

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: Sanitary District No.5 of Marin County

Submitter Name: Tony Rubio Title: District Manager

FINDINGS

- Agree with the findings numbered: _____
- Disagree *partially* with the findings numbered: F1, F2, F3, F4, F5, F7
- Disagree *wholly* with the findings numbered: F6

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

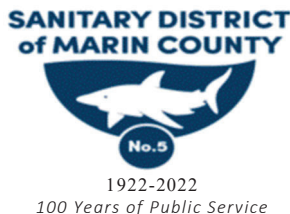
RECOMMENDATIONS

- Recommendations numbered R7,R9 have been implemented.
(Attach a **summary** describing the implemented actions.)
- Recommendations numbered _____ have not yet been implemented, but will be implemented in the future.
(Attach a **timeframe** for the implementation.)
- Recommendations numbered _____ 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 R1, R2, R3,R4,R5,R6,R8 will not be implemented because they are not warranted or are not reasonable.
(Attach an **explanation**.)

Date: 8/20/2026 Signed:  _____

Number of pages attached: 9

Management
Tony Rubio District Manager
Joel Alvarez Admin Services Manager
2001 Paradise Drive
Tiburon CA 9420
415-435-1501 Tel
415-435-0221 fax
www.sani5.org



Board of Directors
Catherine Benediktsson President
Richard Snyder Vice President
John Carapiet Secretary
Tod Moody Director
Omar Arias- Montez Director

August 20, 2026

The Honorable Judge Stephen P Freccero Marin
County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988
Emailed to: civil@marin.courts.ca.gov

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

Re: Response to Marin County Civil Grand Jury Report
"Better Service at Lower Cost — Optimizing Essential Services for the Future of Marin", June 11, 2026

Dear Honorable Judge Freccero and Foreperson Bambara:

Per your request, Sanitary District No.5 of Marin County (SD5) is providing responses to Finding F1-F7 and Recommendation R1-R9 of Marin Civil Grand Jury Report titled: *"Better Service at Lower Cost — Optimizing Essential Services for the Future of Marin"*, dated: *June 11, 2026*. The responses by SD5 were reviewed and approved by the SD5 Board of Directors at the August 20, 2026 Regular Board Meeting. The responses are attached as required ("Response Form: 2025-2026 Marin Civil Grand Jury Report"), as Attachment 1. Explanations to our responses are provided as Attachment 2 (2 pages).

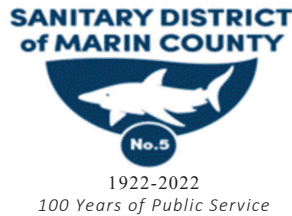
Sincerely,

A handwritten signature in black ink, appearing to read "Tony Rubio".

Tony Rubio
District Manager

Cc; Benjamin Stock, Burke Williams & Sorensen LLP
Catherine Benediktsson, President – Board of Directors (SD5)

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Board of Directors
Catherine Benediktsson President
Richard Snyder Vice President
John Carapiet Secretary
Tod Moody Director
Omar Arias-Montez Director

Date: August 20, 2026

To: Stephen P. Freccero, Honorable Judge
Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903
Emailed to: foreperson@marincivilgrandjury.org

From: Tony Rubio, District Manager

Subject: Grand Jury Report Findings Response to *“Better Service at Lower Cost: Optimizing Essential Services for the Future of Marin”*

This letter, along with the attached “Response to Grand Jury Report Form”, represents Sanitary District No.5 of Marin County’s response to the recent Grand Jury report titled *“Better Service at Lower Cost: Optimizing Essential Services for the Future of Marin”*: dated June 11, 2026. Statements or Explanations associated with specific Findings and Recommendations are included below.

FINDINGS

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

Sanitary District No.5 of Marin County (SD5) PARTIALLY DISAGREES WITH THIS FINDING

STATEMENT

SD5 acknowledges that there may be a level of administrative duplication across the various special districts. However, our agency is not intimately knowledgeable of the operations and administrative needs and challenges of other districts. The District can only speak for itself in that it does not have operational inefficiencies or duplication of administrative services. SD5 relies on 3rd parties for administrative services like legal, and accounting/auditing services. All other administrative services are handled internally by capable staff, all of whom wear several hats, and are thus able to have a better understanding of district operations as a whole, and are better suited to serve its rate payers. Further, there is no unnecessary duplication of the District’s administrative services, and any operational inefficiencies, if any, are de minimis. Administration and

operations are tailored to the District, and result in rapid and efficient response to issues as they arise.

