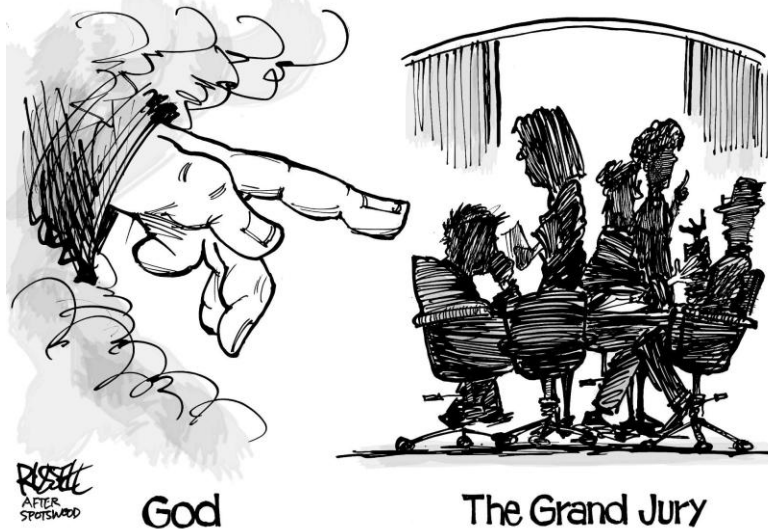


Who's Minding the Store?

June 27, 2025

THERE ARE ONLY TWO GROUPS THAT OVERSEE SPECIAL DISTRICTS



By permission of George Russell/Marin Independent Journal

SUMMARY

The “Store” in this report’s title refers to the nearly 100 agencies that operate as special districts or joint power authorities in Marin County (collectively “Agencies”). These Agencies have budgets totaling almost \$1 billion, employ over 1,800 people,¹ and provide Marin’s water and sewer services, electricity, police and fire protection, and waste management, among other services. Marin’s Agencies function autonomously and effectively answer only to their board of directors and to a public that generally knows little about them. There is no single entity—such as the County of Marin (County)—directly supervising them.

Because of their importance in the lives of Marin residents, the Marin County Civil Grand Jury (Grand Jury) has investigated the operations of these Agencies for over a decade to shed light upon them and to make recommendations to improve their operations. In past years, the Grand Jury issued several reports focused on ways the Agencies could improve the public’s access to information presented on the Agencies’ websites. As repeatedly recommended by the Grand Jury, the starting point for providing accessible information is for the County to post and maintain a comprehensive, easily accessed list with links to *all* of the Agencies—something other counties provide their residents—but, despite repeated requests, such a list is still not available to Marin residents. The Grand Jury has chosen to single out the County to assume a greater responsibility in managing these Agencies as: (1) the County receives the financial information provided by the Agencies annually; (2) members of the Marin County Board of

¹ See Appendix C for links to publicly available sources relied upon by the Grand Jury.

Supervisors (BOS) sit on many of the Agencies' boards, including Marin Local Agency Formation Committee (LAFCo); other counties in the state perform this function.

This report shares the results of the Grand Jury's investigation into how well these Agencies comply with financial reporting and website transparency requirements imposed by state law. The Grand Jury found several instances where mandatory financial reports were submitted late, with no penalties imposed on the offending Agency. The Grand Jury also found that a large number of the Agencies' websites failed to comply with the state's website transparency requirements—also without consequence.

In particular, the Grand Jury found numerous mistakes and omissions on the website of the Marin Local Agency Formation Commission (Marin LAFCo). Despite its well-meaning staff and board, it appears that Marin LAFCo has failed to meet its legal obligation to prepare municipal service reviews (MSRs) every five years.

The Grand Jury's key recommendations are:

- The BOS should implement a process to conduct financial audits for any Agency more than a year behind in filing the required financial information with the County of Marin's Department of Finance (DOF).
- The Marin County Assessor-Recorder-County Clerk should update the Registry of Public Agencies annually and add hyperlinks to those Agencies' websites.
- Marin LAFCo should correct the errors and omissions contained in its website and conduct MSRs on the Agencies over which it has responsibility, as required, every five years.

BACKGROUND

The Ross Valley Sanitary District was Marin's first special district (SD) and was formed in 1899.² Today, Marin County has 62 SDs.³ There are also 37 joint power authorities (JPAs) in Marin. Compared to other counties, the number of Agencies in Marin is high. Marin County has a population of about 254,000 people. San Luis Obispo County, by comparison, has about the same population as Marin, but it has 64 percent fewer SDs and JPAs.⁴ Neighboring Sonoma County has a population that is almost double that of Marin's, but it also has fewer SDs and JPAs than Marin.⁵

² Marin LAFCo, Powers and Responsibilities, <https://www.marinlafco.org/powers-and-responsibilities>, (accessed 4/24/25).

³ See Appendix A: Marin County's Special Districts and Joint Powers Authorities.

⁴ County of San Luis Obispo, Local Cities, Agencies, and Districts, <https://www.slocounty.ca.gov/home/local-cities,-agencies,-and-districts>, (accessed 4/24/25).

⁵ County of Sonoma Administration Division, Special District Information, <https://sonomacounty.ca.gov/acttc-special-district-roster-information>, (accessed 4/24/25); California State Controller's Office, Government Compensation in California, <https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrictType.aspx?year=2023&sdtype=50&county=Sonoma>, (accessed 4/24/25).

Marin County's Special Districts, Joint Powers Authorities, and Local Area Formation Commissions

Special Districts

SDs are limited-purpose local governmental agencies operating independently from the municipalities they serve to provide services that the local municipality or county does *not* provide. These include police and fire protection, sewers and sanitation, water supply and treatment, electricity, parks and recreation, and libraries, among other services.⁶ Well-known examples of SDs in Marin are the Marin Municipal Water District and the Novato Fire Protection District.

In all California counties, there are two types of SDs: independent and dependent.

Independent SDs derive their authority directly from the community or customers they serve and are directly accountable to their community or customers. Typically, an elected board of directors oversees the independent SD—i.e., sets and monitors the budget, makes high-level management decisions, reviews operational status, etc.⁷

Dependent SDs are closely tied to (or are dependent upon) another department or agency of a municipality. The Marin County Open Space District is an example of a dependent SD, which functions under the auspices of the County. The members of the board of directors of a dependent SD are usually appointed, not elected. These boards are composed of city council members and members of the BOS, or their appointees. In some instances, members of the public serve on the board of directors. The dependent SD board of directors functions in largely the same manner as a board of directors for an independent SD.⁸

Joint Powers Authorities

A JPA is a stand-alone organization formed by governmental entities for a specific purpose or project. Two or more governmental entities can join together to form a JPA to solve shared problems—e.g., financing needs, police protection, fire protection, insurance coverage, pest control, and sanitation. A JPA is legally independent from its member agencies.⁹ However, a JPA shares powers common to the member agencies—e.g., entering into contracts, leases, and other agreements; receiving, investing, and disbursing funds; purchasing and holding title to property; setting budgets; and setting policies. The JPA's powers are outlined in a joint powers

⁶ California Senate Governance and Finance Committee, "Special District Fact Sheet," September 2016, https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special_district_facts_2016.pdf, (accessed 4/24/25).

⁷ California Special Districts Association, Learn About Districts, <https://www.csda.net/about-special-districts/learn-about>, (accessed 4/24/25).

⁸ California Special Districts Association, Learn About Districts, (accessed 4/24/25).

