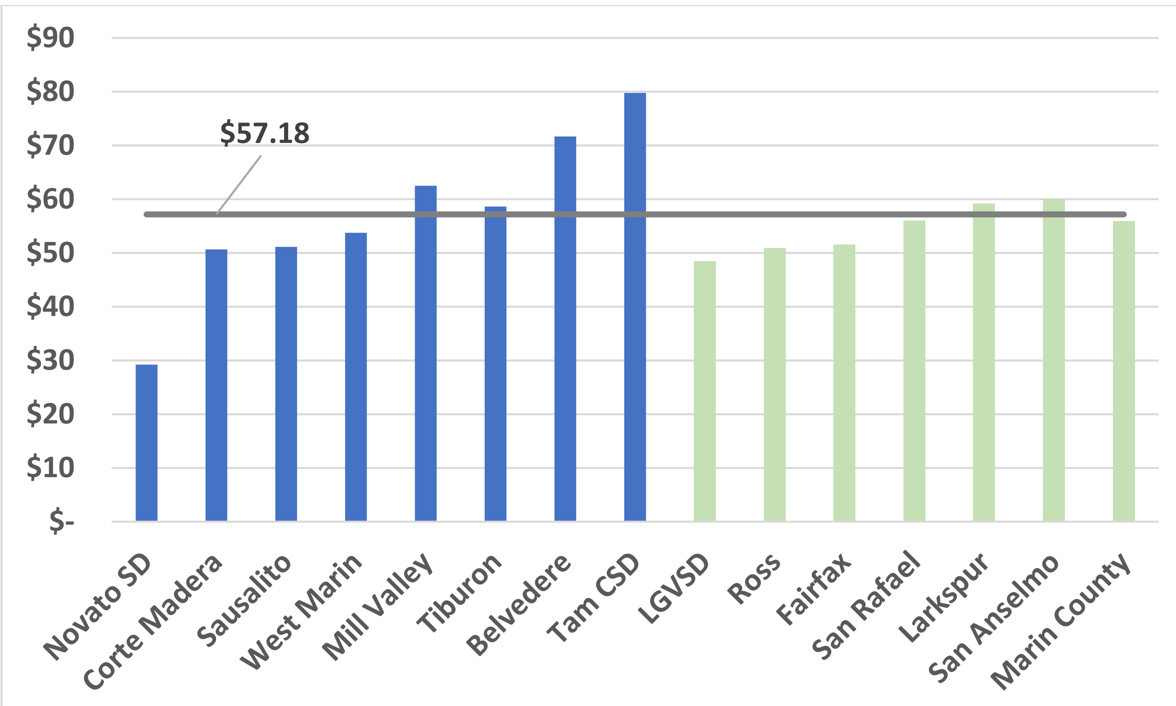
Recycling Property Insurance

Property insurance for recycling processing facilities has gone up across the country due to due to fire risks from lithium batteries. MSS has had no such claims but has received rate increases based on its risk profile. MSS has previously and separately briefed the Agencies on this item, and R3 is aware of the market circumstances surrounding it. R3 finds that this extraordinary item is supported and reasonable. The result is $13,745 in Recycling Property Insurance for the District in 2025, which is an increase of $2,121 compared to 2024.

Survey of Comparable Rates

Figure 1 illustrates R3's survey of solid waste rates as of October 2024 for agencies located throughout Marin County. These survey results are presented as an indication of the reasonableness of the resulting rates for 2025. For comparison purposes, agencies serviced by Marin Sanitary Services (MSS) are designated in green and represent the proposed pricing for 32-gallon cart, including the current rate increase. Other, non-MSS service agencies are designated in blue and are current pricing, though price increases are expected for 2025 as well. The average cost for the 30–35-gallon cart for non-MSS service agencies is represented by the grey line is $57.18. The 32-gallon cart is projected to cost $48.46 per month for the flat regions of the District. The District's commercial rates for a 3-cubic yard bin serviced one time per week will be $702.07 compared to $677.48 the previous year.

Figure 1: Comparison of MSS's 2025 Rates to Other Marin County Agencies



BOARD OF DIRECTORS OF THE
LAS GALLINAS VALLEY SANITARY DISTRICT

ORDINANCE NO. 196

AN ORDINANCE AMENDING CHAPTER 1, AN ORDINANCE REGULATING SOLID WASTE, RECYCLABLE AND ORGANIC MATERIALS, AND THE COLLECTION, REMOVAL AND DISPOSAL THEREOF, TITLE 4 – GARBAGE SERVICE, AS AMENDED, OF THE ORDINANCE CODE OF THE LAS GALLINAS VALLEY SANITARY DISTRICT.

WHEREAS, Section 236 of the Las Gallinas Valley Sanitary District ("District") code provides that a charge shall be imposed and collected by the authorized refuse and recycling agent. Marin Sanitary Services (MSS) is the authorized refuse and recycling agent in the District. MSS has proposed a 3.63% increase in customer rates for calendar year 2025. Along with San Rafael, Larkspur, Fairfax, San Anselmo, portions of Marin County and the Town of Ross, the District retained R3 Consulting Group, Inc., an independent consulting firm, to review the appropriateness of the proposed rate increase. R3 has determined the proposed rate increase is appropriate per their Final Report dated October 30, 2024. Based on R3's findings, the District determines that the proposed increase is based on a formula determined by MSS's actual costs of service and is authorized under the Franchise Agreement; and

WHEREAS, the services and rates for the collection of solid waste, including food waste and recycling and resource recovery, proposed and charged by MSS are set forth in Appendix A; and

WHEREAS, MSS will cease to remove bags or empty customer-owned carts filled with compostable material for residential customers in alignment with Senate Bill (SB) 1383 Short-Lived Climate Pollutants Reduction Act, which regulates the color of waste cans and prescribes that haulers can only collect organics waste from their issued cans and further helps to ensure MSS staff are able to collect customer compostable materials without the additional risk of injury.

The Board of Directors of the Las Gallinas Valley Sanitary District, Marin County, California, does ordain as follows:

Section 1. Title 4, Chapter 1, Section 224 (a) Receptacles Provided by Collector, subsections (3) and (4) of the Ordinance Code of the Las Gallinas Valley Sanitary District is hereby amended as follows:

(3) Organics: Collector shall provide each Residential Customer with up to two (2) 32, 64, or 96-gallon Compostable Materials Carts to be placed at the curb or Collector-approved designated Collection location next to their Solid Waste container for one time per week Collection by 6:00 am the day of service. All Residential Customers must be offered Compostable

Materials Collection for the collection of accepted Yard Trimmings, Food Waste and Food Soiled Papers in the same Container. A full list of accepted materials is available on the Collector's website (marinsanitaryservice.com). Only Collector provided tipper carts will be allowed for the weekly collection of compostable materials. Up to four (4) additional Compostable Materials Carts beyond the first two (2) shall be provided to a Residential Customer upon request, for a fee listed in Section 236. Compostable Materials placed in Collector-provided Carts or at the curb for Collection are the property of Collector.

(4) Additional Services: Special pickups of large, hard to handle, or bulky items may be requested for an additional fee listed in Section 236. Estimates shall be provided by Collector. These bulky items will be collected in non-compaction vehicles and taken into Marin Recovery Center (MRRC) for sorting resulting in greater re-use and recycling. Extra solid waste and/or recyclable materials can also be collected for a fee listed in Section 236 in cans or bags not greater than 32 gallons when placed next to the regular container on collection day. Holiday trees will be collected curbside on the regularly scheduled pickup day during the month of January. If trees are greater than six (6) feet in length, they must be cut in half. All metal stands, plastic tree bags, and ornaments must be removed. Flocked trees will not be accepted.

Section 2. Appendix A of Title 4, Chapter 1 of the Las Gallinas Valley Sanitary District Ordinance Code, the schedule of maximum rates and fees effective January 1, 2025 to be imposed and collected by MSS, attached hereto as "Appendix A" and incorporated herein by reference, is hereby approved.

All other ordinances and parts of ordinances inconsistent herewith are hereby repealed.

* * * * * * * * * *

I hereby certify that the foregoing is full, true, and correct copy of the Ordinance duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District of Marin County, California, at a meeting hereof held on December 19, 2024, by the following vote of members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

____

Teresa Lerch, Board Secretary
Las Gallinas Valley Sanitary District

APPROVED:

____

Craig K. Murray, President
Las Gallinas Valley Sanitary District

(seal)

LAS GALLINAS VALLEY SANITARY DISTRICT

APPENDIX A - SCHEDULE OF RATES

RESIDENTIAL REFUSE COLLECTION RATES

Rate increase: **3.63%**

Effective date: **01/01/2025**

REOCCURING CHARGES

Residential Service (Bundled service includes 1 landfill (garbage) cart, 1 organics cart, & 1 recycling split cart)

Weekly Service Rates (Billed Quarterly)	**Flat rate**	
	Monthly Rate	**Quarterly Rate**
20 gallon cart	$41.20	$123.60
32 gallon cart	$48.46	$145.38
64 gallon cart	$96.92	$290.76
96 gallon cart	$145.38	$436.14
Low income - 20 gal* cart	$32.96	$98.88
Low income - 32 gal* cart	$38.77	$116.31
Low income - 64 gal* cart	$77.54	$232.62
Low income - 96 gal* cart	$116.30	$348.90
Additional Organics Cart Rental (35 or 64 gallon cart)	$2.86	$8.58
Additional Split Cart Rental (64 or 96 gallon cart)	$2.86	$8.58
Additional Monthly Charges	**Monthly Fee (per cart, each way)**	**Quarterly Fee**
Distance 0' - 50'	$6.65	$19.95
Distance Over 50'	$8.56	$25.68

*Must meet PG&E CARE program eligibility requirements.

NOTE: We may not be able to accommodate any collection requests NOT at the curb due to a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

ONE TIME SERVICE FEES

Additional Service Fees per Occurrence	**Fee**
Return Fees - Off day	$25.00
Return Fees - Same day	$10.00
Resume Service/Late Fee	$35.00
Contamination (cart) any size cart	$30.00
Overload/Overweight (cart)	$25.00
Extra bag garbage	$15.00
Extra bag yard waste	$10.00
Steam Clean (cart)	$15.00
Special Collection	$35.00
Special Handling (Bulky items)	$30.00
Bulky item fees per item	Fees Vary
Cart Strap Set-up Admin Fee	$25.00
20 Gal Cart Replacement Fee	$55.00
32 Gal Cart Replacement Fee	$60.00
64 Gal Cart Replacement Fee	$65.00
96 Gal Cart Replacement Fee	$75.00
64 Gal Split Cart Replacement Fee	$90.00
96 Gal Split Cart Replacement Fee	$100.00

LAS GALLINAS VALLEY SANITARY DISTRICT

APPENDIX A - SCHEDULE OF RATES

COMMERCIAL REFUSE MONTHLY COLLECTION RATES

Rate increase: **3.63%**

Effective date: **01/01/2025**

REOCCURING CHARGES

COMMERCIAL CARTS, BINS, ROLL-OFFS	***Collections per Week***						***Additional One Time Empty/On Call***
Garbage	**1**	**2**	**3**	**4**	**5**	**6**	
*20 gallon cart**	$42.14	$84.28	$126.42	$168.56	$210.70	$252.84	$9.72
32 gallon cart	$49.57	$99.14	$148.71	$198.28	$247.85	$297.42	$11.44
64 gallon cart	$99.14	$198.28	$297.42	$396.56	$495.70	$594.84	$22.88
96 gallon cart	$148.71	$297.42	$446.13	$594.84	$743.55	$892.26	$34.32
1 yard bin	$346.97	$694.79	$1,041.77	$1,388.75	$1,736.48	$2,083.37	$80.07
2 yard bin	$524.52	$1,012.78	$1,500.66	$1,988.46	$2,476.73	$2,964.56	$121.04
3 yard bin	$702.07	$1,330.74	$1,959.51	$2,588.20	$3,216.94	$3,845.72	$162.02
4 yard bin	$926.97	$1,817.18	$2,707.59	$3,597.72	$4,487.97	$5,378.49	$213.92
5 yard bin	$1,151.89	$2,303.64	$3,455.69	$4,607.26	$5,759.01	$6,911.31	$265.82
6 yard bin	$1,333.93	$2,528.44	$3,723.07	$4,917.58	$6,112.22	$7,306.86	$307.83
10 yard roll-off	$2,119.30	$4,018.69	$5,917.64	$7,816.77	$9,716.31	$11,615.37	$489.07
18 yard roll-off	$3,478.02	$6,517.28	$9,556.44	$12,595.76	$15,635.25	$18,674.42	$802.62
20 yard roll-off	$4,238.59	$8,037.36	$11,835.26	$15,633.55	$19,432.59	$23,230.74	$978.14
25 yard roll-off	$5,298.26	$10,046.72	$14,794.07	$19,541.94	$24,290.76	$29,038.43	$1,222.68
Organics (F2E or Compost)	1	2	3	4	5	6	***Additional One Time Empty/On Call***
32 gallon	$23.41	$46.82	$70.23	$93.64	$117.05	$140.46	$5.40
64 gallon	$46.82	$93.64	$140.46	$187.28	$234.10	$280.92	$10.80
1 yard	$163.82	$327.64	$491.46	$655.28	$819.10	$982.92	$37.80
2 yard	$327.64	$655.28	$982.92	$1,310.56	$1,638.20	$1,965.84	$75.61
3 yard	$491.46	$982.92	$1,474.38	$1,965.84	$2,457.30	$2,948.76	$113.41
10 yard roll-off	$1,483.51	$2,967.02	$4,450.53	$5,934.04	$7,417.55	$8,901.06	$342.35
18 yard roll-off	$2,670.32	$5,340.64	$8,010.96	$10,681.28	$13,351.60	$16,021.92	$616.23
20 yard roll-off	$2,967.02	$5,934.04	$8,901.06	$11,868.08	$14,835.10	$17,802.12	$684.70
25 yard roll-off	$3,708.78	$7,417.56	$11,126.34	$14,835.12	$18,543.90	$22,252.68	$855.87

Garbage Compactors (Per empty)

Roll-off Compactor Tipping fee per ton	$168.19	Roll-off Compactor Hauling charge	$341.64
Stationary FL (Per Compacted Yard)	$142.47	Roll-off Compactor Special handling	Rates Vary

Other Charges

Service		**Fee**	**Details**
Lock		$25.00	Monthly fee
Box rental		Fees Vary	Minimum Bimonthly fee
Minimum Load	ML	Fees Vary	Monthly fee
Distance < 50ft		$6.65	Monthly fee per cart, each way
Distance > 50ft		$8.54	Monthly fee per cart, each way

** Customers must have a sufficient level of service for the volume of material generated. Requests for 20gal carts require assessment and approval of a Route Manager.*

NOTE: All container types and sizes may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

On Call rate only available with approval from Route Manager

ONE TIME SERVICE FEES

Commercial Service Fees	Fee
Return Fee - **BIN**	$75.00
Return Fee - **CART** -same day	$10.00
Return Fee - **CART** -off day	$25.00
Late Fee/Resume Service Fee	$35.00
Contamination (**BIN**)	$50.00
Contamination (**CART**)	$30.00
Overload/Compaction (**BIN**)	$60.00
Overload/Compaction (**CART**)	$25.00
Additional Empty/Bag Garbage	$15.00
Additional Empty **BIN**	Fees vary
Extra Bag Yard Waste	$15.00
Steam Clean (1-6 yard **BIN**)	$95.00
Steam Clean (**CART**)	$15.00
Steam Clean (**COMPACTOR/ROLL-OFF**)	$225.00
Lock Set-up Admin Fee	$25.00
Lock Single Use Fee	$5.00
Lock Purchase Fee	$20.00
Lock Bar Bin Set-up Fee	$75.00
Overweight Charge Per Ton*	$205.00
20 Gal Cart Replacement Fee	$55.00
32 Gal Cart Replacement Fee	$60.00
64 Gal Cart Replacement Fee	$65.00
96 Gal Cart Replacement Fee	$75.00
64 Gal Split Cart Replacement Fee	$90.00
96 Gal Split Cart Replacement Fee	$100.00
Bin Repair/Replacement Fee**	Fees vary

*Boxes exceeding 300lbs/yard

**Fees vary by size up to $1,200, not to exceed current replacement value.

LAS GALLINAS VALLEY SANITARY DISTRICT

APPENDIX A - SCHEDULE OF RATES

MULTI-FAMILY DWELLING REFUSE MONTHLY COLLECTION RATES

Rate increase: **3.63%**

Effective date: **01/01/2025**

REOCCURING CHARGES

MFD CARTS, BINS, ROLL-OFFS	*Collections per Week*						*Additional One Time Empty/On Call*
Garbage	1	2	3	4	5	6	
20 gallon cart*	$41.19	$82.38	$123.57	$164.76	$205.95	$247.14	$9.51
32 gallon cart	$48.46	$96.92	$145.38	$193.84	$242.30	$290.76	$11.18
64 gallon cart	$96.92	$193.84	$290.76	$387.68	$484.60	$581.52	$22.37
96 gallon cart	$145.38	$290.76	$436.14	$581.52	$726.90	$872.28	$33.55
1 yard bin	$320.47	$555.20	$789.86	$1,024.59	$1,259.31	$1,494.08	$73.95
2 yard bin	$524.52	$1,012.78	$1,500.66	$1,988.46	$2,476.73	$2,964.56	$121.04
3 yard bin	$702.07	$1,330.74	$1,959.51	$2,588.20	$3,216.87	$3,845.54	$162.02
4 yard bin	$926.97	$1,817.18	$2,707.59	$3,597.72	$4,487.97	$5,378.49	$213.92
5 yard bin	$1,151.89	$2,303.64	$3,455.69	$4,607.26	$5,759.01	$6,911.31	$265.82
6 yard bin	$1,333.93	$2,528.44	$3,723.07	$4,917.58	$6,112.22	$7,306.86	$307.83
10 yard roll-off	$2,119.30	$4,018.69	$5,917.64	$7,816.77	$9,716.31	$11,615.37	$489.07
18 yard roll-off	$3,478.02	$6,517.28	$9,556.44	$12,595.76	$15,635.25	$18,674.42	$802.62
20 yard roll-off	$4,238.59	$8,037.36	$11,835.26	$15,633.55	$19,432.59	$23,230.74	$978.14
25 yard roll-off	$5,298.26	$10,046.72	$14,794.07	$19,541.94	$24,290.76	$29,038.43	$1,222.68
Organics	1	2	3	4	5	6	*Additional One Time Empty/On Call*
Additional Organics Cart Rental (35 gallon cart) after 4 TOTAL carts per cart per month	$2.86	$5.72	$8.58	$11.44	$14.30	$17.16	*NA*
Additional Organics Cart Rental (64 gallon cart) after 4 TOTAL carts per cart per month.	$2.86	$5.72	$8.58	$11.44	$14.30	$17.16	*NA*
1 yard	$163.82	$327.64	$491.46	$655.28	$819.10	$982.92	$37.80
2 yard	$327.64	$655.28	$982.92	$1,310.56	$1,638.20	$1,965.84	$75.61
3 yard	$491.46	$982.92	$1,474.38	$1,965.84	$2,457.30	$2,948.76	$113.41

Garbage Compactors (Per empty)

Roll-off Compactor Tipping fee per ton	$168.19	Roll-off Compactor Hauling charge	$341.64
Stationary FL (Per Compacted Yard)	$142.47	Roll-off Compactor Special handling	Rates Vary

Other Charges

Service		Fee	Details
Lock		$25.00	Monthly fee
Box rental		Fees Vary	Minimum Bimonthly fee
Minimum Load	ML	Fees Vary	Monthly fee
Distance < 50ft		$6.65	Monthly fee per cart, each way
Distance > 50ft		$8.54	Monthly fee per cart, each way

NOTE: Minimum service level is 32 gallons per unit or equivalent volume. Decrease to 20 gallon per unit is subject to company review and approval.

NOTE: Up to four (4) Organics carts provided at no additional charge. Additional carts may be rented for a nominal monthly fee.

NOTE: All container types and sizes may not be available depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

On Call rate only available with approval from Route Manager

ONE TIME SERVICE FEES

MFD One Time Service Fees	Fee
Return Fee - **BIN**	$75.00
Return Fee - **CART** -same day	$10.00
Return Fee - **CART** -off day	$25.00
Late Fee/Resume Service Fee	$35.00
Contamination (**BIN**) Per Yard	$50.00
Contamination (**CART**)	$30.00
Overload/Compaction (**BIN**)	$60.00
Overload/Compaction (**CART**)	$25.00
Additional Empty/Bag Garbage	$15.00
Extra Bag Yard Waste	$10.00
Additional Empty Garbage	Fees vary
Steam Clean (**BIN**)	$95.00
Steam Clean (**CART**)	$15.00
Steam Clean (**COMPACTOR/ROLL-OFF**)	$225.00
Lock Set-up Admin Fee	$25.00
Lock Single Use Fee	$5.00
Lock Purchase Fee	$20.00
Lock Bar Bin Set-up Fee	$75.00
Overweight Charge Per Ton*	$205.00
20 Gal Cart Replacement Fee	$55.00
32 Gal Cart Replacement Fee	$60.00
64 Gal Cart Replacement Fee	$65.00
96 Gal Cart Replacement Fee	$75.00
64 Gal Split Cart Replacement Fee	$90.00
96 Gal Split Cart Replacement Fee	$100.00
Bin Repair/Replacement Fee**	Fees vary by size up to $1,200

**Boxes exceeding 300lbs/yard*

***Fees vary by size not to exceed current replacement value.*

Agenda Item 4A
Date December 19, 2024

MEETING MINUTES OF DECEMBER 5, 2024

THE BOARD OF DIRECTORS AND STAFF OF THE LAS GALLINAS VALLEY SANITARY DISTRICT MET IN OPEN SESSION AT 4:00 PM AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300 CONFERENCE ROOM, SAN RAFAEL, CA. 94903

BOARD MEMBERS PRESENT: Megan Clark, Craig Murray, Barry Nitzberg, Gary Robards and Crystal Yezman

BOARD MEMBERS ABSENT: None.

STAFF PRESENT: Curtis Paxton, General Manager; Teresa Lerch, Board Secretary;

OTHERS PRESENT: Patrick Richardson, District Counsel;

ANNOUNCEMENT: President Murray announced that the agenda had been posted as evidenced by the certification on file in accordance with the law.

1. **PUBLIC COMMENT:** Fani Hansen of Danadjieva Hansen Architects, Inc spoke to the Board.

2. **CONSENT CALENDAR:**
These items are considered routine and will be enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.
   A. Approve the Board Minutes for November 21, 2024
   B. Receive and Ratify the Check Warrant List
   C. Approve Murray attending CASA 2025 Washington DC Policy Forum Feb 24-25

ACTION:
Board approved (M/S Robards/Clark (5-0-0-0) the Consent Calendar items A through C.
AYES: Clark, Murray, Nitzberg, Robards and Yezman.
NOES: None.
ABSENT: None.
ABSTAIN: None.

3. **INFORMATION ITEMS:**
STAFF / CONSULTANT REPORTS:
   1. General Manager's Report – Paxton reported.

4. **2025 WINTER NEWSLETTER**
The Board made suggestions to the Winter 2025 Winter Newsletter. It will be brought back to the board at a future Board meeting.

5. **BOARD REPORTS**
   1. CLARK
      a. NBWA Board Committee – no report
      b. Operation Control Centers Ad Hoc Committee – no report
      c. Fleet Management Ad Hoc Committee – no report
      d. FutureSense Ad Hoc Committee – no report
      e. CASA Workforce Committee – no report
      f. Other Reports – none

2. MURRAY
   a. Marin LAFCO – verbal report
   b. Flood Zone 6 – no report
   c. CASA Energy Committee – no report
   d. Biosolids Ad Hoc Committee – no report
   e. Development Ad Hoc Committee – no report
   f. SF Bay Trail Ad Hoc Committee – no report
   g. Other Reports- written in packet

3. NITZBERG
   a. Operation Control Centers Ad Hoc Committee – no report
   b. Fleet Management Ad Hoc Committee – no report
   c. McInnis Marsh Ad Hoc Committee – no report
   d. SF Bay Trail Ad Hoc Committee – no report
   e. Other Reports – none

4. ROBARDS
   a. Gallinas Watershed Council/Miller Creek – no report
   b. STPURWE Engineering Ad Hoc Committee – no report
   c. McInnis Marsh Ad Hoc Committee – no report
   d. Development Ad Hoc Committee – no report
   e. FutureSense Ad Hoc Committee – no report
   f. Other Reports – no report

5. YEZMAN
   a. Flood Zone 7– no report
   b. CSRMA – no report
   c. Marin Special District Association – verbal report
   d. STPURWE Engineering Ad Hoc Committee – no report
   e. Biosolids Ad Hoc Committee – no report
   f. Other Reports– no report

6. BOARD REQUESTS:

A. Board Meeting Attendance Requests – Yezman and Clark would like to attend the CASA Winter Conference in Palm Springs. Yezman may attend the Washington DC Policy Form.

B. Board Agenda Item Requests – none.

7. MISCELLANEOUS DISTRICT ARTICLES

Discussion ensued.

8. ADJOURNMENT:

ACTION:

The board approved (Yezman/Clark 5-0-0-0) the adjournment of the meeting at 5:13 p.m.

AYES:	Clark, Murray, Nitzberg, Robards and Yezman.
NOES:	None.
ABSENT:	None.
ABSTAIN:	None.

The next Regular Board Meeting is scheduled for December 19, 2024 at 4:00 pm at the District office.

ATTEST:

____
Teresa Lerch, Board Secretary

APPROVED:

____
Gary E. Robards, Vice-President

12/19/2024

RECEIVE AND RATIFY THE CHECK WARRANT LIST

- ☐ Separate Item to be distributed at Board Meeting
- ☑ Separate Item to be distributed prior to Board Meeting
- ☐ Verbal Report
- ☐ Presentation

Agenda Item 4C
Date December 19, 2024

Directors' Meeting Attendance Recap

Name	Total Meetings
Megan Clark	6
Barry Nitzberg	3
Craig Murray	6
Gary Robards	6
Crystal Yezman	3
Total	24

Meeting Date:	12/19/2024
Paydate:	12/13/2024

C:\Users\bhunt\Desktop\Important files\Board Meeting Attendance Form.xlsx

Las Gallinas VALLEY SANITARY DISTRICT

101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: MEGAN CLARK Month: NOV. 2024

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
7th	REG	X	
21st	REG	X	
TOTAL		2	0

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
3rd–5th	SDLA mtngs	XXX	
8th	NBWA	X	
18th	Workforce mtng.		X
19th	OCCs meeting ad hoc		X
TOTAL		4	2

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Megan Clark Dec. 5, 2024
Director Signature Date

Administrative Services Manager Approved Date

12/5/24
Board Secretary Received Date

101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Barry Nitzberg
Month: November

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/7	Board Mtg	✓	
11/21	Board Mtg	✓	
TOTAL		2	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/19	Noll & JAM	✓	
TOTAL		1	

Total Meetings for which I am Requesting Payment: 3
Max of six (6) per Health & Safety Code §4733

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Director Signature: Barry Nitzberg   Date: 12/2/24

Administrative Services Manager Approved   Date

Board Secretary Received: [signature]   Date: 12/2/24

Las Gallinas VALLEY SANITARY DISTRICT

101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: MURRAY, Craig K. Month: November 2024

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/7/24	Board Meeting	X	
11/21/24	Board Meeting	X	
TOTAL		2/2	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/3,4,5,6/24	CSDA Special District Leadership Academy, San Rafael	XXX	X
11/14/24	CASA Air Quality, Climate Change & Energy (ACE) Workgroup Meeting	X	
11/2,17/24	Merrydale Road/Las Gallinas Creek Headwater Litter & Debris Removal c/o City of San Rafael: 11/2 0.5 hrs; 11/17 0.5 hrs		XX
11/19,20/24	~~19th Annual CA Bioresources Alliance Symposium at UC Davis: Refining California's Future: Innovating Together for a Thriving Circular Bio-Economy.~~	~~XX~~	
11/21/24	~~U.S. Condemnation within boundaries of National Test and Training Range in Nevada. IRWA: What's the Value ofa view of Area 51? The Truth Is Out There...~~		~~X~~
11/21/24	State of CA Coastal Conservancy Board Meeting – SFEI, Palo Alto Horizontal Levee Pilot Project Funding Presentation		X
11/22/24	Marin County Special Districts Association Regular Meeting		X
11/26/24	LGVSD President/General Manager Meeting		X
TOTAL		4/10	

Total Meetings for which I am Requesting Payment: **Max of six (6) per Health & Safety Code §4733**	**6/12**

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Craig K. Murray — Director Signature

November 22, 2024 — Date

101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Administrative Services Manager Approved	Date
Board Secretary Received	11/25/24 Date

Las Gallinas
VALLEY SANITARY DISTRICT

101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: GARY ROBARDS Month: NOV 2024

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/7	REG BOARD MEETING	1	
11/21	REG BOARD MEETING	1	
TOTAL		2	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/3→11/5	CSDA LEADERSHIP ACAD	3	
11/13	GALLINAS WATERSHED	1	
TOTAL		4	

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

[signature] 11/27/2024
Director Signature Date

Administrative Services Manager Approved Date

[signature] 12/2/24
Board Secretary Received Date

Las Gallinas
VALLEY SANITARY DISTRICT

101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Crystal Yezman Month: November 2024

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/07/2024	Regular Board Mtg	X	
11/21/2024	Regular Board Mtg	X	
TOTAL		2	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
11/22/2024	MSDA Meeting	X	
TOTAL		1	

Total Meetings for which I am Requesting Payment: **Max of six (6) per Health & Safety Code §4733**	**3**

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Director Signature 12/04/2024
Date

12/4/24

AGENDA ITEM 5.1

12/19/2024

General Manager Report

☐ Separate Item to be distributed at Board Meeting

☐ Separate Item to be distributed prior to Board Meeting

☑ Verbal Report

☐ Presentation

Las Gallinas
VALLEY SANITARY DISTRICT

Item Number_____5.2_________
GM Review ______CP_________

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager DM
(415) 526-1519 dmcdonald@lgvsd.org
Meeting Date: December 19, 2024
Re: Receive Annual Comprehensive Financial Report with Financial Statements and Independent Auditors' Report for the Fiscal Year Ending June 30, 2024
Item Type: **Consent ________Action _______ Information__X____Other_______.**
Standard Contract: Yes_______ No_______ (See attached) Not Applicable __X__ .

STAFF RECOMMENDATION
Board to receive the Annual Comprehensive Financial Report (ACFR) with Financial Statements and Independent Auditors' Report for the Fiscal Year Ending June 30, 2024 as presented by Nigro & Nigro.

BACKGROUND
We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2024. The ACFR was prepared by District staff and Nigro & Nigro in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). The ACFR reports and follows recommended guidelines by the Government Finance Officers Association (GFOA) of the United States and Canada.

The Financial Statements and Independent Auditors' Report are being presented as part of the ACFR. No material financial matters of concern were identified. Once the report is received by the Board, the Financial Statements and Independent Auditors' Report will be filed with appropriate agencies, meeting filling deadlines of December 31.

Staff will apply for the GFOA Certificate of Excellence (COE) award later this month. The State of California State Controller's Office (SCO) Financial Transaction Report (FTR) will be filed in January.

In addition to the audit report, Nigro & Nigro is presenting a separate Report to the Board of Directors (SAS 114 letter) which includes required communications that summarize their responsibilities and observations arising from their audit as well as adjusting journal entries made.

PREVIOUS BOARD ACTION
None

ENVIRONMENTAL REVIEW
N/A

FISCAL IMPACT
None

LAS GALLINAS VALLEY SANITARY DISTRICT

Presentation to the Board of Directors

For the Fiscal Year Ended
June 30, 2024

NIGRO & NIGRO PC

NIGRO & NIGRO PC

A Professional Accountancy Corporation

SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

2. Our responsibility is to plan and perform the audit to obtain ***reasonable assurance*** **(not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.

3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's ***Unmodified Opinion*** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension, and OPEB expense as well as Lease calculations.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

Las Gallinas Valley Sanitary District
Dashboard – Audited Financial Statements
June 30, 2024 vs 2023

Revenues & Expenses		2024		2023		Variance
Operating Revenues:						
Sewer use assessments and charges	$	18,680,095		16,999,751	$	1,680,344
Recycled water fees		113,735		246,090		(132,355)
Other charges and services		104,610		176,308		(71,698)
Non-Operating Revenues:						
Property taxes		1,771,975		1,718,435		53,540
Franchise fees		175,202		166,059		9,143
Investment earnings		1,568,675		489,894		1,078,781
Capital Contributions						
Federal and state capital grants		-		3,120		(3,120)
Connection fees		450,374		325,673		124,701
MMWD capacity purchase		364,049		388,733		(24,684)
Recycled water capital repair and replace		51,563		-		51,563
Total Revenues		23,280,278		20,514,063		2,766,215
Operating Expenses:						
Sewage collection and pump stations		3,058,514		2,741,055		317,459
Sewage treatment		4,018,207		3,671,060		347,147
Sewage and solid waste disposal		433,547		712,974		(279,427)
Laboratory		524,678		534,204		(9,526)
Engineering		1,050,347		937,443		112,904
Recycled water		83,536		102,306		(18,770)
General and administrative		3,251,544		2,290,957		960,587
Operating expenses before depr.		12,420,373		10,989,999		1,430,374
Depreciation and amortization expense		3,215,545		3,619,251		(403,706)
Total Operating Expenses		15,635,918		14,609,250		1,026,668
Non-Operating Expenses:						
Interest expense		1,710,590		1,806,473		(95,883)
Total Expenses		17,346,508		16,415,723		930,785
Change in Revenues & Expenses	$	5,933,770	$	4,098,340	$	1,835,430
Capital Outlay:						
Capital Asset Additions	$	(4,983,057)	$	(8,041,348)	$	3,058,291
Depreciation Expense		3,215,545		3,619,251		(403,706)
Change in Capital Expense	$	(1,767,512)	$	(4,422,097)	$	2,654,585
Debt Service:						
Principal Paid	$	(2,657,234)	$	(2,710,604)	$	53,370
Cash & Investments	$	31,779,047	$	29,772,190	$	2,006,857
Quick Summary:						
Change in Revenues & Expenses	$	5,933,770				
Change in Capital Expense		(1,767,512)		Use of Cash		
Debt Service – Principal Payments		(2,657,234)		Use of Cash		
Change in Accounts Receivable		432,891		Change to Cash		
Change in Cash & Investments	$	1,941,915		**Approximately**	**$**	**(64,942)**
Investment Earnings to Portfolio		**5.10%**				

LAS GALLINAS VALLEY SANITARY DISTRICT

Report to the Board of Directors

For the Fiscal Year Ended
June 30, 2024

NIGRO & NIGRO PC

LAS GALLINAS VALLEY SANITARY DISTRICT
Table of Contents
For the Fiscal Year Ended June 30, 2024

Page

A Professional Accountancy Corporation

Board of Directors
Las Gallinas Valley Sanitary District
San Rafael, California

We are pleased to present this report related to our audit of the financial statements of the Las Gallinas Valley Sanitary District (District) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Nigro & Nigro, PC

Murrieta, California
December 19, 2024

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • Licensed by the California Board of Accountancy

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area		Comments
Our Responsibilities with Regard to the Financial Statement Audit		Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit		An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices		**Accounting Policies and Practices** Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. **Adoption of, or Change in, Significant Accounting Polies or Their Application** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Management's Judgments and Accounting Estimates** Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments		Audit adjustments are summarized in the attached **Summary of Adjusting Journal Entries**.
Uncorrected Misstatements		We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area		Comments
Discussions With Management		We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management		We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants		We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management		No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit		No significant difficulties were encountered in performing our audit.
Required Supplementary Information		We applied certain limited procedures to the: 1. Management's Discussion and Analysis 2. Required Pension Plan Disclosures 3. Required OPEB Plan Disclosures Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
Other Information		We were not engaged to report on the Introductory, Other and Statistical Sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the information and use of Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Summary of Adjusting Journal Entries

See Attached Report

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To reallocate revenue - PBC			
10-330-4310	Permits and Inspection Fees	3,113.00	
40-380-4820	Connection Fees CapX		3,113.00
Total		**3,113.00**	**3,113.00**
Adjusting Journal Entries JE # 2			
To adjust PG&E NEMS true-up charges FY 2023/24			
10-000-2204	Accrued Expenses	26,956.34	
10-600-5425	Utility Power		26,956.34
Total		**26,956.34**	**26,956.34**
Adjusting Journal Entries JE # 3			
To reclass MMWD Revenue Bond - PBC			
60-320-4210	Recycled Water	26,889.69	
60-380-4830	MMWD Buy-in & Bond Share CapX		26,889.69
Total		**26,889.69**	**26,889.69**
Adjusting Journal Entries JE # 4			
To accrue MMWD Recycled Water April-June billing - PBC			
60-000-1213	Accounts Receivable - Other	43,293.80	
60-000-1213	Accounts Receivable - Other	9,258.20	
60-320-4210	Recycled Water		43,293.80
60-320-4210	Recycled Water		9,258.20
Total		**52,552.00**	**52,552.00**
Adjusting Journal Entries JE # 5			
To True up and Accrue Property Taxes			
10-000-1214	Property Tax Receivable	7,830.05	
10-000-1215	User Charges Receivable	175,677.06	
10-340-4427	Supp. Assmnts - Prop Tax Curr	1,701.70	
10-340-4428	Supp. Assmnts - Redemption	675.00	
10-400-5457	User Charge/Collection Fee Exp	33,146.91	
10-310-4110	SSC Special Assessment-Current		194,022.06
10-310-4130	SSC LISRAP 10% Discount		1,023.00
10-340-4405	Property Tax - Current Secured		20,658.00
10-340-4410	Property Tax - Current Unsecur		3,130.82
10-340-4415	Prior Secured Redemption		35.64
10-340-4420	Prior Unsecured		161.20
Total		**219,030.72**	**219,030.72**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 6			
To Adjust GASB 87 Activity			
10-000-2870	Lease Liability	102,388.00	
10-699-5560	Leased asset interest expense	2,171.00	
10-699-5750	Amortization Expense	103,151.00	
10-000-1651	Accumulated Amortization		103,151.00
10-400-5451	Rents & Leases - Office & Equi		104,559.00
Total		**207,710.00**	**207,710.00**
Adjusting Journal Entries JE # 7			
To record pension activity			
10-000-1920	Pension plan	170,883.00	
10-000-2810	Pension Plan	69,502.00	
10-670-5129	GASB Pension Expense	202,710.00	
10-000-2510	Pension Liability		443,095.00
Total		**443,095.00**	**443,095.00**
Adjusting Journal Entries JE # 8			
To record OPEB activity			
10-000-2820	OPEB	300,571.00	
10-000-1930	OPEB		106,679.00
10-000-2520	OBEP Liability		39,215.00
10-670-5114	GASB 75 OPEB Expense		154,677.00
Total		**300,571.00**	**300,571.00**
Adjusting Journal Entries JE # 9			
To reverse estimated outstanding payment for treatment plant improvements			
10-000-2000	Accounts Payable	19,807.41	
10-902-5699	Secondary Plant Upg (Contra)	19,807.41	
10-000-1630	Facilities & Equip - Treatment		19,807.41
10-902-5601	Secondary Plant Upgrade		19,807.41
Total		**39,614.82**	**39,614.82**
Adjusting Journal Entries JE # 10			
To adjust inventory			
10-500-5319	Capital Repair / Replacement	91,716.73	
10-000-1317	Materials & Supply		91,716.73
Total		**91,716.73**	**91,716.73**
	Total Adjusting Journal Entries	**1,411,249.30**	**1,411,249.30**

San Rafael, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Distribution pump facilities

VALLEY SANITARY DISTRICT

San Rafael, California

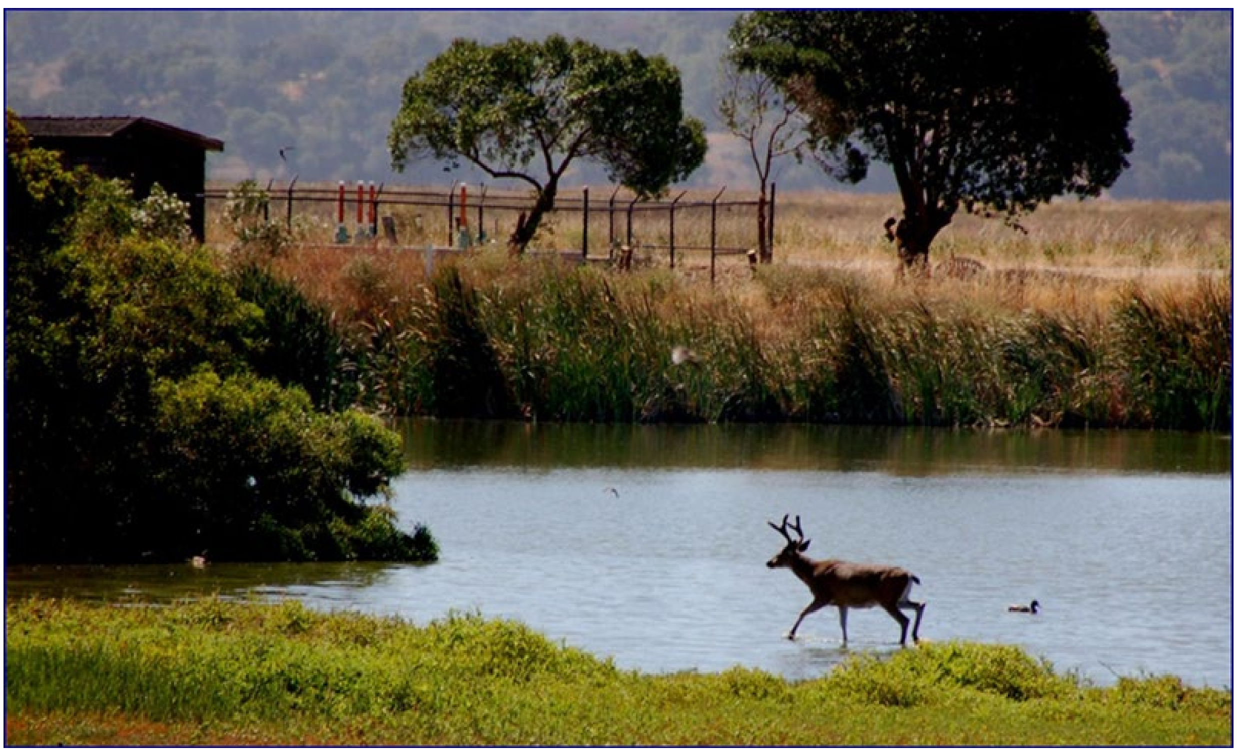
Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Curtis Paxton
General Manager

Prepared by:

Dale McDonald
Administrative Services Manager



Reclamation Ponds

New Electrical Building

Las Gallinas Valley Sanitary District

Table of Contents

Las Gallinas Valley Sanitary District

Table of Contents (continued)

INTRODUCTORY SECTION

This page left intentionally blank.

