



SAUSALITO-MARIN CITY SANITARY DISTRICT

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September 2, 2026

Via US Mail & Email

The Honorable Judge Stephen P. Freccero
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

Massey Bambara, Foreperson Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903
Send PDF file to: foreperson@marincivilgrandjury.org

Subject: *Grand Jury Report: Better Service at Lower Cost – Optimizing Essential Services for the Future of Marin, June 11, 2026*

Dear Judge Freccero & Foreperson Bambara:

On behalf of the Sausalito-Marín City Sanitary District (District), I am writing to respectfully respond to the findings and recommendations contained in the *Grand Jury Report: Better Service at Lower Cost – Optimizing Essential Services for the Future of Marin, June 11, 2026*, pursuant to Penal Code Section 933.05.

The District conducted in accordance with Penal Code section 933 (c) and subject to the notice, agenda, and open meeting requirements of the Ralph M. Brown Act. The response was listed on the agendas of the District's Board Meetings on August 4, 2026 and September 1, 2026. The agendas were posted for public notice, and the responses were discussed during the open sessions of the Board Meetings.

Attached please find the completed "Response to Grand Jury Report Form" and required attachments. Should you have any questions, please contact me at 415-331-4714 or krahman@sausalitomcsanitaryca.gov.

Sincerely,

Kevin D. Rahman, P.E.
General Manager

RESPONSE FORM: 2025-2026 Marin Civil Grand Jury Report

Report Title: Better Service at Lower Cost – Optimizing Essential Services for the Future of Marin

Respondent/Agency Name: Sausalito-Marín City Sanitary District

Your Name: Kevin Rahman

Title: General Manager

FINDINGS

- I (we) agree with the findings numbered: F1, F2
- I (we) disagree *partially* with the findings numbered: F3
- I (we) disagree *wholly* with the findings numbered: F4, F5, F6, F7

(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered R7, R9 have been implemented. (Attach a summary describing the implemented actions.)
- Recommendations numbered R-1 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered R2, R5, R6 require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered R3, R4, R8 will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 9-1-26

Signed: 

Number of pages attached: 7

Response Form Continuation – SMCSD Statements and Explanations Marin Civil Grand Jury Report
Better Service at Lower Cost – Optimizing Essential Services for the Future of Marin, June 11, 2026 (“Report”)

Findings:

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

F1 Response: Agree partially with the finding.

F1 Statement: SMCSD acknowledges there is a level of administrative duplication across the various special Districts. However, SMCSD is not intimately knowledgeable of the operations and administrative needs and challenges of other Districts. It may be too simplistic to view these services as equal or consistent across all the various agencies with different purposes, missions and services. Many agencies, including SMCSD, rely effectively on 3rd parties to provide all or some of these services. Conversely, SMCSD collaborates with its regional wastewater partners in Marin County and throughout California to maintain efficiency, consistency and policy. These include but are not limited to the California Association of Sanitation Agencies (CASA), National Association of Clean Water Agencies (NACWA), Bay Area Clean Water Agencies (BACWA), and California Sanitation Risk Management Authority (CSRMA).

Hypothetically, if all 50 special Districts didn’t exist and instead were part of a single large governmental entity, multiple layers and extensive sizes of various internal “support” departments/organizations providing functional services would still be needed and potentially at equivalent staffing levels and with compartmentalization of expertise that may be no different than the cumulative total of the individual special Districts.

SMCSD acknowledges that opportunities may exist to share certain common functions with other agencies and is open to exploring those opportunities.

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

F2 Response: Agree partially with the finding.

F2 Statement: SMCSD was unable to find data or information in the Report to substantiate the finding, and SMCSD is not intimately knowledgeable of other small District operations to verify the validity of this finding. Regardless of the overall size of a special District, maintaining a high level of resiliency is incredibly challenging based on factors such as climate change, inherent natural hazards, and aging infrastructure. However, SMCSD acknowledges that smaller agencies are more likely to struggle with these factors.

SMCSD manages its service territory serving approximately 18,000 residents, which is separate and physically disconnected from neighboring wastewater agencies. In 2025, SMCSD took ownership of the City of Sausalito collection system due to the City's budget constraints and lack of proper maintenance and rehabilitation of their aging system. The SMCSD is currently and aggressively rehabilitating this collection system to eliminate the numerous spills experienced by the City of Sausalito.

Implementing new technologies come with additional costs and the need for specialized personnel or 3rd parties to ensure the technology functions consistently. If the same technology serves multiple agencies in the same way, then there can be benefits in sharing these services if there is an equitable process in place to ensure equal priority for addressing problems or issues.

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

F3 Response: Disagree partially with the finding.