⁹ Jonathan Vankin, "Joint Powers Authorities Explained: Potential 'Sinkholes for Cost Overruns and Cronyism,'" *California Local*, August 2, 2021, <https://californialocal.com/localnews/statewide/ca/article/show/587-joint-powers-authority-explained-potential-abuse/>, (accessed 4/24/25).

agreement. As a separate legal entity, a JPA must self-monitor its actions and activities for its members because no state or county agency directly oversees it.¹⁰

Some JPAs are overseen by a citizen oversight committee, which is an advisory-only oversight board, usually responsible for supervising how money from tax measures is spent. Marin has three JPAs with citizen oversight committees: Transit Authority of Marin (Fiscal Year 2023-2024 Annual Revenues = \$86.2 million),¹¹ Marin Wildfire Prevention Authority (Fiscal Year 2023-2024 Annual Revenues = \$21.7 million),¹² and Sonoma Marin Area Rail Transit (Fiscal Year 2023-2024 Annual Revenues = \$69.9 million).¹³ Those three JPAs receive substantial monies from tax measures. Additionally, the Marin County Treasury Oversight Committee oversees all government agencies for which the Marin County Treasury is statutorily designated as the custodian of funds.¹⁴

Local Agency Formation Commissions

Local Agency Formation Commissions were established for each of California's 58 counties in 1963 by the California State Legislature.¹⁵ Under state law, Marin LAFCo performs two primary functions. First, Marin LAFCo has planning and regulatory powers over the 65 Marin Agencies for which it has direct jurisdiction. Specifically, Marin LAFCo is authorized to: determine service area boundaries (the area that an agency under its supervision may operate); review consolidation of SDs (when two or more SDs seek to consolidate); and reorganize SDs' services.¹⁶

Second, state law requires Marin LAFCo to perform MSR of Agencies under its direct supervision every five years. The MSR includes, among other things, an analysis of population growth and projections, the adequacy of services and infrastructure of the agency, and a financial review.¹⁷ Once completed, the MSR are then posted on Marin LAFCo's website.

¹⁰ California State Legislature Senate Local Government Committee, "Governments Working Together: A Citizen's Guide to Joint Powers Agreements," August 2007, p. 5,

<https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/GWTFinalversion2.pdf>, (accessed 4/24/25).

¹¹ "Twentieth Community Oversight Committee Annual Report, Fiscal Year 2023 - 2024", <https://indd.adobe.com/view/4ef8d297-89f7-400b-a7b4-9a62991bdb04>, April 2025, p. 31, (accessed 05/20/25).

¹² "Marin Wildfire Prevention Authority 2023 - 2024 Annual Report", https://cdn.prod.website-files.com/6107823cbe8db485b50aa8f8/678c3f9aa67d091a81b528b0_2023-2024%20Marin%20Wildfire%20Annual%20Report.pdf, p. 25, (accessed 05/20/25).

¹³ "Annual Comprehensive Financial Report For Fiscal Year Ended June 30, 2024", <https://www.sonomamarintrain.org/sites/default/files/Documents/ACFR%20SMART%20FY%202024%20Final%202024.12.18.pdf>, p. 26, (accessed 05/20/25).

¹⁴ County of Marin, Treasury Oversight Committee, <https://www.marincounty.gov/departments/finance/treasurer/treasury-oversight-committee>, (accessed 4/24/25).

¹⁵ Wikipedia, Local Agency Formation Commission, https://en.wikipedia.org/wiki/Local_Agency_Formation_Commission, (accessed 05/06/25).

¹⁶ Assembly Committee on Local Government Honorable Juan Carrillo, *ChairGuide to Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000*, <https://alcl.assembly.ca.gov/system/files/2024-11/4416-ckh-guide-2023-final.pdf>, December, 2023, (accessed 4/24/25).

¹⁷ California Legislative Information, California Government Code Section 56430, https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=56430, (accessed 4/24/25).

Marin LAFCo has direct jurisdiction over 65 current local governmental agencies located throughout Marin.¹⁸ Those Agencies include all 11 of Marin's cities and towns, all but one independent SD, and many of the dependent SDs. Marin LAFCo also has indirect jurisdiction and oversight over Marin's JPAs, which provide municipal services such as fire protection, water or sanitary services.¹⁹ Marin LAFCo does not have jurisdiction over school districts and some dependent SDs and JPAs.²⁰

Because of Marin LAFCo's legal obligations and scope of authority, the Grand Jury's investigation revealed it is uniquely situated to assume a greater role in overseeing the expenditure of public monies by the special districts and joint powers authorities.

Laws and Guidelines Governing Special Districts and Joint Powers Authorities

Several state laws impose reporting and transparency obligations upon Marin's Agencies. These include the Ralph M. Brown Act (public meetings) contained in Government Code section 54950, et seq.,²¹ California Public Records Act (recordkeeping),²² and the California Fair Political Practices Reporting Requirements (economic interests).²³

Government Code Section 26909 specifies that SDs and JPAs are required to file financial statements audited by a trustworthy third-party (i.e., an independent auditing firm) with the County's Auditor on an annual, biannual, or five-year basis (depending upon the specific SD).²⁴ Similarly, SDs and JPAs are required by Government Code Section 6505 to file annual audits with the State Controller's Office.²⁵

¹⁸ Marin LAFCo, Powers and Responsibilities, <https://www.marinlafco.org/powers-and-responsibilities>, (accessed 4/24/25).

¹⁹ Marin LAFCo, Powers and Responsibilities, (accessed 4/24/25).

²⁰ LawLink, California Government Code Section 56036, <https://lawlink.com/research/codes/23/detail/63720/california-government-code-section-5603>, (accessed 4/24/25); Marin LAFCo, Additional Joint Power Agencies Not Covered Under LAFCo Jurisdiction, <https://www.marinlafco.org/additional-joint-power-agencies-not-covered-under-lafco-jurisdiction>, (accessed 4/24/25).

²¹ The Brown Act: Open Meetings For Local Legislative Bodies, <https://oag.ca.gov/system/files/media/the-brown-act.pdf>, 2003, (accessed 4/24/25).

State of California website, The California Public Records Act,

²² <https://post.ca.gov/California-Public-Records-Act-FAQs>, (accessed 4/24/25).

²³ California Fair Political Practices Commission website, "The Mission of the Law," <https://www.fppc.ca.gov/the-law.html>, (accessed 4/24/25).

²⁴ California Special Districts Association, *Special District Laws Reference Guide*, <https://saclafco.saccounty.gov/Resources/Documents/SpecialDistrictLawsGuide.pdf>, p. 11, 2020, (accessed 4/24/25).

²⁵ California Legislative Information, TITLE 1. GENERAL [100 - 7931.000] (Title 1 enacted by Stats. 1943, Ch. 134.) DIVISION 7. MISCELLANEOUS [6000 - 7599.200] (Division 7 enacted by Stats. 1943, Ch. 134.) CHAPTER 5. Joint Exercise of Powers [6500 - 6599.3], https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=6505, (accessed 4/24/25).

State law also imposes requirements regarding the type and manner of information featured on Agencies' websites. These laws require that each of these Agencies maintain a website; conspicuously post the annual compensation of its elected officials, officers, and employees; and make the content of the website accessible to people with disabilities (sight or hearing loss).²⁶ For a more complete description of these laws, see Appendix B.

APPROACH

Interviews. As part of this investigation, the Grand Jury interviewed staff knowledgeable on the matters discussed in this report, including representatives from:

- Almonte Sanitary District
- Alto Sanitary District
- Firehouse Community Park Marin Agency
- Homestead Valley Sanitary District
- Marin City Community Service District
- Marin Clean Energy
- Marin County DOF
- Marin LAFCo
- MARINet
- Office of the Marin County Assessor-Recorder-County Clerk
- Richardson Bay Sanitary District
- Zero Waste Marin

Please note that the list of interviewees was selected among nearly one hundred, as representative of the types of special districts and joint powers authorities at issue. As a practical matter, it would have been both unrealistic and unnecessary to conduct interviews of all of these agencies.

Documents. The Grand Jury reviewed past Grand Jury reports, documents and the websites of Marin's SDs and JPAs, Marin LAFCo, and the County. For a more detailed description of the methodologies used in compiling Agency information, please see Appendix C.

The Grand Jury completed this investigation on April 13, 2025.

²⁶ Special District Laws Reference Guide, California Special Districts Association, <https://saclafo.saccounty.gov/Resources/Documents/SpecialDistrictLawsGuide.pdf>, pp. 12-15, 2020, (accessed 4/24/25).