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

Sanitary District No.5 of Marin County (SD5) PARTIALLY DISAGREES WITH THIS FINDING

STATEMENT

SD5 could not find any data or information in the report to substantiate the finding and the District is not knowledgeable of other Districts operation to verify this accuracy of this finding, and the District can only speak for itself in that it does not lack scale to perform strategic investment. One can easily go on the District's website and review the District's approved Comprehensive budget to see how prepared, strategic and resilient the District is.

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

Sanitary District No.5 of Marin County (SD5) PARTIALLY DISAGREES WITH THIS FINDING

STATEMENT

SD5 could not find any data or information in the report to substantiate the finding. While we would acknowledge that 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. In regard to SD5, that is not the case. The District has staff that cross-train and are able to work and respond to emergencies in both the collection system and the treatment plants, all while providing maintenance services to both. SD5 also has mutual aid agreements in place with 7 neighboring wastewater utilities (NSD, CMSA, SASM, SMCSO, LGVSD, RVSD, RBSD) and 1 water utility (NMWD) and the District's emergency action plan spells out the procedures for requesting assistance during catastrophic events (assistance from specialized contractors that both large and small agencies due not have inhouse)

- 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.

Sanitary District No.5 of Marin County (SD5) PARTIALLY DISAGREES WITH THIS FINDING

STATEMENT

SD5 could not find any data or information in the report to substantiate this finding. Within the Districts service area, fear of loss of political influence due to consolidation is not valid. 20 years ago the District performed a consolidation with the City of Belvedere for its sewer collection system. The consolidation/annexation was completed in 2005 and the District took over the ownership/operation and maintenance responsibilities of the sewer collection system. Again in 2009 the District worked with the Seafirth Estates subdivision to decommission its privately owned wastewater treatment plant, and annexed the subdivision into the District after the installation of 2 pump stations which replaced the privately owned waste water treatment plant.

Further, the directors of the District are elected in staggered elections, and there has been turnover of several members. The length of service of some of the directors has added the benefit of institutional memory and continuity to the District. The directors, and each of them, hold office in public service for the community they serve, and NOT FOR PURPOSES OF POLITICAL INFLUENCE OR AGGRANDISEMENT.

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

Sanitary District No.5 of Marin County (SD5) PARTIALLY DISAGREES WITH THIS FINDING

STATEMENT

SD5 could not find anything in the report to substantiate this finding other than the comparison of sewer service rates between the wastewater agencies. Also, the comparison of sewer service rates in the report is misleading as it appears not to account for other sources of revenue, by way of example and by way of limitation, such as ad valorem property taxes. It is difficult to conclude that pricing Inequities, if any, will increase if consolidation does not accelerate, as there are many variables that affect actual rates for services provided, including geographic, demographic, and environmental factors that are not necessarily eliminated by consolidation. One must also look at and compare each agency's pension and OPEB obligations, first to better understand how pricing might affect consolidation, and otherwise to understand how differences between the Districts in pension and OPEB funding would affect the terms of any consolidation.

- 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.

Sanitary District No.5 of Marin County (SD5) DISAGREES WITH THIS FINDING

STATEMENT

SD5's key mission is to collect, convey and treat wastewater from its service area that complies with various state and federal regulatory requirements specific to wastewater. These requirements include compliance with certain metrics and associated performance indicators which have no application to another special district that provides a different service. There are numerous state laws (and associated court cases) as well as industry standards and methods related to the setting and establishment of water and sewer rates and fees that do not apply to other types of services offered by other special districts. Attempting to standardize SD5's requirements and associated performance with a fire protection agency, for example, is not beneficial to the public and would prove exceedingly difficult. Therefore, SD5 disagrees with the finding.