101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
Fax: 415-499-7715
www.LGVSD.org

MANAGEMENT TEAM
General Manager, Curtis Paxton
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
Nicholas Lavrov
Craig K. Murray
Gary E. Robards
Crystal J. Yezman

December 19, 2024

To the Ratepayers and Honorable Board of Directors of
Las Gallinas Valley Sanitary District
San Rafael, California

It is our pleasure to submit this Annual Comprehensive Financial Report (ACFR) of the Las Gallinas Valley Sanitary District (the District) for the fiscal year ended June 30, 2024 (FY2024). This report was prepared by the District staff that collected and analyzed the financial statements and other information presented herein.

This ACFR was prepared by District staff in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). Recommended guidelines by the Government Finance Officers Association (GFOA) of the United States and Canada were also followed.

California law requires that every local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

The management of the District assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive system of internal controls that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The District's basic financial statements have been audited by Nigro & Nigro, PC a registered public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024 are fairly presented in conformity with GAAP and are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. No material financial matters of concern were identified. Their audit report is presented as the first component of the financial section of this report.

The ACFR represents the culmination of all budgeting and accounting activities engaged in by management during the fiscal year. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) which is presented after the independent auditors' report. This letter of transmittal and introduction is designed to complement the MD&A and should be read in conjunction with it.

FINANCIAL CONTROLS AND ACCOUNTING SYSTEMS

Internal Controls

To ensure that accounting data is compiled and properly recorded, and to permit the preparation of financial statements in accordance with generally accepted accounting principles, the management staff of the District is responsible for establishing and maintaining an accounting system and internal controls structure. These controls are designed to ensure that the assets of the District are adequately protected from loss, theft, unauthorized use or disposition, or other misuse. The internal controls structure is designed to provide reasonable, but not absolute, assurance that this objective is met while recognizing that: (1) the cost of the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. We believe that the District's internal accounting controls adequately safeguard its assets and provide reasonable assurance that financial transactions are recorded properly and are free of any material misstatements.

Budgetary Controls

The District is not explicitly required by statute to adopt a budget; however, in its commitment to maintain fiscal responsibility, the District adopts an annual budget prior to June 30th each year. The District establishes its appropriations limit in compliance with Article XIIIB of the California Constitution and Cal. Government Code Sec 7910 as part of its annual budget process. In preparation for drafting a budget, management staff meets with the District's Board of Directors (the Board) to update the Strategic Plan to determine the strategic goals and vision for the upcoming year. The budget outlines and reflects the major elements of the upcoming fiscal year operating and capital plans, from which management allocates funds that are necessary for specific departmental activities and capital projects. Management integrates these priorities into the annual budget. In June 2023, the Board accepted a four-year sewer rate study, incorporating the projected expenditures of a 7-year Capital Improvements Plan (CIP) from 2023 through 2030. A significant investment for the Laboratory/Education/Boardroom, corporation yard, and collection system and treatment plant upgrades is included in the CIP along with the construction of the new Administration and Operation Control Center building. In June 2023, the Board adopted the budget for Fiscal Year 2023-24. Budgetary control is maintained at the detailed line-item level. For purchases in excess of $15,000, staff informs the Board of Directors regarding the item as soon as administratively feasible by placement on the warrant transmittal list. For consultant contracts the GM's signature authority is up to $60,000. The Board of Directors retains the exclusive authority to increase annual budget authority for Operational Expenditures. If total operating expenditures are expected to exceed the General Manager's signing authority as of the most recently prepared quarterly financial statement, the matter shall be brought to the Board's attention so that a budget amendment may be duly approved by the Board.

Accounting System

Las Gallinas Valley Sanitary District is an independent special district. The District's accounting structure, insofar as practical and in accordance with GAAP, complies with the Uniform System of Accounts for Wastewater Disposal Districts provided by the California State Controller's office.

The District reports its activities as an Enterprise Fund under the broad category of funds called proprietary funds. The District uses the full accrual basis of accounting. The District tracks expenditures by department, with each department delineated by function and specific activity, in order to provide management and the Board with better cost control measures. At the end of each fiscal year, these costs are combined to arrive at the financial position and results of operations reflected in the District's basic financial statements.

HISTORY AND PROFILE OF THE DISTRICT

The District was established on April 6, 1954 pursuant to the California Health and Safety Code, Division 6 – Sanitary District Act of 1923. It is located approximately two miles northeast of the City of San Rafael and 20 miles north of San Francisco. It covers an area of about sixteen square miles in the northern part of the City of San Rafael and surrounding unincorporated areas in Marin County, California, including the communities of Lucas Valley, Marinwood, Santa Venetia and Terra Linda. The District's boundaries are Hamilton Field (a former air force base) to the north, San Pablo Bay to the east, and central San Rafael to the south. The District serves a population of approximately 30,000 people. The District is primarily residential and built out, resulting in a fairly stable customer base. As of June 30, 2024, the connections are 96.48% residential (12,485 units) and 3.52% commercial/industrial (347 units); however, the revenue from these connections is 79.23% residential and 20.77% commercial.

Financing Activities

The District has completed a multi-year, multi-million-dollar Secondary Treatment Plant Upgrade and, Recycled Water Expansion (STPURWE) construction project which upgraded the treatment plant to meet more stringent regulatory requirements and allow the District to fully serve Marin Municipal Water District's recycled water customers. The $41 million in bond proceeds that were issued in 2017 to fund the projects has been drawn down and exhausted in October 2020. In addition, the District secured $12 million in additional financing from the California Infrastructure & Economic Developmental Bank (iBank) for the STPURWE project. As of June 20, 2024 $11,432,240 of these funds have been received with the remaining retention balance of $567,760 to be disbursed upon filing of Notice of Completion.

Sewage Collection

- The District operates a sanitary sewer collection system comprised of approximately 105 miles of gravity sewer lines, 6.72 miles of force mains, and 28 pump stations. There are 2,985 manholes and approximately 52.5 miles of privately owned laterals.
- The District continuously televises its sewer mains; the process requires four years to televise all of the system. Televising these lines allows District staff to identify future repair and replacement projects, as well as monitor the integrity of the system.
- The District previously performed smoke testing of the District's sewer mains and laterals to detect leaks in the collection system. It is a process whereby smoke is blown into the sewer mains, lower and upper laterals, to determine where there may be cracked pipes or storm water cross connections. This process helps to identify where there may be Infiltration and Inflow (I&I) into the sewage collection system. I&I is a major concern for wastewater treatment plants since large storms may produce flows that overwhelm the capacity of the sewage collection system and possibly the plant, resulting in sewage spills, plant violations, overflows and fines. The District has contracted to perform a hydraulic study of the collection system to help prioritize capacity related upgrades. While the study is underway, additional smoke testing may be performed on sewer line segments where I&I has been identified as a concern.

Sewage Treatment

- The District operates a sewage treatment plant with a permitted dry weather average capacity of 2.92 million gallons per day (MGD).
- The District treated an average daily flow of 2.74 MGD of sewage per day in FY 2023-24. All influent flow is treated. Some flows are "treated" to higher levels (Recycled Water) and some to lower levels (Blending during storm events).
- The District's treatment plant uses primary treatment to separate the solids from the wastewater; trickling filters and deep bed filters to provide secondary treatment. Treated effluent is disposed of through discharge pipes into Miller Creek which flows to San Pablo Bay during discharge season, November through May. Discharge coincides with wet weather when treated effluent can be diluted by higher levels of bay water due to rain.
- All readily settleable solids and grit are removed from the wastewater stream; grit is then disposed of in a landfill. The solids are treated by gravity thickening and anaerobic digestion, and then pumped to one or more of three storage ponds, where they are typically retained for one year prior to injection and surface disposal on District owned property. The treatment plant produced approximately 2.01 Million Gallons of Class B biosolids at the treatment plant and removed from the sludge lagoons.

Reuse of Treated Wastewater

- The District is producing recycled water year-round to meet increasing demand during the dry months of summer and fall. In the past, recycled water was predominately used during the summer months, which aligned with the District's non discharge period of June through October.
- The District has a water reclamation project on 385 acres of diked bay lands located to the northeast of the treatment plant. This project includes a 20-acre wildlife marsh pond, 40 acres of storage ponds, 200 acres of irrigated pasture, and 3.5 miles of public trails which are part of the San Francisco Bay Trail. During FY 2023/24, 78.48 million gallons were used for pasture irrigation of organic hay crops.
- The District delivers effluent to Marin Municipal Water District (MMWD), which further treats it so that it can be used for irrigation of landscapes, including golf courses and playing/ recreation fields, dual plumbing for toilet flushing, air-conditioning cooling towers, and car washes within the District's boundaries. In 2017, the District reached an agreement with MMWD to expand the District's recycled water treatment plant to provide tertiary treated wastewater which can then be distributed to MMWD's customers. MMWD decommissioned its existing plant, which is located on the District's property, to allow for construction of STPURWE project. As part of the agreement, MMWD made a capital contribution towards the existing facility and makes payments towards outstanding debt which was issued to build the existing facility and for the expansion. The expansion began construction in December 2018 and the recycled water facility was completed in March 2021 with the treatment plant upgrade completed in 2024.

- The District's new expanded recycled water treatment facility, online since March 2021, has a design capacity of over 5 million gallons per day. The completed expansion effectively quadrupled its capacity. The recycled water delivery from the expanded facility is now being provided to the North Marin Water District (NMWD) and the Marin Municipal Water District (MMWD), who then sell it for use in landscape irrigation, car washes, cooling towers, commercial laundries, and toilet flushing. The District produced 350 million total gallons with 48.75 to NMWD and 240.8 million gallons for MMWD during FY 2023-24.

Lab and Public Outreach

- The District operates its own lab which collects samples, completes analysis, and performs other testing to comply with the plant discharge permit issued by the State Water Resources Control Board.
- Central Marin Sanitation Agency and District lab staff members manage the source control program. This includes a Fats Oils and Grease (FOG) Program that is designed to prevent customers from discharging substances that are harmful to the sewage treatment process or that may cause clogs to sewer mains and pump stations.
- Lab staff members participate in the Marin County Sanitation Agencies Public Education Program. This program allows participating agencies to combine resources and have a unified message to educate the public about the proper disposal of and to collect pharmaceuticals, mercury, batteries and other household hazardous waste in the County. They participate in programs with school children, the Marin County Fair and various farmers' markets and festivals.
- The District offers tours of the plant treatment works and enhanced wetlands upon request from schools, community groups and other members of the public.
- The District produces a newsletter at least twice a year to educate the public about the sewer collection system, treatment plant and their sewer laterals.
- The District has a website at www.lgvsd.org where it posts current developments, public education topics and information about what is happening at the Board meetings, the plant and in the District.
- The District was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation during July 2015, 2017, 2019, and September 2022 in recognition of its outstanding efforts to promote transparency and good governance. The biennial award period that began in 2019 was extended through 2022 due to the COVID pandemic.

Solid Waste (Garbage) Services and Recycling

The District manages the refuse hauling service for the unincorporated areas in its District. The franchise has been awarded to Marin Sanitary Service which provides curbside recycling, solid waste, yard waste and food scraps hauling, and safe hazardous waste disposal services that are helping achieve Marin County's goal of zero waste.

Compared to neighboring jurisdictions, the District's customers in the unincorporated area enjoy one of the lowest garbage and recycling rates. As of January 1, 2023, residential customers pay a monthly service fee of $37.35 for a 20-gallon cart and $43.93 for a 32-gallon cart. This is below the Marin County $53.86 per month average for a 32-gallon cart.

ECONOMIC CONDITIONS AND OUTLOOK

The District is comprised primarily of residential units with commercial and some light industrial areas. It is substantially built out with in-fill developments in pockets of undeveloped land and redevelopment of commercial areas that were built over twenty years ago. Marin County adopted their 2023-2031 Housing Element Update (6th cycle) on January 24, 2023 which identified sites that may be eligible for in-fill development or converted land use. The District does not expect a significant number of or large new, customers in the near future, but is anticipating conversion of a few larger commercial areas into mixed/residential use. A capital facilities charge study was completed in December 2022. The capital facilities charge is $8,889 effective January 6, 2023 and will be adjusted by the Engineering News Record Construction Cost Index for San Francisco annually.

The Board adopted a four-year rate review and capital improvement plan in June 2023, which provided for an annual sewer user charge rate of $1,233 effective July 1, 2023. This rate, when combined with the average property tax revenue received by the District per single family dwelling unit, is below the average for neighboring agencies in Marin County. Each year, the Board reviews the operating and capital needs of the District to determine the revenue requirements in setting the upcoming rate.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Las Gallinas Valley Sanitary District for its ACFR for the year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This ACFR is the culmination of the hard work and dedication of many District employees and the audit team under the direction of Paul J. Kaymark, CPA of the accounting firm Nigro & Nigro, PC. Las Gallinas Valley Sanitary District staff would like to acknowledge the support of the Board for its continuing direction and oversight in providing value to the community of San Rafael.

Curt D. P

Curtis Paxton	**Dale McDonald**
General Manager	**Administrative Services Manager**

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Las Gallinas Valley Sanitary District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill
Executive Director/CEO

Las Gallinas Valley Sanitary District

Annual Comprehensive Financial Report

Mission Statement

Our Mission

The Mission of the Las Gallinas Valley Sanitary District is to protect public health and our environment, providing effective wastewater collection, treatment, and resource recovery.

Vision

Recognizing that sanitation and wastewater treatment is vital to protecting the public health, in the course of normal operations the District will:

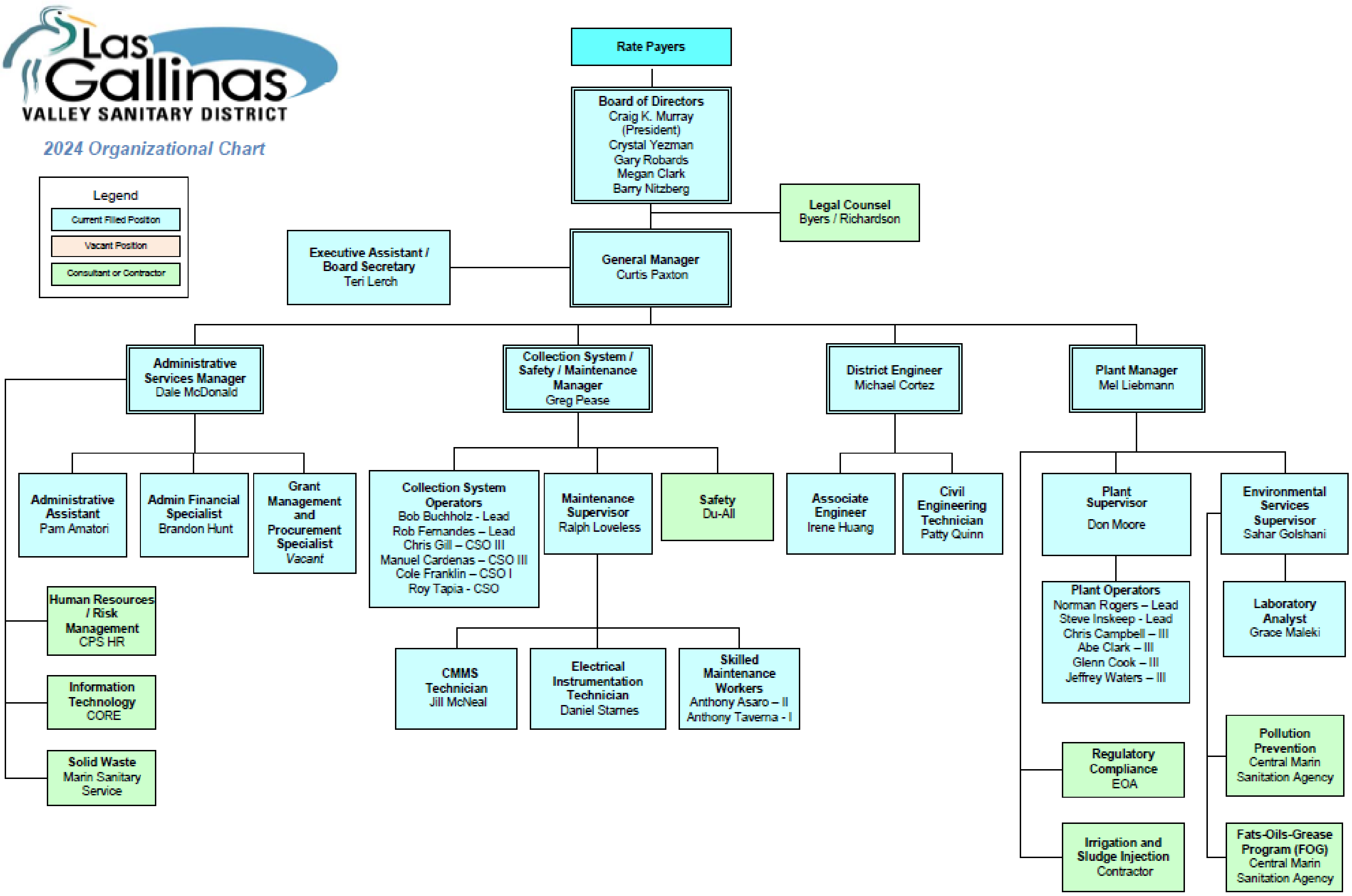
- Manage our treatment and collection systems in a planned and sustainable way to reduce impact on natural resources;
- Proactively manage risks created by cli- mate change, sea level rise, fire, earthquakes and flooding when developing and designing projects ('through the lens');
- Create and maintain a more suitable work- place to promote a sustainable, motivated, long-term and cohesive workforce;
- Provide high-quality, transparent, and accessible customer service;
- Strive for zero spills;
- Meet or exceed regulatory requirements for treatment (effluent, emissions and biosolids);
- Strive toward beneficial recycling of waste- water, biosolids and other resources using safe and effective processes and systems to achieve our zero-waste vision;
- Collaborate with neighboring agencies to achieve efficiencies for the public;
- Cooperate with stakeholders to leverage opportunities for protecting the Bay and regional water resources;
- Increase public education, acceptance and understanding of what we do;
- Promote the District through industry participation and seek industry competitive awards;
- Responsibly manage the refuse franchise;
- Use public funds responsibly;
- Aggressively seek grant and financial opportunities for support of District priorities.

Our Core Values

- Protect Public Health and the Environment.
- Provide High Quality Customer Service.
- Use Public Funds Responsibly.
- Maintain a Safe and Challenging Workplace.

Las Gallinas Valley Sanitary District

Annual Comprehensive Financial Report



Las Gallinas Valley Sanitary District

Annual Comprehensive Financial Report

Directory of Officials

Board of Directors

Megan Clark	Director	12/08/2022 – 12/04/2026[1]
Crystal Yezman	Director	12/08/2022 – 12/04/2026[1]
Barry Nitzberg [2]	Director	5/06/2024 – 12/06/2024[1]
Craig K. Murray	Director	12/10/2020 – 12/01/2028[1]
Gary Robards	Director	01/19/2022 – 12/01/2028[1]

Administration

Curtis Paxton	General Manager
Michael P. Cortez, P.E.	District Engineer
Teresa Lerch	Executive Assistant / Board Secretary
Mel Liebmann	Plant Manager
Greg Pease	Collection System/Safety Manager
Dale McDonald	Administrative Services Manager

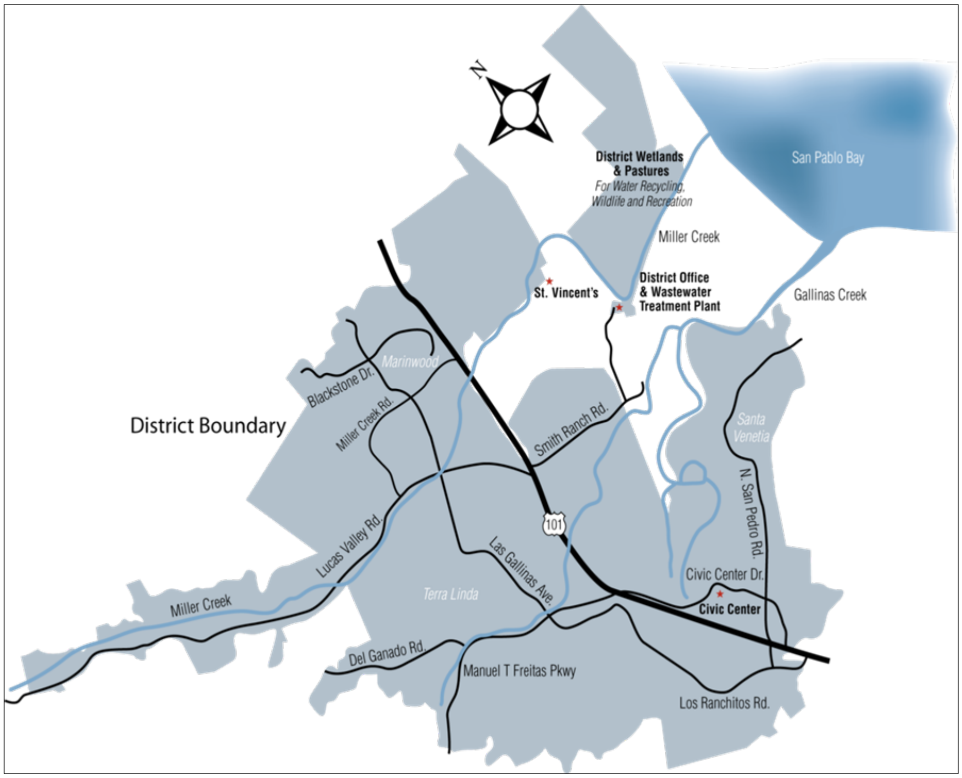
(1) The California Voter Participation Rights Act amended the Elections Code to prohibit the District from holding its elections in years other than when a statewide election occurs. The law also allowed Board members to extend their terms by one year to coincide with the next statewide election date.

(2) Director Ford resigned on March 8, 2024. Director Nitzberg was appointed to serve out the term, and was appointed in-lieu of election and sworn in on May 6, 2024.

Las Gallinas Valley Sanitary District

Annual Comprehensive Financial Report

District Service Area



FINANCIAL SECTION

This page left intentionally blank.

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Directors
Las Gallinas Valley Sanitary District
San Rafael, California

Opinion

We have audited the accompanying financial statements of the Las Gallinas Valley Sanitary District (District), which comprise the balance sheet as of June 30, 2024, and the related statement of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, Schedule of the District's Contributions to the Pension Plan, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, and Schedule of the District's Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The introductory, other information and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a separate report dated December 19, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
December 19, 2024

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Las Gallinas Valley Sanitary District
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Las Gallinas Valley Sanitary District (District), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2024.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
December 19, 2024

Management's Discussion and Analysis (MD&A) offers readers of Las Gallinas Valley Sanitary District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2024. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2024, the District's net position increased 6.08% or $5,933,770 from the prior year's net position of $97,530,035 to $103,463,805, as a result of the year's operations.
- In fiscal year 2023, the District's net position increased 4.39% or $4,098,340 from the prior year's net position of $93,431,695 to $97,530,035, as a result of the year's operations.
- In fiscal year 2024, operating revenues increased by 8.47% or $1,476,291 from $17,422,149 to $18,898,440 from the prior year, primarily due to an increase in sewer use assessments and charges revenue.
- In fiscal year 2023, operating revenues increased by 11.06% or $1,734,886 from $15,687,263 to $17,422,149 from the prior year, primarily due to an increase in sewer use assessments and charges revenue.
- In fiscal year 2024, operating expenses before depreciation expense increased by 13.02% or $1,430,374 from $10,989,999 to $12,420,373 from the prior year, primarily due to increases in sewage collection and pump stations, sewage treatment, and general and administrative expenses.
- In fiscal year 2023, operating expenses before depreciation expense increased by 9.48% or $951,370 from $10,038,629 to $10,989,999, from the prior year, primarily due to increases in sewage collection and pump stations, sewage treatment, and sewage and solid waste disposal.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	June 30, 2024	June 30, 2023	Change	June 30, 2022	Change
Assets:					
Current assets	$ 32,883,449	$ 30,596,319	$ 2,287,130	$ 34,642,174	$ (4,045,855)
Non-current assets	1,162,723	1,188,141	(25,418)	1,204,448	(16,307)
Capital assets, net	125,264,681	123,497,169	1,767,512	119,075,072	4,422,097
Total assets	159,310,853	155,281,629	4,029,224	154,921,694	359,935
Deferred outflows of resources	3,053,074	2,998,337	54,737	1,719,577	1,278,760
Total assets and deferred outflows of resources	$ 162,363,927	$ 158,279,966	$ 4,083,961	$ 156,641,271	$ 1,638,695
Liabilities:					
Current liabilities	$ 5,582,542	$ 4,712,396	$ 870,146	$ 4,854,992	$ (142,596)
Non-current liabilities	52,566,531	54,916,413	(2,349,882)	55,472,791	(556,378)
Total liabilities	58,149,073	59,628,809	(1,479,736)	60,327,783	(698,974)
Deferred inflows of resources	751,049	1,121,122	(370,073)	2,881,793	(1,760,671)
Net position:					
Net investment in capital assets	76,244,574	71,605,554	4,639,020	64,360,968	7,244,586
Restricted for debt service	913,717	909,196	4,521	904,710	4,486
Unrestricted	26,305,514	25,015,285	1,290,229	28,166,017	(3,150,732)
Total net position	103,463,805	97,530,035	5,933,770	93,431,695	4,098,340
Total liabilities, deferred outflows of resources and net position	$ 162,363,927	$ 158,279,966	$ 4,083,961	$ 156,641,271	$ 1,638,695

Current assets – increased by $2,287,130 in 2024 primarily due to an increase in sewer use assessments and charges and investment earnings.

Non-current assets – decreased by $25,418 in 2024 primarily due to a decrease in private sewer lateral assistance program advances.

Capital assets, net of accumulated depreciation – increased by $1,767,512 in 2024 primarily due to the increase in construction-in-progress projects related to the biosolid system program and secondary effluent line modifications.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

Deferred outflows of resources – increased by $54,737 in 2024 due to the changes in the pension and other postemployment retirement benefits related items in accordance Government Accounting Standards Board No. 68, *Financial Reporting for Pension Plans* (GASB No. 68) and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75).

Current liabilities – increased by $870,146 in 2024 as more outstanding accounts payable and accrued expenses were outstanding compared to the prior year.

Noncurrent liabilities – had decreased by $2,349,882 in 2024 primarily due to scheduled long-term debt principal repayments made in the fiscal year.

Deferred inflows of resources – decreased $370,073 in 2024 primarily due to a decrease of $300,571 in other postemployment benefit deferred inflows based upon revised actuarial assumptions and differences between actual and expected experience under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75).

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $103,463,805 as of June 30, 2024.

By far the largest portion of the District's net position (74% as of June 30, 2024) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of fiscal year 2024, the District showed a positive balance in its unrestricted net position of $26,305,514 which includes $1,832,541 held as investments in the State of California Local Agency Investment Fund (LAIF), $9,246,670 in California Cooperative Liquid Assets Securities System (CLASS) and $15,762,465 in California Asset Management Program (CAMP) Pool of which $15,724,308 has been designated for District reserves; operating & rate stabilization, capital, emergency repair, and vehicle equipment reserves. The District diversified from its primary investment account, LAIF, in January 2024. Two additional pooled investment accounts, California Cooperative Liquid Assets Security System (California CLASS) and California Asset Management Program (CAMP), were established in December 2023.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	June 30, 2024	June 30, 2023	Change	June 30, 2022	Change
Operating revenues	$ 18,898,440	$ 17,422,149	$ 1,476,291	$ 15,687,263	$ 1,734,886
Operating expenses	(12,420,373)	(10,989,999)	(1,430,374)	(10,038,629)	(951,370)
Operating income before depreciation	6,478,067	6,432,150	45,917	5,648,634	783,516
Depreciation and amortization expense	(3,215,545)	(3,619,251)	403,706	(3,127,040)	(492,211)
Operating income	3,262,522	2,812,899	449,623	2,521,594	291,305
Non-operating revenues(expenses), net	1,805,262	567,915	1,237,347	(204,029)	771,944
Capital contributions	865,986	717,526	148,460	1,577,077	(859,551)
Change in net position	5,933,770	4,098,340	1,835,430	3,894,642	203,698
Net position:					
Beginning of year	97,530,035	93,431,695	4,098,340	89,537,053	3,894,642
End of year	$ 103,463,805	$ 97,530,035	$ 5,933,770	$ 93,431,695	$ 4,098,340

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position (continued)

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years.

In fiscal year 2024, the District's net position increased 6.08% or $5,933,770 from the prior year's net position of $97,530,035 to $103,463,805, as a result of the year's operations.

Total Revenues

	June 30, 2024	June 30, 2023	Increase (Decrease)	June 30, 2022	Increase (Decrease)
Operating revenues:					
Sewer use assessments and charges	$ 18,680,095	$ 16,999,751	$ 1,680,344	$ 15,491,846	$ 1,507,905
Recycled water fees	113,735	246,090	(132,355)	127,742	118,348
Other operating revenues	104,610	176,308	(71,698)	67,675	108,633
Total operating revenues	18,898,440	17,422,149	1,476,291	15,687,263	1,734,886
Non-operating revenues:					
Property taxes	1,771,975	1,718,435	53,540	1,706,346	12,089
Franchise fees	175,202	166,059	9,143	162,382	3,677
Investment earnings	1,568,675	489,894	1,078,781	(168,833)	658,727
Total non-operating revenues	3,515,852	2,374,388	1,141,464	1,699,895	674,493
Total revenues	$ 22,414,292	$ 19,796,537	$ 2,617,755	$ 17,387,158	$ 2,409,379

Operating revenue increased in 2024 by $1,476,291 consistent with the increase to the prior year. While the sewer service charge (SSC) rate increase of 9.9% was imposed for fiscal year 2024, it was the primary source of the increased revenue. As the District began its first year of a four-year rate plan, it is anticipated that SSC revenue will return to normal after COVID-19 drop in commercial revenue and increase approximately 10% per year over the remaining 3 years.

Non-operating revenues increased as LAIF calculated a positive fair value measurement as of June 30, 2024 and investment earnings rose due to increased interest rate returns in California CLASS and CAMP investment accounts.

Connection fees – are primarily dependent on the level of densification of existing development with the District. In previous years, development has consisted of decentralized development rather than new greenfield development. In 2023 and 2024, larger projects along with new greenfield development applications, have been submitted to the District resulting in an increase in connection fee revenue collected to reserve system capacity. Developers have the option to pay their connection fees over a two-year period. Connection fee contributions increased to $450,374 in 2024, compared to $325,673 revenue in 2023. There is no guarantee that the connection fee revenue will continue to grow at the current pace.

Marin Municipal Water District (MMWD) capacity purchase – are for the purchase of capacity from the previous recycled water treatment facility and its proportionate share of the expanded facility expenditures recently incurred as part of the STPURWE project.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

	June 30, 2024	June 30, 2023	Increase (Decrease)	June 30, 2022	Increase (Decrease)
Operating expenses:					
Sewage collection and pump stations	$ 3,058,514	$ 2,741,055	$ 317,459	1,941,906	799,149
Sewage treatment	4,018,207	3,671,060	347,147	3,211,152	459,908
Sewage and solid waste disposal	433,547	712,974	(279,427)	435,226	277,748
Laboratory	524,678	534,204	(9,526)	506,304	27,900
Engineering	1,050,347	937,443	112,904	982,986	(45,543)
Recycled Water	83,536	102,306	(18,770)	62,460	39,846
General and administrative	3,251,544	2,290,957	960,587	2,898,595	(607,638)
Total operating expenses	12,420,373	10,989,999	1,430,374	10,038,629	951,370
Depreciation and amortization expense	3,215,545	3,619,251	(403,706)	3,127,040	492,211
Non-operating expenses:					
Interest expense	1,710,590	1,806,473	(95,883)	1,903,924	(97,451)
Total non-operating expenses	1,710,590	1,806,473	(95,883)	1,903,924	(97,451)
Total expenses	$ 17,346,508	$ 16,415,723	$ 930,785	$ 15,069,593	$ 1,346,130

Operating expenses before depreciation expense – increased by 13.02% or $1,430,374 from $10,989,999 to $12,420,373 from the prior year, primarily due to increases in sewage collection and pump stations, sewage treatment, and general and administrative expenses.

Recycled water – expenses increased once the new recycled water plant was brought online in March 2021. Operation and maintenance expenses for recycled water production has increased in 2024 and therefore the recoverable revenue collected from the Marin Municipal Water District and North Marin Water District has also increased.

Interest expense – decreased by $95,883 as the District continues to make scheduled payments on its outstanding debt.

Capital Assets

Capital assets:	Balance June 30, 2024	Balance June 30, 2023	Balance June 30, 2022
Non-depreciable assets	$ 7,103,350	$ 75,608,448	$ 69,633,949
Depreciable assets	190,828,803	117,340,648	115,273,799
Accumulated depreciation	(72,667,472)	(69,451,927)	(65,832,676)
Total capital assets, net	$ 125,264,681	$ 123,497,169	$ 119,075,072

At the end of year 2024, the District's investment in capital assets amounted to $125,264,681 (net of accumulated depreciation), respectively. Capital asset additions amounted to $4,983,057 for various projects and equipment. See Note 6 for further information.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Capital Assets (continued)

The major capital construction projects and activities for the fiscal year ended June 30, 2024 were:

- Completion of the Secondary Treatment Plant Upgrade Project
- Secondary effluent line modifications
- Standby generator upgrades at minor Pump Stations
- Catwalks over ponds and center pivots in reclamation area
- Grit chamber auger rebuild

Debt Administration

The long-term debt of the District is summarized below:

Long-term debt:	Balance June 30, 2024	Balance June 30, 2023	Balance June 30, 2022
Long-term debt payable	$ 48,987,467	$ 51,766,054	$ 54,482,713

Long-term debt decreased by a total of $2,778,587 for the year ended June 30, 2024. Principal payments were $2,657,234 and amortization of the debt premium amounted to $121,353. See Note 9 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

ECONOMIC FACTORS, RATES AND BUDGETARY CONTROL

The District is a California Special District maintained as an enterprise fund. As a special district, charges to customers are made only to those who receive services. The District is not typically subject to general economic conditions such as increases or decreases in property tax values or other types of revenues that vary with economic conditions such as sales taxes. However, it does receive approximately 8% of its budget from property taxes which are dependent upon property tax valuations. Delinquent property tax payments will not materially impact the District as it participates in an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, Marin County allocates property tax revenues based on the total amount of property taxes billed, but not yet collected. The Teeter Plan allows counties to finance property tax receipts for local agencies, such as the District, by borrowing money to advance cash to each taxing jurisdiction in an amount equal to the current year's delinquent property taxes. There is always the possibility the State legislature changes the law in how future property tax revenue is allocated to special districts but the risk to the District remains small as just under 8% of its revenue comes from property taxes. Sewer Service Charges imposed by the District are placed on the property tax roll as a special assessment and, like property taxes under the Tetter Plan, delinquent tax payments by property owners will not materially impact the District. Accordingly, the District sets its user rates and capacity charges to cover the costs of operation, maintenance and recurring capital replacement and debt financed capital improvements, plus increments for known or anticipated changes in program costs.