DISCUSSION

Financial Overview of Special Districts and Joint Powers Authorities in Marin County

The Grand Jury analyzed the most recently published audit reports posted on the Agencies' websites to determine their overall operating revenue for 2024. The Grand Jury determined that the total combined revenue for all of these Agencies is nearly \$1 billion.²⁷ This revenue is generated through four sources:

1. Property Taxes. A portion of the revenue SDs receive comes from property taxes. This revenue includes a percentage of the property tax (and/or voter-approved debt) and direct charges, including parcel taxes and bond measures. This revenue is collected biannually by the Marin County Tax Collector, a part of the DOF, through Marin residents' payments of their property taxes.²⁸ These payments cover the County's fiscal year, which ends on June 30th. The amount of property taxes received by each municipality varies. Mill Valley, for instance, receives 25.8 percent. San Rafael receives 12.2 percent. Novato receives only ten percent.²⁹ The disparity is a result of pre-1979 tax rates of counties, cities, and SDs.³⁰

2. Sales Tax. A few SDs and JPAs derive a substantial percentage of their annual revenues from sales tax measures approved by the voters:

- **Sonoma-Marín Area Rail Transit (SMART).** For the past two fiscal years (FY 2022-2023 and FY 2023-2024), SMART received nearly \$50 million from sales taxes, which represents about 55 percent of SMART's annual revenues.³¹ This money comes from Measure Q's quarter-cent sales tax revenues, which passed in 2008 and expires in 2029.³² Marin County taxpayers account for approximately 35 percent of the \$50 million, or approximately \$17.5 million. The remaining portion is paid by Sonoma County taxpayers.

²⁷ See Grand Jury work paper "Audit Revenue and Expenses," <https://rebrand.ly/AuditRevenueAndExpenses>, (accessed 4/29/25).

²⁸ Marin County Department of Finance, <https://www.marincounty.org/Home/Depts/DE>, (accessed 05/06/25).

²⁹ County of Marin, County of Marin Tax Distribution By Local Agency, <https://www.marincounty.gov/departments/finance/property-tax/property-tax-auditor-controller/county-marin-tax-distribution-local-agency>, (accessed 4/29/25).

³⁰ California City Finance, "Why Do Property Tax Shares Among Cities Vary? How Can We Improve?," <https://www.californiacityfinance.com/PropTaxAllocFAQ.pdf>, July 15, 2023, (accessed 4/29/25).

³¹ SMART Annual Comprehensive Financial Report For Fiscal Year Ended June 30, 2024, p. 17, <https://www.sonomamarintrain.org/sites/default/files/Documents/ACFR%20SMART%20FY%202024%20Final%202024.12.18.pdf>, (accessed 4/29/25).

³² Metropolitan Transportation Commission website, "High-Speed Rail Bond Measure Passes," <https://mtc.ca.gov/news/high-speed-rail-bond-measure-passes>, November 28, 2008, (accessed 4/29/25).

- **Transit Authority of Marin (TAM).** TAM receives about \$30 million annually,³³ from a quarter-cent sales tax from Measure A (passed in 2004) and Measure AA (passed in 2018).³⁴ This amount represents about 35 percent of TAM's annual budget.
- **Marin Wildfire Authority.** Most of Marin Wildfire's revenue (over \$21 million annually, or about 92 percent of its annual budget) comes from Measure C (passed in March 2020).³⁵

3. Customer Service Fees. Many SDs charge service fees, such as sewer and water fees, which can be a significant source of funding. For example, revenues from service fees make up about 17 percent, or about \$25.6 million, of Marin Municipal Water District's Budget for fiscal year 2024-2025.³⁶

4. Other Fees and Revenue Sources. The Agencies also derive revenue from other sources, such as state and federal grants, interest income, etc.³⁷

Marin Agencies obtain funding through all of the above sources. Property owners can determine how much they pay to different Agencies through their property taxes because those charges are itemized on their tax bill. Marin property tax bills are specific to the location of the property and contain charges from those Agencies where the property is located. See Appendix E for a sample property tax bill from Novato, which is consistent with the various charges shown on property tax bills in Marin generally.

Audit Requirements

State law requires the County's auditor (the DOF) to obtain annual audited financial statements from all Agencies operating in the county within twelve months after the end of the Agency's fiscal year.³⁸ The audit must be conducted by a certified public accountant and adhere to generally accepted auditing standards. The audit examines several financial aspects, including:

- Internal controls
- Compliance with applicable laws
- Financial records and reports
- Revenue and expenditure review³⁹

³³ Transportation Authority of Marin, Fiscal Year 2024-25 Annual Budget <https://www.tam.ca.gov/wp-content/uploads/2024/07/FY25-Budget-Doc-FINAL-ADOPTED-6-27-24.pdf>, (accessed 4/29/25).

³⁴ Transportation Authority of Marin, Measure A, <https://www.tam.ca.gov/funding/measure-a/>, (accessed 4/29/25); Measure AA - Renewal, <https://www.tam.ca.gov/funding/measure-a-renewal/>, (accessed 4/29/25).

³⁵ Marin Wildfire 2023-2024 Annual Report, p. 25, https://cdn.prod.website-files.com/6107823cbe8db485b50aa8f8/678c3f9aa67d091a81b528b0_2023-2024%20Marin%20Wildfire%20Annual%20Report.pdf, (accessed 4/29/25); Marin Wildfire Prevention website, Measure C, <https://www.marinwildfire.org/about-mwpa/measure-c>, (accessed 4/29/25).

³⁶ Marin Municipal Water District Adopted Operating and Capital Budget Fiscal Year 2023/24 and 2024/25, p. 12, https://www.marinwater.org/sites/default/files/2023-07/Marin%20Water%20Adopted%20Budget_FY%2023-24%20and%20FY%2024-25.pdf, (accessed 4/29/25).

³⁷ Grand Jury review of Annual Comprehensive Financial Reports of various Marin Agencies.

³⁸ California Government Code Section 26909(a)(1), (See Appendix B.).

³⁹ California State Controller's Office, Proposed Regulatory Action: Regulations Governing the Activities of Third-Party Auditors Who Are Hired by the Controller, <https://www.sco.ca.gov/Files->

The Grand Jury's investigation revealed that, in some instances, an Agency may have an alternative audit schedule, such as every other year or every five years, with approval from its governing board and the BOS. Stinson Beach Fire District and Richardson Bay Sanitary District are two SDs with approved alternative audit schedules, allowing them to submit audited financials every two years. For example, the Firehouse Community Park Agency/Mesa Park (also an SD) submits its audited financials on an alternative schedule, but has not obtained the approval of the BOS.⁴⁰

Challenges and Compliance Issues

The Grand Jury investigated every Marin Agency (i.e., the 99 SDs and JPAs) to determine which districts failed to comply with the financial disclosure requirements discussed above. Determining compliance with the financial disclosure requirements is important to the citizens of Marin because, in the past, there have been instances of alleged financial mismanagement in Marin.⁴¹

The Grand Jury quickly determined that 11 Agencies (about 10% of Marin's Agencies) were late in submitting current audited financial statements to the DOF.⁴² As of the date of the instant recommendations, the Grand Jury has learned that audits had eventually been submitted by eight Agencies (although late), leaving three remaining Agencies that as of yet, have not submitted audited financial statements.

Those three Agencies were: (1) Alto Sanitary District (for FY 2022-2023); (2) Marin City Community Services District (for FY 2020-2021); and (3) Firehouse Community Park Agency (for FY 2015-2016).⁴³ The Grand Jury then interviewed representatives from those Agencies to learn why they failed to comply. The Agencies' representatives explained the late filings resulted from the lack of staffing, the lack of time due to personal leave, and, in one instance (Marin City Community Services District), a cyberattack.

