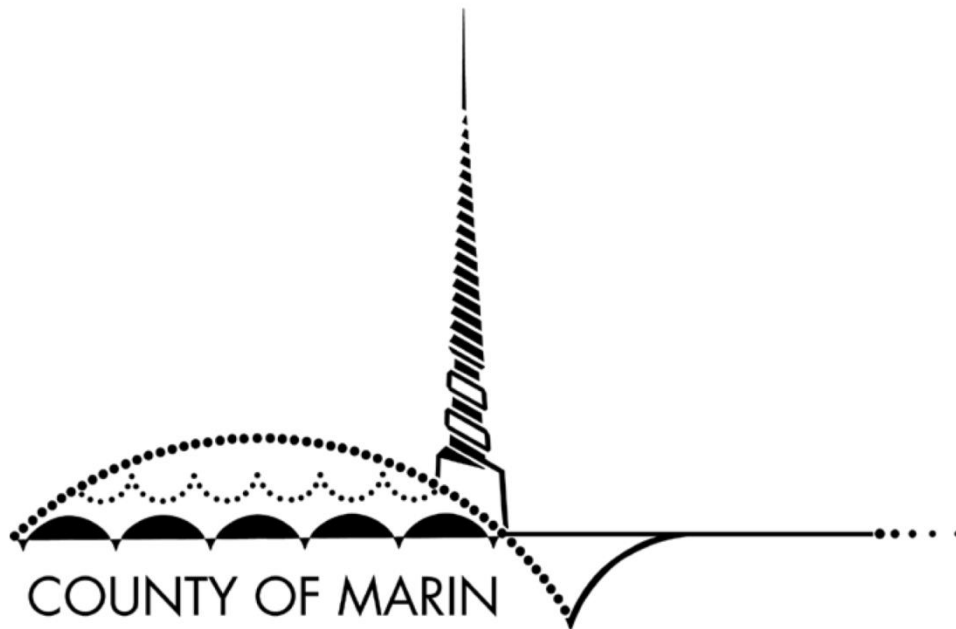


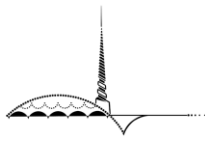
2018–2019 MARIN COUNTY CIVIL GRAND JURY

Special Districts Transparency Update

Report Date: June 13, 2019

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Special Districts Transparency Update

SUMMARY

Every year, Marin taxpayers spend hundreds of millions of dollars on special districts, but most taxpayers know little about these districts, including what they are. According to the Marin County Department of Finance's list, 133 special districts operate in Marin but there are other districts that may not be included on the list.¹ The operational details about them are uncertain and obscure.

A special district is a discrete local entity that delivers a limited number of public services in a specific geographic area. Special districts are separate and distinct from the cities and counties where they are located, but they have many of the same powers. The Marin Municipal Water District, the Muir Beach Community Service District, and the Sleepy Hollow Fire Protection District are examples of different types of special districts.

The 2013-2014 Marin County Civil Grand Jury tried to learn more about Marin's special districts, but was surprised to discover that a complete list of all special districts did not exist and information about them was hard to find.² Therefore, it recommended that the County of Marin add a page to its website listing all the special districts in the county with their contact information.

In 2016, the 2015-2016 Grand Jury followed up on the 2014 report.³ It issued a report entitled *Web Transparency Report Card*, that found that "The County of Marin does not currently publish a definitive list of all its dependent special districts and JPAs (Joint Powers Authority)." As a result, it recommended that:

- All agencies should update their websites to include the annual compensation of its directors, officers and employees.
- The Board of Supervisors should create a comprehensive 'digital' directory with links to all County of Marin's dependent special districts and JPAs.

In its August 15, 2014, response to the above recommendations, the Board of Supervisors agreed to publish such a list,⁴ but to date, neither of these recommendations have been fully implemented. Marin Local Agency Formation Commission (LAFCO) has a partial list. The County Clerk's Office has a different partial list as mandated by State law. Some of its entries have not been updated since the 1960s. The Marin County Department of Finance has yet

¹ "[Marin County Local Governmental Agencies \(2019\)](#)." *The County of Marin*. Accessed on 28 May 2019

² "[WHAT ARE SPECIAL DISTRICTS AND WHY DO THEY MATTER?](#)" *2013-2014 Marin County Civil Grand Jury*. 20 May 2014.