F3 Statement: SMCSD could not find any data or information in the Report to substantiate the finding. Intuitively, the fewer number of employees that an organization has the less redundancy exists in specific roles or functions, but that relationship does not necessarily directly equate to the outcome that the finding suggests. SMCSD is not intimately knowledgeable of the operations and administrative needs and challenges of other Districts. There are strategies and best practices that can be implemented to better respond to those events. Regardless of size, the cost of living and competition from other market sectors have impacts on staffing in all agencies in Marin (and elsewhere).

SMCSD maintains service contracts with electrical and mechanical contractors to provide 24 hour on-call services specifically designed to aid in responses to catastrophic events. In addition, wastewater Districts throughout Marin work on a collaborative basis to secure materials, special equipment or other needed resources during emergency events. SMCSD has both provided and acquired piping materials such as full circle clamps which may not be readily available for purchase to expedite the repair of line breaks in the interest of protecting public health and the environment.

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

F4 Response: Sausalito-Marín City Sanitary District ("District") wholly disagrees.

F4 Statement: SMCSD could not find any data or information in the Report to substantiate this finding. The SMCSD does not agree that the current governance structure, the absence of director term limits nor fear of loss of political influence discourages the SMCSD Board or another special district board from discussing, reviewing and potentially initiating consolidation. In fact, SMCSD recently consolidated

with the City of Sausalito ("City") and now operates an additional 21-mile collection system. The District is already aligned with the Grand Jury's objective of promoting consolidation without the need to implement mandatory term limits for its special District Board members. Further discussion regarding term limits is provided in Finding F8.

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

F5 Response: District wholly disagrees.

F5 Statement: The District disagrees with Findings F5 as it is not representative of the District's sewer service rates or operations. The District's recent consolidation with the City of Sausalito will improve long-term affordability for City ratepayers. As part of the consolidation, the District adopted the City's existing rates, which are necessary to support the rehabilitation and long-term sustainability of the City's collection system. Future rate studies will align the City's rates more closely with the District's unincorporated service rates, which are currently lower. Therefore, Findings F5 regarding service and pricing inequities does not accurately reflect the SMCSO's current circumstances.

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

F6 Response: District wholly disagrees.

F6 Statement: The District disagrees with Findings F6. Although Marin County Districts operate independently and serve different geographic areas, they regularly collaborate to promote consistency, efficiency, and accountability. These efforts include but are not limited to developing common standards for private sewer laterals, maintaining consistency among grant programs for private sewer laterals, participating in a chemical consortium for purchasing chemicals in bulk at lower prices, providing shared operator training to reduce costs through California Sanitation Risk Management Authority ("CSRMA"), collaborating on Joint Powers Agreements for procurement, and holding monthly General Manager meetings to coordinate regulatory compliance and operational practices in compliance with the Water Board. These ongoing collaborative efforts demonstrate that neighboring sewer agencies actively work to standardize operations, reduce costs, and maintain consistent service levels. Accordingly, the District disagrees that the current approach undermines accountability or prevents meaningful comparison of District effectiveness.

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

F7 Response: District wholly disagrees.

F7 Statement: Sewer Districts with treatment facilities are generally geographically separated throughout Marin County, and consolidation decisions must consider the unique operational, geographic, financial, and governance circumstances of each agency. Without crisis-driven intervention, the District has proactively pursued consolidation opportunities when appropriate. In fact, the District recently consolidated with the City of Sausalito to improve public health outcomes by preventing sanitary sewer overflows and offering long-term benefits to ratepayers. For several years, the District has also engaged in discussions with neighboring agencies, including Golden Gate National Recreation Area (“GGNRA”) and Tamalpais Community Services District (“TCSD”), regarding potential service agreements and consolidation opportunities. The District continues to explore opportunities with neighboring agencies where consolidation and collaboration can provide meaningful public benefits.

In addition, sewer Districts proactively collaborate on many fronts to maintain efficiency, consistency and policy. These include but are not limited to the California Association of Sanitation Agencies (CASA), National Association of Clean Water Agencies (NACWA), Bay Area Clean Water Agencies (BACWA), and California Sanitation Risk Management Authority (CSRMA).

Recommendations:

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

R1 Response: SMCD will implement R1 in the future.

R1 Explanation: The January 1, 2027 deadline for this recommendation does not align with the approved SMCDSD fiscal year budget and associated work plan actions and priorities. However, the SMCDSD 2026-2031 Strategic Plan includes Tributary Agency goals to reduce operational impacts and to develop contractual strategies to reduce peak flows. SMCDSD is willing to include a consolidation exploration as key part of that planned action in future meetings.