State law does not impose any penalties for late filings. Further, representatives from the Agencies that failed to meet their filing requirements told the Grand Jury there were no negative consequences for failing to comply with state law. One Agency representative advised the Grand Jury that its grant funding "might" have been negatively impacted. State law is clear, however, that the DOF has the authority to obtain an audit on its own and on behalf of any SD or JPA

[UPD/proposed regulatory action third-party auditors.pdf](https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-02/dof-solicitation-rfp-for-professional-auditing-services-2024-final-13024.pdf), (accessed 4/29/25); Marin County Department of Finance REQUEST FOR PROPOSAL (RFP) #2850 FOR PROFESSIONAL AUDITING SERVICES, <https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-02/dof-solicitation-rfp-for-professional-auditing-services-2024-final-13024.pdf>, (accessed 4/29/25).

⁴⁰ Information obtained through interviews.

⁴¹ Richard Halstead, "Former Ross Valley Sanitary District manager charged with nine felony counts; whereabouts unknown," *Marin Independent Journal*, July 19, 2008, <https://www.marinij.com/2013/04/09/former-ross-valley-sanitary-district-manager-charged-with-nine-felony-counts-whereabouts-unknown/>, (accessed 4/29/25).

⁴² Information obtained from interviews with and emails from the DOF.

⁴³ Information obtained from emails from the DOF.

when the Agency fails to submit a timely audit.⁴⁴ The Agency must reimburse the County for the cost of the audit.

Through its investigation, the Grand Jury found several instances of late-filed and missing audits over the past 14 years. Over that same timespan, the Grand Jury found no evidence that the DOF ordered audits on behalf of those delinquent Agencies.⁴⁵ When the Grand Jury asked the DOF to explain why it had not engaged an independent auditor when an Agency failed to comply with audit requirements, the DOF replied that its approach has been to work collaboratively with Agencies and provide support to them. The Grand Jury requested copies of communications between the DOF and these Agencies that had outstanding audits, but received only a smattering of e-mails and documents that evidenced the DOF's efforts to secure a timely audit by delinquent Agencies.

State Financial Reporting Requirements

State law also requires that each Marin Agency must submit an annual financial transactions report to the California State Controller's Office within seven months of each fiscal year's end.⁴⁶ The purpose of this law is to provide financial data about California SDs on a uniform and timely basis, so the public knows how their money is spent.

The Grand Jury's investigation revealed that several Marin SDs consistently filed this report late.⁴⁷ The Grand Jury analyzed the filing of these reports by all Agencies over the past five years to determine which of those Agencies filed late reports. As set forth in Appendix D, the Grand Jury determined:

- 1 agency consistently filed late 100 percent of the time.
- 3 agencies filed late 80 percent of the time.
- 4 agencies filed late 60 percent of the time.
- 6 agencies filed late 40 percent of the time.
- 7 agencies filed late 20 percent of the time.

Marin City Community Services District failed to file with the State Controller's Office for the 2021-2022 fiscal year. While the Grand Jury was informed that audits were being worked on for subsequent fiscal years, the 2021-22 audit was still not filed as of the date this investigation was completed.⁴⁸ State law authorizes financial penalties of between \$1,000 and \$5,000 for late

⁴⁴ Findlaw, California Government Code § 6505, <https://codes.findlaw.com/ca/government-code/gov-sect-6505/>, (accessed 4/29/25).

⁴⁵ Information obtained from email from the DOF.

⁴⁶ California Government Code Section 12463, https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=12463, (accessed 4/29/25).

⁴⁷ See Appendix D.

⁴⁸ California Open Data Portal, Special Districts that filed late or failed to file FY 2021-22 FTRs, <https://data.ca.gov/dataset/special-districts-that-filed-late-or-failed-to-file-fy-2021-22-ftrs>, (accessed 4/29/25)

filings.⁴⁹ The penalty is imposed and collected by the State Controller's Office. The Grand Jury found no evidence that any penalties have ever been imposed upon this Agency.

Most of the SDs that failed to file timely audits have small staff and are under-resourced, which may explain their late filings. Regardless, and as this report recommends, when an SD fails to file a timely financial audit report, the DOF should order a third party to perform it. Doing so ensures compliance with the law and financial transparency to the public.

Past Marin Civil Grand Jury Reports and Creation of an Agency List

Prior Grand Juries conducted investigations and wrote reports urging greater transparency of information on Marin Agencies' websites. In a 2014 Grand Jury report, the Grand Jury recommended that the County add a page to its website listing all of the County's SDs with contact information and a link to Marin LAFCo's website for districts falling within LAFCo's jurisdiction.⁵⁰ The County rejected this recommendation.

Additional recommendations by the Grand Jury for a comprehensive list were made in reports published in 2016⁵¹ and 2019.⁵² These reports stressed that the list would improve public transparency and give residents easier access to important information about local governments. In response to the recommendation in the 2019 Grand Jury report, the BOS passed a resolution agreeing to create this list.⁵³ The County then created and posted the Agency list on its website as a PDF document, with no links to the Agencies' websites. Nor did the posted PDF document contain e-mail links to the Agencies' directors or other principals. Since its initial posting in 2019, this list has not been updated.⁵⁴

Continuing to press the County about the importance of having a comprehensive list of all of Marin's Agencies, the 2019-2020 Grand Jury issued a report in 2020 (the 2020 Report).⁵⁵ In this

⁴⁹ Email received from the State Controller's office.

⁵⁰ Marin County Civil Grand Jury report, 2013-2014, *What Are Special Districts and Why Do They Matter*. https://marin.granicus.com/DocumentViewer.php?file=marin_252b3c256848c7c3c38cc57be1041485.pdf, (accessed 4/29/25).

⁵¹ Marin County Civil Grand Jury, 2015–2016 *Web Transparency Report Card: Bringing Marin County's Local Governments to Light*, March 10, 2016, https://marin.granicus.com/DocumentViewer.php?file=marin_1bf93c2030dac638ab4cbc14f2906d43.pdf, (accessed 4/29/25).

⁵² Marin County Civil Grand Jury, *Special Districts Transparency Update*, June 20, 2019, <https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-01/special-districts-transparency-update.pdf>, (accessed 4/29/25).

⁵³ Marin County Board of Supervisors Response to the 2018-19 Grand Jury Report "Special Districts Transparency Update" <https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-01/agencylist-marin-county-board-of-supervisors-report-response.pdf>, (accessed 4/29/25).

⁵⁴ Marin County Local Governmental Agencies (2019), <https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-04/marin-county-local-governmental-agency-list.pdf>, (accessed 4/29/25).

⁵⁵ Marin County Civil Grand Jury, *Finally - A Comprehensive List of Marin's Public Agencies*, June 20, 2020, <https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-01/finallyacomprehensivelistofmarinpublicagencies-2.pdf>, p. 4, (accessed 4/29/25).

report, the Grand Jury found that, despite the creation of the 2019 list previously discussed, no reliable, comprehensive, and regularly updated list of Marin's Agencies exists. Furthermore, the 2020 Report provided references to multiple, publicly-available lists of public agencies that could be easily combined into a single, comprehensive list, which could be updated periodically.

The 2020 Report recommended that the DOF and Clerk's Office adopt that list and maintain it annually. The BOS responded to the 2020 Report, stating the County would *not* implement the recommendation (i.e., create, post, and maintain a list) because the recommendation was "neither warranted or reasonable."⁵⁶ In their response, the BOS went on to state, "We continue to disagree, however, with the Grand Jury's recommendations that the County of Marin dedicate its resources to maintaining and/or duplicating information for which the Marin County Board of Supervisors is not financially or legally responsible."

California Government Code section 53051, which took effect in January 2020, requires that all county clerk offices maintain a Registry of Public Agencies.⁵⁷ The law requires a listing of the following information: legal name of the agency; mailing address; name and address of each member of the governing body; name, title, and residence or business address of the chairperson, president (or other presiding officer), and the clerk or secretary.

The Grand Jury located a registry on the County's website.⁵⁸ However, other than listing the name of the Agencies, the registry does not contain any of the other information required by state law. Specifically missing from the registry were the following categories of information: 1. The official mailing address of the governing body of the public agency. 2. The name and residence or business address of each member of the governing body of the public agency. 3. The name, title, and residence or business address of the chairperson, president, or other presiding officer, and clerk or secretary of the governing body of the public agency.

