



101 Lucas Valley Road, Suite 300
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www.LGVSD.org

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Plant Operations, Don Moore
Collections/Safety/Maintenance, Greg Pease
Engineering, Jasmine Diaz
Administrative Services, Dale McDonald

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

September 8, 2026

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

Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903

Re: Grand Jury Report Responses to “Better Service at Lower Cost: Optimizing Essential Services for the Future of Marin” (06/11/2026)

The Board of Directors of the Las Gallinas Valley Sanitary District (LGVSD) submits the following responses pursuant to California Penal Code sections 933 and 933.05. The Board approved these responses at its duly noticed public meeting on September 3, 2026.

LGVSD provides wastewater collection, treatment, resource-recovery, and recycled-water services to more than 30,000 residents and businesses in northern San Rafael and surrounding communities. The District's treatment and water-recycling facilities are located on more than 400 acres adjacent to San Pablo Bay.

LGVSD recognizes the report's acknowledgment that consolidation is not appropriate for every district in every circumstance and that locally driven functional collaboration may provide benefits. Because the report presents countywide findings involving agencies with materially different services, resources, and governance structures, LGVSD's responses address each finding and recommendation as it applies to the District.

LGVSD responses to all findings and recommendations (F1-F7 and R1-R9) are outlined below.

Report Findings

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

LGVSD Response: The District disagrees partially with the finding.



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LGVSD agrees that separately governed public agencies may duplicate certain administrative functions. LGVSD disagrees that its current structure results in unnecessary operational duplication or inefficiency. The District provides both wastewater collection and wastewater treatment services and regularly evaluates shared-service and interagency opportunities where a documented operational, financial, regulatory, or customer-service benefit may be achieved.

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

LGVSD Response: The District disagrees wholly with the finding as applied to LGVSD.

The report does not identify LGVSD-specific facts demonstrating that the District lacks sufficient scale or capability to support long-term investment. LGVSD maintains an adopted annual budget, a five-year capital improvement program, infrastructure planning documents, regulatory compliance programs, technology systems, and emergency preparedness plans. The District's FY 2026-27 Adopted Budget includes a five-year capital improvement program and identifies capital improvements as a principal expenditure driver over approximately the next 10 to 15 years.

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

LGVSD Response: The District disagrees wholly with the finding as applied to LGVSD.

LGVSD maintains formal emergency preparedness and operational-continuity measures, including an all-hazards Emergency Operations Plan coordinated with the Marin County Operational Area, a current Sewer System Management Plan defining operational and emergency responsibilities, and mutual-aid relationships with other wastewater agencies. These measures reduce the District's vulnerability to staffing disruptions and catastrophic events.

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.

LGVSD Response: The District disagrees wholly with the finding as applied to LGVSD.

The District does not take a position on the motivations of officials serving other public agencies. As applied to LGVSD, the report does not identify evidence that the District's governance structure, the absence of term limits, or concern over political influence has



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prevented the Board from evaluating a defined consolidation or shared-service proposal. The District is willing to evaluate specific proposals based on effects on service quality, regulatory compliance, costs, governance, employees, and ratepayers.

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

LGVSD Response: The District disagrees partially with the finding.

LGVSD agrees that published sewer service charges differ among Marin wastewater agencies. LGVSD disagrees that differing charges, standing alone, establish service or pricing inequity. A meaningful comparison must account for differences in property-tax and other non-rate revenue, services provided, treatment requirements, customer classes, capital investment cycles, debt obligations, reserve policies, and regulatory obligations.

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.

LGVSD Response: The District disagrees partially with the finding.

LGVSD agrees that performance measures are not fully standardized across Marin special districts. LGVSD disagrees that its mission-specific performance information is not readily available or that the absence of countywide standardization undermines the District's accountability. LGVSD publicly reports regulatory, financial, operational, and governance information, including collection system performance reported through the California Integrated Water Quality System (CIWQS). LGVSD is willing to evaluate additional measures that are technically comparable, meaningful to the public, and cost-effective to produce.

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

LGVSD Response: The District disagrees wholly with the finding as applied to LGVSD.

The report does not identify an operational, financial, regulatory, governance, or staffing crisis at LGVSD that would make involuntary or crisis-driven consolidation reasonably foreseeable. LGVSD maintains long-range capital planning, adopted financial and reserve policies, emergency plans, mutual-aid relationships, regulatory reporting systems, and publicly accountable governance. The District agrees that proactive planning and appropriate interagency collaboration are preferable to crisis-driven action.



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Report Recommendations

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

LGVSD Response: The recommendation will not be implemented because it is not warranted or is not reasonable.