SMCDSD continues ongoing discussions around consolidation and collaborative service agreements with the Golden Gate National Recreation Area (GGNRA). As a federal agency, the GGNRA’s exploration of funding, service contracts and long-term commitments are challenging. However, SMCDSD continues to work with the GGNRA in efforts to consolidate their sewer collection system in part or whole. In addition, as discussed in Finding 4, SMCDSD recently consolidated with the City of Sausalito and now operates an additional 21-mile collection system.

Further, there are several areas where SMCDSD collaborates with wastewater partners as discussed in Finding 1. These include but are not limited to the following:

- California Association of Sanitation Agencies (CASA)
- National Association of Clean Water Agencies (NACWA)
- Bay Area Clean Water Agencies (BACWA)

- California Sanitation Risk Management Authority (CSRMA)
- Educational programs and related messaging and joint campaigns.
- Sharing of resources for specific events, including unplanned events such as emergencies.
- Periodic exchange of information between Engineering departments related to capital project execution.

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

R2 Response: This recommendation requires further analysis.

R2 Explanation: This recommendation appears to be directed to the County specifically and therefore there is no formal response provided from SMCSO. SMCSO is willing to consider shared services offered by the County if strategically beneficial to SMCSO.

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

R3 Response: This recommendation will not be implemented.

R3 Explanation: SMCSO complies with various state and federal regulatory requirements specific to sewer agencies. These requirements include compliance with certain metrics and associated performance indicators which have no application to another special district that provides a different service. Further, there are numerous Water Board and other regulatory and legal requirements related to the postings of performance, pricing, finance, staffing and other public documents and information which would be duplicate to this effort. Attempting to standardize SMCSO's requirements and associated performance with a fire protection agency, for example, is not beneficial to the public and would prove to be exceedingly difficult.

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

R4 Response: This recommendation will not be implemented.

R4 Explanation: As noted in the response to R1 above, SMCSO will continue consolidation discussions with neighboring agencies and remain active in state-wide and

Marin County collaborative sewer agencies. Associated analysis and outcomes will remain available to the public through postings of all Board meetings and decisions as required by law. In addition, SMCSO feels that the County Board of Supervisors should not be involved in the direct reporting actions but instead recommends Marin LAFCo. SMCSO is receptive to cost-efficient shared services (such as IT, legal, finance, HR/payroll, insurance) that the County is willing to offer that would strategically align with SMCSO's mission and provide a benefit to SMCSO.

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

R5 Response: This recommendation requires further analysis.

R5 Explanation: This recommendation appears to be directed to the County specifically. SMCSO does not agree with this approach. See SMCSO responses to R3 and R4 for more information.

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

R6 Response: This recommendation requires further analysis.

R6 Explanation: SMCSO's response to R1 is applicable to this recommendation. The January 1, 2027 deadline for this recommendation does not align with the approved SMCSO fiscal year budget and associated work plan actions and priorities. However, the SMCSO 2026-2031 Strategic Plan includes Tributary Agency goals to reduce operational impacts and to develop contractual strategies to reduce peak flows. SMCSO is willing to include review of functional collaboration opportunities along with consolidation exploration as key part of that planned action in future meetings.

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

R7 Response: SMSO has already implemented this recommendation.

R7 Explanation: Assembly bill 2040 and 1234 require the posting of such information for local elected and appointed officials as well as designated department heads and staff who receive compensation, salary, or expense reimbursement.

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

R8 Response: The District will not implement R8 because it's not warranted or not reasonable.

R8 Explanation: The District respectfully disagrees with Recommendation R8 to impose term limits for all special District Board members. Currently, each member of the District's Board of Directors is elected at large to serve a four-year term. Board terms are staggered, with two terms expiring in one even-numbered year and three terms expiring in the following even-numbered year.

The District serves a relatively small population of approximately 18,000 customers, and Board members are required to reside within the District's service area. As a result, recruiting qualified candidates to serve on the Board has been historically challenging due to the limited pool of eligible residents willing to serve.

Long-serving Board members provide significant value by developing a thorough understanding of the District's operations, regulatory requirements, infrastructure, and long-term planning initiatives. Their experience preserves institutional knowledge, supports informed decision-making, and promotes continuity in governance. Imposing mandatory term limits would result in more frequent turnover, requiring newly elected Board members to remain on a continual learning curve and delaying progress on long-term projects and strategic initiatives. For a small District with limited resources and a constrained pool of eligible candidates, mandatory term limits could create unnecessary governance challenges, increase administrative costs, and diminish the effectiveness of Board oversight.

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

R9 Response: SMSD has already implemented this recommendation.

R9 Explanation: See response to R7 above. A copy of the District's policy is available on SMCS D's website. Additionally, SMCS D already posts annual compensation for its Board members