Like the previously discussed list posted by the County in 2019, the registry is a separate, static PDF file, with no hyperlinks to each of the listed agencies. Because the 2019 agency list is still on the County's website, there are now *two* differing agency list documents available to the public. The Grand Jury also learned that the Marin Assessor-Recorder-County Clerk's office first posted this Registry in 2018.

⁵⁶ Marin County Board of Supervisors Response to the 2019-20 Grand Jury Report "Response to Grand Jury Report 'Finally — A Comprehensive List of Marin's Public Agencies'", <https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-01/agencylist-marin-county-board-of-supervisors-report-response.pdf>, p.3, (accessed 05/01/25).

⁵⁷ California Legislative Information, https://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=53051.&lawCode=GOV, (accessed 4/29/25).

⁵⁸ County of Marin, Statement of Facts - Registry of Public Agency - Marin County Filings, https://www.marincounty.org/-/media/files/departments/ar/county-clerk/registry_of_public_agencies.pdf, (accessed 4/29/25).

Website Transparency

State law imposes website transparency requirements on the Agencies. There are eight mandatory requirements. These laws are summarized in Appendix B.

The Grand Jury identified five agencies with websites lacking in four or more of the eight transparency requirements: (1) Homestead Valley Sanitary District; (2) Marin Clean Energy; (3) MARINet; (4) Richardson Bay Sanitary District; and (5) Zero Waste Marin. From interviews with representatives from these Agencies, the Grand Jury learned that most of the Agencies were unaware of the legal requirements regarding website transparency. However, the majority of the Agencies were quick to respond and make the needed changes so that their websites complied with the law.

In addition to those five agencies, the Grand Jury found that nearly all of the Agencies' websites lacked one or more of the eight requirements. Only seven out of the 56 Agency websites reviewed (12.5%) conformed to all eight transparency laws. Without full transparency on their websites, the public has no other access to this information about the Agencies, other than by filing a public records request.

Assessment of Marin LAFCo's Website

State law does not require Marin LAFCo to host a website. However, because Marin LAFCo chooses to have a website, accurate and up-to-date information would assist the public. The website is neither accurate nor up-to-date. The Grand Jury assessed Marin LAFCo's website to determine the accuracy and completeness of the information listed for the Agencies under its supervision. The investigation revealed about 80 instances of broken or inaccurate weblinks and omitted information.⁵⁹

The Marin LAFCo website, for example, lists the Marin/Sonoma Mosquito Abatement and Vector Control District as a Dependent Special District. That is not correct. That Agency's website states: "The Marin/Sonoma Mosquito and Vector Control District is a California *Independent* Special District and is principally funded by a very small portion (equivalent to its share prior to 1978) of the ad valorem property taxes collected by the County Tax Collectors."⁶⁰

The Marin LAFCo website also states: "It is important to note there are additional 'districts' in Marin County that are legislatively exempted from LAFCo oversight. Most commonly, this includes all school districts and community facilities districts."⁶¹ There is no further explanation given as to what "facilities" means, nor which SDs are exempted. The exempted SDs are two

⁵⁹ Grand Jury work paper, Audit of the Marin LAFCo Website, <https://rebrand.ly/AuditOfMarinLAFCOWebsite>, (accessed 4/29/25).

⁶⁰ Marin/Sonoma Mosquito Abatement and Vector Control District, How We Are Funded, <https://www.msosquito.org/how-we-are-funded>, (accessed 05/02/25).

⁶¹ Marin LAFCo, Powers and Responsibilities, (accessed 4/24/25).

lighting districts and seven permanent road divisions. It would be helpful if the website listed these exempted entities.

After completing its analysis of the LAFCo website, the Grand Jury provided a compilation of its assessment to Marin LAFCo so that it could correct the documented errors. As of the date of the completion of this report, the Grand Jury found that many of the several dozen errors had been corrected, though many errors still remained.

Apart from the problems noted with LAFCo's website, the Grand Jury assessed one of LAFCo's key functions: performing MSR's of the Agencies it supervises. Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCo must prepare an MSR every five years for every one of the Agencies it supervises. The MSR must set forth in writing LAFCo's findings regarding:

- Infrastructure needs or shortcomings
- Growth and population forecasts for the affected region
- Financial constraints and opportunities
- Potential for cost avoidance
- Possibilities for rate restructuring
- Opportunities for shared facilities
- Options for government structure, including the pros and cons of consolidating or reorganizing service providers
- Assessment of management efficiencies
- Local accountability and governance⁶²

The Grand Jury's initial review of the Marin LAFCo website found that there were nine Agencies that had not received an MSR within the mandated five-year period. However, four months after its initial review (around the time of the completion of the Grand Jury's investigation), a second review of the website found that all of these MSR's have now been completed within the five-year period. Four of these MSR's, however, were still listed as "Draft" versions.

Based on the foregoing, the Grand Jury makes the following Findings and Recommendations:

⁶² Marin LAFCo, Municipal Service Review and Sphere of Influence Updates, <https://www.marinlafco.org/municipal-servi-ce-review-and-sphere-of-influence-updates>, (accessed 4/29/25).

FINDINGS

- F1.** Due to the late filing of required financial reports by the Alto Sewer District, the Marin City Community Services District, and the Firehouse Community Park Agency, to both the Marin County Department of Finance and the California State Controller's Office, the constituents of these agencies may not have access to important financial information, which allows them to make informed decisions regarding the effectiveness of those agencies in performing their duties and responsibilities.
- F2.** Because the Marin County Assessor-Recorder-Clerk's Registry of Agencies does not include all of the information mandated by California Government Code section 53051, the public and relevant government agencies are not able to completely track and verify the details of these agencies. The absence of this information makes it difficult for the public to make informed decisions about how well those agencies are being run.
- F3.** Due to the inaccuracies, outdated information, and errors on the Marin Local Agency Formation Commission website, the citizens who visit the site are not able to obtain timely, updated information regarding the public agencies that the Marin Local Agency Formation Commission serves.
- F4.** Because the Department of Finance has failed to engage outside accounting firms for those Marin special districts and joint powers authorities that are delinquent in submitting audits, complete financial oversight of these special districts and joint powers authorities cannot be achieved.
- F5.** Because the Marin Local Agency Formation Commission has not completed municipal service reviews for all of the Marin special districts and joint powers authorities every five years, as mandated by AB 2838, the public is not able to receive timely information about how those special districts and joint powers authorities are being run.

RECOMMENDATIONS

- R1.** By December 31, 2025, the following special districts and joint powers authority should take all necessary steps to ensure the completion of their delinquent audits in their respective mandated time frames:
- Firehouse Community Park Agency
 - Alto Sewer District
 - Marin City Community Services District
- R2.** By December 31, 2025, the Marin County Board of Supervisors should ensure that the Marin County Department of Finance orders third-party audits for any special district or joint powers authority that has not completed its audit more than one year past its audit filing due date.
- R3.** By December 31, 2025, the Marin County Board of Supervisors should ensure that the Marin County Department of Finance secures the proper documentation for any special district or joint powers authority that has an alternative audit schedule.
- R4.** By December 31, 2025, the Marin County Assessor-Recorder-County Clerk should add the following information to each special district and joint powers authority listed on its Registry of Public Agencies:
- The official mailing address of the governing body of the public agency
 - The name and residence or business address of each member of the governing body of the public agency
 - The name, title, and residence or business address of the chairperson, president, or other presiding officer, and clerk or secretary of the governing body of the public agency
- R5.** By December 31, 2025, the Marin County Assessor-Recorder-County Clerk should add hyperlinks to the websites of the special districts and joint power authorities listed on the Registry of Public Agencies and accurately update this Registry annually.
- R6.** By December 31, 2025, the Marin County Local Agency Formation Commission should update its website with accurate information about the special districts and joint powers authorities for which it is responsible and continue to maintain the website with accurate information once it is updated.
- R7.** By December 31, 2025, the Marin County Local Agency Formation Commission should take all necessary steps to complete a municipal service review for each special district and joint powers authority under its jurisdiction within the state-mandated, five-year timeframe.