ECONOMIC FACTORS, RATES AND BUDGETARY CONTROL (continued)

The District, as a wastewater collection and treatment plant operator, is subject to increasing regulatory compliance regulations. These regulations require upgrades to plant and equipment, as well as increased staff to effectively operate the system. The District reviewed its operating and capital needs during a four-year sewer service rate study through June 30, 2024. Most of the rate increase is for planned capital improvements, the largest of which is the new Laboratory and Education building, corporation yard, and Administration and Operations Control Center building with phased in construction planned to begin in 2025. Other substantial capital projects at the treatment plant and to the collection system are needed to improve wastewater processes to meet regulatory requirements.

The expected revenue from sanitary service charges for the fiscal year 2024-25 is $1,356 per Sanitary Unit. Expected Total Revenue is $20,866,010.

The District and its Board adopts an annual budget to serve as its formal financial plan. The Board sets all fees and charges required to fund the District's operations and capital programs. The budget is used as a key control device (1) to ensure Board approval for amounts set for operations and capital projects; (2) to monitor expenses and project progress; and (3) as compliance that approved spending levels have not been exceeded. All operating activities and capital activities of the District are included within the approved budget.

The District is monitoring the changes in the current financial and credit markets. Reserve funds are invested in two ways. The majority of funds are invested in the Districts investment accounts; California Cooperative Liquid Assets Security System (California CLASS), California Asset Management Program (CAMP), and the Local Agency Investment Fund (LAIF), which is an investment pool managed by the Treasurer of the State of California. The Treasurer's office is regularly informing the pool members of the impact of changes in the investment landscape on the portfolio. The balance is held in savings accounts with the local Bank of Marin. Community based banks tend to be more conservative in their lending decisions and retain funds within the locality. Funds on deposit with the bank are covered by insurance from the Federal Deposit Insurance Corporation up to $250,000. In addition, the funds are collateralized 110% by securities held in trust.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Administrative Services Manager, 101 Lucas Valley Rd., Suite 300, San Rafael, CA 94903 – (415) 472-1734.

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2024	2023
Current assets:		
Cash and cash equivalents (Note 2)	$ 30,865,330	$ 28,862,994
Accrued interest receivable	20,700	181,867
Accounts receivable (Note 4)	1,299,202	866,311
Private sewer later assistance program receivable (Note 5)	71,640	78,918
Inventory – materials and supplies	421,924	424,502
Prepaid expenses	204,653	181,727
Total current assets	32,883,449	30,596,319
Non-current assets:		
Restricted – cash and investments (Note 2 and 3)	913,717	909,196
Private sewer lateral assistance program receivable (Note 5)	249,006	278,945
Capital assets – not being depreciated (Note 6)	7,103,350	75,608,448
Capital assets – being depreciated, net (Note 6)	118,161,331	47,888,721
Total non-current assets	126,427,404	124,685,310
Total assets	159,310,853	155,281,629
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 9)	14,992	24,459
Deferred amounts related to net OPEB liability (Note 10)	782,362	889,041
Deferred amounts related to net pension liability (Note 11)	2,255,720	2,084,837
Total deferred outflows of resources	3,053,074	2,998,337
Total assets and deferred outflows of resources	$ 162,363,927	$ 158,279,966
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,040,399	$ 1,247,203
Deposits and unearned revenues	57,768	57,768
Accrued interest payable	452,079	471,113
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	220,120	176,690
Right-to-use lease payable (Note 8)	47,632	102,388
Long-term debt payable (Note 9)	2,764,544	2,657,234
Total current liabilities	5,582,542	4,712,396
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	513,613	412,276
Right-to-use lease payable (Note 8)	-	47,632
Long-term debt payable (Note 9)	46,222,923	49,108,820
Net OPEB liability (Note 10)	938,243	899,028
Net pension liability (Note 11)	4,891,752	4,448,657
Total non-current liabilities	52,566,531	54,916,413
Total liabilities	58,149,073	59,628,809
Deferred inflows of resources:		
Deferred amounts related to net OPEB liability (Note 10)	651,022	951,593
Deferred amounts related to net pension liability (Note 11)	100,027	169,529
Total deferred inflows of resources	751,049	1,121,122
Net position:		
Net investment in capital assets (Note 12)	76,244,574	71,605,554
Restricted for debt service (Note 3)	913,717	909,196
Unrestricted	26,305,514	25,015,285
Total net position	103,463,805	97,530,035
Total liabilities, deferred inflows of resources and net position	$ 162,363,927	$ 158,279,966

LAS GALLINAS VALLEY SANITARY DISTRICT

Statements of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)

	2024	2023
Operating revenues:		
Sewer use assessments and charges	$ 18,680,095	$ 16,999,751
Recycled water fees	113,735	246,090
Other charges and services	104,610	176,308
Total operating revenues	18,898,440	17,422,149
Operating expenses:		
Sewage collection and pump stations	3,058,514	2,741,055
Sewage treatment	4,018,207	3,671,060
Sewage and solid waste disposal	433,547	712,974
Laboratory	524,678	534,204
Engineering	1,050,347	937,443
Recycled water	83,536	102,306
General and administrative	3,251,544	2,290,957
Total operating expenses	12,420,373	10,989,999
Operating income before depreciation and amortization	6,478,067	6,432,150
Depreciation and amortization expense	(3,215,545)	(3,619,251)
Operating income	3,262,522	2,812,899
Non-operating revenues(expenses):		
Property taxes	1,771,975	1,718,435
Franchise fees	175,202	166,059
Investment earnings	1,568,675	489,894
Interest expense	(1,710,590)	(1,806,473)
Total non-operating revenues(expenses), net	1,805,262	567,915
Change in net position before capital contributions	5,067,784	3,380,814
Capital Contributions:		
Federal and state capital grants	-	3,120
Connection fees	450,374	325,673
MMWD capacity purchase	364,049	388,733
Recycled water capital repair and replacement	51,563	-
Total capital contributions	865,986	717,526
Change in net position	5,933,770	4,098,340
Net position:		
Beginning of year	97,530,035	93,431,695
End of year	$ 103,463,805	$ 97,530,035

LAS GALLINAS VALLEY SANITARY DISTRICT

Statements of Cash Flows

For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)

	2024	2023
Cash flows from operating activities:		
Cash receipts from customers and others	$ 18,465,549	$ 17,342,233
Cash paid to employees for salaries and wages	(4,999,834)	(4,491,841)
Cash paid to vendors and suppliers for materials and services	(6,454,891)	(7,566,157)
Net cash provided by operating activities	7,010,824	5,284,235
Cash flows from non-capital financing activities:		
Proceeds from property taxes	1,771,975	1,718,435
Franchise fees	175,202	166,059
Advances for the private sewer lateral assistance program	80,202	91,627
Repayment from the private sewer lateral assistance program	(42,985)	(68,045)
Net cash provided by non-capital financing activities	1,984,394	1,908,076
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,983,057)	(8,041,348)
Principal paid on right-to-use leased asset	(102,388)	(115,298)
Principal paid on long-term debt	(2,657,234)	(2,595,306)
Interest paid on long-term debt	(1,841,410)	(1,937,294)
Proceeds from federal and state capital grants	-	3,120
Connection fees	450,374	325,673
MMWD capacity purchase	364,049	388,733
Recycled water capital repair and replacement	51,563	-
Net cash used in capital and related financing activities	(8,718,103)	(11,971,720)
Cash flows from investing activities:		
Investment earnings	1,729,742	349,314
Net cash provided by (used in) investing activities	1,729,742	349,314
Net increase(decrease) in cash and cash equivalents	2,006,857	(4,430,095)
Cash and cash equivalents:		
Beginning of year	29,772,190	34,202,285
End of year	$ 31,779,047	$ 29,772,190
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and cash equivalents	$ 30,865,330	$ 28,862,994
Restricted – cash and investments	913,717	909,196
Total cash and cash equivalents	$ 31,779,047	$ 29,772,190

LAS GALLINAS VALLEY SANITARY DISTRICT
Statements of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)

	2024	2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 3,262,522	$ 2,812,899
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,215,545	3,619,251
Change in assets – (increase)decrease:		
Accounts receivable	(432,891)	(79,916)
Inventory – materials and supplies	2,578	(126,812)
Prepaid expenses	(22,926)	(43,674)
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB liability	106,679	(141,724)
Deferred amounts related to net pension liability	(170,883)	(1,146,504)
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	793,196	(207,486)
Compensated absences	144,767	84,070
Net OPEB liability	39,215	(33,306)
Net pension liability	443,095	2,308,108
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to net OPEB liability	(300,571)	(15,815)
Deferred amounts related to net pension liability	(69,502)	(1,744,856)
Total adjustments	3,748,302	2,471,336
Net cash provided by operating activities	$ 7,010,824	$ 5,284,235
Noncash investing, capital and financing transactions:		
Amortization of bond premium	$ (121,353)	$ (121,353)
Amortization of deferred amounts related to refunding of long-term debt	$ 9,467	$ 9,467

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Las Gallinas Valley Sanitary District (District) was formed on April 6, 1954 as a special district of the State of California. The District provides sewage collection, treatment, disposal, and wastewater recycling services, as well as manages the refuse hauling and recycling services franchise. The District currently serves over 30,000 people in communities north of central San Rafael. The District's wastewater treatment and recycling facilities are located in Marin County on over 400 acres on San Pablo Bay.

The scope of this report extends exclusively to the financial information presented for the District. The District is governed by a five-person Board of Directors (Board) elected for four-year terms. The Board has no oversight responsibility for any other governmental unit or agency. As such, the Board's governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters extends only to the affairs of the District.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents
For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments
Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Restricted Assets
Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

4. Accounts Receivable
Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. The majority of the District's sewer user assessment revenue and all of the property tax revenue is collected by the County of Marin through charges on the tax rolls. The collections are remitted to the District as follows: 55% in December, 40% in April, and the balance of 5% during June and July. The June and July remittances allow the County as the collection agent to true-up any changes for revisions in the sewer charges after the initial calculation in August.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Inventory – Materials and Supplies
Supply inventories maintained by the District consist primarily of chemicals, pipe fittings, valves, pumps and filters. Inventories are valued at cost using the first-in, first-out method.

6. Prepaids
Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

7. Right-To-Use Leased Asset and Right-To-Use Lease Payable
The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. The District has established a single model for lease accounting based on the principle that leases are financings of a right-to-use underlying asset. As a lessee, the District is required to recognize a lease liability(payable) and an intangible right-to-use leased asset. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and lease payable if certain changes occur that are expected to significantly affect the amount of the lease payable.

8. Capital Assets
Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over $5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Subsurface lines	50-75 years
Facilities and structures	15-40 years
Equipment	5-20 years

9. Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. Compensated Absences
The District's personnel policies provide vacation and sick leave benefits to its employees. Upon separation from employment, employees are paid for accumulated vacation days and accrued administrative and compensated time off (overtime hours for which pay is not taken). Employees who have been with the District for at least three years are also paid for one-half of their accumulated sick days.

11. Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2022
Measurement Date June 30, 2023
Measurement Period July 1, 2022 to June 30, 2023

12. Pensions
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2022
Measurement Date June 30, 2023
Measurement Period July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retires) as of the beginning of the measurement period.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

13. Net Position

Net position is classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets -** This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted net position –** This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position -** This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Marin County Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Marin County Treasurer's Office remits the total amount of property taxes billed regardless if they have been collected or not.

The property tax calendar is as follows:

Lien date January 1
Levy date July 1
Due dates November 1 and February 1
Collection dates December 10 and April 10

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Grant Revenue

The District's grants are cost-reimbursement grants, which are earned as the allowable expenditures under the agreement are made. A receivable is recorded when the criteria established for requesting reimbursement under the grant agreement has been satisfied and the amount of reimbursement is determinable. Grants for feasibility studies are recorded as nonoperating income. Grants for capital purposes are reported as capital contributions.

G. Connection Fees

Connection fees are capital recovery fees established as one-time charges assessed against developers or new customers to recover a part or all the cost of additional system capacity constructed for their use. The amounts charged are recognized when paid, which reserves system capacity for the property.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

Description	June 30, 2024
Cash and cash equivalents	$ 30,865,330
Restricted – cash and investments	913,717
Total cash and investments	$ 31,779,047

Cash and investments consisted of the following:

Description	June 30, 2024
Petty cash	$ 472
Demand deposits held with financial institutions	4,023,182
Local Agency Investment Fund (LAIF)	1,832,541
California Cooperative Liquid Assets Securities System (CLASS)	9,246,670
California Asset Management Program (CAMP) Pool	15,762,465
Investments	913,717
Total cash and investments	$ 31,779,047

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions
At June 30, 2024, the carrying amount of the District's demand deposits were $4,023,182 and the financial institution's balances were $4,098,694. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

Custodial Credit Risk – Deposits
Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

Local Agency Investment Fund (LAIF)
The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State's cash flow and strengthen the financial security of local public agencies. PMIA's policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). LAIF allows cities, counties, and special districts to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held $1,832,541 in LAIF.

NOTE 2 – CASH AND INVESTMENTS (continued)

California Cooperative Liquid Assets Securities System (California CLASS)
The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of power entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAm (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held $9,246,670 in California CLASS. Fiscal year 2024 was the first year the District participated in California CLASS.

California Asset Management Program (CAMP) Pool – External Pool
The District is a voluntary participant in the California Asset Management Program (CAMP), a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of $1.00. The CAMP Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions.

The CAMP Pool is a permitted investment for all local agencies under CGC Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced finance directors and treasurers of California public agencies that are members of the JPA. CAMP determines fair value on its investment portfolio based on amortized cost. The District measures the value of its CAMP Pool investment at the fair value amount provided by CAMP. On June 30, 2024, the CAMP Pool had a total portfolio of approximately $20.5 billion of which all was invested in non-derivative financial products. The average maturity of the CAMP Pool's investments was 38 days as of June 30, 2024. For financial reporting purposes, the Agency considers CAMP Pool a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held $15,762,465 in the CAMP Pool.

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments
The District's investments as of June 30, 2024 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity: 12 Months or Less	Maturity: 13 to 24 Months
Negotiable certificates-of-deposit	Level 2	AAA	$ 913,581	$ -	$ 913,581
Money-market mutual funds	N/A	N/A	136	136	-
Total investments			$ 913,717	$ 136	$ 913,581

Authorized Investments and Investment Policy
The District has adopted an investment policy directing the fiscal officer to deposit funds in financial institutions to purchase financial investments in accordance with California Government Code 53600-53610.

Disclosures Relating to Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2024.

Disclosures Relating to Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2024.

Concentration of Credit Risk
The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in LAIF.

Fair Value Measurements
The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the District's investments were assigned a Level 2 input on the Investment Table.

NOTE 3 – RESTRICTED CASH AND INVESTMENTS AND RESTRICTED NET POSITION

Restricted cash and investments consist of bank accounts required for maintenance of the revenue bonds – 2017 and the related debt service reserve funds. The debt service reserve funds are invested in negotiable certificates-of-deposit with Bank of Marin with maturity dates in fiscal year 2026.

NOTE 4 – ACCOUNTS RECEIVABLE

The balance at June 30, 2024 and 2023 consisted of the following;

Description	June 30, 2024	June 30, 2023
Sewer use charges receivable	$ 547,935	$ 266,814
Sewer use charges – assessment receivable	175,677	23,484
Property taxes receivable	7,830	8,253
Retention receivable	567,760	567,760
Total accounts receivable	$ 1,299,202	$ 866,311

NOTE 5 – PRIVATE SEWER LATERAL ASSISTANCE PROGRAM

The District has a private sewer lateral assistance program which allows property owners to receive an advance to repair or replace their sewer laterals. The maximum that may be advanced under the program is $10,000 per property, with interest charged at 2%, and the amount is repaid over 10 years through the property tax collections.

The activity in the program for the fiscal year ending June 30, 2024 consisted of the following;

Description	Balance
Balance at July 1, 2023	$ 357,863
Payments received	(80,202)
Advances made	42,985
Balance at June 30, 2024	$ 320,646

Scheduled payments to be received from the advances in future years are as follows:

Fiscal Year	Payment
2025	$ 71,640
2026	49,902
2027	44,825
2028	37,589
2029	34,333
2030 - 2034	82,357
Total	320,646
Current	(71,640)
Long-term	$ 249,006

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

Description	Balance July 1, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Non-depreciable assets:				
Land	$ 2,867,571	$ -	$ -	$ 2,867,571
Construction-in-process	72,740,877	4,726,071	(73,231,169)	4,235,779
Total non-depreciable assets	75,608,448	4,726,071	(73,231,169)	7,103,350
Depreciable assets:				
Subsurface lines and manholes	35,887,968	47,045	-	35,935,013
Sewage collection	3,346,003	37,936	-	3,383,939
Sewage treatment	41,462,588	62,207,948	-	103,670,536
Sewage disposal	8,200,137	-	-	8,200,137
Reclamation	1,578,216	238,736	-	1,816,952
Recycled water production	9,501,549	10,888,971	-	20,390,520
Pump stations	14,100,050	15,634	-	14,115,684
Administration	2,185,380	38,976	-	2,224,356
Laboratory	563,001	12,909	-	575,910
Total depreciable assets	116,824,892	73,488,155	-	190,313,047
Accumulated depreciation:				
Subsurface lines and manholes	(18,664,728)	(671,131)	-	(19,335,859)
Sewage collection	(2,375,033)	(143,849)	-	(2,518,882)
Sewage treatment	(23,926,276)	(1,299,630)	-	(25,225,906)
Sewage disposal	(7,384,648)	(147,234)	-	(7,531,882)
Reclamation	(1,068,196)	(44,876)	-	(1,113,072)
Recycled water production	(4,100,500)	(383,498)	-	(4,483,998)
Pump stations	(9,901,716)	(339,661)	-	(10,241,377)
Administration	(1,308,358)	(67,705)	-	(1,376,063)
Laboratory	(352,847)	(14,810)	-	(367,657)
Total accumulated depreciation	(69,082,302)	(3,112,394)	-	(72,194,696)
Total depreciable assets, net	47,742,590	70,375,761	-	118,118,351
Right-to-use leased asset:				
Leased building	515,756	-	-	515,756
Accumulated amortization:				
Leased building	(369,625)	(103,151)	-	(472,776)
Total right-to-use leased asset, net	146,131	(103,151)	-	42,980
Total capital assets, net	$ 123,497,169	$ 74,998,681	$ (73,231,169)	$ 125,264,681

NOTE 7 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2024, were as follows:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
$ 588,966	$ 734,834	$ (590,067)	$ 733,733	$ 220,120	$ 513,613

NOTE 8 – RIGHT-TO-USE LEASE PAYABLE

Changes in right-to-use lease payable for fiscal year ending June 30, 2024 was as follows:

Balance July 1, 2023	Additions	Payments	Balance June 30, 2024	Current Portion	Long-term Portion
$ 150,020	$ -	$ (102,388)	$ 47,632	$ 47,632	$ -

Annual debt service requirements for the right-to-use lease payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 47,632	$ 238	$ 47,870
Total	47,632	$ 238	$ 47,870
Current	(47,632)		
Long-term	$ -		

The District is reporting a total right-to-use leased asset, net of $42,980 and a right-to-use lease payable of $47,632 for the year ending June 30, 2024. Also, the District is reporting total amortization expense of $103,151, principal payments of $102,388 and interest expense of $2,171 related to the above noted lease.

The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease payments to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease.

The District's lease is summarized as follows:

Building Space
On December 1, 2019, the District entered into a 60-month lease for building space and a meeting room to serve as the District's administrative building. An initial right-to-use lease liability was recorded in the amount of $515,756. The District began making monthly payments of $7,796 per month in 2019 for the District offices with annual increases of 3.0% every December. A small secondary office conference room space was added to the rent for an additional $800 per month in 2020. The lease has an implied interest rate of 2.0%. The District is amortizing the right-to-use leased asset of $515,756 at $8,596 per month. The District has plans to build a new administrative building at its plant location by end of calendar year 2029. The District is planning to renew the lease until the completion of construction.

NOTE 9 – LONG-TERM DEBT PAYABLE

Changes in long-term debt payable for the year ended June 30, 2024, were as follows:

Description	Balance July 1, 2023	Additions	Payments	Balance June 30, 2024	Current Portion	Long-term Portion
Loan payable – 2011	$ 2,279,775	$ -	$ (247,186)	$ 2,032,589	$ 257,318	$ 1,775,271
State revolving fund loan – 2012	2,254,080	-	(224,604)	2,029,476	230,669	1,798,807
Loan payable – 2019	10,623,025	-	(370,444)	10,252,581	381,557	9,871,024
Revenue bonds – 2005	2,068,800	-	(660,000)	1,408,800	690,000	718,800
Revenue bonds – 2017	32,265,000	-	(1,155,000)	31,110,000	1,205,000	29,905,000
Revenue bonds – 2017 – premium	2,275,374	-	(121,353)	2,154,021	-	2,154,021
	$ 51,766,054	$ -	$ (2,778,587)	$ 48,987,467	$ 2,764,544	$ 46,222,923

Loan Payable – 2011

The District entered into a financing agreement with Bank of Marin on June 10, 2011 for $4,600,000. The loan is for the recycled water facility which was completed in July 2012. The loan bears interest at 3.88%, requires a reserve fund equal to one year's debt service, or $332,681, and monthly principal and interest payments of $27,723 beginning July 2011 through June 10, 2031. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.2 to 1.0. Annual debt service requirements for the loan payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 257,318	$ 75,363	$ 332,681
2026	267,625	65,056	332,681
2027	278,345	54,336	332,681
2028	289,381	43,300	332,681
2029	301,085	31,596	332,681
2030 - 2031	638,835	26,527	665,362
Total	2,032,589	$ 296,178	$ 2,328,767
Current	(257,318)		
Long-term	$ 1,775,271		

NOTE 9 – LONG-TERM DEBT PAYABLE (continued)

State Revolving Fund Loan – 2012

The District had a construction loan with the State Water Resources Control Board, which converted to a term loan in November 2012 after the last construction draw was received. The loan bears interest at 2.7%, requires a reserve fund equal to one year's debt service, or $285,464, and annual principal and interest payments beginning June 1, 2012 through June 1, 2032. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.2 to 1.0. Annual debt service requirements for the loan payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 230,669	$ 54,795	$ 285,464
2026	236,897	48,567	285,464
2027	243,293	42,171	285,464
2028	249,862	35,602	285,464
2029	256,608	28,856	285,464
2030 - 2032	812,147	44,249	856,396
Total	2,029,476	$ 254,240	$ 2,283,716
Current	(230,669)		
Long-term	$ 1,798,807		

Loan Payable – 2019

The District entered into an agreement with California Infrastructure and Economic Development Bank (iBank) in May 2019 for a loan of $12,000,000. The loan has maturity dates ranging from August 1, 2019 through August 1, 2043; interest is due each February and August with the first payment due August 1, 2019. Payments of principal and interest are due whether or not any of the funds have been disbursed. As of June 30, 2024, $11,432,240 of these funds have been received. The interest rate on the loan is 3.00% per annum. Annual debt service requirements for the loan payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 381,557	$ 301,854	$ 683,411
2026	393,004	290,236	683,240
2027	404,794	278,269	683,063
2028	416,938	265,943	682,881
2029	429,446	253,247	682,693
2030 - 2034	2,348,386	1,062,061	3,410,447
2035 - 2039	2,722,422	682,413	3,404,835
2040 - 2044	3,156,034	242,298	3,398,332
Total	10,252,581	$ 3,376,321	$ 13,628,902
Current	(381,557)		
Long-term	$ 9,871,024		

NOTE 9 – LONG-TERM DEBT PAYABLE (continued)

Revenue Bonds – 2005
The District issued $10,000,000 of Wastewater Revenue Certificates of Participation Bonds rated AA on November 15, 2005. The bonds had maturity dates ranging from December 1, 2006 through December 1, 2025 and carried an average interest rate of 4%. The net proceeds from the sale, after paying issuance costs, underwriter fees, and the reserve surety bond premium was $9,774,000.

In April 2014, the bonds were refinanced with Municipal Finance Corporation, a private lender. The principal balance outstanding was $6,880,000 and a 1% early call premium of $68,800 was required to retire the bonds. The refinanced bonds payable of $6,948,800 will be paid over the remaining term of the old debt, with principal payments due each December 1st; and interest payments are due each December 1st and June 1st through 2025. The interest rate on the refinanced debt is 3.3%.

The discount of $42,442 and the call premium of $68,800 are recorded as a deferred outflow of resources – deferred amount on debt refunding, net and is being amortized over the remaining term of the bond payments. The amount of amortization recorded to interest expense was $9,467 for the year ended June 30, 2024.

The debt is payable solely from net revenues of the District. Net revenues consist generally of all revenues after payment of adjusted operation and maintenance costs and include property taxes received by the District. The bond requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.15 to 1.0. Annual debt service requirements for the bond payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 690,000	$ 35,105	$ 725,105
2026	718,800	11,861	730,661
Total	1,408,800	$ 46,966	$ 1,455,766
Current	(690,000)		
Long-term	$ 718,800		

NOTE 9 – LONG-TERM DEBT PAYABLE (continued)

Revenue Bonds – 2017

The District issued $38,365,000 of Revenue Bonds rated AAA on April 28, 2017. The bonds have maturity dates ranging from April 1, 2018 through April 1, 2042; interest is due each October and April with the first payment due October 1, 2017. The yield to maturity on the bonds ranges from 0.87% to 3.57% with a stated interest rate of 4% and a true interest cost of 3.2984%.

The bonds are generally callable in whole or in part on or after April 1, 2027. This special call provision relates to the expansion of the recycled water treatment facility to serve MMWD (See Note 15).

Issuance costs, surety bond premium and underwriter's discount were expensed in the year of issuance. The original issue premium will be amortized to interest expense annually at $121,353 over the remaining term of the bonds.

The interest paid on the bonds qualifies as exempt from income tax for specified bond holders. As such the District is subject to Internal Revenue Code requirements concerning arbitrage. There are safe harbors for spending the bond proceeds that can exempt the District from having to rebate any excess interest earned on unspent funds in excess of interest paid to bond holders. The arbitrage calculation is required every five years; the first compliance report was completed on July 1, 2022 for the period April 28, 2017 to April 27, 2022.

The debt is payable solely from net revenues of the District. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.25 to 1.0. Annual debt service requirements for the bond payable are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 1,205,000	$ 1,244,400	$ 2,449,400
2026	1,250,000	1,196,200	2,446,200
2027	1,300,000	1,146,200	2,446,200
2028	1,355,000	1,094,200	2,449,200
2029	1,405,000	1,040,000	2,445,000
2030 - 2034	8,195,000	4,309,600	12,504,600
2035 - 2039	9,640,000	2,539,200	12,179,200
2040 - 2042	6,760,000	548,000	7,308,000
Total	31,110,000	$ 13,117,800	$ 44,227,800
Current	(1,205,000)		
Long-term	$ 29,905,000		

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2024
OPEB related deferred outflows	$ 782,362
Net other post-employment benefits liability	938,243
OPEB related deferred inflows	651,022

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan

Plan Description
The District has established an agent multiple-employer other post-employment benefit plan that provides health insurance (OPEB Plan) to employees in accordance with the Memorandum of Understanding between the District and its employees. These employees must meet certain service requirements and retire directly from employment with the District. According to the most current postemployment medical benefits plan, effective July 1, 2014 there are four tiers of benefits.

Tier 1 – Employees who retired prior to January 1, 2003, with five years of service, receive a benefit that is indexed by 6% each year and are eligible for spousal coverage up to the benefit cap. The monthly cap was $1,042 as of January 1, 2024.

Tier 2 – Employees who were employed prior to January 1, 2003, and retire with five years of District service, receive a monthly benefit that is set by the California Department of Personnel Administration. The monthly benefit cap was $983 as of January 1, 2024. This benefit is available to the employee only without any spousal coverage.

Tier 3 – Employees hired after January 1, 2003 are eligible for benefits from 50% to 100% of the rate established by the California Department of Personnel Administration. They have to work for the District for at least five years, retire from the District, and have a minimum of 10 years of CalPERS agency service to receive a 50% benefit. The benefit increases 5% each year after that until the maximum coverage is reached at 20 years of service.

Tier 4 – Employees who are hired after July 1, 2014 and retire from the District after 10 years of service are eligible for benefits from 50% to 100% of the rate established by the California Department of Personnel Administration. The benefit increases 5% each year after that until the maximum coverage is reached at 20 years of service and is available only to the employee. All employees who retire from the District, have five years of CalPERS service credits, and participate in the CalPERS medical plan receive a benefit paid by the District equal to the minimum Public Employees' Medical and Hospital Care Act (PEMHCA) contribution. This monthly contribution is included in the cap outlined above for all tiers. However, an employee who is a member of Tier 3, but does not work for the District for five years, and has five years of CalPERS service credits, is eligible for the PEMHCA. The monthly amount was $157 as of January 1, 2024.

Funding Policy
The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis with contributions being made to an OPEB Trust.

Contributions
Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For the fiscal year ended June 30, 2024, the measurement period, the District's contributions totaling $296,664 included $162,820 placed in its OPEB Trust, $102,010 in current year premium payments, and an implied subsidy of $31,834.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Accounting for the Plan
The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments
Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability
The District's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions
The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	5.75%
Long-Term Expected	
Rate of Return on Investments	5.75%
Inflation	2.50%
Payroll increases	2.75%
Healthcare Trend Rates	Non-Medicare - 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Morbidity	CalPERS 2000 - 2019 Experience Study
Mortality	CalPERS 2000 - 2019 Experience Study
Disability	CalPERS 2000 - 2019 Experience Study
Retirement	CalPERS 2000 - 2019 Experience Study
Percent Married	80% of future retirees would enroll a spouse

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
PARS moderate investment policy:		
Equity	34.00%	4.56%
Fixed income	41.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	17.00%	4.06%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023 (Measurement date June 30, 2022)	$ 2,882,764	$ 1,983,736	$ 899,028
Changes for the year:			
Service cost	205,090	-	205,090
Interest	173,937	-	173,937
Employer contributions	-	265,824	(265,824)
Net investment income	-	75,113	(75,113)
Benefit payments	(125,728)	(125,728)	-
Administrative expenses	-	(1,125)	1,125
Net changes	253,299	214,084	39,215
Balance at June 30, 2024 (Measurement date June 30, 2023)	$ 3,136,063	$ 2,197,820	$ 938,243

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Changes of Assumptions
In fiscal year 2022-23, the measurement period, there were no changes to the discount rate.

Change of Benefit Terms
In fiscal year 2022-23, the measurement period, there were no changes to the benefit terms.

Subsequent Events
There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current discount rate:

	1% Decrease 4.75%	Discount Rate 5.75%	1% Increase 6.75%
Net OPEB Liability	$ 1,333,948	$ 938,243	$ 609,547

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	1% Decrease	Healthcare Cost Current Trend	1% Increase
Net OPEB Liability	$ 535,272	$ 938,243	$ 1,436,538

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
For the year ended June 30, 2024, the District recognized OPEB expense of $141,987. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions made after the measurement date	$ 296,664	$ -
Changes in assumptions	142,270	(157,118)
Differences between expected and actual experience	151,319	(493,904)
Differences between projected and actual earnings on OPEB plan investments	192,109	-
Total Deferred Outflows/(Inflows) of Resources	$ 782,362	$ (651,022)

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported $296,664 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	$ (84,309)
2026	(72,763)
2027	57,946
2028	(53,731)
2029	(12,467)
Total	$ (165,324)

At June 30, 2024, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

NOTE 11 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2024
Pension related deferred outflows	$ 2,255,720
Net pension liability	4,891,752
Pension related deferred inflows	100,027

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

NOTE 11 – PENSION PLAN (continued)

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates – FY 2023	14.030%	7.470%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2023 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2023 measurement date, the following members were covered by the benefit terms:

	Miscellaneous Plans		
Plan Members	Classic Tier 1	PEPRA Tier 2	Total
Active members	11	18	29
Transferred and terminated members	12	11	23
Retired members and beneficiaries	28	-	28
Total plan members	51	29	80

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

NOTE 11 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided
CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on plan formulas, years of credited service, age and final compensation. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For employees who are considered Classic CalPERS members, not New Members, as defined in the Public Employees' Pension Reform Act of 2013 (PEPRA), the District's contract with CalPERS provides for a retirement benefit of 2.7% at age 55 and includes the benefit commonly known as Single Highest Year. Employees in the "Classic" tier contribute the full required 8.0% employee contribution.

New Members are subject to the provisions of PEPRA which provides a retirement benefit of 2% at age 62 and the benefit based on the final three years of compensation. New Members to CalPERS shall contribute a total of eight percent (8%) towards the cost of providing the PEPRA retirement benefit to the employee. If the statutorily required PEPRA member employee normal contribution rate is less than eight percent (8%) then the employee shall contribute the percentage difference towards the employer normal contribution rate. If the employee contribution rate for New Members at any time exceeds 8%, the New Members tier contribution towards the employer's normal contribution rate will be zero percent (0%).

Contributions for the year ended June 30, 2024, were as follows:

	Miscellaneous Plans		
Contribution Type	**Classic Tier 1**	**PEPRA Tier 2**	**Total**
Contributions – member	$ 604,166	$ 144,870	$ 749,036

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

Proportionate Share of Net Pension Liability and Pension Expense
The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

NOTE 11 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)
The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Change Increase/ (Decrease)
Measurement Date	June 30, 2023	June 30, 2022	
Percentage of Risk Pool Net Pension Liability	0.097827%	0.095072%	0.002755%
Percentage of Plan Net Pension Liability	0.039211%	0.038514%	0.000697%

The District's proportionate share percentage of the net pension liability over the measurement period for the fiscal year ended June 30, 2024, was as follows:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2022 (Measurement Date)	$ 16,941,130	$ 12,492,473	$ 4,448,657
Balance as of June 30, 2023 (Measurement Date)	$ 18,490,511	$ 13,598,759	$ 4,891,752
Change in Plan Net Pension Liability	$ 1,549,381	$ 1,106,286	$ 443,095

For the year ended June 30, 2024, the District recognized pension expense of $951,746. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	$ 749,036	$ -
Difference between actual and proportionate share of employer contributions	89,420	(22,288)
Adjustment due to differences in proportions	80,011	(38,975)
Differences between expected and actual experience	249,897	(38,764)
Differences between projected and actual earnings on pension plan investments	792,019	-
Changes in assumptions	295,337	-
Total Deferred Outflows/(Inflows) of Resources	$ 2,255,720	$ (100,027)

NOTE 11 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)
The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of $749,036 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	$ 434,136
2026	304,928
2027	644,866
2028	22,727
Total	$ 1,406,657

Actuarial Methods and Assumptions Used to Determine Total Pension Liability
For the measurement period ending June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

NOTE 11 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Long-term Expected Rate of Return
The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term fair value return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

Investment Type[1]	New Strategic Allocation	Real Return[1,2]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

[1] An expected inflation of 2.30% used for this period.
[2] Figures are based on the 2021 Asset Liability Management study.

NOTE 11 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
Plan Type	**Discount Rate - 1% 5.90%**	**Current Discount Rate 6.90%**	**Discount Rate + 1% 7.90%**
CalPERS – Miscellaneous Plan	7,392,515	$ 4,891,752	$ 2,833,409

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2024, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2024.

NOTE 12 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2024
Net investment in capital assets	
Capital assets – not being depreciated	$ 7,103,350
Capital assets, net – being depreciated	118,161,331
Deferred amounts related to refunding of long-term debt	14,992
Right-to-use lease payable – current portion	(47,632)
Long-term debt payable – current portion	(2,764,544)
Long-term debt payable – non-current portion	(46,222,923)
Total net investment in capital assets	$ 76,244,574

NOTE 13 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District offers Traditional and Roth 457 Deferred Compensation Programs (Programs). The employees can choose to participate in the program of their choice. The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. The District matches the 457 contribution amount of eligible employees who have an established 457 Deferred Compensation account on a dollar-for-dollar basis up to one thousand two hundred dollars ($1,200) per calendar year.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

NOTE 14 – RISK MANAGEMENT POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disaster. The District's insurance coverage is carried through the California Sanitation Risk Management Association (CSRMA) in pooled programs and through a commercial insurance carrier. CSRMA is a public entity risk pool currently operating as a common risk management and insurance program for member sanitary districts located throughout California. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group. Although CSRMA may assess additional premiums to a member district in the event of losses in excess of reserves, no additional assessments have occurred nor are they contemplated. The financial statements of CSRMA are available their website, www.csrma.org. Condensed financial information for CSRMA is presented below:

A.	**Entity**	CSRMA	
B.	**Purpose**	To spread the adverse effects of losses among the member entities and purchase excess insurance as a group.	
C.	**Participants**	As of June 30, 2023 – 59 member districts	
D.	**Governing board**	Ten representatives employed by members	
E.	**Condensed financial information**	June 30, 2023	
	Audit signed	December 4, 2023	
	Statement of financial position:		**June 30, 2023**
	Total assets		$ 35,837,500
	Total liabilities		25,803,417
	Net position		$ 10,034,083
	Statement of revenues, expenses and changes in net position:		
	Total revenues		$ 21,686,396
	Total expenses		(18,692,969)
	Change in net position		2,993,427
	Beginning – net position		7,040,656
	Ending – net position		$ 10,034,083
F.	**Member agencies share of year-end financial position**		Not Calculated

The District maintains workers' compensation coverage and employer's liability coverage in accordance with the statutory requirements of the State of California.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Marin Municipal Water District Water-Reclamation Agreement

In 2017, the District entered into a purchase and sale of recycled water agreement with MMWD to provide MMWD with up to 2.5 million gallons per day of plant capacity to produce a minimum of 600 acre fee per year, for 30 years. As part of the agreement, MMWD made an initial payment towards the cost of the existing facility of $333,563 and will make quarterly payments of $51,637 through October 1, 2022 and after that $26,890 per quarter through July 1, 2031 for their proportional share of loans made in 2011 and 2012. In addition, the District has designed an expansion of the existing facility in order to serve MMWD. Funding for the expansion is from part of the proceeds of the 2017 Revenue Bonds and a WaterSmart Grant awarded in 2015. The project was awarded to Myers & Sons Construction LLC on November 15, 2018 by the Board and the estimated construction cost was $48,622,939. On December 17, 2018 the General Manager signed the contract. The cost of the portion of the expansion ascribed to MMWD is $4.6 million with payments due semi-annually on April 1st and October 1st through April 1, 2042. MMWD paid $364,049 in 2024 per the agreement. The agreement superseded the previous Treatment Wastewater Agreement with MMWD, which terminated in June 2021, after the expanded recycled water facility began operation. (See Note 9 – Revenue Bonds – 2017 for further information)

The agreement with MMWD will be modified to revise the payment amounts due the District once the Notice of Completion is filed for the project and all costs are known. MMWD was responsible for demolishing the previously existing facility which was located on the District's site. The facility has been demolished.

