

Response to Grand Jury Report

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

Respondent/Agency Name: San Rafael Sanitation District

Your Name: Kate Colin Title: Board Chair

FINDINGS

- I (we) agree with the findings numbered: N/A
- I (we) disagree *partially* with the findings numbered: F1 - F6
- I (we) disagree *wholly* with the findings numbered: F7

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

RECOMMENDATIONS

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

Date: Sep 28, 2026 Signed: Kate Colin
Kate Colin (Sep 28, 2026 12:09:24 PDT)

Number of pages attached: 4



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2025-26 Marin County Civil Grand Jury

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

June 11, 2026

San Rafael Sanitation District (SRSD) has long supported consolidation efforts. Three central Marin wastewater consolidation studies were completed in 1984, 1995, and 2005, followed by a consolidation effort in 2006–2007 in which SRSD was an active participant. SRSD continues to remain committed to pursuing consolidation opportunities.

SRSD currently contracts with the City of San Rafael for management and operations services. In recent years, the City has faced challenges recruiting and retaining personnel needed to support SRSD functions. As a result, SRSD evaluated alternative management structures to improve long-term sustainability and enhance service delivery. SRSD determined that its best option is to separate from the City and enter into a new management and operations services agreement with Central Marin Sanitation Agency (CMSA), with an eventual goal of pursuing consolidation with other JPA member agencies—Ross Valley Sanitary District (RVSD) and Sanitary District No. 2 of Marin County (SD2).

In December 2023, SRSD began discussions with the City of San Rafael to draft a separation agreement and with CMSA to draft a service agreement. CMSA formed an Ad-Hoc Committee in May 2024 to review the draft service agreement. After 14 Ad-Hoc Committee meetings, multiple staff meetings, and consultation with three firms and JPA members' legal counsels, CMSA and SRSD approved the service agreement in February 2026, with implementation planned for later this year. With similar efforts, SRSD and the City approved their separation agreement in May 2026.

In December 2025, SRSD initiated consolidation discussions with RVSD and Marin Local Agency Formation Commission (LAFCo), and later with SD2. In February 2026, staff from SRSD, RVSD, SD2, and LAFCo began drafting a resolution authorizing formation of a consolidation committee in coordination with LAFCo. All JPA member boards approved their resolutions in April 2026.

In July 2026, the SRSD Board adopted a resolution authorizing the District Manager to sign a Cost Sharing Agreement for LAFCo and consultant services for a consolidation study.

These actions collectively demonstrate SRSD's continued commitment to pursuing a more sustainable and collaborative regional wastewater management framework. By engaging partner agencies, coordinating closely with LAFCo, and taking incremental steps toward shared governance structures, SRSD is helping lay the groundwork for a future consolidation effort that supports long-term operational stability, efficiency, and service improvements for the community.

FINDINGS:

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

Response: Disagree Partially. SRSD can only respond to matters concerning itself. SRSD agrees its current structure may not optimize some of its administrative and operational services and operational.

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

Response: Disagree Partially. SRSD can only respond to matters concerning itself. SRSD had issue with staffing, yet it was able to provide and maintain effective and exceptional service to its ratepayers as well continuing to strengthen and improve upon its infrastructure, technology, and resilience.

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

Response: Disagree Partially. SRSD can only respond to matters concerning itself. SRSD has not undertaken a study of special districts to determine if the above statement is true.

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.

Response: Disagree Partially. SRSD can only respond to matters concerning itself. SRSD board members are appointed, not elected.

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

Response: Disagree Partially. SRSD can only respond to matters concerning itself. SRSD set the rates based on its needs, being mindful of the cost to the customer; SRSD would require further data analysis and study. SRSD does not agree that differences in sewer service rates alone indicate inequity or inefficiency.

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.

Response: Disagree Partially. SRSD can only respond to matters concerning itself. SRSD supports collaboration amongst similarly situated special districts, but SRSD services a distinct customer base and has a different structure; thus, it is difficult for SRSD to broadly comment on whether it agrees with this finding.

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

Response: Disagree Wholly. SRSD's actions regarding consolidation have been undertaken proactively rather than in response to crisis.

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.

Response: Have been implemented. Since February 2026, SRSD staff has been meeting with other JPA member staff to discuss consolidation. In April 2026, each of the JPA members adopted a resolution authorizing the formation of a Consolidation Committee in coordination with LAFCo.

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.

Response: Not applicable. This is for the Board of Supervisors.

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.

Response: Require further analysis. SRSD is open to collaborate with the County and other districts to develop standardized KPIs.

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.

Response: Have been implemented. SRSD has and will continue to publicly update findings and progress regarding consolidation opportunities at its Board meetings. However, SRSD does not regularly report to the Board of Supervisors.

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

Response: Will not be implemented. Although SRSD is unique in that it has a Board of Supervisor Representative appointed to its Board, special districts are independent from the County. Thus, the Board of Supervisors does not oversee any special districts, including SRSD.

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.

Response: Have been implemented. In February 2026, SRSD and CMSA approved an agreement for CMSA to provide management and operation services for SRSD, as a precursor to formal consolidation with the JPA members.

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.

Response: Have been implemented. SRSD already posts board members' compensation on its website. However, since board members are appointed by the City of San Rafael and County Board of Supervisors, website links to each of the Board members elected office are posted on SRSD's website for additional information on each Board member.

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.

Response: Will not be implemented because they are not warranted or are not reasonable. SRSD was formed as a County Sanitation District pursuant to the provisions of the County Sanitation District Act of the State of California, Health and Safety Code, which requires a three-member board composed of two members of the City Council and one member of the Board of Supervisors, where the Board Chair is the Mayor. Therefore, the term limits are established by the City Council and Board of Supervisors.

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).

Response: Have not yet been implemented. SRSD recommends that LAFCo gather the compensation data from the districts in Marin. SRSD will then review the data for its board consideration to adjust the board's compensation, if applicable.

SRSD - Grand Jury Response 2026

Final Audit Report

2026-09-28

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