REQUIRED RESPONSES

Pursuant to Penal Code section 933.05, the Grand Jury requires responses from the following governing bodies:

From the following elected county officials within 60 days:

- Marin County Assessor-Recorder-County Clerk (F2, R4-R5)

From the following governing bodies within 90 days:

- Marin Local Agency Formation Commission (F3, F5, R6-R7)
- Marin County Board of Supervisors (F1, F4, R2-R3)
- Alto Sanitary District (F1, F4, R1)
- Firehouse Community Park Agency (F1, F4, R1)
- Marin City Community Services District (F1, F4, R1)

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code section 933 (c) and subject to the notice, agenda and open meeting requirements of the Brown Act.

INVITED RESPONSES

- Marin County Department of Finance (F1, F4, R2-R3)

Note: At the time this report was prepared information was available at the websites listed.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

Appendix A: Marin County's Special Districts and Joint Powers Authorities

Table 1: Special Districts

FIRE	OTHER	COUNTY SERVICE AGENCIES (CSA)
Bolinas	Flood Control and Water Conservation*	CSA #1 - Loma Verde*
Kentfield	Marin Healthcare	CSA #6 - Gallinas Creek*
Novato	Marin Transit*	CSA #9 - Northbridge*
San Rafael	Resource Conservation District	CSA #13 - Upper Lucas Valley*
Sleepy Hollow	Marin County Parks and Open Space*	CSA #14 - Homestead Valley*
Southern Marin	Marin / Sonoma Mosquito & Vector Control District	CSA #16 - Greenbrae*
Tiburon	Sonoma Marin Area Rail Transit (SMART)*	CSA #17 - Kentfield/Larkspur*
	Strawberry Recreation	CSA #18 - Las Galinas*
SANITARY & SANITATION	PERMANENT ROAD DIVISIONS	CSA #19 - Los Ranchitos, Country Club, Santa Venetia*
Almonte Sanitary	Bolinas Highlands*	CSA #20 - Indian Valley*
Alto Sanitary	Inverness Subdivision #2*	CSA #27 - Ross Valley*
Corte Madera Sanitary (District 2)*	Madrone Park Circle*	CSA #28 - West Marin*
Homestead Valley	Monte Cristo*	CSA #29 - Paradise Cay*
Las Gallinas Sanitary	Mountain View Avenue Lagunitas*	CSA #31 - Fire Service in Unincorporated Marin*
Novato Sanitary	Paradise Estates*	CSA #33 - Stinson Beach*
Richardson Bay Sanitary	Ridgewood Avenue*	LIGHTING
Ross Valley Sanitary		Marin County*
Sausalito-Marín City Sanitary		Rush Creek*
San Quentin Village Sewer Maintenance*	WATER	
San Rafael Sanitation*	Bolinas Public Utility	
Tiburon (District 5)	Inverness Public Utility	
COMMUNITY SERVICE	Estero Mutual Water**	
Bel Marin Keys	Marin Municipal Water District	
Marin City	North Marin Water District	
Marinwood	Stinson Beach	
Muir Beach		
Tamalpais		
Tomales		

Key: * Dependent Special District ** Private Company

Appendix A (cont'd): Marin County's Special Districts and Joint Powers Authorities

Table 2: Joint Powers Authorities

Belvedere - Tiburon Library Agency	Marin General Services Authority (MGSA)
Belvedere Tiburon Recreation Committee (The Ranch)	Marin Municipal Water District Financing Authority
Central Marin Fire Department	Marin Public Financing Authority
Central Marin Police Authority	Marin Pupil Transportation Agency
Central Marin Sanitation Agency (SMSA)	Marin Schools Insurance Authority
Fairfax Financing Authority	MARINet Libraries of Marin
Firehouse Community Park Agency	Mill Valley Financing Authority
Gateway Financing Authority	Novato Public Financing Authority
Gateway Improvement Authority	Richardson Bay Regional Authority
Larkspur Marina Financing Authority	Ross Valley Fire Department
Marin Clean Energy (MCE)	Ross Valley Paramedic Authority
Marin County Animal Services (Marin Humane)	Ross Valley Public Financing Authority
Marin County Capital Improvements Financing Authority	San Rafael Joint Powers Financing Authority
Marin County Hazardous and Solid Waste (Zero Waste Marin)	Sausalito Financing Authority
Marin County Open Space Financing Authority	Sewerage Agency of Southern Marin (SASM)
Marin County Public Financing Authority	Southern Marin Emergency Medical- Paramedic System
Marin Countywide Stormwater Pollution Prevention Program	Tiburon Peninsula Traffic Relief
Marin Emergency Radio Authority (MERA)	Tiburon/Belvedere Wastewater Financing Authority
	Transportation Authority of Marin (TAM)

Sources: Marin LAFCo website, Special Districts List, <https://www.marinlafco.org/special-districts-list>, Joint Powers Agencies, <https://www.marinlafco.org/joint-powers-agencies>; Marin County website, General information on Dependent Special Districts under the Board of Supervisors, https://www.marincounty.gov/sites/g/files/fdkgoe241/files/2024-03/061719-dependent-special-districts_general_information.pdf

Appendix B: Summary of Laws Pertaining to Independent Special Districts and JPAs

Maintains a Website

According to SB 929, codified in California Government Code Section 53087.8, “(a) (1) Except as provided in subdivision (b), beginning on January 1, 2020, every independent special district, as defined in Section 56044, shall maintain an internet website.”⁶³ Note: all of the SDs analyzed in the current report maintain a website.

Enterprise System Catalog

The Public Records Act, passed by the California State Legislature and signed by the governor in 1968, requires inspection or disclosure of governmental records to the public upon request, unless exempted by law. (California Government Code Sections 6250 through 6270.5). Online requirements were added by SB 272.

SB 272, codified in California Government Code Section 6270.5, states:

- (a) In implementing this chapter, each local agency, except a local educational agency, shall create a catalog of enterprise systems. The catalog shall be made publicly available upon request in the office of the person or officer designated by the agency’s legislative body. The catalog shall be posted in a prominent location on the local agency’s Internet Web site, if the agency has an Internet Web site. The catalog shall disclose a list of the enterprise systems utilized by the agency and, for each system, shall also disclose all of the following:*
- (1) Current system vendor.*
 - (2) Current system product.*
 - (3) A brief statement of the system’s purpose.*
 - (4) A general description of categories or types of data.*
 - (5) The department that serves as the system’s primary custodian.*
 - (6) How frequently system data is collected.*
 - (7) How frequently system data is updated.*⁶⁴

Basically, SB 272, codified in California Government Code Section 6270.5, requires local agencies, except local educational agencies, to create a catalog of enterprise systems that fit certain criteria, make it publicly available upon request, and post it in a prominent location on their website, if they have one.

⁶³ FindLaw, California Code, Government Code - GOV § 53087.8, <https://codes.findlaw.com/ca/government-code/gov-sect-53087-8/>, (accessed 4/29/2025).

⁶⁴ Justia U.S. Law, 2021 California Code Government Code - GOV TITLE 1 - GENERAL DIVISION 7 - MISCELLANEOUS CHAPTER 3.5 - Inspection of Public Records ARTICLE 1 - General Provisions Section 6270.5., <https://law.justia.com/codes/california/2021/code-gov/title-1/division-7/chapter-3-5/article-1/section-6270-5/>, (accessed 4/29/2025).

Agendas Posted 72 hours in Advance of Regular Meetings

The Ralph M. Brown Act (Brown Act), passed in 1953, strives to guarantee the public's right to attend and participate in meetings of local legislative bodies.