In addition to these payments, MMWD is charged for deliveries of recycled water based on the District's regular, ongoing operations and maintenance costs. Both the District and MMWD are required to annually deposit into a capital repair and replacement fund equal to 10% of annual operations and maintenance costs.

Future minimum payments expected to be received from MMWD are as follows:

Fiscal Year	Total
2025	$ 364,447
2026	364,111
2027	364,111
2028	364,426
2029	363,986
2030 - 2034	1,553,465
2035 - 2039	1,277,331
2040 - 2042	739,560
	$ 5,391,437

North Marin Water District Recycled Water Production Agreement

In 2011, the District entered into an agreement with North Marin Water District (NMWD) to annually produce at least 220 acre feet of recycled water for 20 years. A Second Revised Inter-Agency agreement with NMWD was entered into on June 30, 2022, extending the term 30 years with recycled water delivery maximum capacity set at 0.7 million gallons per day. NMWD will reimburse the District for its operating and maintenance costs associated with producing the recycled water.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (continued)

Construction Contracts

The District has a variety of agreements with private parties relating to installation, improvement or modification of sewer facilities and treatment systems within its service area. The financing of such construction contracts is being provided primarily from debt proceeds, capital contributions, as well as the District's replacement reserves. As of June 30, 2024, the District estimates it will cost approximately $11,355,490 to complete the projects currently in construction-in-process. Some of the construction contracts are multi-year contracts that will carry into 2025 and beyond.

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, d*e minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 16 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 19, 2024, the date which the financial statements were available to be issued.

This page left intentionally blank.

Required Supplementary Information

LAS GALLINAS VALLEY SANITARY DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.27220%	$ 1,693,868	$ 1,801,016	94.05%	79.82%
June 30, 2015	0.03057%	2,098,373	2,002,442	104.79%	78.40%
June 30, 2016	0.34162%	2,722,446	2,065,897	131.78%	74.06%
June 30, 2017	0.03195%	3,169,000	2,234,070	141.85%	73.31%
June 30, 2018	0.03229%	3,111,237	2,263,451	137.46%	75.26%
June 30, 2019	0.03337%	3,419,231	2,427,993	140.83%	76.07%
June 30, 2020	0.03433%	3,734,920	2,523,986	147.98%	75.02%
June 30, 2021	0.03958%	2,140,549	2,767,942	77.33%	86.34%
June 30, 2022	0.03851%	4,448,657	3,193,903	139.29%	73.74%
June 30, 2023	0.03921%	4,891,752	3,711,773	131.79%	73.54%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:
There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:
There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:
There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:
There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:
The discount rate was reduced from 7.15% to 6.90% and the inflation rate was reduced from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:
There were no significant changes in assumptions.

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	$ 330,377	$ (330,377)	$ -	$ 2,002,442	16.50%
June 30, 2016	295,148	(295,148)	-	2,065,897	14.29%
June 30, 2017	331,323	(331,323)	-	2,234,070	14.83%
June 30, 2018	332,915	(332,915)	-	2,263,451	14.71%
June 30, 2019	374,938	(374,938)	-	2,427,993	15.44%
June 30, 2020	446,449	(446,449)	-	2,523,986	17.69%
June 30, 2021	526,615	(526,615)	-	2,767,942	19.03%
June 30, 2022	601,730	(601,730)	-	3,193,903	18.84%
June 30, 2023	686,680	(686,680)	-	3,711,773	18.50%
June 30, 2024	445,139	(749,036)	(303,897)	4,350,376	17.22%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense, including inflation
Retirement Age	50 years (2.7%@55), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

LAS GALLINAS VALLEY SANITARY DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

For the Year Ended June 30, 2024

Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:							
Service cost	$ 205,090	$ 167,475	$ 150,216	$ 77,111	$ 96,178	$ 91,597	$ 77,776
Interest	173,937	181,213	172,960	227,575	195,332	185,403	196,002
Changes of assumptions	-	85,135	172,113	(321,884)	(181,852)	-	(457,988)
Differences between expected and actual experience	-	(471,612)	-	(538,461)	514,719	(9,045)	156,326
Benefit payments	(125,728)	(127,020)	(129,717)	(133,439)	(117,075)	(132,720)	(153,771)
Net change in total OPEB liability	253,299	(164,809)	365,572	(689,098)	507,302	135,235	(181,655)
Total OPEB liability - beginning	2,882,764	3,047,573	2,682,001	3,371,099	2,863,797	2,728,562	2,910,217
Total OPEB liability - ending	3,136,063	2,882,764	3,047,573	2,682,001	3,371,099	2,863,797	2,728,562
Plan fiduciary net position:							
Contributions - employer	265,824	278,576	269,692	273,462	256,635	250,954	287,951
Net investment income	75,113	(282,141)	334,810	79,999	91,660	62,465	64,362
Administrative expense	(1,125)	(918)	(1,038)	(1,198)	(270)	(562)	(463)
Benefit payments	(125,728)	(127,020)	(129,717)	(133,439)	(117,075)	(132,720)	(153,771)
Net change in plan fiduciary net position	214,084	(131,503)	473,747	218,824	230,950	180,137	198,079
Plan fiduciary net position - beginning	1,983,736	2,115,239	1,641,492	1,422,668	1,191,718	1,011,581	813,502
Plan fiduciary net position - ending	2,197,820	1,983,736	2,115,239	1,641,492	1,422,668	1,191,718	1,011,581
District's net OPEB liability	$ 938,243	$ 899,028	$ 932,334	$ 1,040,509	$ 1,948,431	$ 1,672,079	$ 1,716,981
Plan fiduciary net position as a percentage of the total OPEB liability	70.08%	68.81%	69.41%	61.20%	42.20%	41.61%	37.07%
Covered-employee payroll	$ 4,331,646	$ 3,887,047	$ 3,167,587	$ 2,734,659	$ 2,676,304	$ 3,687,903	$ 2,252,470
District's net OPEB liability as a percentage of covered-employee payroll	21.66%	23.13%	29.43%	38.05%	72.80%	45.34%	76.23%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
Measurement Date June 30, 2018 – There were no changes in benefits
Measurement Date June 30, 2020 – There were no changes in benefits
Measurement Date June 30, 2019 – There were no changes in benefits
Measurement Date June 30, 2020 – There were no changes in benefits
Measurement Date June 30, 2021 – There were no changes in benefits
Measurement Date June 30, 2022 – There were no changes in benefits
Measurement Date June 30, 2023 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
Measurement Date June 30, 2018 – There were no changes in assumptions
Measurement Date June 30, 2019 – There were no changes in assumptions
Measurement Date June 30, 2020 – There were no changes in assumptions
Measurement Date June 30, 2021 – There were no changes in assumptions
Measurement Date June 30, 2022 – There were no changes in assumptions
Measurement Date June 30, 2023 – There were no changes in assumptions

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

LAS GALLINAS VALLEY SANITARY DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan

For the Year Ended June 30, 2024

Last Ten Fiscal Years*

Fiscal Year Ended	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**
Actuarially determined contribution	$ 289,963	$ 246,200	$ 241,523	$ 236,657	$ 228,225	$ 213,168	$ 219,673
Contributions in relation to the actuarially determined contributions	(296,664)	(265,824)	(266,946)	(269,692)	(256,635)	(250,954)	(287,951)
Contribution deficiency (excess)	$ (6,701)	$ (19,624)	$ (25,423)	$ (33,035)	$ (28,410)	$ (37,786)	$ (68,278)
Covered-employee payroll	$ 4,999,834	$ 4,331,646	$ 3,887,047	$ 3,167,587	$ 2,676,304	$ 3,687,903	$ 2,252,470
Contributions as a percentage of covered payroll	5.93%	6.14%	6.87%	8.51%	9.59%	6.80%	12.78%

Notes to Schedule:

Valuation Date	June 30, 2022	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Discount rate	5.75%	5.75%	5.75%	6.25%	6.75%	6.73%	6.50%
Inflation	2.50%	2.50%	2.75%	2.75%	2.26%	2.25%	2.26%
Payroll increases	2.75%	2.75%	3.00%	3.00%	3.25%	3.25%	3.25%
Mortality	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Morbidity	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Percent Married	80%	80%	80%	80%	80%	80%	80%
Healthcare trend rates	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay
(2) CalPERS 2000-2019 Experience Study
(3) CalPERS 2000-2019 Experience Study
(4) CalPERS Public Agency Miscellaneous 2.7% @55 and 2% @62
(5) Non-Medicare - 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076;
Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076;
Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076;

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

This page left intentionally blank.

OTHER INFORMATION

This page left intentionally blank.

Glossary of Acronyms

In order to help the reader better understand the terms and abbreviations used in this document, management is providing a list of acronyms and their definitions.

ACRONYM	NAME	DEFINITION
AAL	Actuarial Accrued Liability	The actuarial present value of all postemployment benefits attributable to past service.
AICPA	American Institute of Certified Public Accountants	The national professional organization of Certified Public Accountants (CPAs) in the United States. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It also develops and grades the Uniform CPA Examination.
AOC	Annual OPEB Cost	An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. The annual OPEB cost is the amount that must be calculated and reported as an expense.
ARC	Annual Required Contribution	The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.
Auditors' Opinion	Unmodified Opinion	An opinion is said to be unmodified when the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements. An Auditor gives a Clean opinion or Unmodified Opinion when he or she does not have any significant reservation in respect of matters contained in the Financial Statements. The most frequent type of report is referred to as the "Unmodified Opinion," and is regarded by many as the equivalent of a "clean bill of health" to a patient, which has led many to call it the "Clean Opinion," but in reality it is not a clean bill of health, because the Auditor can only provide reasonable assurance regarding the Financial Statements, not the health of the entity itself, or the integrity of company records not part of the foundation of the Financial Statements. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which in other words means that the entity's financial condition, position, and operations are fairly presented in the financial statements. It is the best type of report an auditee may receive from an external auditor.

Glossary of Acronyms (continued)

ACRONYM	NAME	DEFINITION
ACFR	Annual Comprehensive Financial Report	A set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the GASB.
CalPERS	California Public Employees Retirement System	The California Public Employees' Retirement System is an agency in the California executive branch that "manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families."
CAMP	California Asset Management Program	A California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services, including CAMP Pool, a fully liquid, stable net asset value (NAV) investment option.
CERBT	California Employers' Retiree Benefit Trust	An investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB.
CLASS	California Cooperative Liquid Assets Security System	A Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering Participants safety, daily and next-day liquidity, and optimized returns.
CSRMA	California Sanitation Risk Management Association	A joint powers authority which provides broad coverage and risk management services to its members who are primarily local government agencies that provide water and wastewater services.
COP	Certificates of Participation	A financial document that is used by a municipal government or other government entity creates a bond issue. Revenues of the issuer are pledged to repay the bonds rather than being secured by property.
ERAF	Education Revenue Augmentation Funds	A fund used to collect the property taxes in each county that are shifted from cities, the county and special districts prior to their reallocation to K-14 school agencies. The county treasurer maintains the ERAF on behalf of the county auditor.

Glossary of Acronyms (continued)

ACRONYM	NAME	DEFINITION
FASB	Financial Accounting Standards Board	Financial Accounting Standards Board (FASB) is a private, not-for-profit organization whose primary purpose is to develop generally accepted accounting principles (GAAP) within the United States in the public's interest.
FOG	Fats, Oils and Grease	Substances than can cause overflows of sanitary sewer systems if not disposed of properly.
GAAP	Generally Accepted Accounting Principles	The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements.
GASB	Governmental Accounting Standards Board	Currently the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States of America.
I&I	Infiltration and Inflow	Infiltration is groundwater entering sanitary sewers through defective pipe joints and broken pipes. Inflow is water entering sanitary sewers from inappropriate connections such as roof drains, cellar drains, and yard drains.
LAIF	Local Agency Investment Fund	A fund managed by the Office of the Treasurer of the State of California, which is available for local governments.
MD&A	Management Discussion and Analysis	An integrated part of the annual financial statements. The purpose of the MD&A is to provide a narrative explanation, through the eyes of management, of how an entity has performed in the past, its financial condition, and its future prospects.
MGD	Million Gallons per Day	Measurement unit used for calculating volume of wastewater treated at the plant.
MMWD	Marin Municipal Water District	Water agency for Marin County serving areas south of Ignacio.
NBWRA	North Bay Water Reuse Authority	A coordinated regional group of water and sanitation agencies in Sonoma, Marin, and Napa Counties to offset potable water demand by promoting water reuse for agriculture, urban, and environmental uses.

Glossary of Acronyms (continued)

NMWD	**North Marin Water District**	**Water agency for Marin County serving areas north of Ignacio and some coastal communities.**
OPEB	**Other Postemployment Benefits**	**Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, except benefits defined as special termination benefits.**

This page left intentionally blank.

STATISTICAL SECTION

Introduction to the Statistical Section

This section of the Las Gallinas Valley Sanitary District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the District's overall health.

Financial Trend Information

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- Balance Sheets
- Statements of Revenues, Expenses and Changes in Net Position

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its largest single own-source revenue: sewer service charges.

- Sewer Service Charge Revenue
- Sewer Service Rates per Eligible Dwelling Unit
- Principal Revenue Payers
- Summary of Sewer Customers by Class

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

- Revenues, Expenditures, Debt Service Coverage and Cash Flows from Operations
- Outstanding Debt per Connection
- Other Postemployment Benefits Funding Status and Covered Lives

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers in Marin County

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

- Recycled Water Production
- Daily Average Influent Flow
- Private Sewer Lateral Assistance Program
- Collection System Services
- Full-time Equivalent Employees by Function

Recycled water treatment facilities

Las Gallinas Valley Sanitary District

Balance Sheets - Statements of Net Position for the Last Ten Fiscal Years

(in thousands)

Fiscal Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
				As Restated						As Restated
ASSETS										
Current Assets	$ 32,883	$ 30,596	$ 34,642	$ 37,436	$ 43,570	$ 68,828	$ 66,984	$ 63,817	$ 21,657	$ 20,401
Capital and other assets	126,427	124,685	120,280	111,355	97,155	70,656	65,282	64,935	59,823	56,651
TOTAL ASSETS	**159,311**	**155,282**	**154,922**	**148,790**	**140,725**	**139,484**	**132,266**	**128,752**	**81,480**	**77,052**
Deferred Outflows of Resources	**3,053**	**2,998**	**1,720**	**1,729**	**1,811**	**1,380**	**1,570**	**1,141**	**702**	**486**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**162,364**	**158,280**	**156,642**	**150,520**	**142,536**	**140,864**	**133,836**	**129,893**	**82,182**	**77,538**
LIABILITIES										
Total current liabilities	5,583	4,712	4,855	5,978	5,871	5,758	3,412	3,823	1,841	2,136
Total noncurrent liabilities	52,567	54,916	55,473	53,855	51,144	53,243	55,938	56,121	16,162	16,823
TOTAL LIABILITIES	**58,149**	**59,629**	**60,328**	**59,833**	**57,015**	**59,001**	**59,350**	**59,944**	**18,003**	**18,959**
Deferred Inflows of Resources	**751**	**1,121**	**2,882**	**1,150**	**638**	**511**	**528**	**144**	**296**	**622**
TOTAL LIABILITIES AND DEFERRED INFLOWS RESOURCES	**58,900**	**60,750**	**63,210**	**60,983**	**57,653**	**59,512**	**59,878**	**60,088**	**18,299**	**19,581**
NET POSITION:										
Net investment in capital assets	76,245	71,606	64,361	58,574	47,893	55,392	51,243	48,605	43,749	39,712
Restricted	914	909	905	900	895	880	880	874	867	860
Unrestricted	26,306	25,015	28,166	30,063	27,462	25,072	21,836	20,325	19,227	17,491
TOTAL NET POSITION	**$ 103,464**	**$ 97,530**	**$ 93,432**	**$ 89,537**	**$ 84,883**	**$ 81,352**	**$ 73,958**	**$ 69,805**	**$ 63,883**	**$ 57,957**

Source: Las Gallinas Valley Sanitary District Basic Financial Statements.

Note: The Statements of Net Position for 2015 have been restated for the correction of an error and the implementation of GASB No. 68. The Statements of Net Position for 2021 have been restated for the adoption GASB No. 87 - Leases and to recognize unaccounted receivables for sewer use charges - assessments and property taxes.

Las Gallinas Valley Sanitary District

Statements of Revenues, Expenses and Changes in Net Position
For the Last Ten Fiscal Years

(in thousands)

Fiscal Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
				As Restated						As Restated
OPERATING REVENUES:										
Sewer use charges	$ 18,680	$ 17,000	$ 15,492	$ 15,284	$ 14,832	$ 14,229	$ 13,635	$ 13,060	$ 11,647	$ 10,311
Recycled water fees	114	246	128	123	67	64	61	45	50	120
Miscellaneous	105	176	68	138	27	8	41	42	46	22
TOTAL OPERATING REVENUES	18,898	17,422	15,688	15,545	14,926	14,301	13,737	13,147	11,743	10,453
OPERATING EXPENSES:										
Sewage collection and pump stations	3,059	2,741	1,942	1,571	1,273	1,162	1,271	1,036	945	1,156
Sewage treatment	4,018	3,671	3,211	2,866	4,270	1,934	1,875	2,065	1,547	1,425
Sewage and solid waste disposal	434	713	435	507	616	197	129	216	83	127
Laboratory	525	534	506	498	360	319	339	338	295	352
Engineering[1]	1,050	937	983	874	616	470	650	532	448	435
Recycled water	84	102	62	106	116	181	69	57	98	109
General and administrative	3,252	2,291	2,899	2,478	2,891	1,774	2,208	1,719	1,635	1,467
Depreciation and amortization	3,216	3,619	3,127	3,148	2,897	2,655	2,601	2,526	2,429	2,413
TOTAL OPERATING EXPENSES	15,636	14,609	13,166	12,048	13,039	8,692	9,142	8,489	7,480	7,484
INCOME (LOSS) FROM OPERATIONS	3,263	2,813	2,522	3,497	1,887	5,609	4,595	4,658	4,263	2,969
NONOPERATING REVENUES:										
Property taxes	1,772	1,718	1,706	1,566	1,528	1,358	1,294	1,243	1,129	1,091
Federal and state grants	-	-	-	-	-	-	-	-	-	-
Franchise fees	175	166	162	153	125	69	25	25	25	25
Gain on disposal, net & Other	-	-	-	-	3	-	-	-	-	1
Interest income	1,569	490	(169)	323	519	543	281	150	79	51
TOTAL NONOPERATING REVENUES	3,516	2,374	1,700	2,042	2,175	1,970	1,600	1,418	1,233	1,168

Las Gallinas Valley Sanitary District

Statements of Revenues, Expenses and Changes in Net Position
For the Last Ten Fiscal Years (continued)

(in thousands)

Fiscal Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NONOPERATING EXPENSES:				As Restated						As Restated
Loss on disposals	$ -	$ -	$ -	$ -	$ -	$ -	$ 1	$ 6	$ -	$ -
Bond issuance costs	-	-	-	-	-	-	-	349	-	-
Interest expense	1,711	1,806	1,904	2,000	1,454	857	1,288	276	402	553
TOTAL NONOPERATING EXPENSES	**1,711**	**1,806**	**1,904**	**2,000**	**1,454**	**857**	**1,289**	**631**	**402**	**553**
INCOME BEFORE CONTRIBUTIONS	5,068	3,381	2,318	3,539	2,608	6,722	4,906	5,445	5,094	3,584
CAPITAL CONTRIBUTIONS:										
Connection fees	450	326	468	213	39	35	239	40	34	74
Federal and state grants	-	3	646	446	369	174	362	-	798	35
Intergovernmental	364	389	463	463	515	463	455	437	-	-
Recyled water capital repair	52	-	-	-	-	-	-	-	-	-
CHANGE IN NET POSITION	5,934	4,098	3,895	4,662	3,531	7,394	5,962	5,922	5,926	3,693
NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY STATED	97,530	93,432	89,537	84,875	81,352	73,958	69,805	63,883	57,957	54,264
Restatement: Change in Accounting Principle[2]	-	-	-	-	(8)	-	(1,809)	-	-	-
NET POSITION - BEGINNING OF YEAR AS RESTATED	97,530	93,432	89,537	84,875	81,344	73,958	67,996	63,883	57,957	54,264
NET POSITION - END OF YEAR	**$ 103,464**	**$ 97,530**	**$ 93,432**	**$ 89,537**	**$ 84,875**	**$ 81,352**	**$ 73,958**	**$ 69,805**	**$ 63,883**	**$ 57,957**

[1] In prior years, these line items were classified with different departments.

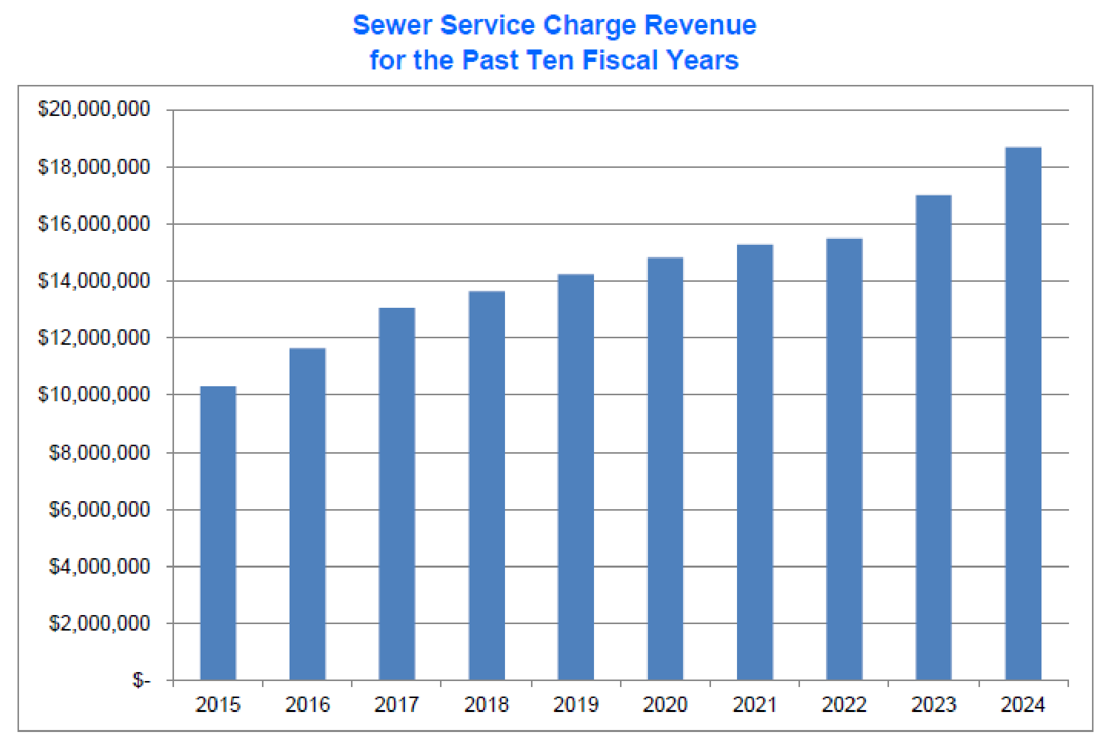
[2] The District implemented GASB 75 - Accounting for Postemployment Benefit Obligations during the fiscal year ended June 30, 2018.

The District adopted GASB 87 - Leases during fiscal year ended June 30, 2022.

Source: Las Gallinas Valley Sanitary District Basic Financial Statements.

Note: The Statements of Revenues, Expenses and Net Position for 2015 have been restated for the correction of an error and the implementation of GASB No. 68.
The Statements of Revenues, Expenses and Net Position for 2021 have been restated for the adoption GASB No. 87 - Leases and to recognize unaccounted receivables for sewer use charges - assessments and property taxes.

Las Gallinas Valley Sanitary District



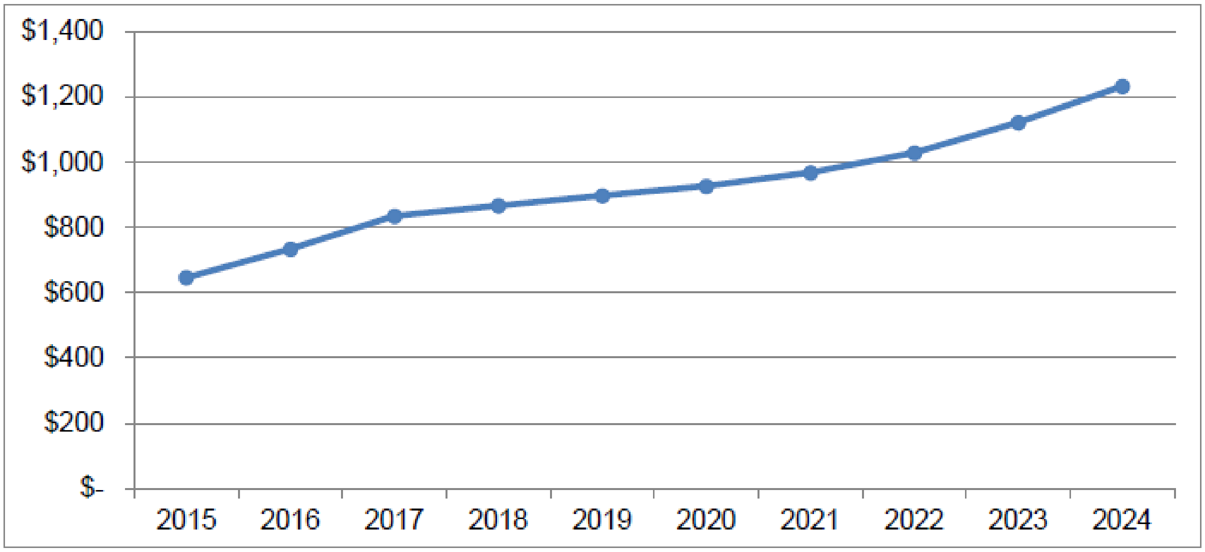
Historic Sewer Service Revenue

Fiscal Year Ended June 30,	Sewer Service Revenue	Percentage Change
2015	$ 10,311,200	1.52%
2016	$ 11,647,257	12.96%
2017	$ 13,059,850	12.13%
2018	$ 13,634,548	4.40%
2019	$ 14,228,877	4.36%
2020	$ 14,831,995	4.24%
2021	$ 15,284,365	3.05%
2022	$ 15,491,846	1.36%
2023	$ 16,999,751	9.73%
2024	$ 18,680,095	9.88%

Source: Las Gallinas Valley Sanitary District records

Las Gallinas Valley Sanitary District

Sewer Service Rates Per Eligible Dwelling Unit for the Past Ten Fiscal Years



Historic Sewer Service Rates

Fiscal Year Ended June 30,	Sewer Service Rates	Percentage Change
2015	$ 647	0.0%
2016	$ 734	13.4%
2017	$ 835	13.8%
2018	$ 867	3.8%
2019	$ 898	3.6%
2020	$ 927	3.2%
2021	$ 968	4.4%
2022	$ 1,029	6.3%
2023	$ 1,122	9.0%
2024	$ 1,233	9.9%

Source: Las Gallinas Valley Sanitary District records

Las Gallinas Valley Sanitary District

Principal Revenue Payers
for the Current Fiscal Year and Ten Years Prior

FY 2023/24			FY 2013/14		
Payer	**Total Paid**	**Percentage of Revenue Collected**	**Payer**	**Total Paid**	**Percentage of Revenue Collected**
Contempo Marin	$ 493,200	2.64%	County of Marin	$ 271,850	2.68%
County of Marin	358,063	1.92%	Contempo Marin	267,858	2.64%
Northgate Mall	353,518	1.89%	Marin Valley Mobile Home Park	203,805	2.01%
Marin Valley Mobile Home Park	349,335	1.87%	Northgate Mall	199,276	1.96%
Embassy Suites	239,552	1.28%	Bay Apartment Communities	165,632	1.63%
Kaiser Permanente	149,563	0.80%	Embassy Suites	142,987	1.41%
St. Vincent's School	102,216	0.55%	Deer Valley Apartments	111,284	1.10%
Miller Creek School District	95,311	0.51%	San Rafael Manor	104,167	1.03%
Sheraton Four Points	95,188	0.51%	Northbay Properties II	97,050	0.96%
Rotary Housing	88,776	0.48%	Sheraton Four Points	83,463	0.82%
Total	**$ 2,324,722**	**12.44%**	**Total**	**$ 1,647,372**	**16.22%**

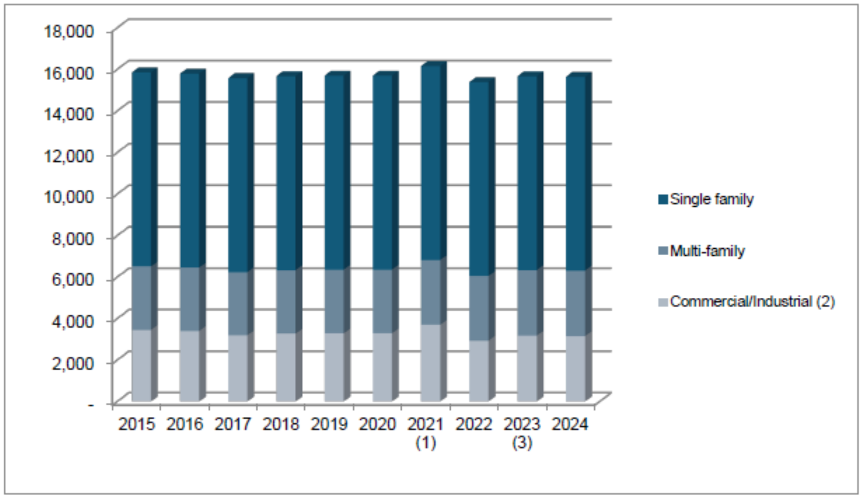
Source: Las Gallinas Valley Sanitary District records

Las Gallinas Valley Sanitary District

Summary of Sewer Customers by Class
for the Past Ten Fiscal Years

June 30,

Class	2015	2016	2017	2018	2019	2020	2021 [(1)]	2022	2023 [(3)]	2024	2024 % of Total
Residential											
Single family	9,337	9,332	9,334	9,339	9,339	9,339	9,336	9,333	9,330	9,324	59.57%
Multi-family	3,060	3,053	3,050	3,059	3,065	3,065	3,121	3,115	3,161	3,161	20.18%
Subtotal	12,397	12,385	12,384	12,398	12,404	12,404	12,457	12,448	12,491	12,485	79.76%
Commercial/Industrial [(2)]	3,450	3,401	3,187	3,268	3,286	3,287	3,694	2,931	3,170	3,147	20.24%
Total	15,847	15,786	15,571	15,666	15,690	15,691	16,151	15,379	15,661	15,632	100.00%



Source: Las Gallinas Valley Sanitary District records

[(1)] Restated 2021. Multi-family customer class count based on Living Units from 2021 forward to more accurately reflect residental customer counts.

[(2)] Commercial / Industrial customer class count based on Equivalent Sanitary Units which fluctuate based on prior year water use.

[(3)] Restated 2023. Commercial / Industrial class sanitary units.

Note: Table is required per 2017 Revenue Bond Official Statement Table 1, see page 22 of document for table and C-2 for requirement.

Las Gallinas Valley Sanitary District

Revenues, Expenditures, Debt Service Coverage and Cash Flow from Operations
For the Last Ten Fiscal Years

(in thousands)

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GROSS REVENUES[1]				As Restated						As Restated
Sewer use charges	$ 18,680	$ 17,000	$ 15,492	$ 15,284	$ 14,832	$ 14,229	$ 13,635	$ 13,060	$ 11,647	$ 10,311
Property taxes	1,772	1,718	1,706	1,566	1,524	1,354	1,290	1,239	1,125	1,087
Recycled water fees	114	246	128	123	67	63	61	45	50	120
Other	1,848	832	61	614	716	660	590	261	188	177
TOTAL GROSS REVENUES	**22,414**	**19,797**	**17,387**	**17,587**	**17,139**	**16,306**	**15,576**	**14,605**	**13,010**	**11,695**
Marin Municipal Water District Debt Debt Reimbursement										
Bank of Marin	108	157	207	207	206	206	207	437	-	-
2017 Revenue Bonds	256	256	257	257	257	257	249	-	-	-
	364	413	463	463	463	463	456	437	-	-
OPERATING AND MAINTENANCE COSTS[2]										
Sewage collection, treatment and disposal	7,510	7,125	5,588	4,944	6,159	3,294	3,275	3,317	2,575	2,708
Laboratory	525	534	506	498	360	319	339	338	295	352
Engineering	1,050	937	983	874	615	470	650	532	448	435
Recycled water	84	102	62	106	116	180	69	57	98	109
General and administrative	3,252	2,291	2,899	2,478	2,891	1,774	2,208	1,719	1,635	1,467
Less accounting adjustment for pension expense and OPEB	(48)	382	(29)	9	(272)	(190)	(299)	(24)	145	48
TOTAL OPERATING AND MAINTENANCE COSTS	**12,372**	**11,372**	**10,009**	**8,909**	**9,869**	**5,847**	**6,242**	**5,939**	**5,196**	**5,119**
NET REVENUES	$ 10,042	$ 8,425	$ 7,378	$ 8,678	$ 7,270	$ 10,459	$ 9,334	$ 8,666	$ 7,814	$ 6,576

Revenues, Expenditures, Debt Service Coverage and Cash Flow from Operations
For the Last Ten Fiscal Years (Continued)

(in thousands)

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
DEBT SERVICE[3]										
Current fiscal year	$ 4,585	$ 4,614	$ 4,814	$ 4,805	$ 4,798	$ 3,991	$ 3,921	$ 1,543	$ 1,540	$ 1,540
Next fiscal year	$ 4,596	$ 4,585	$ 4,614	$ 4,814	$ 4,805	$ 4,798	$ 3,991	$ 3,921	$ 1,543	$ 1,540
COVERAGE (1.25X Requirement)										
Current fiscal year	2.19	1.83	1.53	1.80	1.52	2.62	2.38	5.62	5.08	4.27
Next fiscal year	2.18	1.84	1.60	1.80	1.51	2.18	2.34	2.21	5.06	4.27
CASH FLOW FROM OPERATIONS	$ 7,011	$ 5,284	$ 4,015	$ 6,418	$ 5,205	$ 8,587	$ 7,339	$ 7,336	$ 6,814	$ 5,190

Source: Las Gallinas Valley Sanitary District Basic Financial Statements.

Note: The Statements of Revenues, Expenses and Cash Flows from Operations have been restated for the correction of an error and the implementation of GASB No. 68.

The Statements of Revenues, Expenses and Net Position for 2021 have been restated for the adoption GASB No. 87 - Leases and to recognize unaccounted receivables for sewer use charges - assessments and property taxes.

(1) Gross revenues includes all operating and nonoperating revenues and connection fees; excludes grants.

(2) Operating and maintenance costs means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Wastewater Enterprise excluding depreciation, amortization of intangibles, capital expenditures, accounting adjustments related to pension expense and other post-employment benefit (OPEB) plans.

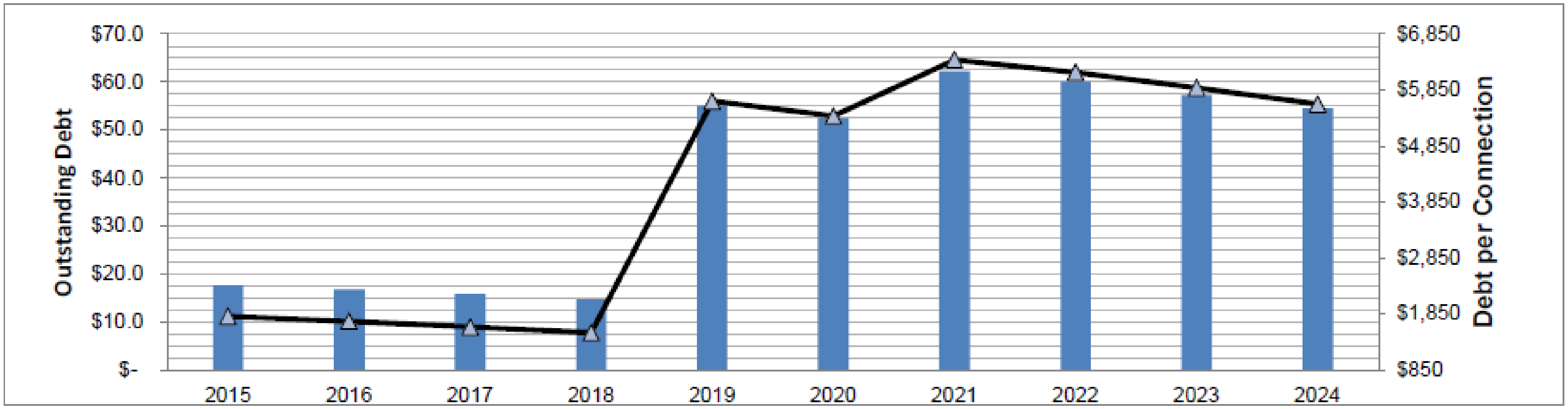
(3) Debt service includes principal and interest due in the specified period

(4) General and administrative restated for fiscal year ending June 30, 2019 from ($2,704) to $1,774.

Note: Table is required per 2017 Revenue Bond Official Statement Table 7, see page 32 of document for table and C-2 for requirement.