³ "[2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light](#)." *2015-2016 Marin County Civil Grand Jury*. 10 Mar. 2016.

⁴ "[Board of Supervisors Response to Web Transparency Report](#)." *The County of Marin*. Accessed on 28 May 2019.

another partial list composed primarily of districts that have a financial relationship with the County. The California Secretary of State publishes yet another list covering the entire state.

To insure transparency and accountability, the Grand Jury recommends that the Marin County Board of Supervisors implement the 2015-2016's recommendations by December 31, 2019. The items that should be included on the list are provided in the discussion section below.

BACKGROUND

In the 1880s, the first special district in California was created by a group of Stanislaus County farmers to oversee the collection of runoff water from the Sierras, which they needed to irrigate their valley farms. The Wright Act of 1887 formalized their action and empowered them to form the Turlock Irrigation District.

After the 1906 earthquake, community leaders in Marin County began promoting the suburbanization of the county. Marin was marked as a “mecca for the homemaker, where suburban life in a beautiful wooded and flowered countryside may be combined with the business of the metropolis”.⁵

The opening of the Golden Gate Bridge in 1937 and the post-World War II development boom, propelled Marin's population surge; in the 1950s it soared from 88,000 to 149,000. Services such as water, sanitation, and fire protection were needed, and special districts were formed since they provided a fast and efficient way to deliver those services.

APPROACH

The Grand Jury:

- Reviewed and examined prior Grand Jury reports on special districts and responses to them.
- Researched special districts in California.
- Met with Marin County leaders.

⁵[“WHAT ARE SPECIAL DISTRICTS AND WHY DO THEY MATTER?”](#) 2013-2014 Marin County Civil Grand Jury. 20 May 2014.

DISCUSSION

A lack of transparency results in distrust and a deep sense of insecurity

Dalai Lama

Although the purpose and size of special districts varies, most were created to: (1) provide services in areas that may not lie within a local government's jurisdiction, (2) provide regional services that are beyond the authority and capacity of a single local government, or (3) to fill a gap in services between other governmental agencies.

Although several definitions of special districts exist, the two main types are dependent and independent. Dependent special districts are governed by another governmental body such as a county or municipality, which support districts administratively and financially. County Service Areas (CSA) in Marin are dependent special districts that manage the county's parks and recreation areas, lighting, streets, and first responders.

In contrast, independent special districts have their own governing boards that are elected directly by the voters. Examples of independent special districts include the Novato Fire Protection District and the Las Gallinas Valley Sanitary District.

Despite their structural and geographical differences, special districts have many of the same powers as local governments. They can enter into contracts, assume debt, levy taxes, fees, and assessments, and pass ordinances related to their services. They can also sue, be sued, and charge for their services.

In its report entitled *Marin Web Transparency Report Card*, the 2015-2016 Marin County Grand Jury stated:

“Marin residents are likely unaware of all the various agencies that serve them. Their property tax bills list the charges assessed by these local agencies: county, city, school, joint powers authorities, rail districts, special districts, and assessment districts. Increasing transparency for a local agency makes it easier to understand where tax dollars go. Residents should be able to easily find the description of services provided, the names and contact information of board members and management, the budget, agendas and minutes of meetings, and other information. Today, the most common source of information is the Internet. Compared with other information sources (i.e., phone calls or emails), online searching is often faster, more detailed, always accessible and anonymous.”⁶

Currently, taxpayers in Marin cannot easily access information about special districts. Often, the scant information available is not detailed or clear. Questions on how much board members are compensated may be available, but how total compensation is calculated is not revealed.

For example, the Las Gallinas Sanitary District (LGVSD) is an independent special district which provides sanitation services to 36,000 customers in northern San Rafael. Its board of directors consists of five members elected at large to serve four-year terms that are staggered. The 2018 election was contested, and a newcomer won over an incumbent. Most elections are

⁶ “[2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light](#).” 2015-2016 Marin County Civil Grand Jury. 10 Mar. 2016.

not contested, or if they are, incumbents usually prevail. Directors have been in office for as long as 18 years.