AB 392, codified in California Government Code Section 54954.2: requires website posting of agendas: "At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session." (Brown Act).⁶⁵

The Brown Act aims to ensure that government meetings are open, transparent, and supportive of public participation. The case of *Sierra Watch v. Placer County et. al* sheds light on the nuanced nature of how meeting materials must be made available to the public by local agencies subject to the Brown Act.⁶⁶

Government Code Section 54954.2 specifically requires the governing body to post the agenda for a regular meeting 72 hours before the meeting and 24 hours before a special meeting. This includes posting the agenda in a physical location and on the agency's primary internet homepage. (Gov. Code Section 54954.2(a)(2)(A). In addition to making the agenda available, materials related to agenda items and used by the governing body during a meeting must also be made available for review. (Gov. Code Section 54957.5(b)(2)). However, the timeline for making materials available for review is not straightforward. The determining factor for when, where and how to make materials available to the public is when the board itself receives the materials.⁶⁷

Link to State Controller's Report or Posted Audited Financials

Under California Government Code Section 26909(a)(1): "The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards."⁶⁸

⁶⁵ Justia U.S. Law, 024 California Code Government Code - GOV TITLE 5 - LOCAL AGENCIES DIVISION 2 - CITIES, COUNTIES, AND OTHER AGENCIES PART 1 - POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES CHAPTER 9 - Meetings Section 54954.2. <https://law.justia.com/codes/california/code-gov/title-5/division-2/part-1/chapter-9/section-54954-2/>, (accessed 4/29/2025).

⁶⁶ Justia U.S. Law, *Sierra Watch v. County of Placer*, <https://law.justia.com/cases/california/court-of-appeal/2021/c088130.html>, (accessed 4/29/2025).

⁶⁷ California school news, Requirements when materials are provided less than 72 hours prior to a regular meeting, <https://publications.csba.org/california-school-news/july-2022/requirements-when-materials-are-provided-less-than-72-hours-prior-to-a-regular-meeting>, July 2022 Vol. 28, 7, (accessed 4/29/2025).

⁶⁸ Justia U.S. Law, 2024 California Code Government Code - GOV TITLE 3 - GOVERNMENT OF COUNTIES DIVISION 2 - OFFICERS PART 3 - OTHER OFFICERS CHAPTER 4 - Auditor ARTICLE 1 - Duties Generally

Under California Government Code Section 12463, all districts in the state, excluding school districts, must submit annual reports detailing their financial transactions to the California State Controller's Office, following the specific timeframes, formats, and procedures set by the Controller's Office.⁶⁹

California Government Code Sections 53891 and 53893 require local government agencies to submit a specific financial transaction report to the State Controller's office within seven months after the close of each fiscal year.

Basically, a link to the State Controller's website is posted on the State Controller's website within seven months after the close of the fiscal year, or local agencies can post the report directly on their website. (California Government Code Section 26909).

Agendas Posted Prominently on Home Page of Website

AB 2257 amends the agenda posting requirements for meetings occurring on or after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website.

According to AB 2257, codified in California Government Code Section Code Section 54954.2(a)(2)(B): local agencies are required to post the most recent agenda directly on the home page of their website in a retrievable, downloadable, indexable, electronically searchable, platform independent and machine readable format.⁷⁰

Specifically, California Government Code Section 54954.2 (a)(2)(B) states:

- (B) An online posting of an agenda, including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:*
- (i) Retrievable, downloadable, indexable, and electronically searchable by commonly used internet search applications.*
 - (ii) Platform independent and machine readable.*
 - (iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.*

Section 26909. <https://law.justia.com/codes/california/code-gov/title-3/division-2/part-3/chapter-4/article-1/section-26909/>, (accessed 4/29/2025).

⁶⁹ California Legislative Information, Government Code - TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 2980] DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3] PART 2. CONSTITUTIONAL OFFICERS [12001 - 12790] CHAPTER 5. Controller [12402 - 12482] https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=12463, (accessed 4/29/2025).

⁷⁰ Justia U.S. Law, 2024 California Code Government Code - GOV TITLE 5 - LOCAL AGENCIES DIVISION 2 - CITIES, COUNTIES, AND OTHER AGENCIES PART 1 - POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES CHAPTER 9 - Meetings Section 54954.2., <https://law.justia.com/codes/california/code-gov/title-5/division-2/part-1/chapter-9/section-54954-2/>, (accessed 4/29/2025).

Link to State Controller's PublicPay Website or Posted Audited Financial Statements

A link to the State Controller's PublicPay Website must be posted in a conspicuous location on the agency's website by April 30 each year, or the agency can post the report to their website. (Brown Act).

California Government Code Section 53891:

- (a) *The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in the form and manner required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.*
- (b) *The Controller shall prescribe uniform accounting and reporting procedures that shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies that substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal Energy Regulatory Commission. The procedures shall be adopted under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.⁷¹*

Web Content Accessibility Guidelines

Section 508 is a federal law requiring that various technologies, including websites, be accessible to people with disabilities. Officially called Section 508 of the federal Rehabilitation Act of 1973, as amended (29 United States Code Section 794(d)), Section 1194.22 refers to web-based intranet and internet information and applications. ("Everything You Need to Know about Online Compliance," CSDA Legislative Representative Dillon Gibbons and Sloane Dell'Orto, Chief Strategist at Streamline).

According to Web Content Accessibility Guidelines (WCAG) 2.0, state governmental entities shall comply with the accessibility requirements of Section 508.

⁷¹ California Legislative Information, Government Code - GOV TITLE 5. LOCAL AGENCIES [50001 - 57607] DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] CHAPTER 4. Financial Affairs [53600 - 53997]
https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=4.&article=9., (accessed 4/29/2025).

California Government Code Section 7405:

The Legislature finds and declares that the ability to utilize electronic or information technology is often an essential function for successful employment in the current work world.

- (a) In order to improve accessibility of existing technology, and therefore increase the successful employment of individuals with disabilities, particularly blind and visually impaired and deaf and hard-of-hearing persons, state governmental entities, in developing, procuring, maintaining, or using electronic or information technology, either indirectly or through the use of state funds by other entities, shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations.*
- (b) Any entity that contracts with a state or local entity subject to Section 11135 for the provision of electronic or information technology or for the provision of related services shall agree to respond to, and resolve any complaint regarding accessibility of, its products or services that is brought to the attention of the entity⁷²*

Open Data Requirements

AB 169 is a California law defining what the term “open data” means for content posted to an agency website. Basically, anything posted on the agency’s website called “open data” meets the requirements of AB 169.

AB 169 is codified in California Government Code Section 6253.10:

If a local agency, except a school district, maintains an Internet Resource, including, but not limited to, an Internet Web site, Internet Web page, or Internet Web portal, which the local agency describes or titles as “open data,” and the local agency voluntarily posts a public record on that Internet Resource, the local agency shall post the public record in an open format that meets all of the following requirements:

- (a) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.*
- (b) Platform independent and machine readable.*
- (c) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the public record.*
- (d) Retains the data definitions and structure present when the data was compiled, if applicable.⁷³*

⁷² Justia U.S. Law, 2024 California Code Government Code - GOV TITLE 1 - GENERAL DIVISION 7 - MISCELLANEOUS CHAPTER 18.1 - Electronic and Information Technology Section 7405., <https://law.justia.com/codes/california/code-gov/title-1/division-7/chapter-18-1/section-7405/>, (accessed 4/29/2025).

⁷³ Justia U.S. Law, 2024 California Code Government Code - GOV TITLE 1 - GENERAL DIVISION 7 MISCELLANEOUS CHAPTER 3.5 - Inspection of Public Records ARTICLE 1 - General Provisions Section 6253.10., <https://law.justia.com/codes/california/2021/code-gov/title-1/division-7/chapter-3-5/article-1/section-6253-1/>, (accessed 4/29/2025).