Las Gallinas Valley Sanitary District

Outstanding Debt Per Connection for the Past Ten Fiscal Years



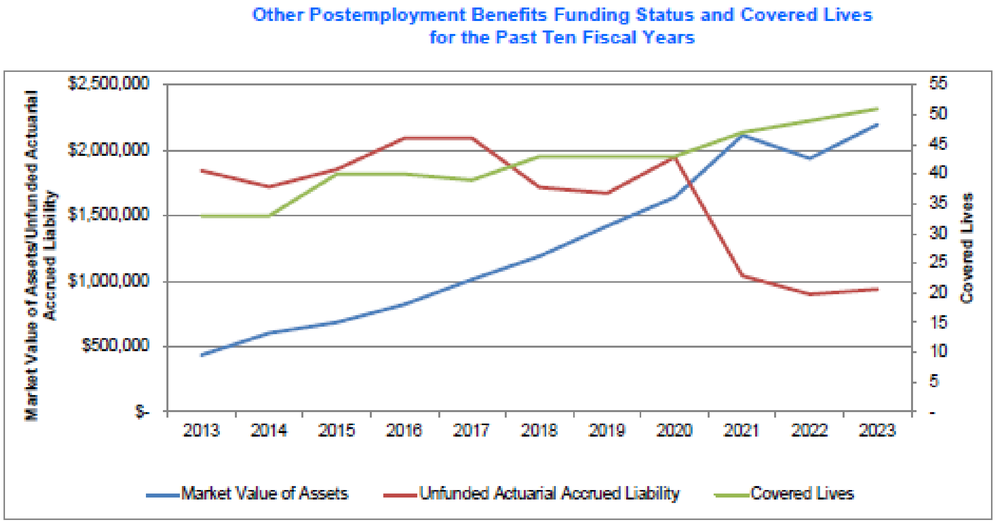
Type of Debt

Fiscal Year Ended June 30,	IBank Finance Agreement [1]	Notes Payable	State Revolving Fund	2017 Revenue Bond	Total Outstanding Debt	Debt per Capita [2,3]	Total Parcels Connected [4]	Debt per Connection
2015	$ -	$ 11,928,573	$ 3,850,878	$ -	$ 15,779,451	$ 543	9,742	$ 1,620
2016	$ -	$ 11,079,644	$ 3,669,387	$ -	$ 14,749,031	$ 508	9,742	$ 1,514
2017	$ -	$ 10,196,639	$ 3,482,996	$ 41,368,492	$ 55,048,127	$ 1,896	9,742	$ 5,651
2018	$ -	$ 9,274,581	$ 2,893,080	$ 40,297,139	$ 52,464,800	$ 1,807	9,742	$ 5,385
2019	$ 12,000,000	$ 8,327,949	$ 2,685,728	$ 39,225,786	$ 62,239,463	$ 2,143	9,742	$ 6,389
2020	$ 11,670,866	$ 7,346,584	$ 2,893,080	$ 38,114,433	$ 60,024,963	$ 2,067	9,739	$ 6,163
2021	$ 11,331,858	$ 6,324,182	$ 2,685,728	$ 36,963,080	$ 57,304,847	$ 1,889	9,734	$ 5,887
2022	$ 10,982,679	$ 5,255,508	$ 2,472,779	$ 35,771,727	$ 54,482,693	$ 1,796	9,731	$ 5,599
2023	$ 10,623,025	$ 4,348,575	$ 2,254,080	$ 34,540,374	$ 51,766,054	$ 1,706	9,730	$ 5,320
2024	$ 10,252,581	$ 3,441,389	$ 2,029,476	$ 33,264,021	$ 48,987,467	$ 1,615	9,730	$ 5,035

Source: Las Gallinas Valley Sanitary District records

[1] IBank $12,000,000 finance agreement entered into May 2019 with first payment of note payable made in August 2019. IBank restated for 2020 and 2021.
[2] District population of 29,040 per the 2010 Census data for zip code 94903
[3] District population of 30,340 per the 2020 Census data for zip code 94903
[4] Clarified title to "Total Parcels Connected" beginning in 2020 instead of "Total Connections", restated Total Parcels Connected for years 2021 and 2022.

Las Gallinas Valley Sanitary District



Fiscal Year Measurement Date June 30,	Market Value of Assets	Unfunded Actuarial Accrued Liability	Covered Lives
2013	$ 433,543	$ 1,844,973	33
2014	$ 601,454	$ 1,721,266	33
2015	$ 684,028	$ 1,854,011	40
2016	$ 822,086	$ 2,093,879	40
2017	$ 1,011,581	$ 2,094,980	39
2018	$ 1,191,718	$ 1,716,981	43
2019	$ 1,422,668	$ 1,672,079	43
2020	$ 1,641,492	$ 1,948,431	43
2021	$ 2,115,239	$ 1,040,509	47
2022	$ 1,938,736	$ 899,028	49
2023	$ 2,197,820	$ 938,243	51

Source: Las Gallinas Valley Sanitary District records

Las Gallinas Valley Sanitary District

Demographic and Economic Statistics for the Past Ten Fiscal Years

Fiscal Year Ended June 30,	Population [1]	Personal Income ($000)[1]	Per Capita Personal Income ($000)[1]	School Enrollment[2]	Unemployment Rate[3]
2015	261,221	$ 28,492,821	$ 109,076	33,638	3.5%
2016	260,651	$ 30,222,883	$ 115,952	33,633	3.5%
2017	260,955	$ 32,395,707	$ 124,731	33,741	2.4%
2018	259,666	$ 34,866,708	$ 134,275	33,441	2.2%
2019	259,085	$ 35,987,604	$ 138,903	34,333	2.5%
2020	257,332	$ 37,461,199	$ 145,575	34,223	10.0%
2021	259,162	$ 42,936,183	$ 165,673	32,815	4.8%
2022	256,018	$ 43,824,350	$ 171,177	31,689	2.7%
2023	254,407	45,939,619	180,575	31,335	3.4%
2024	Unavailable	Unavailable	Unavailable	30,255	5.2%

Notes / Sources:

[1] US Department of Commerce, Bureau of Economic Analysis - www.bea.gov, the most recently available data is for 2023.

[2] California Department of Education, Educational Demographics Office - www.ed-data.org/County/Marin, the most recently available data is for FY 2023-24, Cumulative Enrollment.

[3] Employment Development Department, Labor Market Information - www.labormarketinfo.edd.ca.gov

Principal Employers In Marin County
Current Fiscal Year and TenYears Ago

June 30, 2023

Taxpayer	Type of Business	Total Taxes[1,2]	Percentage of Total County Taxes
Pacific Gas and Electric Company	Utilities	$ 13,080,548	0.98 %
Biomarin Pharmaceutical, Inc.	Pharmaceutical	4,510,410	0.34
California Corporate Center Acquisit	Commercial Rental Property	3,367,298	0.25
MGP XI Northgate LLC	Commercial Rental Property	3,103,204	0.23
JCC Cal Properties, LLC	Commercial Rental Property	2,806,697	0.21
Skywalker Properties LTD	Film and Entertainment	2,788,554	0.21
NCP Multifamily LLC	Residential Rental Property	2,545,642	0.19
Corte Madera Village LLC	Commercial Rental Property	2,228,363	0.17
RP Maximus Cove Owner, LLC	Commercial Rental Property	2,160,595	0.16
KW Hamilton Landing LLC	Commercial Rental Property	1,964,863	0.15
Total		$ 38,556,174	2.90
Total Taxes of All Taxpayers		$ 1,331,681,277	

June 30, 2014

Taxpayer	Type of Business	Total Taxes[1]	Percentage of Total County Taxes
Pacific Gas and Electric Company	Utilities	$ 4,443,111	0.55 %
JCC Cal Properties, LLC	Commercial Rental Property	2,645,238	0.33
Skywalker Properties LTD	Film and Entertainment	2,278,086	0.28
Corte Madera Village LLC	Commercial Rental Property	1,815,522	0.22
Novato FF Property LLC	Commercial Rental Property	1,774,785	0.22
Northgate Mall Assoc	Commercial Rental Property	1,628,582	0.20
Hamilton Marin LLC	Commercial Rental Property	1,585,049	0.20
RPR Larkspur Owner, LLC	Residential Rental Property	1,379,433	0.17
770 Tamalpais Dr INC	Commercial Rental Property	1,276,508	0.16
Sutter Health	Health Care	1,212,747	0.15
Total		$ 20,039,061	2.47
Total Taxes of All Taxpayers		$ 810,242,226	

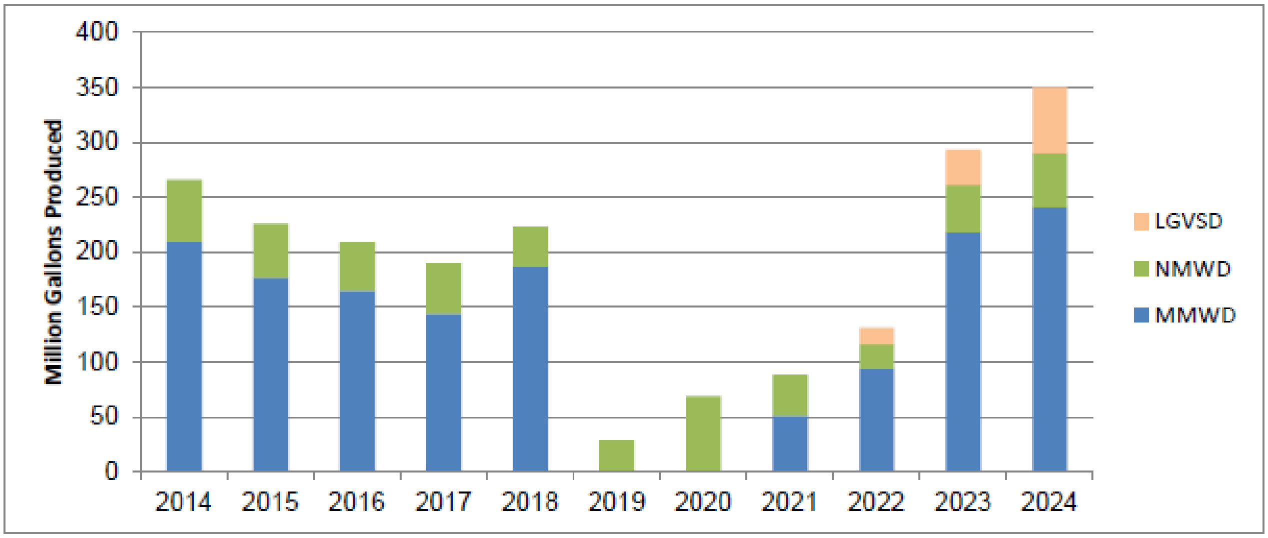
Notes:
[1] Taxable assessed secured amounts
[2] Taxable secured amounts on APNs assessed over $100,000.

Source: Department of Finance Property Tax Division - County of Marin, California

Most recent available data from the County of Marin Annual Comprehensive Financial Report for FY ending June 20, 2023

Las Gallinas Valley Sanitary District

Recycled Water Production
for the Past Ten Fiscal Years



Fiscal Year Ended June 30,	Million Gallons Produced [2]			Increase (Decrease) [2]
	MMWD	NMWD	LGVSD	
2014	209.28	56.44		19.94%
2015	176.91	48.96		-15.00%
2016	164.98	43.97		-7.49%
2017	143.86	45.53		-9.36%
2018	186.66	36.44		17.80%
2019	0 [1]	28.87		-87.06%
2020	0 [1]	68.60		137.62%
2021	51.23 [1]	36.97		28.57%
2022	94.2	22.24	14.9	48.91%
2023	218.19	43.25	32	123.42%
2024	240.8	48.75	60.45	19.27%

Source: Las Gallinas Valley Sanitary District records

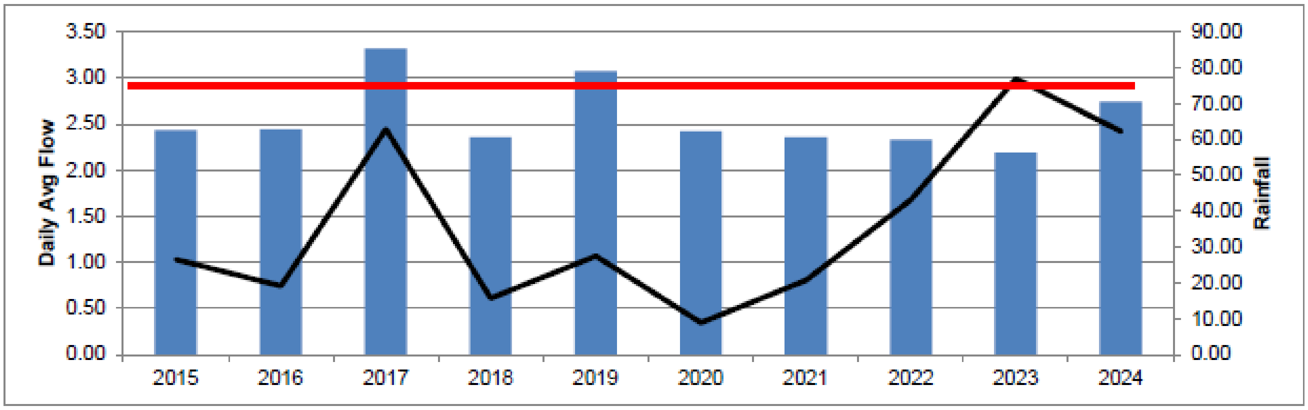
[1] MMWD temporaily suspended intake of water until the Recycled Water Expansion Project was complete. Recycled water service restarted the end of March 2021.

[2] Added Las Gallinas Valley Sanitary District (LGVSD) Use of Recycled Water starting in 2022.

[3] Restated Increase / Decrease % for Fiscal Years 2022 and 2023 to included LGVSD production use.

Las Gallinas Valley Sanitary District

Daily Average Influent Flow
for the Past Ten Fiscal Years



Fiscal Year Ended June 30,	Daily Average Flow (MGD)[1]	Increase (Decrease)	Rainfall		Increase (Decrease)
2015	2.43	5.65%	26.51	2	65.69%
2016	2.44	0.41%	19.10	1	-27.95%
2017	3.32	35.98%	62.80	3	228.80%
2018	2.36	-28.87%	15.67	4	-75.05%
2019	3.07	30.08%	27.44	4	75.11%
2020	2.42	-21.17%	8.89	4	-67.60%
2021	2.36	-2.48%	20.66	5	132.40%
2022	2.33	-1.27%	43.16	5	108.91%
2023	2.19	-6.01%	76.96	5	78.31%
2024	2.74	25.11%	62.23	5	-19.14%

Sources:

1 Las Gallinas Valley Sanitary District records

2 Western Regional Climate Center, www.wrcc.dri.edu, rainfall reporting for the San Rafael Civic Center, California July 1 - June 30.

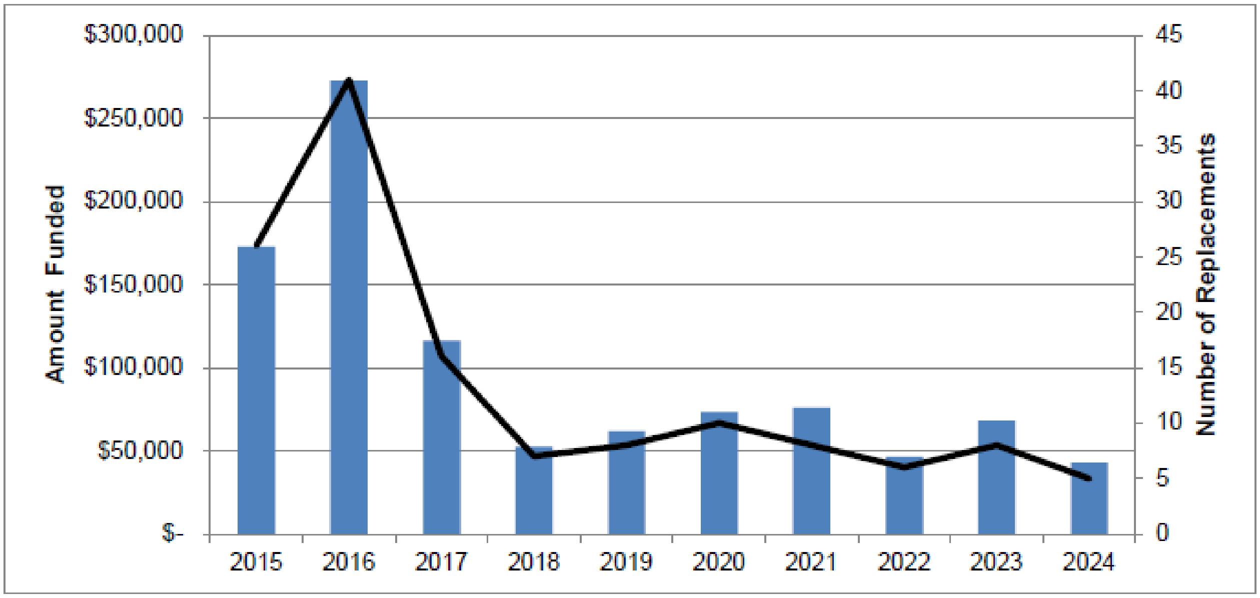
3 National Weather Service Forecast Office, http://w2.weather.gov/climate/xmacis.php?wfo=mtr for San Rafael Civic Center, July - June

4 North Marin Water District weather monitoring station at Highways 37 and 101 near Black Pointe.

5 Marin Water District weather monitoring station at Lake Lagunitas, total as of June 30.

Note: Concentrated efforts by the District to reduce infiltration and inflow (I&I) to the sewer collection system during wet weather events through its repair, replacement and maintenance program is demonstrated in the above graph. As rainfall increases, there been a gradual decrease in daily average flow at the treatment plant; this indicates that the District's sewer rehabilitation program is reducing I&I into the sewer system.

Private Sewer Lateral Assistance Program for the Past Ten Fiscal Years

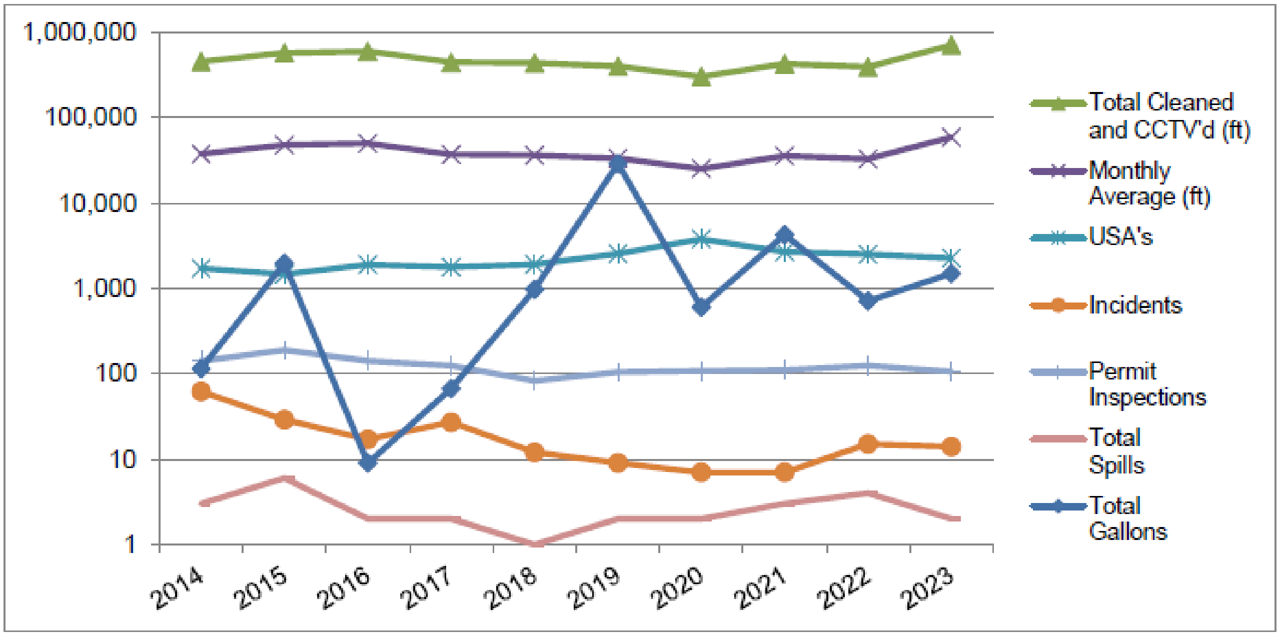


Fiscal Year Ended June 30,	Total Amount Funded	Increase (Decrease)	Number of Funded Replacements	Increase (Decrease)
2014	$ 115,717	10.38%	18	5.88%
2015	$ 172,788	49.32%	26	44.44%
2016	$ 272,322	57.60%	41	57.69%
2017	$ 116,092	-57.37%	16	-60.98%
2018	$ 52,406	-54.86%	7	-56.25%
2019	$ 61,716	17.77%	8	14.29%
2020	$ 73,397	18.93%	10	25.00%
2021	$ 75,904	3.42%	8	-20.00%
2022	$ 46,400	-38.87%	6	-25.00%
2023	$ 68,045	46.65%	8	33.33%
2024	$ 42,985	-36.83%	5	-37.50%

Source: Las Gallinas Valley Sanitary District records

Note: The District began the Private Sewer Lateral Assistance Program in 2013 to help property owners repair and replace their laterals.

Collection System Services
Past Ten Calendar Years



Calendar [1] Year	Total Cleaned and CCTV'd (ft)	Monthly Average (ft)	USA's	Incidents	Permit Inspections	Total Spills	Total Gallons
2014	452,649	37,721	1,721	62	141	3	114
2015	573,209	47,767	1,467	29	190	6	1,964
2016	597,656	49,805	1,896	17	141	2	9
2017	444,989	37,082	1,773	27	125	2	67
2018	436,928	36,411	1,918	12	83	1	975
2019	400,286	33,357	2,548	9	104	2	29,080
2020	303,662	25,305	3,803	7	108	2	601
2021	429,304	35,775	2,681	7	111	3	4,238
2022	394,300	32,858	2,509	15	125	4	710
2023	710,330	59,194	2,268	14	106	2	1,485

Source: Las Gallinas Valley Sanitary District records

(1) Reporting for calendar year ended during audit period.

Note: CCTV is video recording of the sewer mains and lateral performed with a mobile unit.
A USA is a request by the Underground Service Alert system to mark utility lines on public and private property. The purpose of the program is to prevent damage to the District's sewer system.

Las Gallinas Valley Sanitary District

Full-Time Equivalent Employees by Function
for the Past Ten Fiscal Years

Fiscal Year Ended June 30,	Operations	Engineering	Laboratory[1]	Collection System	Administration	Board	Total
2015	6	3	2	5	4	5	25
2016	7	3	2	5	4	5	26
2017	7	3	2	5	4	5	26
2018	7	2	2	5	4	5	25
2019	7	2	2	5	4	5	25
2020	7	2	2	6	4	5	26
2021	8	2	2	8	5	5	30
2022	8	2	2	10	5	5	32
2023	8	3	2	12	5	5	35
2024	8	3	2	12	6	5	36

Source: Las Gallinas Valley Sanitary District records

Notes:
[1] 2006-2008 counts associated with paid interns

Las Gallinas VALLEY SANITARY DISTRICT

Item Number______6________

GM Review _______CP_______

Agenda Summary Report

To: Board of Directors

From: Dale McDonald, Administrative Services Manager DM
(415) 526-1519 dmcdonald@lgvsd.org

Meeting Date: December 19, 2024

Re: Private Sewer Lateral Rehabilitation Assistance Program Updates

Item Type: Consent ________ **Action** ___X__ **Information** _____ **Other**_______.

Standard Contract: Yes_______ **No**_______ **(See attached) Not Applicable** ___X___ .

STAFF RECOMMENDATION

Adopt Ordinance No. 197 Amending Title 2, Chapter 8 of the Las Gallinas Valley Sanitary District Code amending and increasing the maximum amount of the Contractual Assessment Principal allowed per property from $10,000 to $15,000 and clarifying criteria for participation in the Private Sewer Lateral Rehabilitation Assistance Program.

BACKGROUND

In Fiscal Year 2011-2012 the District established the Private Sewer Lateral Rehabilitation Assistance Program (Program). This initiative aims to alleviate the financial burden on homeowners associated with lateral repairs or replacements if deemed necessary. Under this program, property owners can access funds at a low interest rate to support the costs of essential private sewer lateral replacements to help lessen the impact of inflow and infiltration into the sewer collection system.

When the Program was originally approved the Board authorized applications for assistance up to $10,000, allowing them a 10-year period to repay the borrowed amount at a 2-percent interest rate. The 10 most recent applications for the Program included quotes from contractors that averaged over $15,588 per job. It is in the best interest of the District to incentivize property owners to make repairs that reduce inflow and infiltration into the sewer system. Therefore, staff recommends increasing the maximum assistance from $10,000 to $15,000 to help remove the financial barrier. Additionally, staff recommends adding one additional criterion for participation in the Program: “Property owner is in good standing with no claims, no active lawsuit and/or no funds outstanding due to District.”

PREVIOUS BOARD ACTION

Ordinance 153 – Authorizing Contractual Assessments between District and Private Property Owners adopted March 22, 2012.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT
The Private Sewer Lateral Assistance Program is self-funding at this point. There is no significant financial impact expected from the recommended changes to the Program. Staff anticipates more property owners will be willing to make improvements with the proposed higher assistance limit which can be accommodated with existing funds currently available and budgeted.

Attachment:

Draft Ordinance Amending Title 2, Chapter 8, Authorizing Contractual Assessment Between the District and Private Property Owners to Add the Costs of Repairs of Sewer Laterals to the Property Tax Roll for each Individual Property for which the Current Property Owner Enters into a Contractual Assessment Agreement with the District

BOARD OF DIRECTORS OF THE
LAS GALLINAS VALLEY SANITARY DISTRICT

ORDINANCE NO. 197
AN ORDINANCE AMENDING TITLE 2, CHAPTER 8, TO THE ORDINANCE CODE OF THE LAS GALLINAS VALLEY SANITARY DISTRICT, AUTHORIZING CONTRACTUAL ASSESSMENT BETWEEN THE DISTRICT AND PRIVATE PROPERTY OWNERS TO ADD THE COSTS OF REPAIRS OF SEWER LATERALS TO THE PROPERTY TAX ROLL FOR EACH INDIVIDUAL PROPERTY FOR WHICH THE CURRENT PROPERTY OWNER ENTERS INTO A CONTRACTUAL ASSESSMENT AGREEMENT WITH THE DISTRICT.

The Board of Directors of the Las Gallinas Valley Sanitary District, Marin County, California, does ordain as follows:

ARTICLE 2. PRIVATE SEWER LATERAL REHABILITATION PROGRAM:
The contents of Title 2, Chapter 8, Article 2, Section 202 Criteria for participation in the Private Sewer Lateral Rehabilitation Program is amended to read as follows:

Section 202. Criteria for participation in the Private Sewer Lateral Rehabilitation Program:

a. Property Owners must submit an application (and any additional documentation required by the District) for inclusion in the Private Sewer Lateral Rehabilitation Program. All applications and documents must be completed, received and approved by the District before any work may commence. A "Contractual Assessment Agreement" (a copy of which is attached hereto as Exhibit "A") shall be executed and submitted to the District and approved by the District.
b. Sewer laterals in the worst condition shall be given priority.
c. Property owners must have a video inspection of their sewer laterals and have the laterals rated under the Pipeline Assessment Certification Program (PACP) guidelines.
d. The sewer lateral must have least one (1) PACP rated defect.
e. The property shall not be encumbered with delinquent property taxes, special assessments or other assessment loans. If delinquencies exist, the property owner must provide documents of special payment arrangements to eliminate the delinquency, and related payment histories.
f. Property owner is in good standing with no claims, no active lawsuit and/or no funds outstanding due to District.

The contents of Title 2, Chapter 8, Article 2, Section 203 Criteria for participation in the Private Sewer Lateral Rehabilitation Program for property owners whose property(ies) are not part of the current year's Sewer Improvement Project is amended to read as follows:

Section 203. Criteria for participation in the Private Sewer Lateral Rehabilitation Program for property owners whose property(ies) are not part of the current year's Sewer Improvement Project.

a. Applications will be taken on a first-come, first-served basis.
b. A video inspection of the sewer lateral may be observed by District personnel.
c. The property owner must obtain three (3) quotes from a licensed contractor. If the owner is a licensed contractor or plumber they may elect to complete the work themselves and finance the costs of materials and equipment.
   1) District has the discretion to provide Contractual Assessment Funds in an amount not to exceed either a) the lowest of the qualified bids submitted to the District by the property owner, or b) the actual cost of construction of the work performed, whichever is less.
d. All applications and documents must be completed, received and approved by the District before any work may commence.
e. The property owner is responsible for managing the work, including the activities of the contractor, District permitting and inspection, restoration work, repairs and claims for damages incurred. The property owner shall retain all receipts, permits, inspection reports and other documents.
f. The District may authorize payment once the property owner has presented documentation, including all necessary permits and inspections, an itemized statement of costs, and Conditional Release executed by the contractor, and a Notice of Completion, executed by the property owner, accepting the improvements and authorizing payment. A "Contractual Assessment Agreement" (a copy of which is attached hereto as Exhibit "A") shall be executed and submitted to the District and approved by the District prior to payment. The District will pay the contractor directly for the work performed.
g. For any extra work, the property owner may present a written request for additional Contractual Assessment Funds for said extra work. However, the District shall have sole discretion to approve/disapprove any additional Contractual Assessment Funds for any extra work. The contractor shall not be paid any additional Contractual Assessment Funds for extra work, unless a written change order or extra work order is executed by the property owner, contractor and the District prior to the extra work being commenced.
h. Property owner is in good standing with no claims, no active lawsuit and/or no funds outstanding due to District.

The contents of Title 2, Chapter 8, Article 2, Section 207 Contractual Assessment Principle and Interest Rate is amended to read as follows:

Section 207. Contractual Assessment Principle and Interest Rate:

a. The principal sum of cost of repairs to each property owner's sewer lateral shall constitute a lien against Owner(s) property, not unlike that of a regular assessment against said property for the District's regular annual assessment for sewer charges related to sewer service for purposes of collection of said principal sum and interest.

b. Said principle sum to accrue interest at the rate of two percent (2%) per annum.

c. The maximum amount of the initial Contractual Assessment Principle allowed per property shall be $~~10~~15,000.

d. The term of each Contractual Assessment shall be ten (10) years.

e. There shall be no prepayment penalty. Nor shall the payment schedule be accelerated upon the sale or transfer of the property.

The remainder of the ordinance shall remain the same.

* * * * * * * * * *

I hereby certify that the foregoing is full, true, and correct copy of the Ordinance duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District of Marin County, California, at a meeting hereof held on December 19, 2024 by the following vote of members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Teresa Lerch, Board Secretary
Las Gallinas Valley Sanitary District

APPROVED:

____
Craig K. Murray, President
Las Gallinas Valley Sanitary District

(seal)

Las Gallinas
VALLEY SANITARY DISTRICT

Item Number_______7______
GM Review ________CP_______

Agenda Summary Report

To: Board of Directors
From: Teri Lerch, Executive Assistant/Board Secretary
(415) 526-1510; tlerch@lgvsd.org
Mtg. Date: December 19, 2024
Re: Board Elections – President, Vice-President
Item Type: **Consent** ________ **Action** X_____ **Information** ______ **Other**_______.
Standard Contract: **Yes**_______ **No**_______ **(See attached) Not Applicable** __X____ .

STAFF RECOMMENDATION
Based on the historical rotation, staff recommends that the Board appoint Director Gary Robards as the President of the Board and Director Crystal Yezman as Vice President of the Board effective January 1, 2025.

BACKGROUND
Board members traditionally serve for a four-year term. The position of Board President and Vice-President has been rotated between members annually.

The election for President occurs in January of each year. Below is a schedule of the rotation since 2019. P = President, VP = Vice President

	Yezman	Clark	Elias	Murray	Schriebman
2019			VP	P	
2020			P		VP
2021	P	VP			
2022	VP				P
	Yezman	**Clark**	**Ford**	**Murray**	**Robards**
2023		P		VP	
	Yezman	**Clark**	***Nitzberg**	**Murray**	**Robards**
2024				P	VP
2025	**Yezman**	**Clark**	**Lavrov**	**Murray**	**Robards**
2025	VP				P

PREVIOUS BOARD ACTION

*At the January 5, 2024 Board Meeting, Director Murray was appointed President and Director Ford was appointed Vice President. Director Ford resigned from the Board on March 7, 2024. Director Robards then became Vice President. Director Nitzberg was appointed to the Board on May 6, 2024. Director Lavrov was elected and took office on December 19, 2024.

ENVIRONMENTAL REVIEW
N/A

FISCAL IMPACT
N/A

12/19/2024

BOARD MEMBER REPORTS

CLARK

NBWA Board Committee, CASA Workforce Committee, Operations Control Centers Ad Hoc Committee, Fleet Management Ad Hoc Committee, FutureSense Ad Hoc Committee, Energy Ad Hoc Committee, Other Reports

LAVROV

TBD

MURRAY

Marin LAFCO, Flood Zone 6, Biosolids Ad Hoc Committee, CASA Energy Committee, Development Ad Hoc Committee, SF Trail Ad Hoc Committee, Energy Ad Hoc Committee, Other Reports

ROBARDS

Gallinas Watershed Council/Miller Creek, NBWRA, Engineering Ad Hoc Committee re: STPURWE, McInnis Marsh Ad Hoc Committee, Development Ad Hoc Committee, FutureSense Ad Hoc Committee, Other Reports

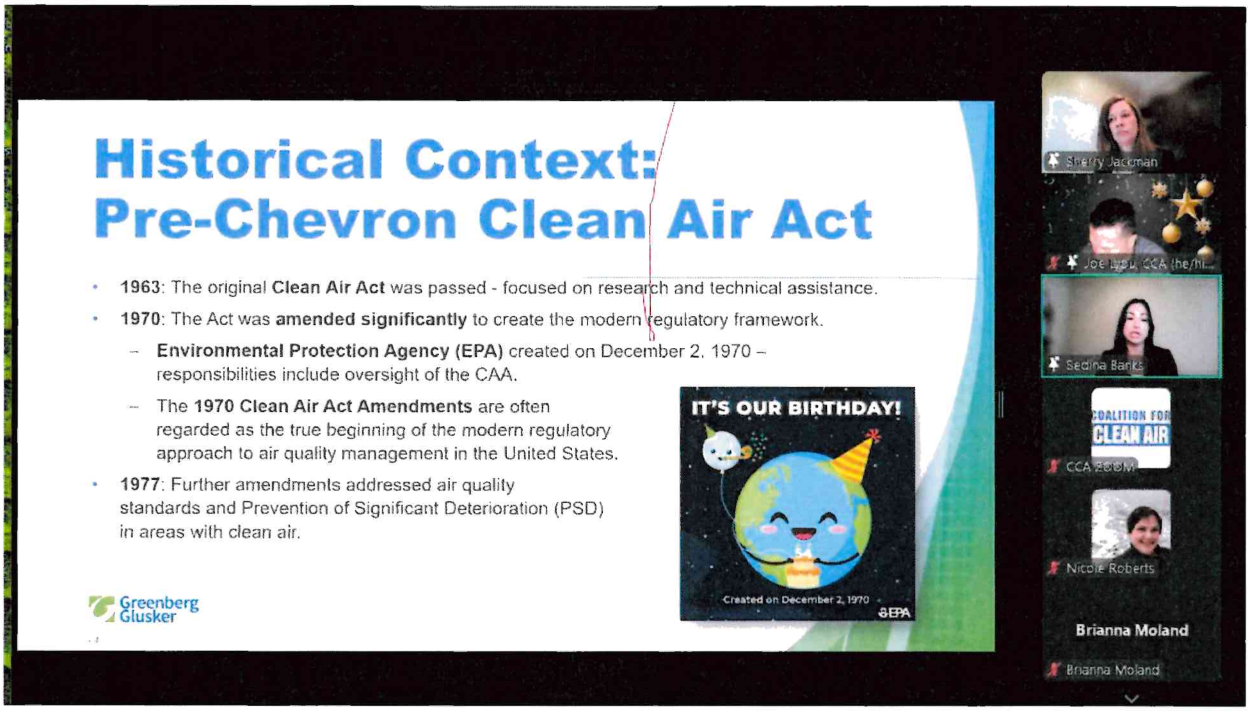
YEZMAN

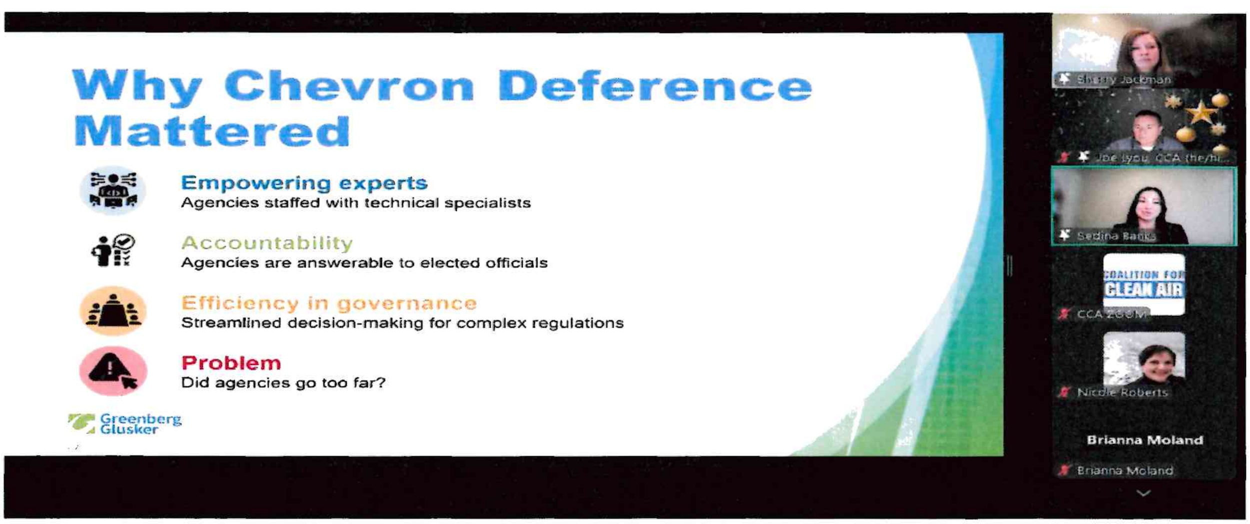
Flood Zone 7, CSRMA, Ad Hoc Engineering Sub-Committee re: STPURWE, Marin Special Districts Association, Biosolids Ad Hoc Committee, Other Reports

Agenda Item 8.3
Date December 19, 2024

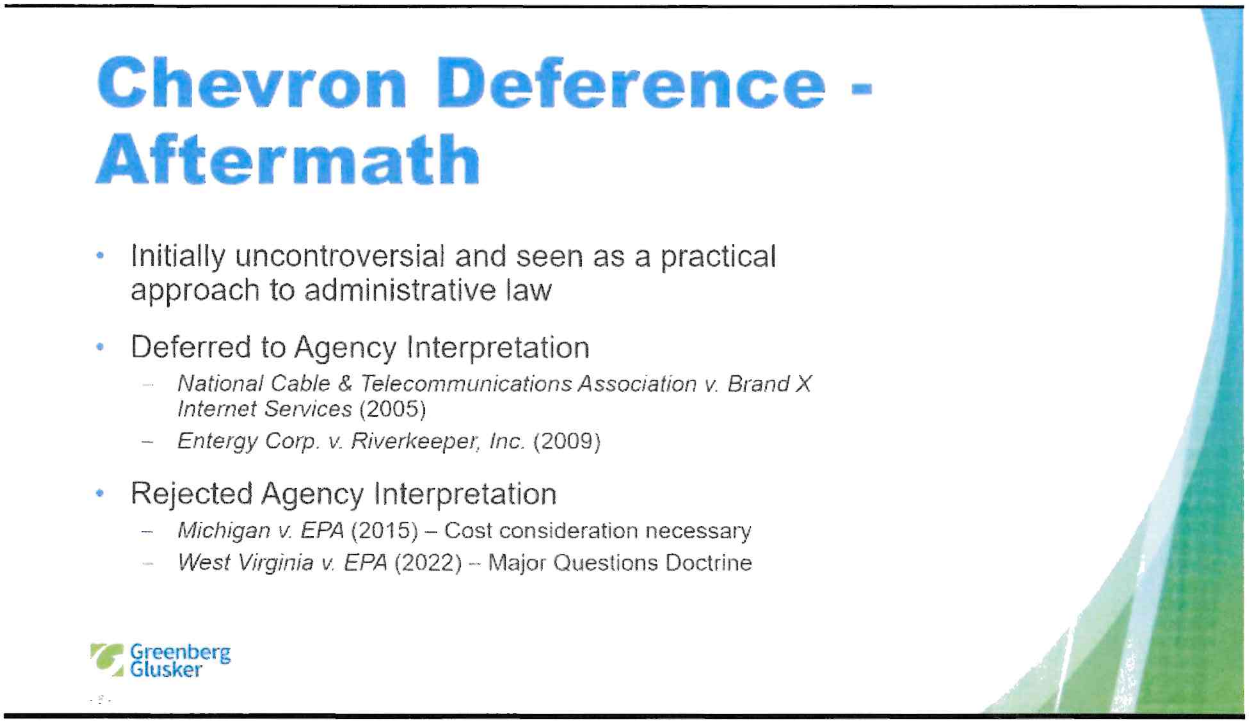
Chevron Deference Webinar
Greenberg Glusker
Notes
Craig K. Murray
December 4, 2024

For further Information: Sherry Jackman/Sedina Banks, Greenberg Glusker,
sbanks@greenbergglusker.com



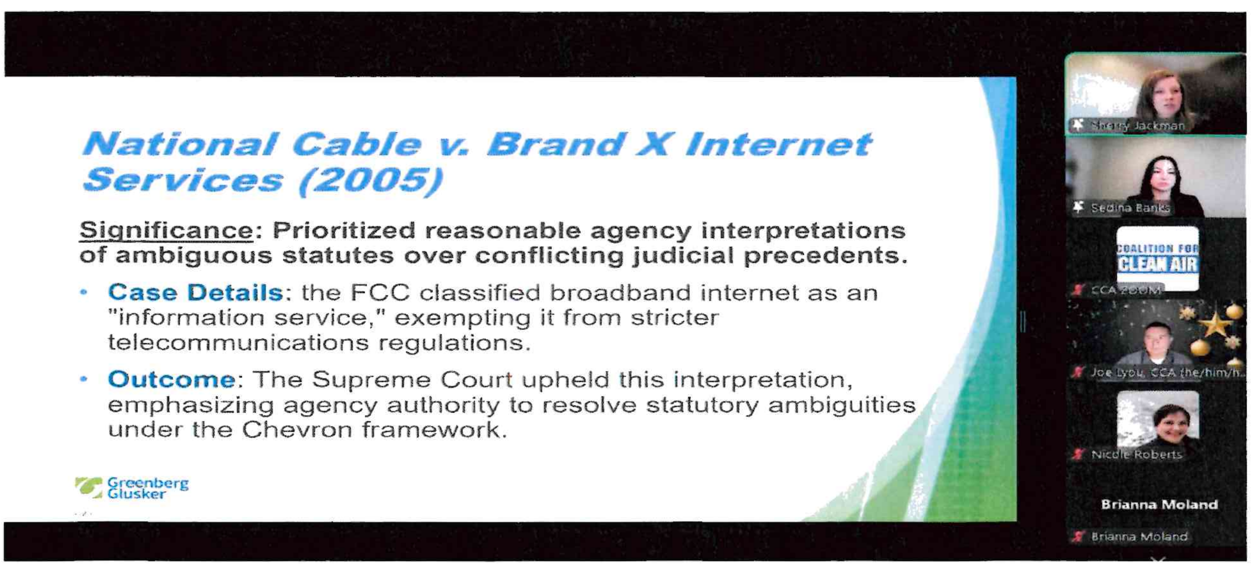


EPA was created also for this reason to streamline decisions. Concern too much power to unelected authorities.



