



CENTRAL MARIN SANITATION AGENCY

Jason R. Dow P.E.
General Manager

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July 3, 2023

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

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

Subject: Central Marin Sanitation Agency's Response to the June 15, 2023, Marin County Civil Grand Jury Report – Build More ADUs - An Rx for Increasing Marin's Housing Supply

Dear Honorable Judge Chou and Foreperson Shepherd,

Central Marin Sanitation Agency's (CMSA) Board of Commissioners reviewed and discussed the Grand Jury's Report at their June 22 Board meeting. The CMSA Board appreciates the Grand Jury's work on the Report and the opportunity to respond to the specific finding and recommendation. At the meeting, the Board prepared the attached responses and directed staff to submit them to you both.

If you would like to discuss the Agency's responses, please contact me at 415-459-1455, extension 145, or at jdow@cmsa.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD', with a long, sweeping horizontal line extending to the right.

Jason Dow, P.E.
General Manager

Attachments

Response to Grand Jury Report

Report Title: Build More ADUs – An Rx to Increase Marin’s Housing Supply

Respondent/Agency Name: Central Marin Sanitation Agency

Your Name: Jason Dow Title: General Manager

FINDINGS

- I (we) agree with the findings numbered: _____
- I (we) disagree *partially* with the findings numbered: 7
- I (we) disagree *wholly* with the findings numbered: _____

RECOMMENDATIONS

- Recommendations numbered 4 has 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 _____ will not be implemented because they are not warranted or are not reasonable.

Date: July 3, 2023 Signed: _____

Number of pages attached: 3

2022-2023 MARIN COUNTY CIVIL GRAND JURY
Build More ADUs – An Rx to Increase Marin’s Housing Supply

Report Date – June 15, 2023
CMSA Response Date – July 3, 2023

CMSA’S RESPONSES TO FINDINGS

F7. Impact, connection, and capacity fees vary considerably throughout the County and such fees can be a disincentive to homeowners considering ADU development.

CMSA partially agrees with this finding.

Each public agency that provides wastewater services in the County has sanitary sewer connection fees and/or capacity charges. These fees and charges are different amounts in each agency’s jurisdiction. CMSA requires a regional capacity charge for a new connection to the sanitary sewer system or an expansion of an existing property’s fixture units, and that charge is collected by the CMSA JPA member agency when it collects its connection fee. CMSA’s JPA member agencies are the Ross Valley Sanitary District, San Rafael Sanitation Agency, and Sanitary District No. 2 of Marin County.

CMSA has not seen any information regarding homeowner disincentives to build ADUs. For this reason, we cannot agree with that component of the finding.

CMSA’S RESPONSES TO RECOMMENDATIONS

R4. By December 1, 2023, begin a feasibility assessment of waiving or significantly lowering impact and connection fees for units smaller than 750 square feet.

Implemented.

CMSA’s capacity charge was updated in 2006 based on a major asset and capital program evaluation. It meets the requirements in the Mitigation Fee Act, and was designed to recover costs for future projects to support new development and the costs of existing facilities that will benefit and serve new customers. The charge is adjusted each fiscal year based on the change in the Engineering News Records Construction Costs Index. Pursuant to the Government Code, collected capacity charges are used for capital projects. CMSA prepares a Capacity Charge Schedule each November that shows the number of charges received the prior fiscal year and the projects those charges were applied to – see the attached FY20 and FY22 schedules.

CMSA has a Fee Ordinance that contains a section on ADUs, which states:

“Those residential construction projects which a JPA Member Agency designates and determines are qualified for reduced local sewer connection fees shall also automatically qualify for a reduced regional capacity charge. However, the Agency’s regional capacity charge shall be reduced only by the same proportionate amount as the JPA Member Agency’s connection fee.”

**Central Marin Sanitation Agency
Schedule of Capacity Charges
Fiscal Year Ended June 30, 2020**

The California Government Code requires certain disclosures regarding capacity charges. The Code requires separate accounting of capacity charges and the application of interest to outstanding balances. ~~Central Marin Sanitation Agency's practice is to utilize capacity charges received on a~~ first-in-first-out basis to finance FY20 capital program initiatives. Accordingly, no interest was posted to capacity charges and there was no outstanding balance of capacity charges at fiscal year-end.

Other required disclosures for the fiscal year ended June 30, 2020 are as follows:

- Total amount of capacity charges collected \$511,165

 - Listing of FY20 Maintenance and Capital Projects for which capacity charges were applied:
 - Recycled water and site sump pumps \$72,368
 - Hydrogen peroxide and ferric chloride metering pumps 63,577
 - Hypochlorite diaphragm valves and motor operators 67,729
 - Industrial coating rehabilitation for chlorine contact tanks 53,605
 - Sodium hypochlorite and calcium nitrate chemical storage tanks 48,891
 - Valve operators for various piping systems 48,617
 - ~~Vehicle purchases~~ ~~45,372~~
 - Gates rehabilitation project construction 111,006
- \$511,165

Central Marin Sanitation Agency
Schedule of Capacity Charges
Fiscal Year Ended June 30, 2022

The California Government Code requires certain disclosures regarding capacity charges. The Code requires separate accounting of capacity charges and the application of interest to outstanding balances. Central Marin Sanitation Agency's practice is to utilize capacity charges received on a first-in-first-out basis to finance FY22 capital program initiatives. Accordingly, no interest was posted to capacity charges and there was no outstanding balance of capacity charges at fiscal year-end.

Other required disclosures for the fiscal year ended June 30, 2022 are as follows:

- Total amount of capacity charges collected \$1,171,130

- Listing of FY22 Maintenance and Capital Projects for which capacity charges were applied:
 - New 995kW cogeneration system – prepurchase and installation \$1,171,130\$1,171,130