Appendix C: Details of Methodologies Used in the Approach to Compiling Agency Information

Agencies List - Because the Grand Jury could not find an up-to-date List of Agencies (List) for Marin, the Grand Jury compiled a List through online research of the Agency websites, as well as the County's and LAFCo's websites.⁷⁴

Financial Information - Using the List, we determined the total revenue and expenses of each Agency by reviewing posted audit information. This information was compiled into a Grand Jury workpaper.⁷⁵ The Grand Jury analyzed every Agency to determine which ones failed to comply with the Financial Disclosure Requirements imposed by state law. We requested interviews with those agencies to determine why they failed to comply.

Transparency - Using the List, the Grand Jury also reviewed the Agency websites for information we believed should be accessible to the public. The criterion for this accessible information was based upon both legal requirements, as well as some suggested by the Special District Leadership Foundation (SDLF), a non-profit organization, which offers certification programs for SDs.⁷⁶ In connection with this assessment, we investigated which, if any, Agency had earned a District Transparency Certificate of Excellence offered through a SDLF program—a certificate awarded to an Agency that completed a training program teaching operational transparency and ethics. We learned that only one had done so.⁷⁷

The Grand Jury analyzed every entity listed on the Agencies List to determine whether its website satisfied the Transparency Requirements. See Transparency Requirement Index in Appendix F. The Grand Jury identified which Agencies had a website lacking in more than four of the eight requirements and requested interviews with those Agencies to determine why they failed to comply.

⁷⁴ Grand Jury work paper, Sanitary District Information, <https://rebrand.ly/SanitaryDistrictInfo>; Grand Jury work paper, Water District Information, <https://rebrand.ly/WaterDistrictInformation>; Grand Jury work paper, Fire Protection District Information, <https://rebrand.ly/FireProtectionDistrictInfo>; Grand Jury work paper, Dependent Special District Information, <https://rebrand.ly/DependentSpecialDistrictInfo>; Grand Jury work paper, Joint Powers Authorities Information, <https://rebrand.ly/JPAsInfo>; Grand Jury work paper, Other Special District Information, <https://rebrand.ly/OtherSpecialDistInfo>; Grand Jury work paper, Agency Audit Revenue and Expenses, <https://rebrand.ly/AgencyAuditRevExpenses>, (accessed 4/29/2025).

⁷⁵ Grand Jury work paper, Agency Audit Revenue and Expenses, <https://rebrand.ly/AgencyAuditRevExpenses>, (accessed 4/29/2025).

⁷⁶ Special District Leadership Foundation website, Programs, <https://www.sdlf.org/sdlf/programs/sdlf-programs>

⁷⁷ See Appendix F

Appendix D: Late Audit Filings of Agencies to the California State Controller's Office

AGENCY	Fiscal Years of Late Financial Filings				
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Alto Sanitary District				✓	
Bel Marin Keys Community Services District	✓	✓	✓	✓	
Belvedere Public Financing Authority	✓	✓	✓		
Belvedere-Tiburon Joint Recreation Committee District					✓
Bolinas Fire Protection District	✓				
Fairfax Financing Authority	✓	✓	✓	✓	✓
Firehouse Community Park Agency	✓		✓	✓	✓
Inverness Public Utility District				✓	✓
Las Gallinas Valley Sanitary District	✓	✓			
Marin City Community Service District				✓	✓
Marin County Hazardous and Solid Waste				✓	✓
Marin County Resource Conservation District	✓	✓	✓		
Mill Valley Financing Authority		✓			
Sausalito Financing Authority	✓	✓	✓	✓	
Sewerage Agency of Southern Marin		✓			
Southern Marin Emergency Medical-Paramedic System		✓			✓
Stinson Beach County Water District		✓	✓		
Stinson Beach Fire Protection District					✓
Tiburon Financing Authority			✓	✓	✓
Tiburon Fire Protection District		✓			
Tiburon Peninsula Traffic Relief Joint Powers Authority			✓	✓	✓
Total Late Filings in Fiscal Year	8	11	9	10	10

Source: State Controller's website, Special Districts Financial Data,
<https://districts.bythenumbers.sco.ca.gov#!/year/default>

Appendix E: Sample Marin County Property Tax Bill

MARIN COUNTY SECURED TAX STATEMENT			July 1, 2024 to June 30, 2025		MARIN COUNTY TAX COLLECTOR	
USE THIS PARCEL NO. ON ALL CHECKS AND CORRESPONDENCE			56046 (23)		QUESTIONS: ON PAYMENTS CALL (415) 473-6133. ON ASSESSED VALUES CALL (415) 473-7777	
PARCEL NUMBER	BILL NUMBER	TAX RATE AREA	FULL/ASSESSED VALUE	EXEMPTION DETAIL	GROSS TAX AMOUNT	
			331,188		8,294.42	
LAND			312,764	H0 7,000	TAX REDUCTION ATTRIBUTABLE TO THE HOMEOWNERS PROPERTY TAX RELIEF PROGRAM	
IMPR					78.84	
BUS						
PERS						
KEEP THIS PORTION FOR YOUR RECORDS			TOTAL		NET VALUE	NET BASIC TAX
			643,952		636,952	8,215.58
RATES AND DISTRIBUTIONS OF AMOUNTS BY TAXING AGENCIES						
TAXING AGENCY	LEVY	RATE / FUND	AMOUNT			
BASIC TAX	0	1.0000	6,369.52			
SCHOOL BONDS K12&COM	1	.1254	798.60			
MS MOSQUITO #1	3	105110	12.00			
NOVATO FIRE	3	105250	338.24			
NOVATO USD PARCEL TX	3	107651	251.00			
WILDFIRE JPA	3	101130	258.22			
C0 LIBRARY SPEC TAX	3	101160	98.00			
FLOOD CONTROL ZONE#1	3	102587	13.00			
LIBRARY ZONE #2	3	109130	36.00			
MARINEMERGENCY RADIO	3	109283	29.00			
S.F. BAY RESTOR AUTH	3	109290	12.00			
TOTAL		1.1254	8,215.58			
1ST INSTALLMENT		2ND INSTALLMENT		TOTAL TAX DUE		
4,107.79		4,107.79		8,215.58		
10% PENALTY AFTER DECEMBER 10th		10% PENALTY + \$20.00 COST AFTER APRIL 10th		PENALTIES APPLY WHEN SHOWN BELOW		

IMPORTANT INFORMATION
 Examine this bill carefully. Make sure it is your bill. The Tax Collector is not responsible for erroneous payments. See reverse side for senior, disabled, or blind property tax exemptions and other important tax information.

WEBSITES:
marincounty.org/taxes
marincounty.org/PensionandOPEB
marincounty.org/PropertyTaxExemptions
marincounty.org/TaxBillOnline

Appendix F: Website Transparency Requirements Checklist

- SB 929: Our district has created and **maintains a website** (Public Records Act)
- SB 272: Our **Enterprise System Catalog** is posted on our website (Public Records Act)
- AB 392: **Agendas are posted to our website at least 72 hours** in advance of regular meetings, 24 hours in advance of special meetings (Brown Act Amendment)
- State Controller's Report: A link to the Controller's "By the Numbers" website is posted on State Controller's website within seven months after the close of the fiscal year OR you can post the report directly on your website, (Government Code §26909)
- AB 2257: **A link to the most recent agenda is on our home page**, and agendas are searchable, machine- readable and platform independent (EXCEPTION: Alternatively, the district may have a webpage dedicated to the agenda that contains the same information)
- A link to the Controller's PublicPay website** is posted in a conspicuous location on our website (Brown Act), due by 4/30 of each year OR you can post the report to your website
- Health Care Districts Only: AB 2019: If we're a healthcare district, we maintain a website that includes all items above, plus additional requirements including **budget, board members, Municipal Service Review, grant policy and recipients, and audits**
- Web Content Accessibility Guidelines (WCAG) 2.0: State governmental entities shall comply with the accessibility requirements of **Section 508 Requirements** were updated in 2018—if you aren't sure, you can perform a basic test for accessibility at achecker.ca
- AB 169 Open Data - Anything posted on the website called "open data" meets the requirements of AB 169
- Number of employees (Full-time equivalent)