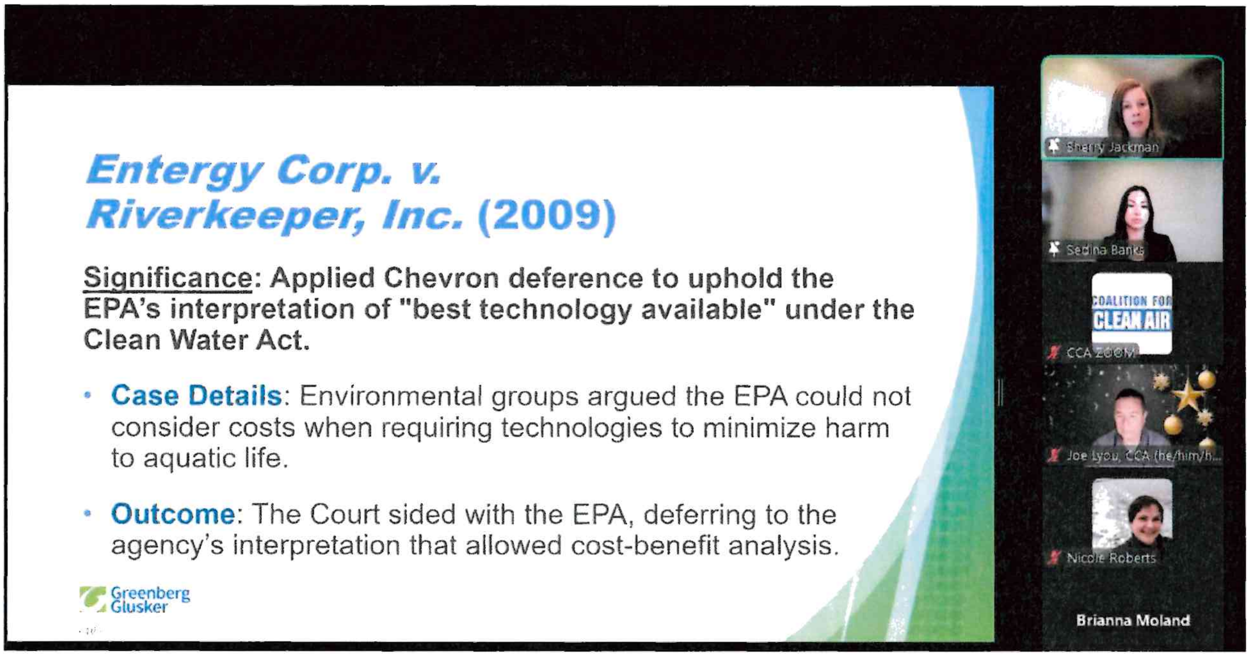
Sadina Banks: Chevron Deference was seen as victory for Reagan Administration, to support deregulation, favoring businesses to have flexibility to interpret regulations leading up to Lobert-Brigbert decision.

Sherry Jackson: Case review. National Cable v. Brand X Internet Services (2005) how cable should be regulated. FCC: it is an information service but Brand X. Court: Strong Deference to FCC to interpret the laws, FCC's interpretation was allowed to stand.

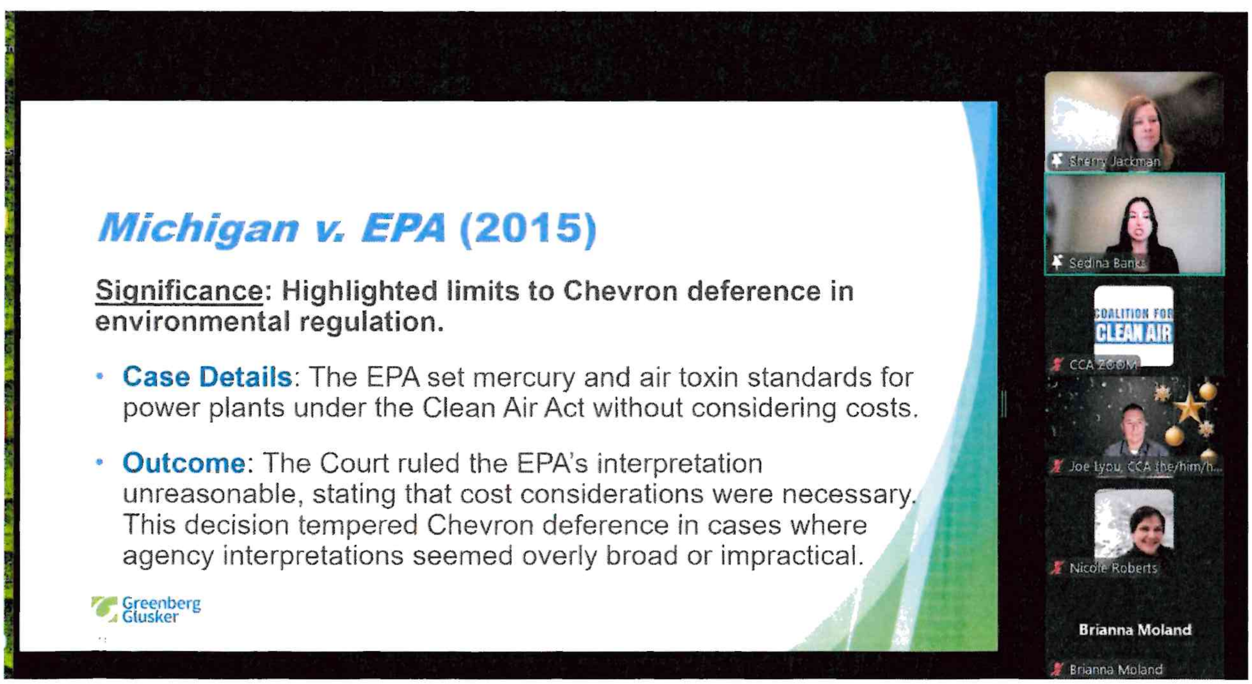


See this with new emerging contaminants. 6-3 decision. Not everyone agreed.

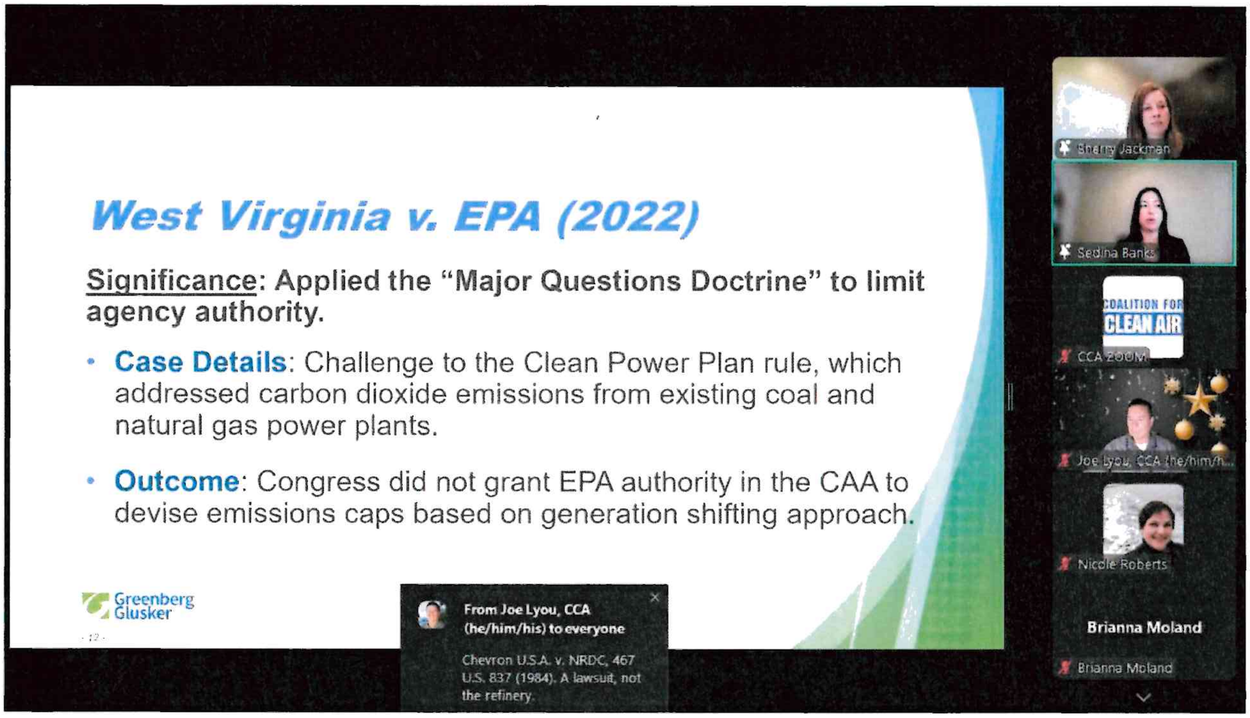
Entergy: Can EPA use deference re: draw water to cool water plants. CWA to protect species and didn't see how cost could be considered (Riverkeeper). EPA and Corp: Cost should be considered, CWA was ambiguous if cost can be considered,Court moved to second step and it was reasonable. Justice Scalia: aim to protect environment but consider practical application. EPA has discretion.



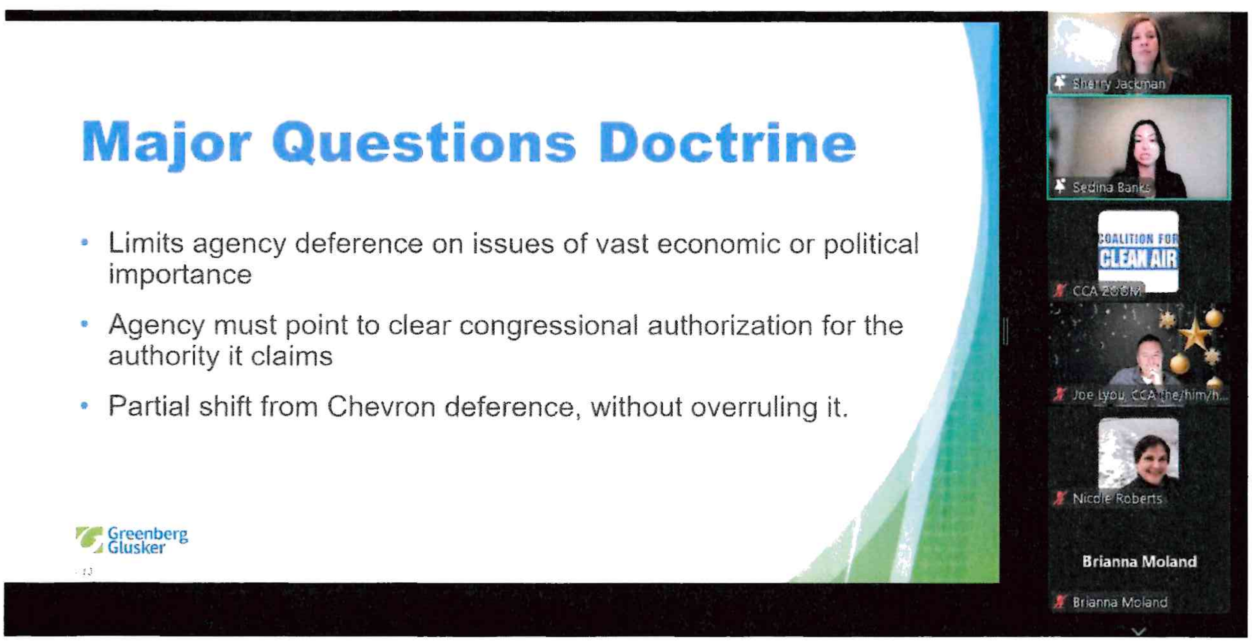
Q: Chevron Deference? Basically giving Agency if Statue is unclear and it is reasonable.



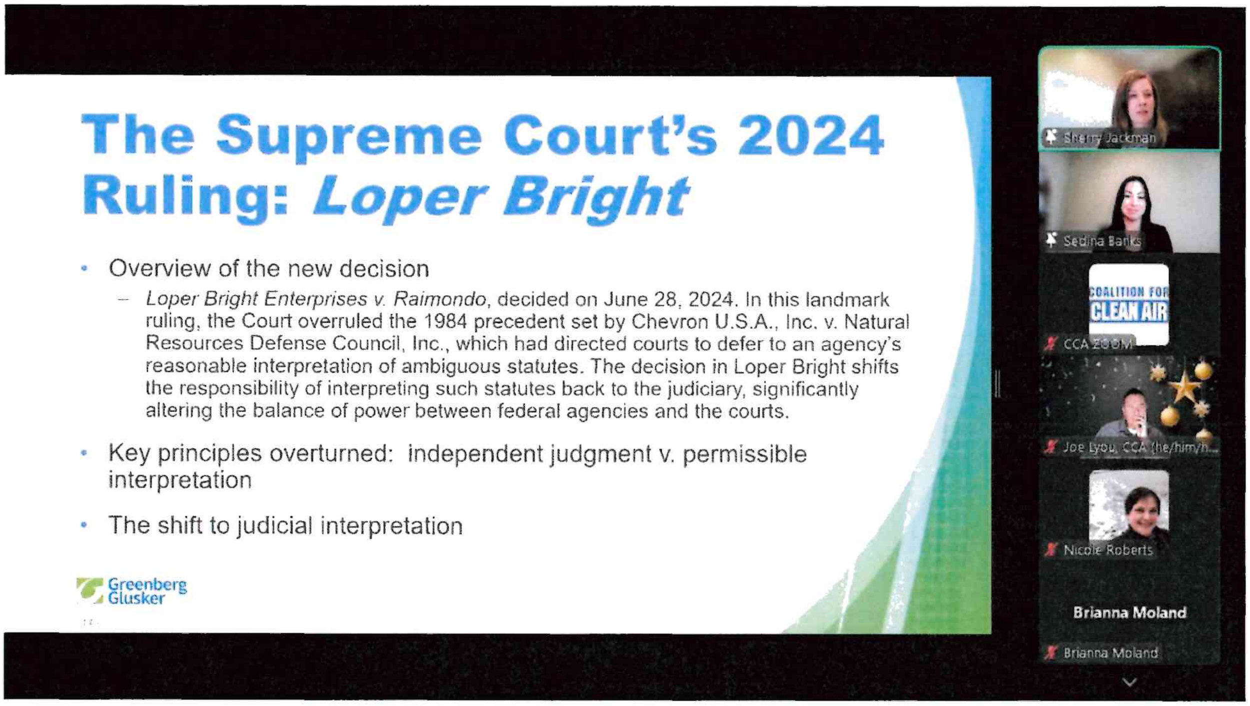
Michigan v. EPA. Mercury Air Toxic Standards for power plants. EPA said costs did not need to be considered. $9.B costs v. $4.6B in benefits. Court ruled EPA unreasonable, costs needed to be considered. 5-4 decision against EPA authority under the Clean Air Act.



KEY environmental case applying Major Questions Doctrine (Limits Agency use of Doctrine), need clear direction from Congress. Getting away from the Chevron Deference. FCC Climate Disclosure Laws and CA Decision is being challenged now.



: Chevron Deference Webinar 12 4 24



This is case that overturned Chevron. For past 40 years it was Chevron Deference. Loper Bright: Fisheries v. National Fisheries Service, whether regulation required on board monitors. Overstepped authority, inventing/making up laws as you go along, imposed financial obligations w/o clear Congressional direction. Made a mistake and not apply Chevron Deference and re-review entire body of administrative law, administrative and it is not Agency but Justice. Chief Justice Roberts: Agency doesn't interpret itself, it is the Courts. Not default to Agency expertise. Level of deference now much weaker, greater scrutiny ...will lead to more legal actions. Maybe not consider Climate Change or more modern discussion. Ensures more separation of powers and ensures Agencies can not interpret with judicial decisions.

Typical judges might not see more than one Clean Air Act case (technical law) per year. Medina: who is though to check and balance an Agency. Loper Bright: Changes balance of power of courts and agencies. Courts are now the final ref. Kicking off Agencies off the field for final rule.

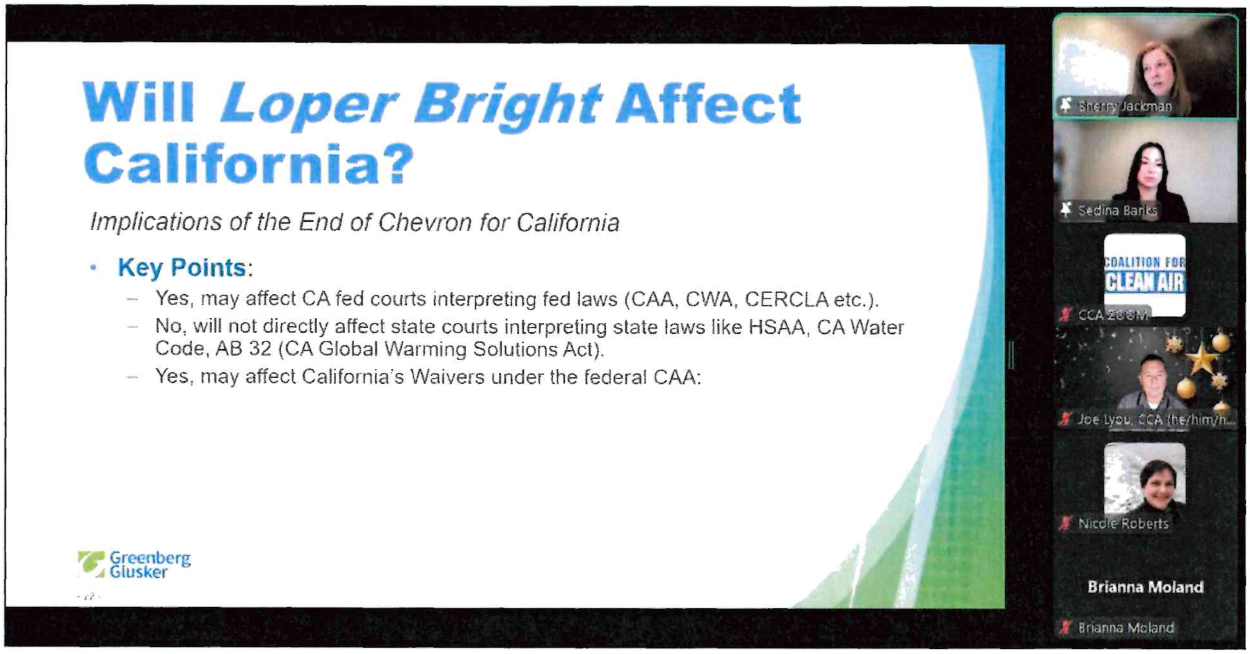
There has been long time to chip away at Chevron Deference like the Major Questions Doctrine. We still have Starry Debrightess and should not be changed. PFAS and lot of regulations two decades ago wasn't concern. Skidmore v Swift: post Lober Bright, softer form of deference.

Certainly a shift in Policy Making. Needs to be more precise. Legislature will really need to be careful in not having ambiguities in law and in Congress. Increase in drafting work load, delay in getting statues drafted, need for increased coordination between Congress and agencies.

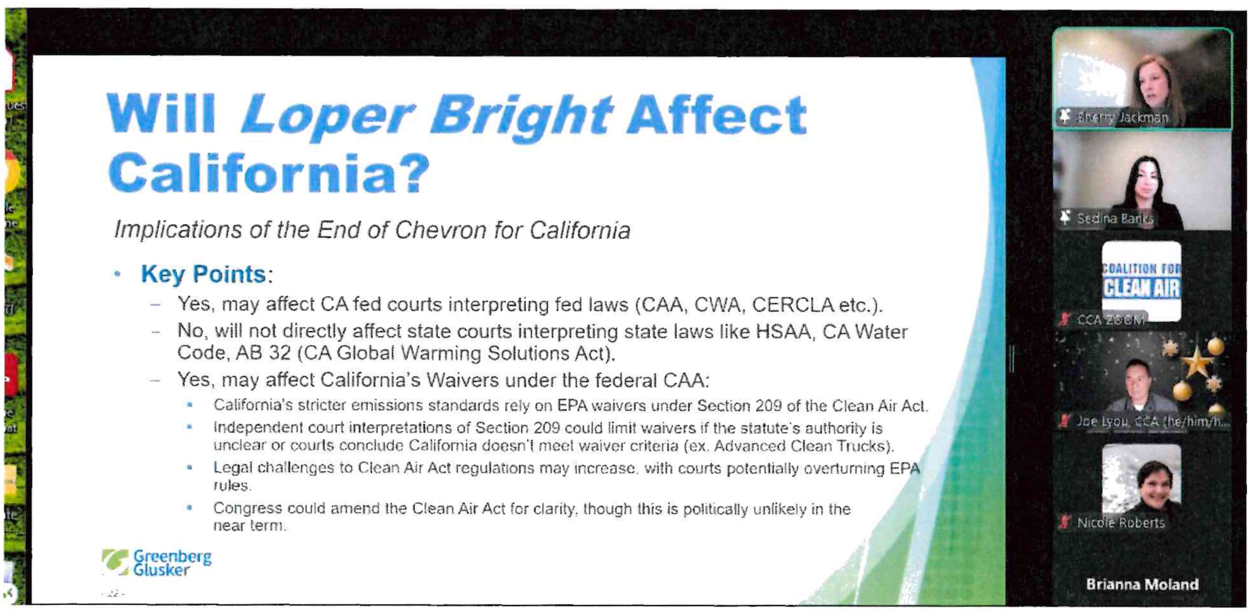
Federal Rule (FRE 706) Judges can appoint their own experts to guide them through interpretations, maybe more costs.

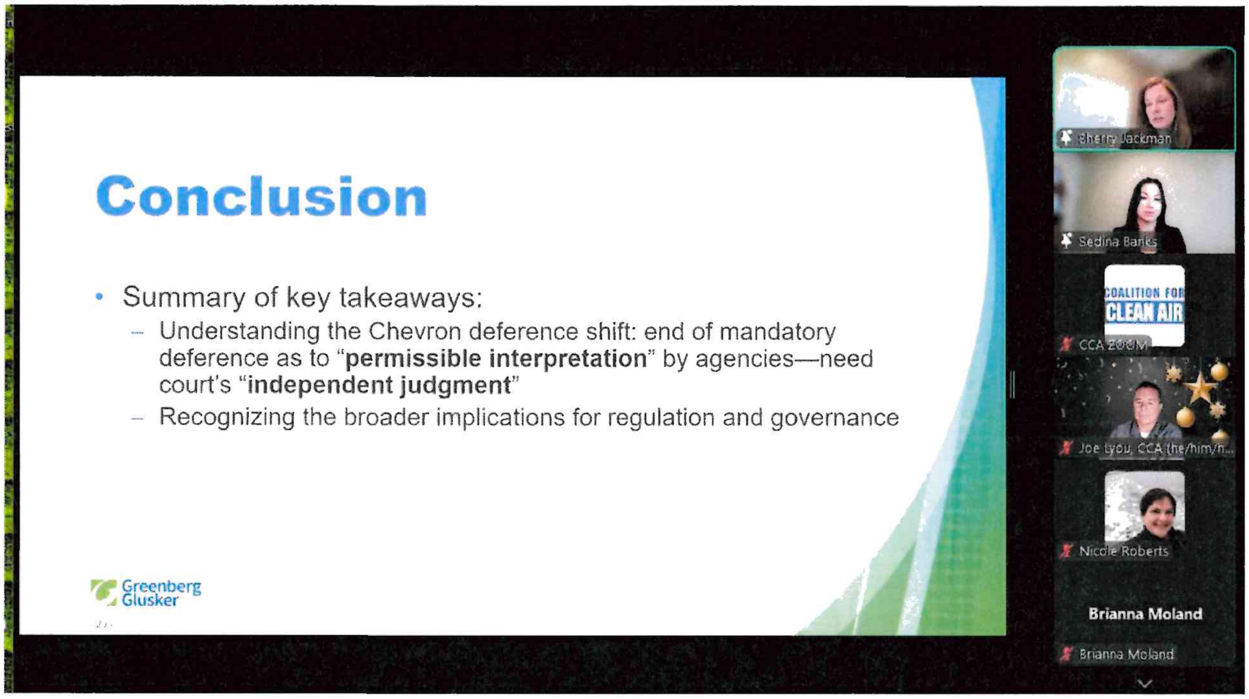
Q/A:

What is ideal balance of power of courts and agencies esp. w/Loper-Bright? A: Industry or anyone impacted, env. Orgs like NRDC may challenge. Loper-Bright : Federal Courts and Fed. Laws v. CA Courts. Comments on Nicole Roberts: This will bog things down, think Agencies are the right arbitor. Speakers will review chat later. Loper-Bright will help fix things with Zero emissions is implementable. ? Will CA be directly affected. CA has waivers under Clean Air Act, CA Deference Standard is Yamaha (1998). CA courts looks to persuasiveness to Agency (1. Agency expertise; @. Longevity; 3. Alignment of Agency intent). Slightly different standard. This standard remains post Loper-Bright but Loper-Bright most certainly affects CA. Lot of env. Issues are in Fed. Courts b/c Fed. Law not State.



CA stricter emissions rely on these waivers, can go stricter if satisfy certain criteria. If Statue determined to be unclear (ie CA Advanced Clean Trucks standard) can be overturned. Fed. Law directly affecting CA and how CA does business.



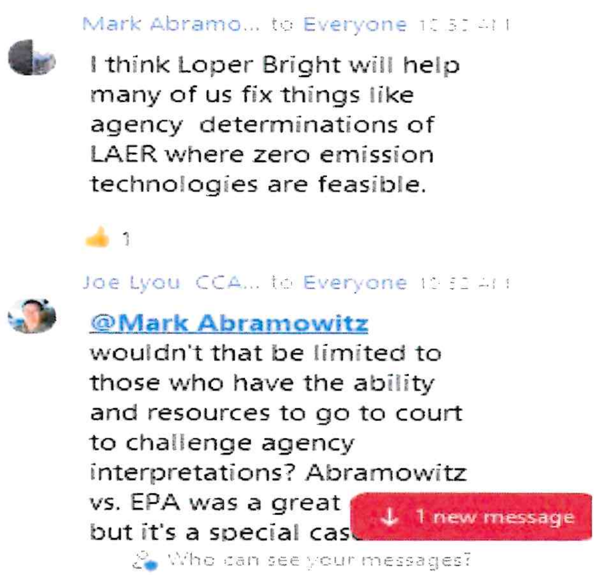


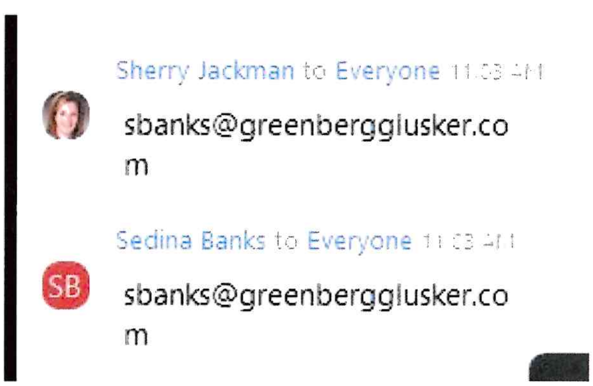
Huge implications for public health, climate change. New ways to managing these challenges. Do Courts have resources to keep up with the pace of change.

Here We Go Again . . .
Like Any Good Environmental Group,
We Have Some Recycling to Do.

Joe Lyons, Coalition for Clean Air: We are not going to give up. Has Micro Grants, 2 ½ day boot camp to learn it all and become next gen. of climate advocates. Ccair.org $500. For major donor list. Mark Abrmowitz $1,000 match challenge. Can Sherry, Sedina tell us next about the Major Doctrines List.

: Chevron Deference Webinar 12 4 24





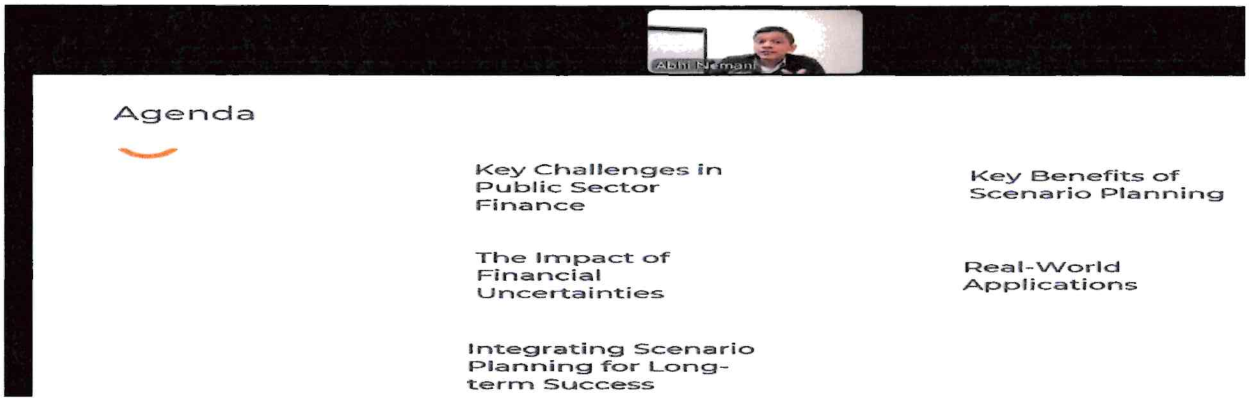
Port of Long Beach Rep. on site. Joe acknowledging others. 140 on Webinar today.

###

: Chevron Deference Webinar 12 4 24

Drive Impact with Scenario Planning in Local Government
International City Managers Association (ICMA)
December 5, 2024
Notes
Craig K. Murray

EUNA Solutions. Abhi Nemani. Used to be in City of LA Budget Office. Scenario Planning: Planning for things that may happen. How to budget moving forward. How to do budgeting with Scenario Planning. Input via Poll Questions.



EUNA Solutions: Budget, Grants, Procurement, payments. GovTech 20+ years. EUNA combination of lot of old companies 3,300+ customers, $510B budget managed, $5B annual payment transactions. Scenario Planning in Local Government Poll. Key Challenges in Public Sector Finance: Economic Shifts; Policy Changes; Global Uncertainties. The Impact of Financial Uncertainty: Unanticipated shortfalls or surpluses disrupt operations; Difficulty maintaining service levels and strategic goals; pressure on leadership to adapt quickly, make tough decisions.

Question 2:

What is the biggest challenge your local government faces when trying to implement scenario planning?

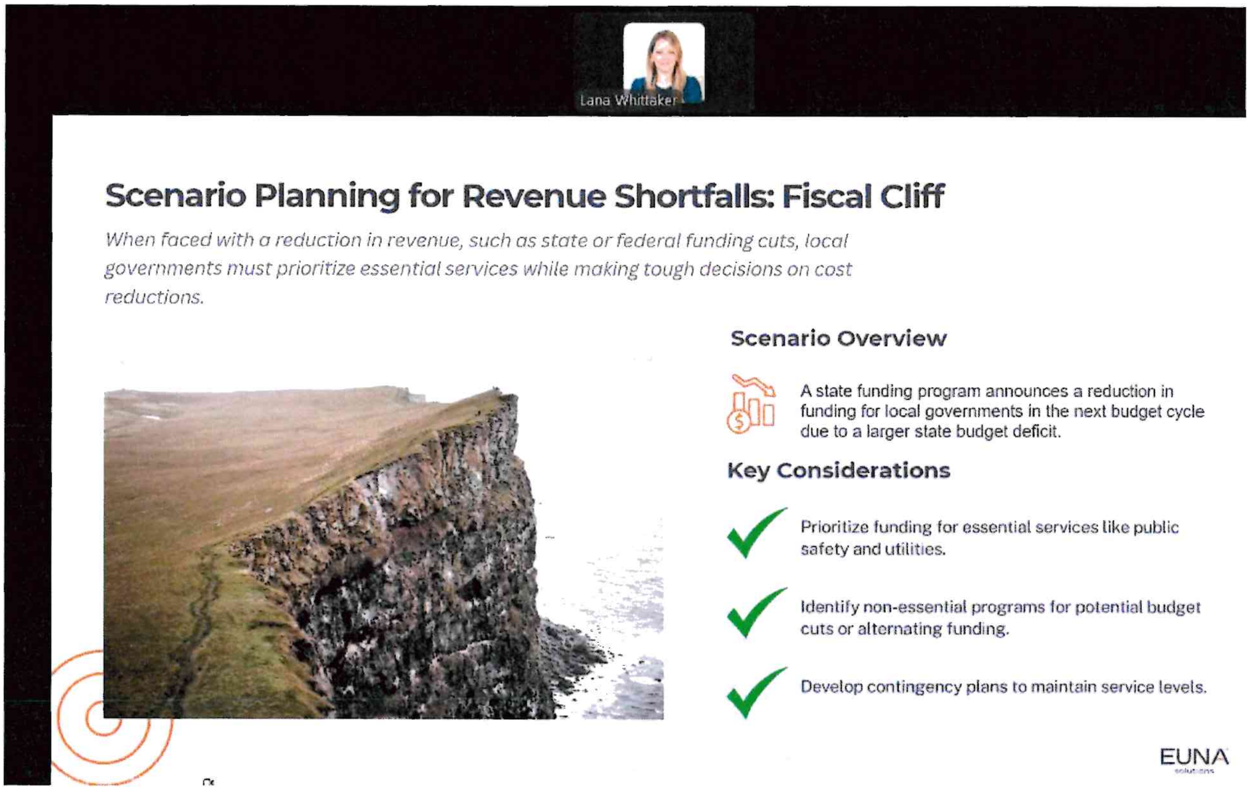
- Lack of resources or budget
- Insufficient data or analysis tools
- Resistance to change or new processes
- Lack of staff expertise or training
- Other (please specify)

Biggest response was resistance to change; then insufficient data.

Real-World Applications

- Budgeting for emergencies, like natural disasters.
- Planning for long-term projects amidst changing economic conditions.
- Managing staffing budgets in the face of labor shortages.
- Responding to revenue declines, such a federal or state funding cuts.
- Strategically allocating unexpected revenue to high-priority initiatives.

Majority of Cities Remain Confident About Their Budgets but was at 91% and now at 51%. How do you plan for the Fiscal Cliff. Reductions in State or Local Funding.



Non-Essential Services can consider cuts to those not tied to public safety or health. Operational efficiencies or tapping reserve funds. Tool to manage budget and budget performance. Look at Cost Centers. Eg Reduction in a grant and scaling back in reduction of related services. How to apply for Federal Grants in loss of State Funds. Presentation capabilities to show grant scenarios. Value of City Taxes and Healthy Local Economies Drive City Budgets. NLC 2024 Percentage of Cities indicating a positive or negative influence on 2024 budgets on micro or macro.
Lana Whittaker: Scenario Planning for Rising Costs: Inflation. Inflation can erode purchasing power and force governments to rethink service delivery to maintain affordability. Imagery on Project Images. Four year budget program with inflationary increases. Tool to apply variable inflationary increases to certain 4 year timelines. Shows shortfalls of revenues and planned expenditures.

Personnel. Job Vacancy rate at 6.8%, this summer, higher than the great resignation and usually at 3% and lot in back office personnel. We need to plan if can't fill those seats in the long run. Unipro software personnel module. Show all allocated positions. Show vacant positions.
Cities : Adaptive Capacity. Need to be ready for change.