Directors are paid \$252.70 per meeting up to a maximum of six meetings per month. They are also paid \$200 a month towards medical insurance. All of this information is available on the LGVSD website.⁷

Another example is the Central Marin Sanitation Agency (CMSA). It more than doubled its daily stipend for its directors in 2018 although the board members are limited to four board meetings a month. Additionally, they could be compensated for other meetings that they attend on behalf of CMSA.

A third example, the Marin Municipal Water District (MMWD), which serves central and southern Marin, has five board members who are elected for four-year terms. Often, the elections are uncontested. Even in contested elections, the incumbents tend to prevail and serve for multiple terms. The board is scheduled to meet the first and third Tuesday each month, but unlike other agencies, their meetings are not televised.

According to its website (marinwater.org), the MMWD board:

Establishes policy on the district's mission, goals, and operations. It represents the general public in deciding issues related to water supply. The board also has the authority to adopt ordinances that have the force of law within the district.

Reviews staff recommendations and decides which policies should be implemented in light of the district's mission and goals. The board also monitors the implementation of its policies. The board appoints a general manager to supervise all district operations.

Annually, the MMWD board reviews and approves a staff report showing the compensation paid to each director. Each director is paid \$200 per day of service. For the 2017-2018 fiscal year, four MMWD directors received over \$30,000 each — \$38,352, \$32,316, \$39,889, and \$32,520, while one director received \$7,549. The four directors who were paid over \$30,000 received medical/dental benefits valued at amounts between \$20,609 and \$22,257 which explains the vast difference in pay.⁸

While some of this information may be available from the special districts' websites, it may be difficult to find because the information may not be provided in a consistent manner. Furthermore, people may not know the questions to ask or the areas to search.

To promote greater transparency, the 2015-16 Grand Jury recommended in part:

- The Marin County Board of Supervisors should create a comprehensive online "digital directory" with links to all County of Marin's dependent special districts and JPAs.⁹

⁷ "[Board of Directors](#)," *Las Gallinas Valley Sanitary District*. Accessed on May 31, 2019

⁸ "Staff Report: Annual Report on Board Compensation." *Marin Municipal Water District*. 7 Aug. 2018. pp. 81-82

⁹ "[2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light](#)." *2015-2016 Marin County Civil Grand Jury*. 10 Mar. 2016.

Since the purpose of the directory/list would be to provide a central location to identify all special districts and JPAs in Marin, the following information should be included to provide an overview of the organization:

Recommended Elements for Special District List

1. Official name,
2. Street address,
3. Telephone number,
4. Web site address,
5. Purpose,
6. Geographic area served,
7. Total budget and source of funds,
8. Number of board members,
9. Board member names,
10. Length of terms and duration of each member's service,
11. If elected, was the last election contested or uncontested?
12. Complete compensation components and amounts (including salary, insurance, stipends, in kind goods, conference fees and other benefits, and reimbursements),
13. How board member compensation is calculated,
14. JPA members if applicable,
15. Board meetings recorded/televised?
16. If yes, how and where published?
17. Independent or dependent?
18. Month and year this record was last updated.

FINDINGS

- F1. A complete list of special districts, JPAs and CSAs in Marin County is not available. Inconsistent partial lists are published by Marin LAFCO, the County Clerk, the County Finance Office, and the California State Controller; therefore, the public is unable to find critical information from one source.
- F2. Without a full list, it is difficult to determine how many special districts exist and how much taxpayer money is expended by them.
- F3. Information about total board compensation, including salaries, benefits, and allowances, and how it is calculated is not consistently reported and made easily available for comparison among all special districts.

RECOMMENDATIONS

- R1. The Marin County Board of Supervisors should create and publish a comprehensive online "digital directory" of all the County of Marin's dependent and independent special districts, CSAs and JPAs, with links to their websites, no later than December 31, 2019.
- R2. The Board of Supervisors, the County Director of Finance, and the County Clerk should determine how the list will be compiled, who will be responsible for maintaining it, what formats it will have, and how it will be published.
- R3. The list should contain the data items delineated above in the Recommended Elements for the Special District List section of this report.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand jury requests responses as follows:

From the following governing bodies:

- County of Marin Board of Supervisors

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.

From the following individuals:

- County of Marin, County Clerk

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.