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

Sanitary District No.5 of Marin County (SD5) PARTIALLY DISAGREES WITH THIS FINDING

STATEMENT

SD5 could not find anything in the report to substantiate this finding. Absent additional data from all of the agencies regarding pension obligations, financial status of the agencies and capital improvement needs, it is not clear which agencies would benefit from consolidation, and which are better suited operating as they currently do.

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.

Recommendation will not be implemented because it is not reasonable.

EXPLANATION

As mentioned above the District has already gone through this exploration and accomplished consolidation with agencies within its service area where it made sense (the 2005 City of Belvedere Sewer System annexation into SD5 and the 2009 Seafirth Estates subdivision treatment plant decommissioning and annexation into SD5)

- 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.

Recommendation will not be implemented because it is not warranted

EXPLANATION

Recommendation R2 is a recommendation to the Board of Supervisors as to which the District has no control, thus this recommendation should not have been one that was subject to District response.

- 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.

Recommendation will not be implemented because it is not reasonable.

EXPLANATION

As mentioned previously in the findings statement F6, the District key mission is to collect, convey and treat wastewater from its service area that complies with various state and federal regulatory requirements specific to wastewater. These requirements include

compliance with certain metrics and associated performance indicators which have no application to another special district that provides a different service. There are numerous state laws (and associated court cases) as well as industry standards and methods related to the setting and establishment of water and sewer rates and fees that do not apply to other types of services offered by other special districts. Attempting to standardize SD5's requirements and associated performance with a fire protection agency, for example, is not beneficial to the public and would prove 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.**

Recommendation will not be implemented because it is not reasonable.

EXPLANATION

As mentioned in recommendation R1 the District has already gone through this practice and has consolidated/annexed what it could and what was financially feasible. If future consolidations should present themselves that make financial sense for our ratepayers, that information will be provided on the District's website and through the already existing proper channels with LAFCO.

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

Recommendation will not be implemented because it is not warranted.

EXPLANATION

Recommendation R5 is a recommendation to the Board of Supervisors as to which the District has no control, thus this recommendation should not have been one that was subject to District response.

- 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.**

Recommendation will not be implemented because it is not warranted.

EXPLANATION

Recommendation R6 is not warranted as the District will not be implementing R1 and R2..

- 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.

Recommendation has been implemented (was implemented many years ago before this grand jury report).

EXPLANATION

This information has been on the Districts website and will always be on the Districts website and updated accordingly.

- 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.

Recommendation will not be implemented because it is not warranted or reasonable

EXPLANATION

Continuity of service, the acquisition of deep knowledge as to the operations of the District, and institutional memory have been essential to the success of the District. Term limits, which is a fashionable "idea du jour", works to minimize the effectiveness of the Board, enhances the role of staff in effectively minimizing the role of the Board, is destructive of institutional memory, derogates the rights of voters and ratepayers, and is not otherwise in the best interests of the District or the public which it serves.

- 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).

Recommendation has been implemented (previously)

EXPLANATION

The SD5 Board member compensation is set by the California Water Code, with additional requirements by the California Government Code. SD5 subsequently established a formal policy in line with those requirements. A copy of the policy is available on SD5's website. Additionally, SD5 already posts annual compensation for its Board members.

CLOSING STATEMENT

It takes years for a member of the Board to acquire a nuanced understanding of District operations, treatment processes, diversity of physical conditions of the District, familiarity with staff, to understand the long-term capital needs of the District, and otherwise to develop the specialized expertise by which to govern the District. It also takes time for a board to evolve a smoothly working ethos & to work cohesively. There is ample turnover of Board Members due to retirement and natural attrition, all subject to the electorate of the District, without damaging the important continuity of informed and experienced governance.

The District is a model of efficiency and the benefit of fiscal, capital, and operational long-term planning, excellent staffing, all with the aim of serving its public.

Sanitary District No.5 of Marin County appreciates the opportunity to respond to the Grand Jury's report and to explain to the Grand Jury the District's continued transparency regarding consolidation efforts and in the District's continuing effort to keep our members of the public well informed on all matters relating to our Sanitary District.