Strategic Planning in a Time of Change:

Plays to Build Capacity in Local Government

This playbook, developed in collaboration between Funkhouser & Associates and Euna Solutions, provides practical strategies for local governments to navigate contemporary challenges. Drawing insights from nearly 100 interviews and leadership roundtables across various states, it offers actionable steps to improve service delivery, foster competence, and enhance collaboration amidst growing complexity.

DOWNLOAD THE EBOOK

EUNA solutions

Integrating Scenario Planning for Long-Term Success

Practical steps to integrate scenario planning into your teams budgeting process, fostering adaptability and alignment across your organization.

Build Into Annual Cycles

- Make it a standard part of budget preparation and review
- Use scenarios to validate revenue and expense assumptions

Collaborate Across Departments

- Include diverse perspectives for a more comprehensive view
- Align departmental priorities with organizational goals

Leadership's Role in Driving Planning

- Advocate for scenario planning as a strategic necessity
- Lead by example to embed adaptability into the culture

Polls/quizzes

You are viewing the poll results (shared by host)

Poll #4: Outcomes

1. What outcomes would you most like to achieve through scenario planning? (Multiple choice)

Improved decision-making and strategic planning	80%
Better risk management and organizational resilience	27%
More efficient allocation of resources	40%
Strengthened public engagement and trust	27%
Other (please specify in chat)	0%

You did not answer this question

Quote from Plano, TX City Mgr. Ref.: Don't always play catch up, step back and think, long game.

Teresa Campo to Everyone

TC Scenario planning is broad for topics, i.e. emergency management planning.

Jo Cech to Everyone

JC All of the above!

Julian Lamphear to Everyone

JL Feel free to send in any questions via the chat or Q&A panels!

Serena Loy to Everyone

SL Link to the playbook: https://go.eunasolutions.com/l/780483/2024-06-03/9bzsb/780483/1717422885MRTZNJk8/Euna_F_A_Playbook_Playbook_Strategic_Planning_May2024.pdf

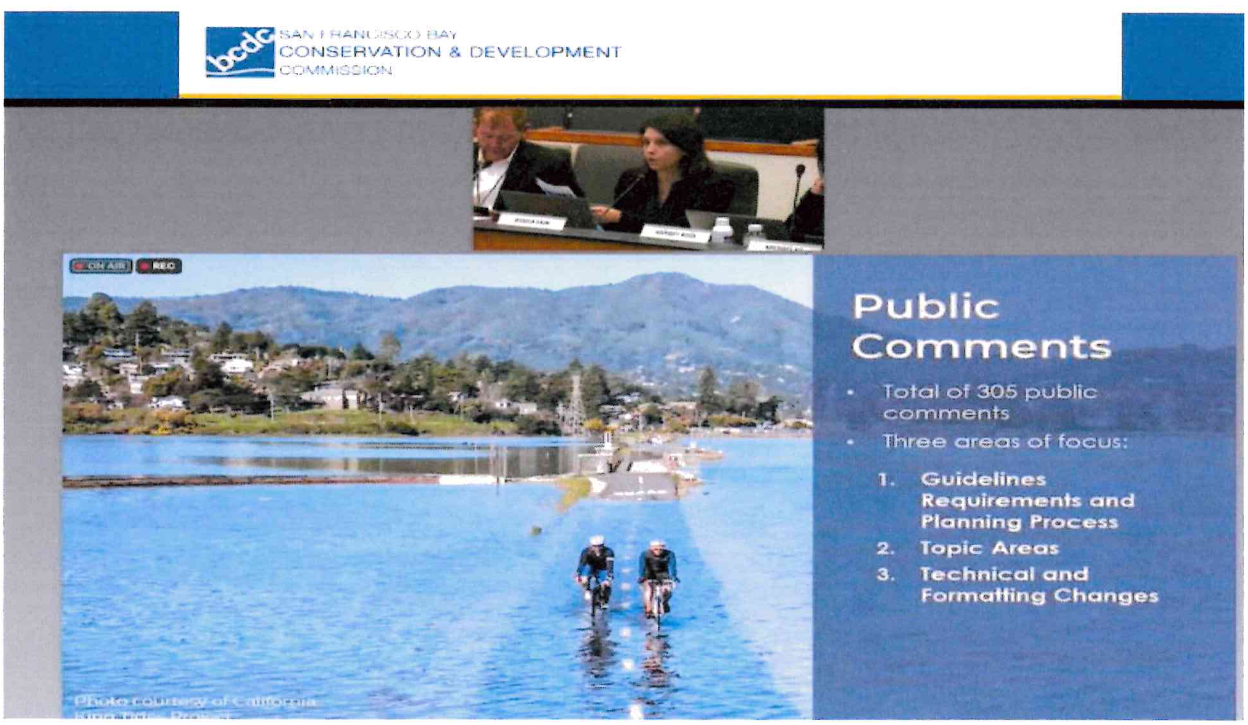
###

San Francisco Bay Conservation & Development Commission
Notes
Craig K. Murray
December 5, 2024

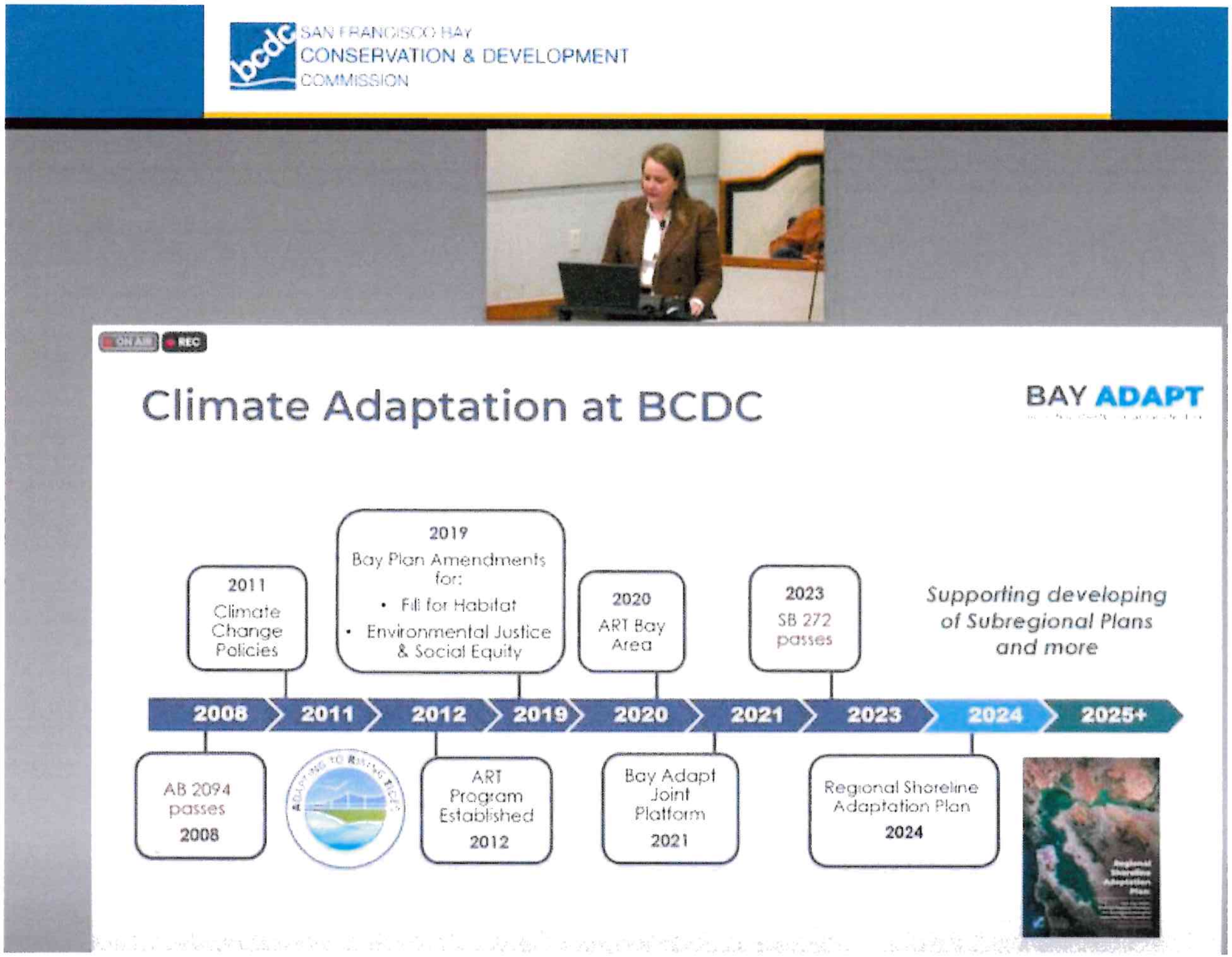
Zack Wasserman, Chair
Roll Call. County Supv: Moulton-Peters, City Novato Pat Eklund attending. 22 Voting Board Members attending. ZW: @2:10pm Board Members Batiste and Goran noted by ZW as have now joined the mtg. BCDC Commission Members:

9) Commission Consideration and Possible Vote on the Regional Shoreline Adaptation Plan (Bay Plan Amendment No. 1-24) The Commission will consider a staff recommendation and possibly vote on proposed Bay Plan Amendment No. 1-24 (BPA 1-24). BPA 1-24 includes a Regional Shoreline Adaptation Plan which, in part, establishes guidelines for local governments to use as they prepare rising sea level plans pursuant to Senate Bill 272 (Laird, 2023). BPA 1-24 would also amend several San Francisco Bay Plan Climate Change Findings and Policies. A public hearing was held on BPA 1-24 on October 17, 2024. (Jaclyn Perrin-Martinez) [415/352-3631; jaclyn.perrin-martinez@bcdc.ca.gov]
ZW: Over 300 comments received, one of the most important items we discuss. But taking down Elk Fence at Pt Reyes received 3,000 letters. Did the Elk submit letters? (: We need to do better.

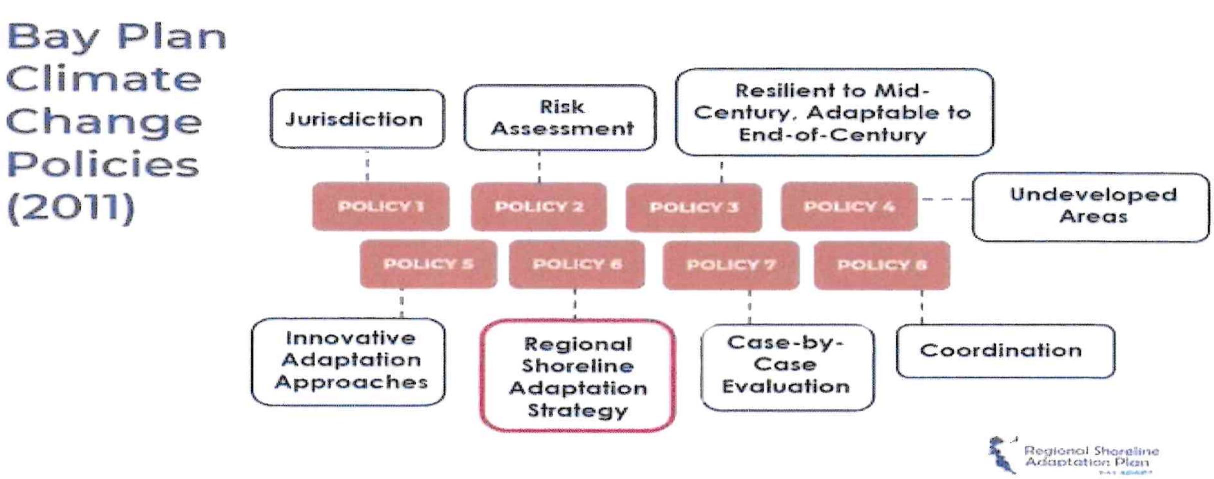
Why BCDC developing goals, summary of common themes heard. RSAP: sharper, clearer than prior draft. Clear 50+ jurisdictions that surround the Bay, Bay ecosystems, EJ, climate adaptations and uncertainty of Science, diverse urban rural shorelines. Guidelines better meet City and County Guidelines after consult with BCDC.



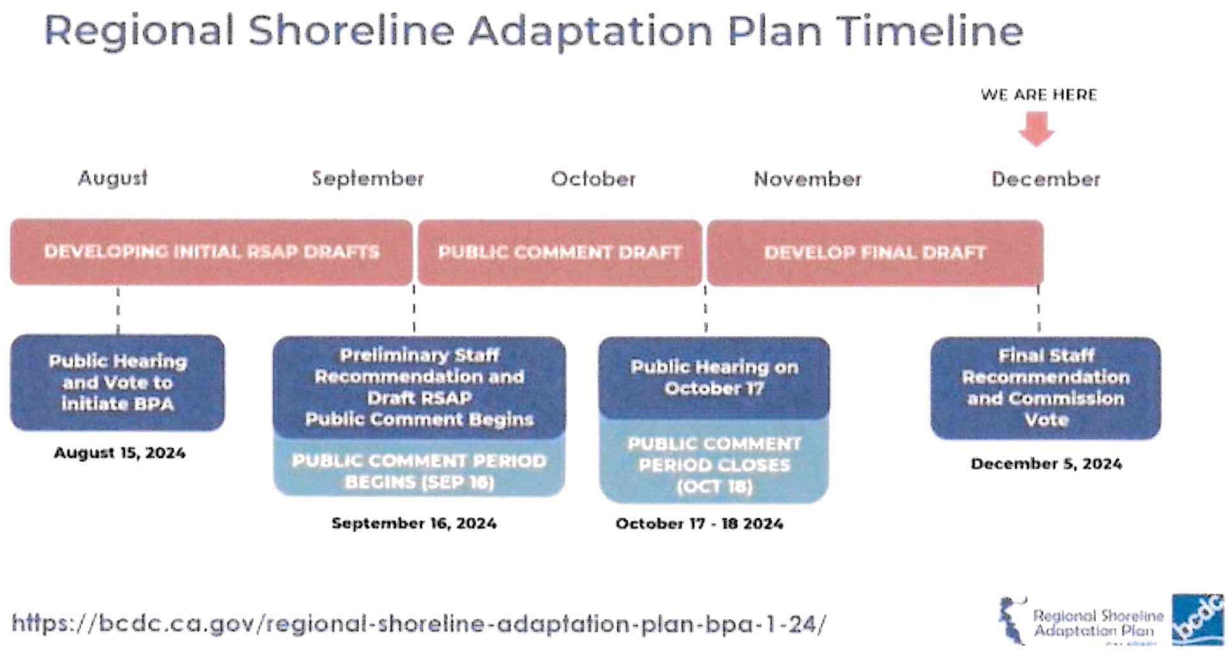
Comments for strategic improvements rather than wholesale change. Didn't change Standard to Recommendations as some comments received.
Dana



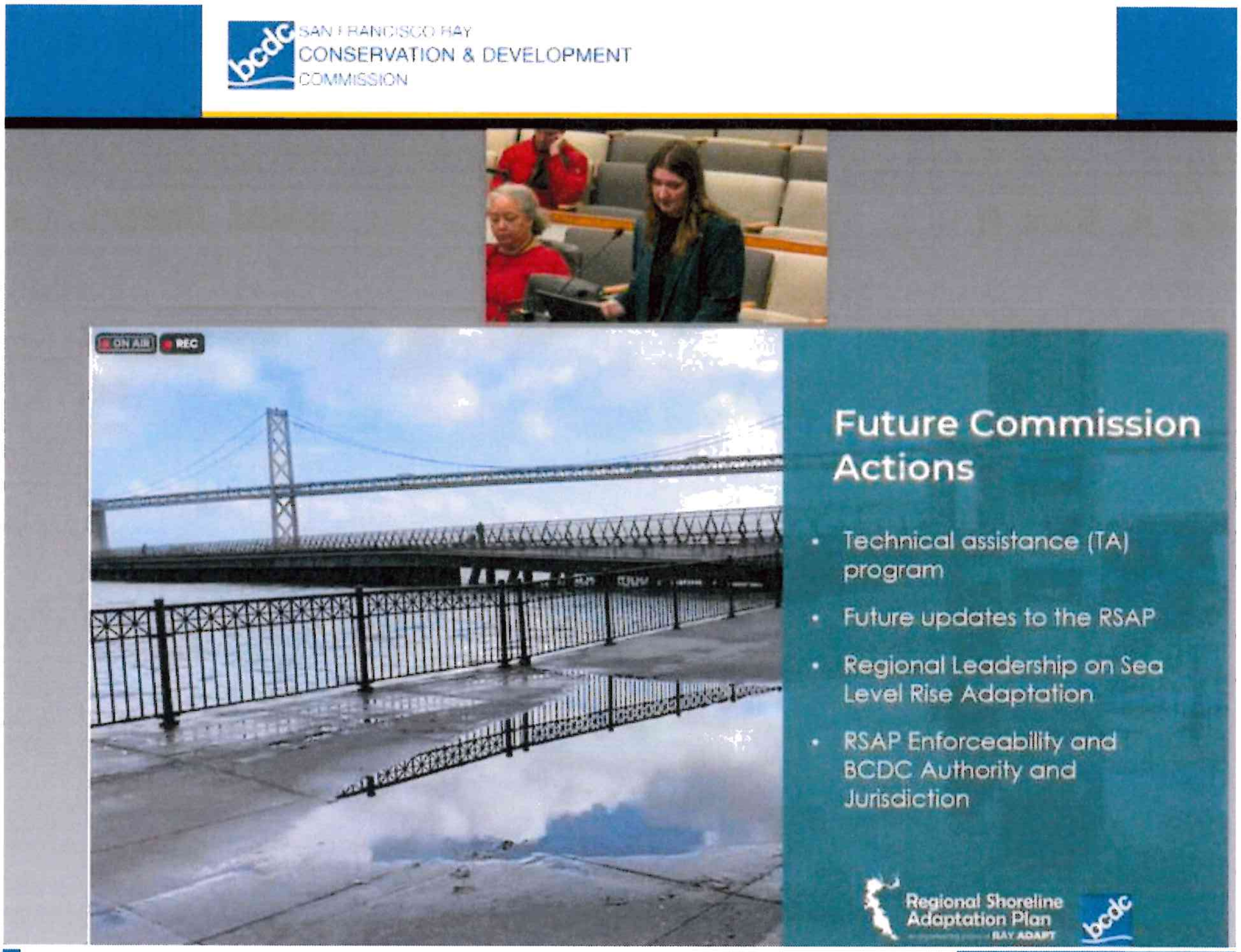
Bay is not becoming smaller with fill but increasing in size. SLR legislation AB 2094 (2008) SB 272 SLR Adaptation Plan for all jurisdictions with BCDC to review. Support cities with rising tides program. Bay adapt platform adapt. This is latest in body of work with this RSAP adopted.



Policy 6 is most important for this work. A regional not city by city, project by project approach. Today's vote 13 years in making.   Ocean Protection Council and State Coastal Conservancy grants.



RSAP: Regional Wide Plan to coordinate local plans with One Bay Vision and Big Picture Vulnerability Issues and how to have subregional shoreline adaptation plans. 1 tribal consultation in RSAP. Plus over 100 local govt. planners. Right-Sized: Desired Outcomes.
Jackie: Summary of Comment Themes and Key Revisions. Staff Report Appx. D. p.86 Intended Outcome Sections and alternative paths to comply. Ie Operational Plan Units can be used rather than maximum flood and first have to be approved by the BCDC Staff. To ensure to meet minimum standards and to have compliant local govt. plans. BCDC will offer support to local govt. to bring owners to the table and address state housing mandates and other state needs. Require local govt to have adaptation strategy and to id their long term strategy with options. Element E: local govts need to ID projects they have. Ecosystem health and resilience. Prioritize maximum shoreline benefits. Apptx D p. 19-22. New standard on contamination risks and new language on EJ and transparency and coordination. Tribal ecological knowledge added. Conf. Lejan Tribe comments. Apdx. Dp.24-25.   RSAP is a first of its kind plan. Need updates with ABAG and Ocean Protection Council. Need for funding to educate local govt., leadership academy.

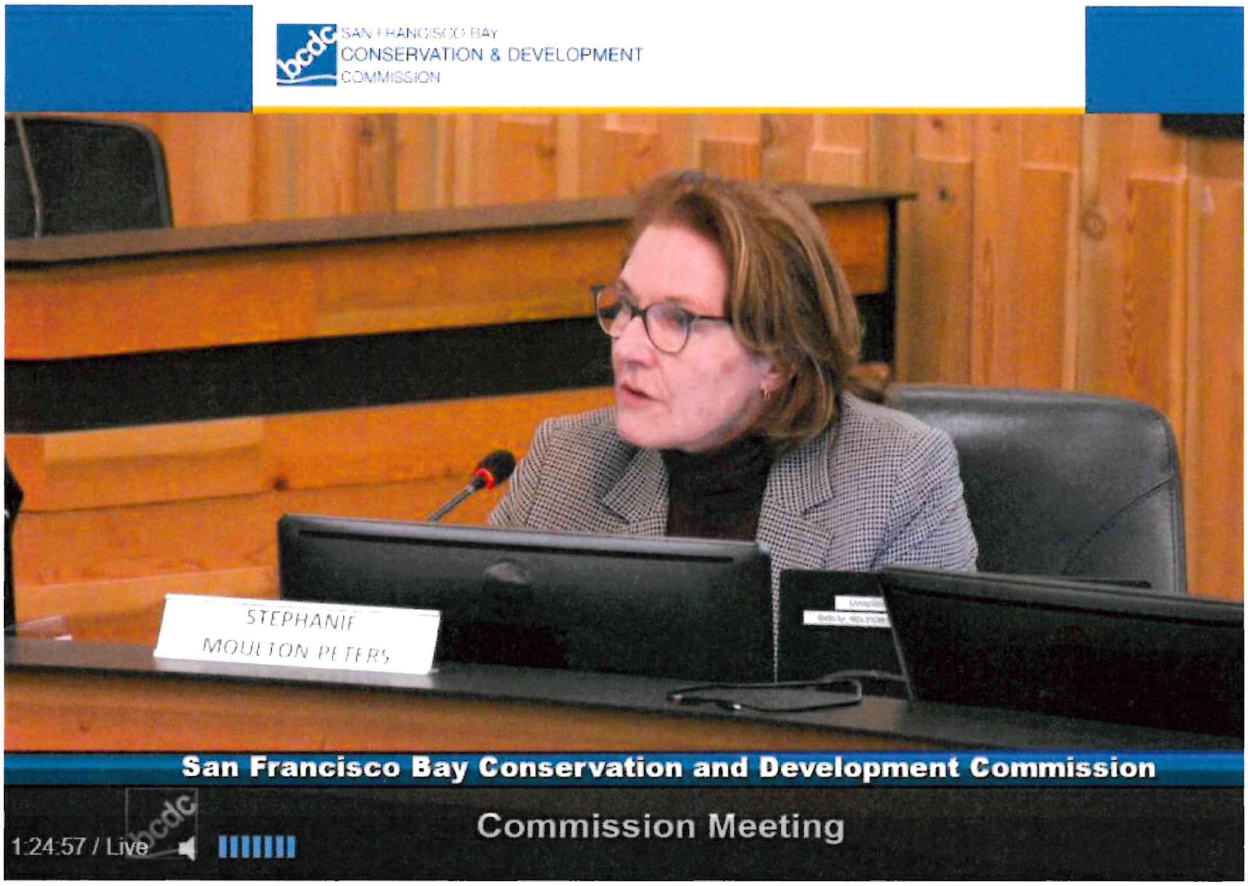


p.181 Economic Impact Analysis. Gioia: What authority if jurisdiction files inadequate plan. ZW: not specified, to be worked out going forward. Shaming those that have not filed a plan is a tool.

ZW: Primary is not enforcement but rising sea level and to protect citizens. **Not a regulatory document**. Decision is to be made by legislature not BCDC. Barry Nelson, alternate: 891 pages of comments by his count that staff reviewed, addressed.

Private Financing? ZW: needs to be explored. Safe growth, strategic : focused on outcomes. Increase density to attract development but downzone in areas. Trails be a req. element? 2 requests to include regional active transp. Network and sf bay water trail also now included. Housing? Sent to HCD. Said it is compatible with Housgin Oppty Sites just need to ID that growth areas are resilitent to SLR now and over time and many ways to achieve. If in a high risk area then need to protect (item 6). SLR higher now then when we thought in 2015. PE: Urge BCDC to take more active role to reduce # of req. such as pay for it in another City. BCDC can show doesn't make sense to build housing on pilings. I will raise that if I am on the committee. What is Techn. Asst. Committee. A: Working with Consultant with goal to complete locals with subregional plans.

Bring back later on technical review committee. PE: get some local input on what tech asst plan will look like. Randolph: "Growth Geologies" ? if in a Growth Geolography : ID increasing housing for transit to reduce. 4 areas dfn. By abag. Incentivizing area of low flood risk and to attract development. What dfn. Area presumably any where in bay area. A: just types of strategies to achieve. We define risk as exposure, vulnerability. Don't define thresholds but what could be lower or higher in what area.



SMP: Not put housing in hills, high fire, nor putting in bay area prone to these areas. We put the housing where we want it. PE: removal of State funding to local Cities and Counties that are not compliant?

Laws state ***no longer prioritized*** but not ineligible for state funding. Doesn't specifiy what state funds. Ref. San Diego Shoreline Resilience that is similar but we go much further. Adaptation is placed based and in each area in the bay may not work. Local to regional plans to fit together.

Public comment: 15 virtual speakers and 5 in the room.

Martha Curel: Richmond Progressive Alliance community member. Call on BCDC to maintain strength of plan, heard attempts to water it down, shoreline intense industrial and transportaition even though working and color class hungry for economic development. But good pubic that may release contaminants into the Bay. Janet Johnson, Chair of Richmond Shoeline Alliance. Want testing of dredged materials: Zeneca and United Heckathorn, remedy failed DDT (dichlorodiphenyl trichloroethane) and Diathorne (dieldrin) leaked into bay. Side note EPA 2012 video link to site and site NPL Superfund Site Clean Up:
https://www.google.com/search?q=united+heckathorn+ddt+diathorne&rlz=1C1GCEB_enUS972US976&oq=united+heckathorn+ddt+diathorne&gs_lcrp=EgZjaHJvbWUyBggAEEUYOTIHCAEQIRigATIHCAIQIRigATIHCAMQIRigATIHCAQQIRiPAtIBCjlyMjkyajBqMTWoAgCwAgA&sourceid=chrome&ie=UTF-8#fpstate=ive&vld=cid:195aba49,vid:_F43_3jSTPU,st:0)
Responsible, valid community with monitoring of contaminated site remediaton. Difficult lift for some jurisdictions. To maintain quantity, may have to reduce quality. Laura Walsh, Save the Bay, Policy Director. Equitable SLR has been watered down.

350 Bay Area, shoreline coalition. Use seawalls, levies, everything to defend rising seas we know on the way. Must not let the ecosystems fail. David Wells, SF Bay Board Sailing Assoc. access points. Recreation is absent in guiding principles. Appreciate Water Trail late add and is key. Sites in Marina Bay Park, Starkweather in San Rafael, Treasure Island North side is absent and needs protection. Greenbelt Alliance, Zoe Siegel. Upzoning with housing sometime along shorelines. Remote speakers: Lane Figzo, resident. Nature based solutions not included. Charles Shafer, Conf. Villages of Lejunne – Lucy Gill, Resources Manager : Alameda, CC, Napa and Solano waterways. Consider Tribal lands and sacred places and other bay area tribes. Sierra Club, Member Bay Alliance. Strong nature based solutions. Caroline Cheng: Sierra Club: Water and shoreline campaigns. Thanks on RSAP and considering our comments. Nature based solutions and concern on contamination. Junyan Wang: Santa Clara Valley Bird Alliance: Req nature based solutions and regional habitat migratory bird habitat to protect from climate impacts but plan has lowered impacts words from must to should. Support habitat and biodiversity and mandatory metrics and benchmarks to guide local jurisdictions. Chris Macintosh Vol Seqouia Audubon. Natural shorelines

BART, City of Oakland. Sally Tobin: Bay Model Army Corp in 1977 built in Sausalito but no accepted model to collapse of equine estuary and toxic red tides w/excess nutrients discharged from WWTPs. Reduces many actions to judgement calls rather than putting nature and science first. Eelgrass is keystone species but is challenging to establish. Scenario eelgrass meadows destroyed with illplaced seawalls and features. Kayrn Hines: Citizens committee to complete the refuge. Daniella Miller: City of Alameda, Env. Committee. Longterm shoreline plan, habitat, rec., community resilience w/City and port of Oakland. Osvaldo Macias, CASA contamination team rep. equity. Marshes, open space, nature based solutions to communities disproporationately by climate change. Arthur Feinstein: Chair of Sierra Club SLR and RSAP Adv. Committee. Robt. Cheasty: Director of Citizens Park, creation of Shoreline Parks in eastby for 40 years now include Pt Molate and McLaughlin Park. Bird Alliance, Sally Tobin and CCRNA. Can't pay with State and local monies. Put in context nationwide. No way to pay for all these, bring tally to wash. Cheaper to deal with climate change than to do all these projects. Norman LaForce: SprawlDef: Saving Pt Molate and McLaughlin, legal version of dutchy grand fenwick. Nature based solutions need to be primary focus. Cost to build seawalss, dikes simply not feasible. Jeremy Loew of former race track example. Jacob Klein: Sierra Club org. director, 10k members. Impt. To preserve shorleines and communities and best way through nature based solutions. 3:24pm ###

12/5/24 BCDC Press Release from Kathryn.riley@bcdc.gov

Press Release
December 5, 2024
For more information, contact:
Rylan Gervase, rylan.gervase@bcdc.ca.gov, Ph: 415-961-9088

The San Francisco Bay Conservation & Development Commission (BCDC) adopted a Regional Shoreline Adaptation Plan (RSAP) to guide and coordinate how the Bay Area's local governments and communities prepare for rising sea levels.

San Francisco, California — Citing the need for urgent action to address rising sea levels that threaten the Bay Area's shoreline communities and natural habitats, BCDC Commissioners voted to adopt the RSAP, paving the way for local jurisdictions to take climate actions that protect their communities and the entire Bay shoreline.

Photos from community workshops on the RSAP. View more here

The RSAP is a regionwide plan for the San Francisco Bay shoreline that guides how local governments will create coordinated, locally planned sea level rise adaptation actions that work together to achieve regional resilience and a shared One Bay Vision. The RSAP's Guidelines start to fulfill the requirements of SB 272, a new State law that requires each local government along the shoreline to prepare Subregional Shoreline Adaptation Plans (Subregional Plans) by 2034. Projects within BCDC-approved Subregional Plans will be prioritized for State funding.

Learn more at //www.bayadapt.org/regional-shoreline-adaptation-plan.

As sea levels continue to rise in the near and long-term, the need for cohesive sea level rise adaptation along the Bay shoreline becomes more important than ever. With the adoption of the RSAP, BCDC is addressing the need to proactively and collectively protect the most at-risk communities, critical infrastructure, natural habitats and public access along the Bay.

This pivotal milestone is the result of two years of public workshops and engagement with local communities and input from other key interested parties, including a series of pop-up community visits, local place-based workshops, and at-large public events. BCDC received and incorporated feedback from over 300 public comments provided on the draft RSAP.

Established in 1965 to plan for and manage the unregulated filling of San Francisco Bay, BCDC is the primary State agency responsible for leading the Bay Area's planning for, and resilience to, rising sea levels, high tides, and storm surges exacerbated by climate change. In 2011, BCDC was the first coastal management agency in the country to adopt sea level rise policies. Through its Adapting to Rising Tides program and Bay Adapt: Regional Strategy for a Rising Bay, BCDC works closely with entities around the region to provide tools, analysis, and leadership to help the Bay Area prepare and plan for rising sea levels. Today, with the adoption of the RSAP, BCDC continues to pave the way – creating a vision and framework for the coordinated, equitable, and proactive adaptation planning for the San Francisco Bay shoreline.

What will the RSAP do?

- Establish a regional vision for successful sea level rise adaptation.
- Guide local governments as they prepare local adaptation plans.
- Reduce flood risk by aligning local and regional priorities.
- Coordinate adaptation projects across multiple jurisdictions.
- Standardize and simplify adaptation methods and data.
- Drive regionally coordinated project implementation.
- Uphold environmental justice by requiring local plans to incorporate equity.

Adoption of the RSAP is only the initial step towards a region resilient to rising sea levels. Local governments within BCDC's jurisdiction will have until Jan 1, 2034 to develop Subregional Plans that comply with RSAP's Guidelines. BCDC will be providing technical assistance to cities, counties, and communities developing adaptation plans that meet their unique local conditions to ensure the region effectively adapts - and thrives - together.

BCDC's action today is vital because the Bay Area is already experiencing the impacts of climate change and rising sea levels through flooding from high tides, storm surge, and bigger storms with more rain. Rising sea levels threaten the Bay's shoreline communities and the natural habitats that would otherwise protect them, disrupt transportation networks, push untreated wastewater into the Bay, put parks and open space under water, and are only projected to worsen in decades to come.
—BCDC Chair R. Zachary Wasserman

"The Plan approved today will help California communities adapt to rising sea levels, storm surges, and coastal flooding threats," said California Secretary of Natural Resources Wade Crowfoot. "Local agencies in the Bay will now have access to the latest science and best practices they need to develop their own plans to adapt to rising sea levels."
—California Secretary of Natural Resources Wade Crowfoot

I introduced SB 272 to equip coastal communities with the tools and strategies needed to address the challenges of rising sea levels. The approval of the Regional Shoreline Adaptation Plan will mark a significant milestone in empowering local governments with science-based solutions to protect our coastlines, infrastructure, and natural habitats from the growing threats of climate change.
—Senator John Laird (D-Santa Cruz)

About the San Francisco Bay Conservation and Development Commission
The San Francisco Bay Conservation and Development Commission (BCDC) is a California state commission dedicated to the protection, enhancement and responsible use of the San Francisco Bay. BCDC protects and enhances San Francisco Bay and advances the Bay's responsible, productive, and equitable uses for this and future generations as we face a changing climate and rising sea levels.

###

Las Gallinas
VALLEY SANITARY DISTRICT

BOARD MEMBER CONFERENCE/ MEETING/WEBINAR ATTENDANCE REQUEST

Date:___________Name:____

I would like to attend the ____Meeting

of ____

To be held on the ______ day of ___________ from ________ a.m. / p.m. to

_______day of ___________ from _________ a.m. / p.m.

Location of meeting:____

Actual meeting date(s):____

Meeting Type: (In person/Webinar/Conference)_______________________________

Purpose of Meeting:____

Meeting relevance to District:____

Board Members to register for Webinars and Meetings

YES NO

Request assistance from Board Secretary to register for Conference only: ☐ ☐

Board Directors to make their own Hotel Reservations and book their own transportation including airfare, taxi and/or shuttles.

Frequency of Meeting: ____

Estimated Costs of Travel (if applicable):____________________________________

Date submitted to Board Secretary:____

Board approval obtained on Date:____

Please submit this form to the Board Secretary no later than 1 week prior to the Board Meeting.

REVISED 09062023

12/19/2024

BOARD AGENDA ITEM REQUESTS

Agenda Item 9B

☐ Separate Item to be distributed at Board Meeting

☐ Separate Item to be distributed prior to Board Meeting

☑ Verbal Report

☐ Presentation

Agenda Item 10
Date December 19, 2024

Housing proposal for mall approved

San Rafael council clears way for plan to advance

BY ADRIAN RODRIGUEZ

ARODRIGUEZ@MARINIJ.COM

San Rafael has approved a proposal to redevelop Northgate mall with 1,422 residences around shops and restaurants, capping more than three years of planning and contentious hearings.

After a four-hour hearing Monday, the City Council voted unanimously to certify an environmental impact report, as well as approve a zoning amendment and project entitlements, clearing the plan to move forward.

"The approval of Northgate Town Square opens the door to new housing, dynamic community spaces, and renewed retail opportunities," Ross Guehring, spokesperson for Merlone Geier Partners, the mall owner and developer, wrote in an email. "This once-in-a-generation project is a testament to the strong collaboration with the City and a dedicated coalition of community members. We couldn't be more excited to bring this vision to life as we move into the execution phase."

The hearing Monday, like prior ones, had residents packing City Hall to provide their comments. Detractors objected to the size of the complex and the influx of new residents they said could create traffic and safety issues in the neighborhood. Supporters praised the project for creating needed housing.

"This is the right place for development," Vice Mayor Eli Hill said. "As to the magnitude, I am wanting to recognize that there is distress in the community."

"At the end of the day, this is an opportunity for us to have a thriving part of San Rafael," he said. Regarding the traffic and safety concerns, Hill said, "I have a belief that it may not be as bad as people might imagine."

Merlone Geier Partners, a real estate investment firm in San Francisco, bought the Terra Linda property in 2017 and filed a project application in 2021. The project has undergone several revisions that increased the number of residences at the 45-acre site.

The project will redevelop the mall to include six residential parcels with a mix of townhomes, apartments, shops and restaurants over two construction phases. Buildings would range from two to seven stories. Developers plan to spread 143 "affordable" apartments and for-sale homes throughout the site.

The City Council approval came just weeks after the Northgate Century Theater closed at the mall. The redevelopment plan had envisioned an upgraded theater as a central attraction. Now the future of the 45,000-square-foot space remains unclear, and issue was not addressed at the meeting Monday.

Guehring said Tuesday that the company has heard interest from prospective tenants.

At the council meeting, city officials praised each other, the applicants and consultant team for bringing a complicated project to the finish line.

Micah Hinkle, the city's economic development director, said redevelopment of the mall has been contemplated since the Sears auto center closed more than 10 years ago.

Since then, the city has developed a general plan 2040 to provide a blueprint for housing, community and commercial development.

"Northgate is a catalyst project, setting the next chapter for San Rafael," Hinkle said.

The presentation largely focused on the 1,480-page environmental impact report, or EIR, which the City Council needed to certify in order to approve a zoning amendment and project entitlements.

The state-required report found that any greenhouse gas emissions and noise from the project would be significant and unavoidable.

The EIR faulted the project for failing to meet requirements of the Bay Area Air Quality Management District to ban the use of natural gas. The project seeks to use natural gas lines for commercial kitchens.

"I would like you to seriously think about why the Bay Area air quality board has proposed to discontinue any indoor gas stoves," Pam Reaves, a member of the Marin Conservation League, told the council, "and to realize that prioritizing fast-food restaurants over the health of our people, the health of our climate, the health of our Earth, is just so wrong thinking."

Much public comment centered around a traffic analysis performed by David Parisi, a Parametrix consultant working for the city on the EIR. According to Parisi, the project would result in fewer vehicle trips than a fully occupied mall would during peak afternoon hours.

"This is because residential trips generate fewer trips than commercial uses," Parisi said.

Critics bashed the analysis for assuming vehicle trips generated by full occupancy of the mall as a baseline for comparison.

