

**S A S M**  
SEWERAGE AGENCY OF  
SOUTHERN MARIN

**A Joint Powers Agency**

- Almonte S.D.
- Alto S.D.
- City of Mill Valley
- Homestead Valley S.D.
- Richardson Bay S.D.
- Tamalpais C.S.D.

August 15, 2013

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

Dear Judge Ritchie:

The Sewerage Agency of Southern Marin (SASM) is in receipt of the Grand Jury Report – “Marin’s Retirement Health Care Benefits: The Money Isn’t There.” dated May 21, 2013. SASM recognizes the concerns surrounding the pensions and retiree health care benefits provided to public sector employees. SASM has no employees; the staff performing the operating and maintenance services at the SASM wastewater treatment facility are not SASM employees and are solely employees of the City of Mill Valley. The employees are provided by the City of Mill Valley under an Operations and Maintenance Agreement between Mill Valley and SASM. SASM issues annual audited financial statements that conform to generally accepted accounting principles; these financial statements comply with requirements set forth by the Governmental Accounting Standards Board (GASB). GASB Enterprise Accounting standards require SASM to report in its financial statements all costs associated with its operations and provision of services to its member agencies. Accordingly, the financial statements include the direct costs for Mill Valley employees dedicated to providing operating and maintenance services at the SASM facilities, such as salary and current benefits, as well as the associated costs for their future benefits such as pension and OPEB. In its review of OPEB costs and liabilities county-wide, the Grand Jury included SASM due to its reporting of these OPEB costs and liabilities in its annual financial statements.

SASM’s response, therefore, reflects the past, current and future approach taken by the City of Mill Valley regarding OPEB as it has the responsibility for administration of the employees assigned to the SASM facilities.

The Grand Jury has requested a response to findings F1 through F10 and recommendations R1 through R6 of the report. Please see the attached Mill Valley Grand Jury response.

Sincerely,



Lew Kiouss  
President

Attachement

CC: Rich Treadgold, Foreperson, Marin County Civil Grand Jury  
SASM Board of Commissioners