LGVSD participates in existing interagency forums and evaluates collaboration opportunities when a defined operational, financial, regulatory, or customer-service benefit is identified. A mandatory semiannual consolidation meeting is not warranted in the absence of a specific proposal, defined scope, or preliminary evidence of likely benefit to District customers. LGVSD will continue to consider voluntary shared-service and functional-collaboration opportunities through existing public and interagency processes.

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.

LGVSD Response: The recommendation will not be implemented by LGVSD because it is not reasonable for the District to implement an action assigned to the Marin County Board of Supervisors.

R2 is directed to the Board of Supervisors, and LGVSD has no authority to direct the County's development or offering of shared services. LGVSD nevertheless remains willing to evaluate any voluntary shared service offering that provides a demonstrable service, financial, operational, or risk-management benefit to the District and its ratepayers.

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.

LGVSD Response: The recommendation will not be implemented because it is not warranted or is not reasonable.



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LGVSD currently publishes numerous regulatory, operational, financial, staffing, governance, and customer-service measures. Staff will continue to work with our regional wastewater agency partners to identify measures that could be technically comparable across agencies with different infrastructure, revenue sources, accounting practices, regulatory obligations, and customer characteristics.

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.

LGVSD Response: The recommendation will not be implemented because it is not warranted or is not reasonable.

Mandatory semiannual reporting is not warranted in the absence of an active consolidation proposal, study, or negotiation involving LGVSD. The District conducts its business through noticed public meetings and publishes Board agendas, supporting materials, and minutes. Any specific consolidation or shared-service proposal presented to LGVSD will be considered publicly, and the related materials and Board actions will be made available on the District's website.

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

LGVSD Response: The recommendation will not be implemented by LGVSD because it is not reasonable for the District to implement an action assigned to the Marin County Board of Supervisors.

R5 is directed to the Board of Supervisors, and LGVSD has no authority to direct the Board of Supervisors' actions. LGVSD is an independent special district governed by an elected Board of Directors and remains accountable through public elections, open meetings, adopted budgets, independent audits, regulatory reporting, and public access to District records.

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.

LGVSD Response: The recommendation has been implemented.

LGVSD implements functional consolidation in several areas, including contracts with Central Marin Sanitation Agency for pollution prevention and pretreatment services, regional public outreach with Central Marin Sanitation Agency and four other sanitary



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districts, and mutual-aid and emergency coordination with other wastewater agencies. The District will continue to evaluate additional collaboration in operations, procurement, training, and administration when a documented benefit can be achieved.

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.

LGVSD Response: The recommendation has been implemented.

LGVSD posts Board compensation, benefits, reimbursement policies, and annual Board expenses on its Board Compensation and Reimbursement Policy webpage <https://www.lgvsd.org/board-compensation-reimbursement-policy>. Current Board terms are posted on the Board of Directors webpage <https://www.lgvsd.org/board-of-directors>. The District updates this information annually.

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

LGVSD Response: The recommendation will not be implemented because it is not warranted.

The report does not identify a governance, accountability, performance, or succession problem at LGVSD that would be remedied by mandatory term limits. District voters have the opportunity to evaluate Board members at each election. The Board also finds that mandatory term limits could deprive the District of institutional knowledge and experienced leadership without demonstrating a corresponding service or financial benefit. To the District's knowledge, there are no public agencies in Marin County that have term limits for their publicly elected governance teams (Marin County Board of Supervisors, City and Town Councils, Special District Boards). The District will continue to comply with all election, ethics, transparency, and public-accountability requirements applicable to its Board.

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).

LGVSD Response: The recommendation has been implemented.

The Board reviewed its compensation structure during 2025. On October 16, 2025, the Board adopted Ordinance No. 200, establishing compensation of \$300 per meeting



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effective January 1, 2026. Current compensation, benefits, reimbursement policies, and annual Board expenses are publicly available on the District's website at <https://www.lgvsd.org/board-compensation-reimbursement-policy>.

Closing

Las Gallinas Valley Sanitary District appreciates the opportunity to respond to the Grand Jury report. The District supports continued evaluation of functional-collaboration opportunities with other wastewater agencies when a documented operational, financial, regulatory, or customer-service benefit may be achieved. Please contact me at cpaxton@lgvsd.org or (415) 526-1511 with any questions or requests for additional information.

Sincerely,

A handwritten signature in blue ink, reading "Curt D. Paxton".

Curtis D. Paxton
General Manager
On behalf of the Las Gallinas Valley Sanitary District Board of Directors