"I want to be blunt with you: I don't think your staff has served you well with this project's EIR," said Gloria Smith, an attorney representing the group Responsible Growth in Marin, whose members have scrutinized every detail of the project.

"So according to the EIR, adding more than 1,400 new homes, as well as more than 200,000 square feet of commercial space, would somehow reduce daily car trips compared to the existing mall?" Smith said. "In my view, relying on this inaccurate baseline has been an unforced error by the city and has generated some ill will among parts of the city because they don't trust this analysis."

Shirley Fischer, a Terra Linda resident and member of the same group, said, "This is not just a matter of convenience, it's a matter of safety. Terra Linda is a bottle with one way out, and Northgate is the cork."

The group asked the City Council to require followup traffic studies, a condition that officials ended up adding to their approval.

A large contingent of project supporters are members of the Marin Organizing Committee, a group that advocates affordable and workforce housing.

"If we want our teachers, doctors, EMTs, health care workers and firefighters to live in Marin, then we need more housing," said Victoria Holdridge, a member of the group.

Regina Bianucci Rus, representing the League of Women Voters of Marin County, said her organization supports the project.

"The project will make a meaningful impact on housing supply in Marin," she said. "The project has strong connections to transit and will reduce car dependency in Marin. The project provides housing that is more water- and climate-sustainable than the current housing stock or new single-family homes."

Some labor unions also voiced their support.

“This project will be a cornerstone for our community, not only bringing new businesses, housing and amenities to San Rafael, but also creating substantial job opportunities,” said Chris Palomo, field representative for the NorCal Carpenter’s Union.

The City Council enthusiastically supported the plan.

Mayor Kate Colin said the 1997 North San Rafael Vision Plan, a city planning document, had contemplated housing at Northgate.

“So what I see in that is our community has always been willing to say, ‘You know what? We get that times change and change is going to be hard, but we want to have the ability to meet that moment and to meet where the future is going,’” Colin said.

“It’s the vision of being able to live and work, and being able to gather in one place, which I think can really bring vibrancy and new energy to Northgate,” Councilmember Maika Llorens Gulati said.

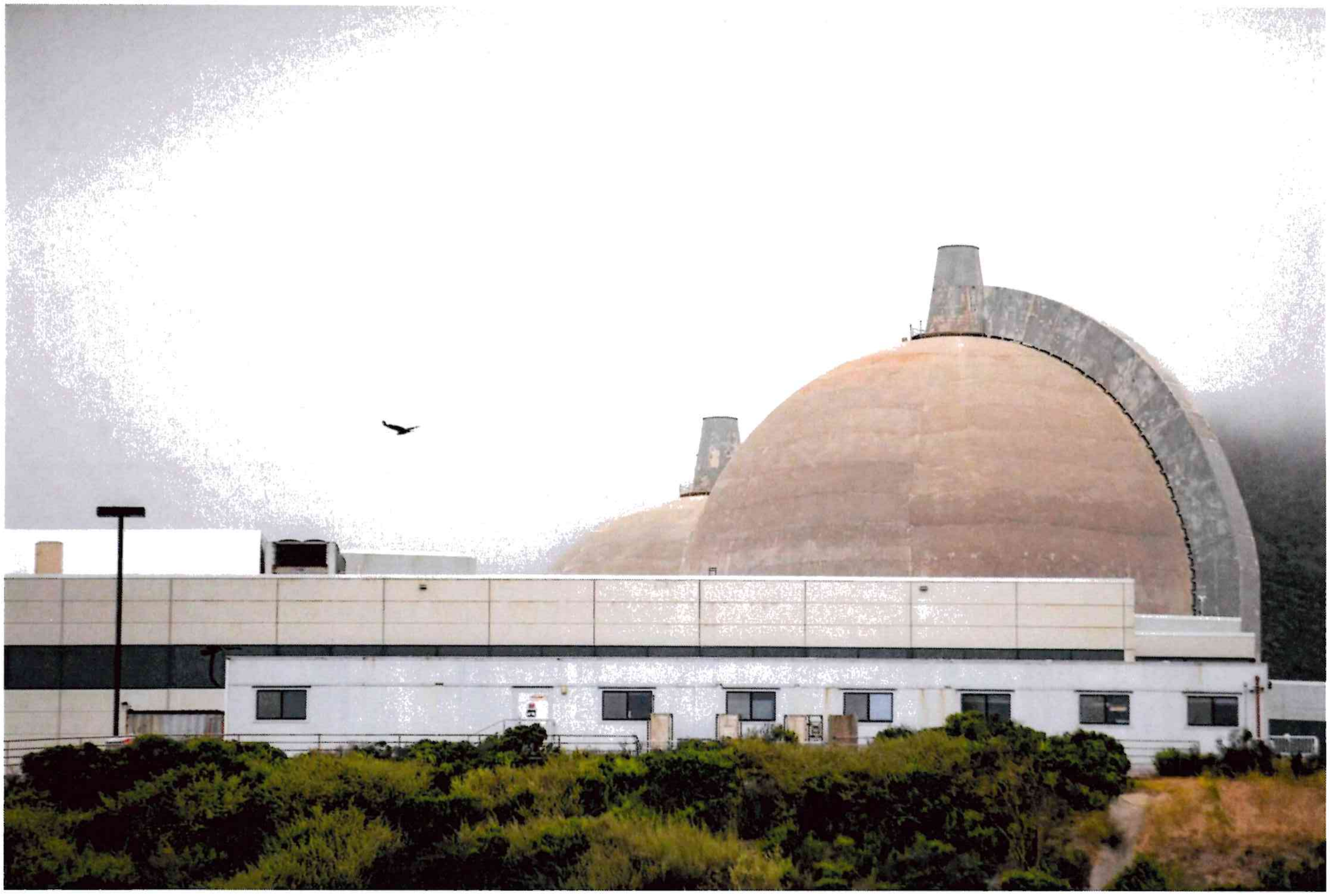
“Instead of fearing change, I choose to meet it with curiosity and excitement and commitment to building something remarkable together,” Councilmember Rachel Kertz said, endorsing the plan.

“I’m very proud of the product that has come out of this long and painstaking, and maybe even at times painful, process,” Councilmember Maribeth Bushey said. “But we’ve got a great project here that will be a catalyst for hopefully reverberating throughout our community, and will bring the vision we want for our future, for our young people.”

A second reading of approvals is planned for the City Council’s meeting Dec. 16.

Merlone Geier Partners expect to start demolition by early summer, Guehring said.

Nuclear power public support growing



The domed reactors of the Diablo Canyon Power Plant. Public support for nuclear power is the highest in more than a decade. BRIAN VAN DER BRUG — LOS ANGELES TIMES/TNS

BY NOAH HAGGERTY

LOS ANGELES TIMES

When Heather Hoff took a job at Diablo Canyon nuclear power plant, she was skeptical of nuclear energy so much so that she resolved to report anything questionable to the anti-nuclear group Mothers for Peace.

Instead, after working at the plant for over a decade and asking every question she could think of about operations and safety, she co-founded her own group, Mothers for Nuclear, in 2016 to keep the plant alive.

"I was pretty nervous," said Hoff, 45. "It felt very lonely no one else was doing that. We looked around for allies other pro-nuclear groups. ... There just weren't very many."

Today, however, public support for nuclear power is the highest its been in more than a decade as government and private industry struggle to reduce reliance on planet-warming fossil fuels.

Although a string of nuclear disasters decades ago had caused the majority of older Americans to distrust the technology, this hasn't been the case for younger generations.

Old-school environmentalists "grew up in the generation of Three Mile Island and Chernobyl. ... The Gen Zers today did not," said David Weisman, 63, who has been involved in the movement to get Diablo Canyon shut down since the '90s and works as the legislative director of the Alliance for Nuclear Responsibility.

"They don't remember how paralyzed with fright the nation was the week after Three Mile Island. ... They don't recall the shock of Chernobyl less than seven years later."

Many of these younger nuclear advocates outwardly vocal on social media sites such as X and Instagram hope the renewed interest will fuel a second renaissance in nuclear power, one that helps California, the U.S. and the globe meet ambitious climate goals.

"I think we are the generation that's ready to make this change, and accept facts over feelings, and ready to transition to a cleaner, more reliable and safer energy source," said Veronica Annala, 23, a college student at Texas AM and president of the school's new Nuclear Advocacy Resource Organization.

In the past few months alone, Microsoft announced plans to fund the reopening of Three Mile Island's shuttered unit to power a data center. Amazon and Google have also invested in new, cutting-edge nuclear technology to meet clean energy goals.

While some advocates wish nuclear revitalization wasn't being driven by energy-hungry AI technology, the excitement around nuclear power is more palpable than it has been in a generation, they say.

"There's so many things happening at the same time. ... This is the actual nuclear renaissance," said Gabriel Ivory, 22, a student at Texas A&M and vice president of NARO. "When you look at Three Mile Island restarting that was something nobody would have ever even thought of."

Political shift

This enthusiasm has also been accompanied by a surprising political shift.

During the Cold War nuclear energy frenzy of the 1970s and '80s, nuclear supporters often Republicans touted the jobs the plants would create, and argued that the United States needed to remain a commanding leader of nuclear technology and weaponry on the global stage.

Meanwhile, environmental groups, often aligned with the Democratic Party, opposed nuclear power based on the potential negative impact on surrounding ecosystems, the thorny problem of storing spent fuel and the small but real risk of a nuclear meltdown.

"In America ... it has been highly politicized," said Jenifer Avellaneda Diaz, 29, who works in the industry and runs the advocacy account Nuclear Hazelnut. "That is a little bit shameful, because we have great experts here a lot of doctors, a lot of scientists, a lot of engineers, mathematicians, physicists."

Today, younger Republicans are 11% less likely to support new nuclear plants in the U.S. than their older counterparts. Meanwhile the opposite is true for the left: Younger Democrats are 9% more likely to support new nuclear than older Democrats, according to a poll by the Pew Research Center.

As a result, while Republicans older than 65 are 27% more likely to support nuclear energy than their Democratic peers, Republicans age 18 to 29 are only 7% more likely to support it than their Democratic counterparts. "Young Democrats and young Republicans may be looking at numbers but two separate sets of numbers," said Weisman. "The young Republicans may be looking at the cost per megawatt hour, and the young Democrats are looking at a different number: parts per million of CO_2 in the atmosphere."

Brendan Pittman, 33 who founded the Berkeley Amend movement, aiming to get his city to drop its "nuclear-free zone" status said he's noticed that younger people have become more open to learning about nuclear energy.

"Now, as we're getting into energy crises, and we're talking more about, 'How do we solve this?' Younger people are taking a more rational and nuanced review of all energy, and they're coming to the same conclusion: Yeah, nuclear checks all the boxes," Pittman said.

"I remember getting signatures on the streets of Berkeley, and I would say most young people when I said we're looking to support nuclear energy they would just stop me and say, 'Oh you're supporting nuclear energy? Where do I sign?'" he said. "I didn't even have to sell it."

Impact on industry

This newfound enthusiasm has also affected the nuclear industry, where two dominant age groups have emerged: baby boomers who mostly took nuclear jobs for consistent work, and millennials and Gen Zers who made a motivated choice to enter a stigmatized field, advocates in the industry say.

"You get all sorts of different backgrounds, and that really just blooms into all sorts of fresh new ideas, and I think that's part of what's making the industry exciting right now," said Matt Wargon, 33, past chair of the Young Members Group of the American Nuclear Society.

Like the workers themselves, the industry has formed two bubbles: the traditional plants that have been operating for decades and a slew of new technologies from small reactors that could power or heat single factories to a potentially safer class of large-scale reactors that use molten salt in their cores instead of pressurized water.

At existing plants, younger folks have injected innovation into longstanding operation norms, improving safety and efficiency. At the startups, those who've worked in the industry for decades provide "invaluable" knowledge that simply isn't in textbooks, industry workers say.

The infusion of new talent and ideas is a significant change from when Pennsylvania's Three Mile Island disaster in 1979 and the Chernobyl meltdown in 1986 devastated the industry. Regulations became stricter, and development on new reactors and new technology slowed to a halt.

False narratives around the technology ricocheted through society. Both Hoff and Avellaneda Diaz recall their parents worrying about radiation affecting their ability to have children. (The average worker at Diablo receives significantly less radiation in a week than a passenger does on a single East Coast to West Coast airplane flight.)

"Radiation is invisible you can't see it. You can't smell it. You can't hear it," said Wargon. "And people tend to fear the unknown. ... So if you tell them, 'Oh this power plant has a lot of radiation coming out of it,' it's hard to dispel (the misinformation and fear)."

Only as the memories faded and new generations entered the workforce did the reputation of nuclear power slowly recover.

Role of colleges

Advocates also say that college campuses have become a leading space for nuclear advocacy, with Nuclear is Clean Energy (NiCE) clubs popping up at multiple California schools in the past few years. Nuclear advocates say the internet and easy access to accurate information has also helped their cause.

"That was certainly a revolution because right now, it's super easy to Google it," Avellaneda Diaz said. "Back then you needed to go to the library, get the book it was not that easy to get the information or be informed."

A poll conducted by Ann Bisconti, a scientist and nuclear public opinion expert, found that 74% of people who said they felt very well informed strongly favored the use of nuclear energy in the U.S., whereas only 6% who felt not at all informed supported it. As such, public outreach and education has become a core tenant of the new nuclear advocacy movement. "Let's be real," Annala said, "our generation has the whole internet at our fingertips ... so, just starting the conversations is really the big thing."

Advocates speculate that the ability to rapidly disseminate information on nuclear energy to combat misconceptions might have helped prevent nuclear energy from becoming politically and culturally toxic after the Fukushima accident, unlike with Chernobyl and Three Mile Island.

While the Texas AM students were quite young when the disaster unfolded, both Wargon and Pittman were in college in 2011 when an earthquake and tsunami in Japan crippled the power systems at the Fukushima Daiichi nuclear power plant, triggering a meltdown. Avellaneda Diaz was in high school.

Hoff was working at Diablo Canyon when Fukushima happened. The public scare, in part pushed by the media, almost led her to quit her job.

Instead, after taking the time to analyze the causes of the meltdown and the errors made, she decided to embrace nuclear.

For her, Fukushima was a reminder that nuclear power comes with risk however small but that even in a worst-case scenario, operators are skilled at preventing a disaster. (PG&E says a Fukushima flooding episode would be impossible at Diablo Canyon.)

Today, Hoff writes the emergency protocols for Diablo Canyon and hopes the industry will learn again how to engage with the public. She said that's what happened with her when she first somewhat reluctantly took a job at Diablo. "I was a little obnoxious for the first few years," Hoff said of her constant questioning and search for a critical flaw.

Instead of pushing back against her, the plant welcomed it.

DICK SPOTSWOOD

Interregnum votes by Marin boards raise eyebrows

America is amid an interregnum at the federal and local levels. As the Presidential Studies Quarterly explains, "The presidential interregnum refers to the activities of the outgoing administration during the period between the election and the inauguration of a new president."

In Marin, interregnums describe the time between the most recent election and when newly elected local officials take office. It's when the citizenry must be vigilant to make sure those officials departing or holding over don't take actions to hinder those newly elected.

Some delay is inevitable with our complicated vote counting. Unlike most of the world, Americans prefer to have a multitude of offices on our ballots. That includes everything ranging from president down to those governing sewage agencies and fire districts.

During the interregnum, the actions of Marin's city/town, school and special-purpose district governments should be limited to routine housekeeping tasks and honoring departing officials. No action should be taken to hinder or preempt board members.

Tamalpais Union High School District's five-member board met two weeks after the November election. Two new trustees had just been elected but not yet installed: Marin City's Ida Times-Green and, from San Anselmo, Jennifer Holden.

The top issues at the session were related to passage of Measure B, Tam Union's infrastructure bond and to discuss the ninth-grade "ethnic studies course, community and consciousness implementation."

Given inherent construction delays, advancing facility improvements is appropriate and timely. But that's not the case with ethnic studies. The state has mandated that, starting in 2025, classes in ethnic studies be taught to all ninth-graders. This inevitably ideological curriculum will soon stir up hornets' nests across California.

Tam Union's website states its ethnic studies program will start "with the introduction to the concepts of privilege, power, oppression and intersectionality." Students "will investigate institutionalized systems of advantage and address the causes of racism and other forms of bigotry including, but not limited to, anti-Blackness, anti-Indigeneity, xenophobia, antisemitism and Islamophobia within our culture."

It would be more appropriate to commence this inherently controversial and divisive discussion after Tam Union's two new trustees are seated.

The second example is in Fairfax. I've written about a special Town Council meeting called to change rules governing council sessions. One proposed revision requires three of the five council members to vote to place topics on the agenda. Previously, any council member could request items be discussed. The change is perceived as a move to hobble newly elected Frank Egger and Mike Ghiringhelli.

There was a truly timely matter on the special meeting's agenda, the fate of the Peri Park homeless camp. The in-house rule change certainly wasn't urgent.

The third example came at the first post-election meeting for the Marin Municipal Water District Board of Directors. The agenda mostly consisted of routine housekeeping items. One item stood out as less than essential: raising the board members' meeting fee.

The base fee hasn't been adjusted since 2017. The staff proposed that the stipend be adjusted annually according to the Bay Area consumer price index. Doing so would result "in an increase to the per diem from $200 to $252.70."

Water directors rounded it off to $250. The total fees can't exceed $2,500 per month, which is $30,000 annually.

Voting yes for the raise was just reelected Larry Russell and outgoing Monty Schmitt, as well as holdover Jed Smith. The other two holdover directors, Ranjiv Khush and Matt Samson, voted no.

Other Marin agencies' pay levels put MMWD directors' pay in focus. Tamalpais Union High School District compensates their trustees $50 per meeting up to $200 per month or $2,400 a year maximum. Surely, MMWD directors aren't 92% more worthy than Tam Union trustees.

What was the rush? Water district directors should've waited until Director-elect Diana Maier takes her seat in early December.

Columnist Dick Spotswood of Mill Valley writes on local issues Sundays and Wednesdays. Email him at spotswood@comcast.net.

EXPANDED USE

Mt. Tam bike access ban extended

Judge blocks Marin Municipal plans for two pilot programs

BY ADRIAN RODRIGUEZ

ARODRIGUEZ@MARINIJ.COM

A Marin County judge has delivered a victory to a group of environmentalists seeking to prevent expanded bicycle access on Mount Tamalpais.

A preliminary injunction issued Tuesday blocks the Marin Municipal Water District from launching two pilot programs: one that would have opened 7 miles of watershed trails to bikes, and another to allow class 1, pedal-assisted electric bikes.

The ruling comes two months after a temporary restraining order imposed the same restriction. However, the preliminary injunction extends that condition through the entirety of the related lawsuit. Judge Andrew Sweet issued a tentative ruling last month indicating he was leaning in favor of the preliminary injunction.

In a statement, the Marin Municipal Water District said the programs, which were set to launch in October for a two-year trial, "were designed to protect our watershed lands in a way that is responsive to the changing public uses of this community resource."

"It's unfortunate that after years of public engagement, forward progress on these pilot programs has been slowed by a legal challenge," the statement says. "But we will continue to navigate the best path forward and will provide updates to the community as we have a better idea of changes and next steps."

For now, it's status quo on the mountain: Non-motorized bikes remain restricted to fire roads, and e-bikes are not allowed on the district property.

Bike access in the Mount Tamalpais watershed has been a polarizing issue for more than 30 years. The pilot programs are controversial, with critics citing safety and environmental impacts as their main concerns.

After several years of discussions over how to provide cyclists more enjoyment of the mountain, the water district board unanimously approved the pilot programs in September.

The lawsuit, filed Sept. 26, claims the pilot programs would be bad for the mountain. The plaintiffs include the Marin Chapter of the California Native Plant Society, the Marin Audubon Society and the Marin Conservation League.

The suit states the water district failed to comply with the California Environmental Quality Act by forgoing an analysis of the potential disturbances to the habitat from bike riding.

In the suit, the group says the project area "contains critical biological resources, including dozens of rare plant species and plant communities, the federally listed Northern spotted owl and up to eight special-status bat species."

"The addition of mountain bikes and e-bikes to these trails and roads for an indefinite two year period has the potential to harm these resources, disturbing owl nest sites and activity centers, trampling scarce and rare plant populations ... and disturbing sensitive bat colonies due to the high pitch sound of the e-bikes' mechanical engines," the suit says.

Water district officials dispute the claim that they sidestepped the state's environmental review mandates. The district said the pilot programs are exempt from a California Environmental Quality Act review for two reasons under an "existing facilities exemption."

For one, illegal bike use is happening on the mountain already, the district said. Second, the use of trails by bikers should not constitute an expansion of the existing use because it is a similar activity to hiking and horseback riding.

In his ruling, Sweet wrote that even if there are cyclists riding trails illegally, the district presented no evidence that the activity was happening on the nine trails that are part of the pilot program.

Sweet said if the pilot programs proceeded, "the Watershed can reasonably anticipate seeing increased use of the affected routes by conventional bikers and e-bikers. Increased use means increased opportunity to trample plants and spread plant pathogens."

Sweet said the district's finding that the trail sharing program is exempt from CEQA under the existing facilities exemption "is not supported by substantial evidence."

Sweet also concluded that the electric-bike access program cannot be considered separately from the trail sharing program.

"The Court concludes that Petitioners have made a very modest showing of interim harm in the absence of a preliminary injunction," Sweet wrote. Whereas the water district, he said, "made no showing of interim harm."

"I would say we're certainly pleased with the judge's ruling," said David Long, co-president of the Marin Chapter of the California Native Plant Society. "It affirms our view that this kind of explosion of activity requires environmental review."

Bicycle advocacy groups remain disappointed in the legal action, saying that the plaintiffs had been part of the planning for years developing recreation programs on the mountain.

"To have an interest group fight in typical NIMBY fashion is extremely disappointing," said Vernon Huffman, executive director of the Access4Bikes Foundation. NIMBY stands for "not in my backyard."

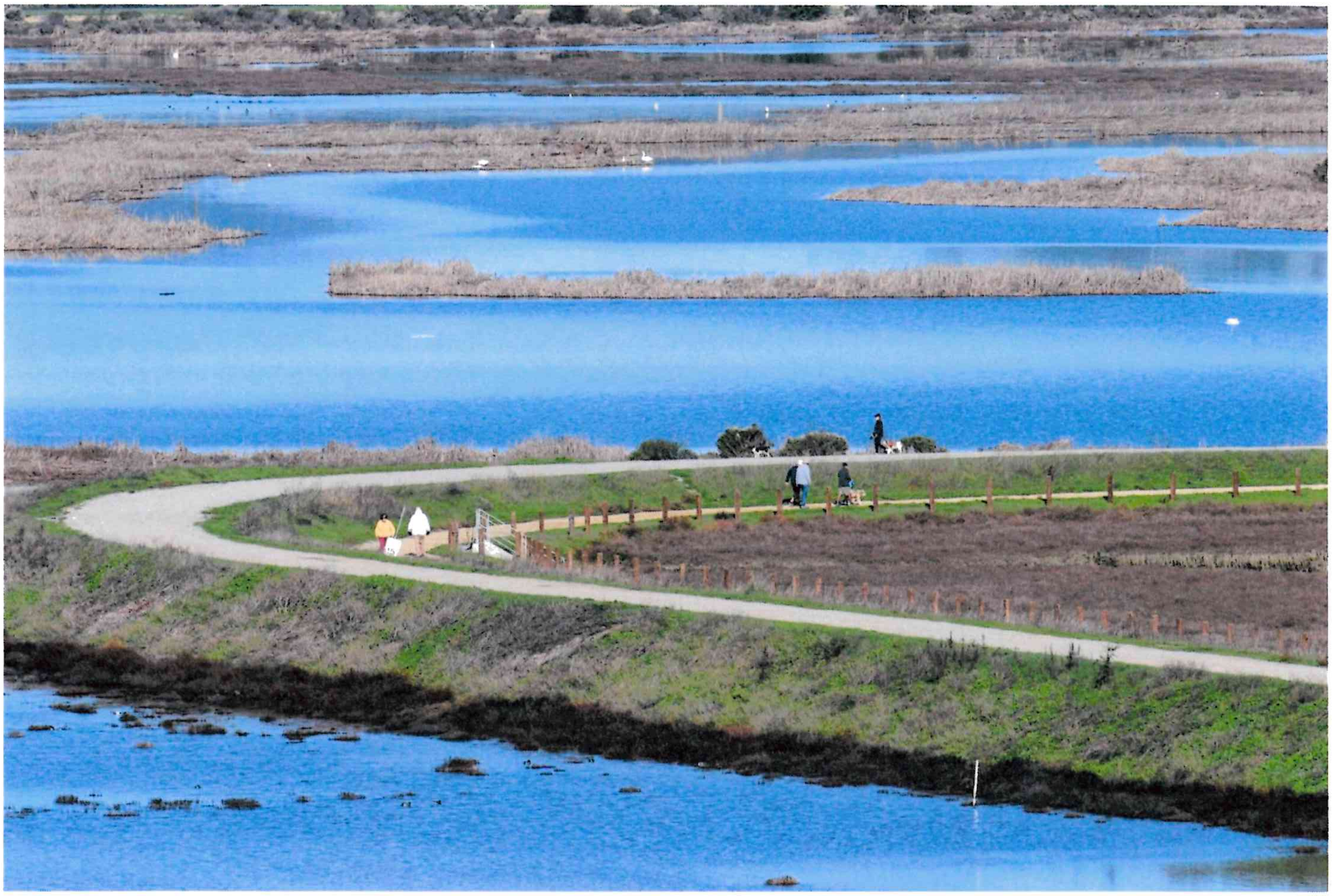
"What it means is we will now spend years of lawyers' time investigating what we already know, that mountain biking is an appropriate use in our watershed," Huffman said.

"Despite this setback we are hopeful that, once the merits are reviewed, the case will be decided in favor of more equitable recreational opportunities for people who ride," said Krista Hoff, off-road advocacy director at the Marin County Bicycle Coalition. "We continue to support the work that the Marin Water District has put into this effort and believe in the staff and our elected board members' ability to make decisions that are in the best interest of the watershed and the communities they serve."

ENVIRONMENT

Marin gets nearly $6M for coastline restoration

State grants slated for Novato, Tiburon, Bolinas Lagoon



The California State Coastal Conservancy has awarded $4 million for maintenance of the Hamilton Wetlands and other areas of San Pablo Bay shoreline in Novato. PHOTOS BY SHERRY LAVARS — MARIN INDEPENDENT JOURNAL

The state agency also has allotted a $1.4 million grant for restoration at Greenwood Beach and Brunini Beach at Blackie's Pasture in Tiburon.

BY ADRIAN RODRIGUEZ

ARODRIGUEZ@MARINIJ.COM

The California State Coastal Conservancy is investing nearly $6 million in the restoration and management of Marin County shorelines.

The allocation is part of a larger statewide distribution of more than $113 million approved last month to protect the coast from the effects of climate change.

In Marin, a $1.4 million grant is going to Tiburon to fund the final phase of restoration at Greenwood Beach and Brunini Beach at Blackie's Pasture.

"Blackie's Pasture is a much-loved and used historical public park that has a highly eroded shoreline, typical of many locations around SF Bay," said David Eshoo, engineering manager for the town. "This grant will pay for 100% of the construction costs including post-construction monitoring for three years."

Eshoo said before the 1960s, earthen fill, asphalt, concrete and debris had been dumped along the shoreline as bay fill. The old bay fill and debris are actively eroded by waves, leaving scattered the asphalt and concrete rubble at the shore.

At current rates of sea-level rise, the shoreline and marsh will likely erode and expose additional asphalt and concrete rubble, leaving only a steeper, narrower, rocky shoreline with little or no high tide space by mid-century, Eshoo said.

The restoration plan includes creating a living shoreline instead of a rock wall to protect against erosion. Living shorelines use sand, rocks, plants and other natural materials to create and stabilize a shoreline. They also establish habitat for wildlife, protect against flooding and reduce erosion.

A grant from the Marin Community Foundation funded the concept phase of the project in 2017. A second foundation grant in 2019 paid for the design phase. The final design began in 2021 and was funded by a grant from the San Francisco Bay Restoration Authority.The project is expected to be constructed next fall.

“This project once completed will demonstrate the effectiveness of nature-based solutions as environmentally superior shore erosion control alternatives to engineered rip-rap,” Eshoo said.

The largest award is a grant up to $4 million to hire contractors for interim site management of wetlands in Novato, including Bel Marin Keys Unit V, North Antenna Field and Hamilton Wetlands properties.

In this case, the conservancy completed a $22.5 million first phase of wetlands restoration in 2021. The $4 million will help maintain the baylands for the next few years until construction of phase two, which is being planned and designed in partnership with the U.S. Army Corps of Engineers.

Phase one of the project consisted of a new outboard levee, creation of a 44-acre seasonal pond complex and enhancement of an additional 46 acres of seasonal wetlands, and other improvements in the Bel Marin Keys and Hamilton wetlands.

Phase 2 involves restoration of a 1,585-acre property in Bel Marin Keys owned by the conservancy and the 319-acre North Antenna Field property owned by the California State Lands Commission.

Restoring the nearly 1,900 acres covered by the project would serve as a model of large-scale restoration for the San Francisco Bay region, said Linda Tong, deputy manager of the Coastal Conservancy.

“The project involves restoration of tidal marshes, which are known to buffer wave action and can serve as a measure of protection to communities from sea level rise,” Tong said. “The various types of planned habitat types — tidal wetland, seasonal wetlands, high transitional marsh, upland transition — will allow for adaptation to sea level rise.”

The project will also add a section of the San Francisco Bay Trail, providing public access to residents and visitors.

The cost of phase 2 is to be determined, but the conservancy has authorized $20 million toward the effort, and the U.S. Army Corps of Engineers is expected to provide a 75% match, Tong said.

Lastly, Marin County Parks is receiving $245,000 to prepare design and permit applications and environmental compliance reports for a shoreline restoration projects at a 6-acre lot along the western shoreline of Bolinas Lagoon.

The site is developed with a home that was built on piers over tidal marsh habitat and a storage building, said Chris Chamberlain, director of the county parks department.

Chamberlain said the home is within the mean higher high water line, which is the average height of the highest tide recorded each day during a recording period.

Chamberlain said concrete and wood retaining walls have affected the health of tidal marsh wetlands.

“The project proposes to remove all structures and regrade the developed parcel to a slope that will allow for the establishment of tidal marsh and transitional habitat,” Chamberlain said.

The project would also remove nonnative cape ivy, ice plants and eucalyptus, which will be replaced with native species. The project would create a permeable walking path that could transition to wetland habitat. Two parking spaces would also be created that will allow for accessible parking and visitation during daylight hours, Chamberlain said.

Planning and design is expected to continue through the end of 2025. The county has contributed $160,000 of Measure A tax dollars toward the project.

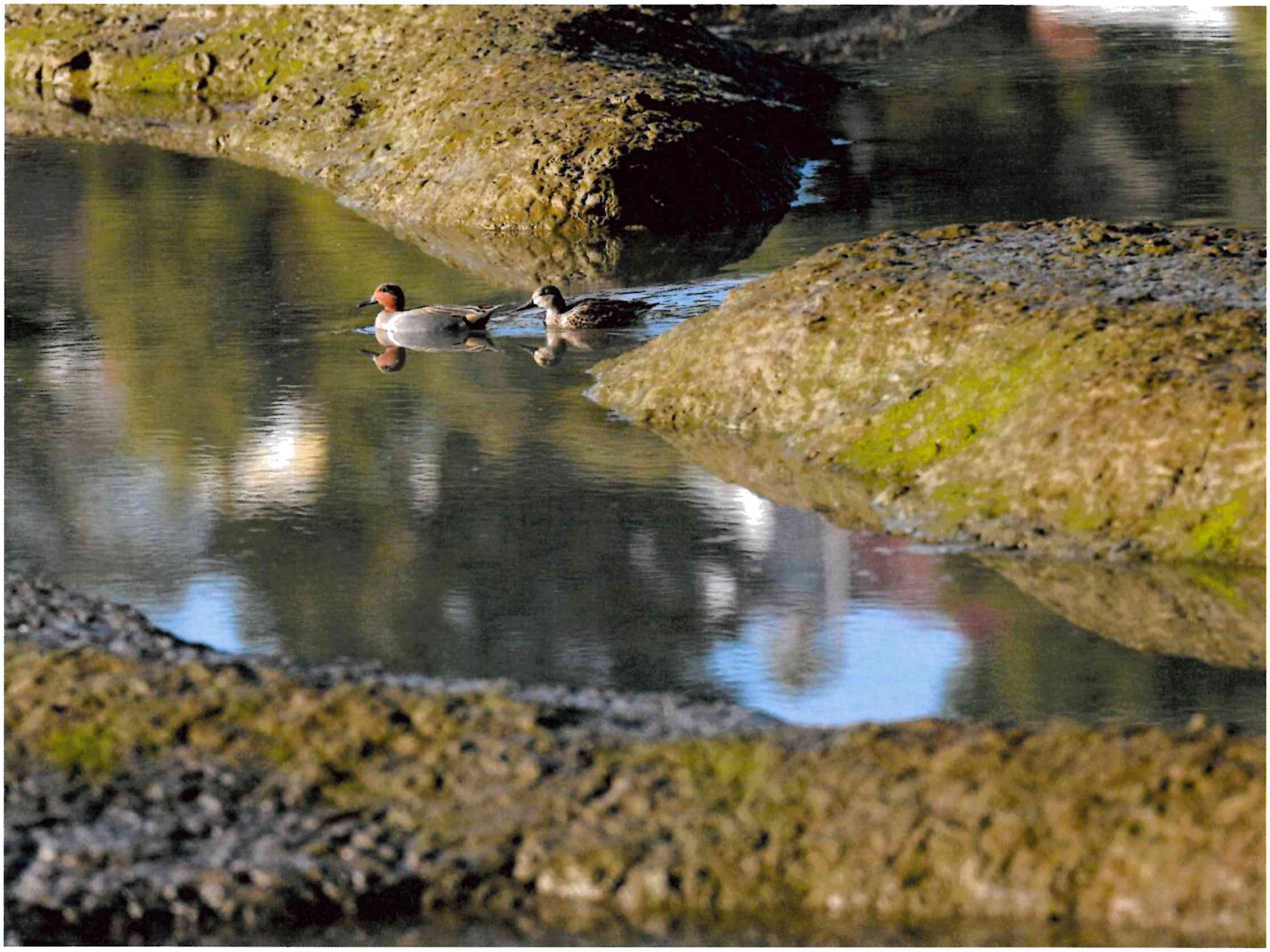
The county will seek grants to cover construction costs, expected to be about $500,000. Construction is not expected until 2027 at the earliest, Chamberlain said.

DESIGN FUNDS

Mill Valley marsh restoration plan receives $670,000 grant

Project will aid wildlife and plants it supports

Paddleboard users head toward Sausalito in Bothin Marsh in Mill Valley. A grant will fund environmental review and regulatory permit applications for the proposed project at the marsh. PHOTOS BY SHERRY LAVARS — MARIN INDEPENDENT JOURNAL



Ducks swim in the Bothin Marsh. The scenic marsh provides habitat to more than 400 species of migratory birds.

BY ADRIAN RODRIGUEZ

ARODRIGUEZ@MARINIJ.COM

A proposal to restore marshlands and bolster sea-level rise protections at the edge of the Richardson Bay in Mill Valley scored a $670,000 grant to boost project planning and design.

The Metropolitan Transportation Commission awarded the grant to the Golden Gate National Parks Conservancy last week to fund environmental review and regulatory permit applications for the proposed project at the 106-acre Bothin Marsh Preserve.

"The marsh itself is currently drowning through this muted tidal effect," said Rob LaPorte, a project manager at the conservancy. "It takes longer for the tides to drain from the marsh than a normal functioning marsh."

"So we're losing vegetation and we're losing whole sections of the marsh to wave erosion," he said. "We're making sure we get a project implemented as fast as possible in order to restore the marsh and all of the rare wildlife and plants it supports."

The scenic marsh provides habitat to more than 400 species of migratory birds, including the state threatened California black rail and the federally endangered Ridgway's rail. The high marsh also supports rare plants, such as the Point Reyes bird's beak.

Sea-level rise is threatening to erode the marsh in as few as 25 years if nothing is done. The flood-prone Bay Trail, also known as the Mill Valley-Sausalito Multiuse Path, is inundated by high tide at least 30 days of the year. With 1 foot of sea-level rise, the path could flood in sunny conditions nearly 220 days a year.

The restoration is part of the evolving shorelines initiative, an effort in collaboration with the One Tam, a partnership of public agencies.

Planners are developing nature-based strategies to protect, restore and enhance the tidal wetlands.

A key component of the project involves realigning the flood-prone Bay Trail to the edge of the marsh. Today the trail runs along an old rail line that goes through the marsh. The realignment would remove the trail from the flood threat, improving public access, safety and connectivity.

"Without the One Tam partnership, we wouldn't be able to do these much bigger projects," said Mischon Martin of the Marin County parks department.

"The Bay Trail is the biggest, most used active transit corridor used in Marin by schoolchildren as part of Safe Routes to Schools, by commuters to and from Marin and San Francisco," Martin said. "And it's underwater at least one month a year. This is a big priority regionally and it has been for a long time."

The funding is part of a $8.5 million disbursement of priority conservation area grants to 13 Bay Area organizations. Projects selected for funds support the goals of Plan Bay Area 2050, the nine-county Bay Area plan for housing, economy, transportation and the environment. This is the third round of priority conservation grant awards.

Ben Botkin, the grants program manager at the San Francisco Estuary Partnership, said the Bothin Marsh project fit the bill because it involves realigning the heavily used section of Bay Trail "in a way that supports overall ecological health, is more resilient to sea-level rise and still meets the recreation needs."

Warren Wells, policy and advocacy director at the Marin County Bicycle Coalition, said the organization supports the project.

"Ultimately, the project being designed improves the health of the marsh and keeps the pathway above rising sea levels, improving the reliability of the path that is prone to flooding," Wells said.

Other benefits include better access to Tamalpais Junction, Wells said.

So far, the project team has raised about $4.1 million, including two grants from the San Francisco Bay Restoration Authority amounting to about $2 million.

Planners have completed the project vision and conceptual design. The new grant will get planners to about 65% of project design, which could take about two to three years, LaPorte said.

Planners will be seeking about $1 million more to launch the project into final design.

The construction of the project is expected to cost tens of millions of dollars more, LaPorte said, but the plan won't be shovel-ready for a few years.

"We're looking at around 2028 to 2030 for implementation," which could happen in phases, he said. "It is possible we might do some of those marsh restoration measures first and then build a trail out incrementally, but we're still exploring how that works and getting approvals for all that."

More information on the Bothin Marsh project is at onetam.org/our-work/bothin-marsh.

12/19/2024

CLOSED SESSION

☐ Separate Item to be distributed at Board Meeting

☐ Separate Item to be distributed prior to Board Meeting

☑ Verbal Report

☐ Presentation