

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: May 6, 2025

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To: Honorable City Councilmembers
From: Mayor Zollman
Subject: Responsible Department: Acting City Manager/Assistant City Manager/City Clerk
Consideration of Potential 2025 Discussion Topics for the Sonoma County Mayors
and Councilmembers Board of Directors Meeting

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RECOMMENDATION:

That the City Council consider potential 2025 Discussion Topics for the Sonoma County Mayors and Councilmembers Board of Directors Meeting.

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SUMMARY

The item tonight is to respond to the Sonoma County Mayors and Councilmembers Chair's request to provide a list of top three priorities that would be considered for topics for regional collaboration and discussion with the Sonoma County Board of Supervisors and to prioritize the three topics.

BACKGROUND:

The Sonoma County Mayors' and Councilmembers' Association Board of Directors is a collaboration of all Sonoma County cities with a goal of creating a united front to represent the strongest voice possible in support of city interests.

DISCUSSION:

The City of Sebastopol hosted the April 10th Sonoma County Mayors and Councilmembers Board of Directors Meeting. At this meeting, the Board discussed "public relations and messaging in order to reinforce our priorities at various levels of our local government. We kindly ask each City/Town Council to identify and prioritize three key issues within their jurisdiction that require attention or action. These priorities will be discussed collectively at an upcoming special MCA Board of Directors meeting to find shared solutions and foster collaboration. The goal is to present these consolidated priorities to the Sonoma County Board of Supervisors to ensure alignment and effective resource allocation. Your input is invaluable in shaping strategies that benefit the region as a whole. We propose holding a special Board meeting on Thursday, May 22, 2025, at 6:00 PM to advance this initiative."

As a starting point, listed below are some topics for discussion and consideration. These areas represent key opportunities for regional collaboration and allocation of shared resources.

Items Number 1 and 2 below are joint power agencies where cities have representation and voting power in the JPA.

1. Library JPA (Joint Powers Authority). The Sonoma County Library operates under a Joint Powers Agreement (JPA)—a legal framework that unified city and county libraries into a single system, established governance and funding structures, and defined the roles and responsibilities of participating jurisdictions. The agreement is between the County of Sonoma and the nine cities, with governance delegated to the Sonoma County Library Commission. Per the 2014 Joint Powers Agreement, a review of the JPA is required every ten years.
2. Sonoma Clean Power JPA. The Board of Directors shall consist of one appointee from each

participant located within the boundaries of the County of Sonoma, and one joint appointee from the County of Sonoma and the Sonoma County Water Agency. Each appointee must be an elected member of the governing board of his or her appointing body.

3. Sonoma County Department of Health Services (DHS) Sonoma County Homeless Coalition
4. Emergency Operations – Collaboration on regional emergency preparedness
5. Economic Development – Strategies to support local businesses and coordinate regional economic initiatives.
6. Legislative Advocacy – Joint advocacy to State representatives regarding legislation impacting cities, such as Bills listed later on today's agenda.
7. Shared Facility Funding – Exploring equitable funding models for facilities used countywide, such as:
 - o Public Pools
 - o Senior Centers
 - o Community Centers

These topics are intended to initiate a constructive dialogue and identify shared priorities. Additional items may be introduced based on current needs and strategic goals.

STAFF ANALYSIS:

The Acting City Manager reached out to various Sonoma County Cities on this item and received various topics for consideration that will be discussed at their Council Meetings.

1. Homeless/Housing
 - a. Homeless Services
 - b. Sonoma County Department of Health Services (DHS) Sonoma County Homeless Coalition Services for Cities
 - c. Housing/Homelessness Funding and support
 - d. Mental Health (treatment facilities, Measure O funding)
 - e. Mental Health Services
 - f. SAFE Team funding
2. Emergency preparedness
 - a. Emergency Management: Recent challenges, such as the mudslide during the last rainstorm, underscored our need for improved preparedness and communication.
 - b. Extreme Event Preparedness
 - c. Emergency Operations – Collaboration on regional emergency preparedness
3. Other Agency Coordination/Support
 - a. Library JPA Review
 - b. Sonoma Clean Power Agreement/Resources for Cities
 - c. Shared Facility Funding – Exploring equitable funding models for facilities used countywide, such as:
 - i. Public Pools
 - ii. Senior Centers
 - iii. Community Centers
 - d. Education
 - e. Support for non-profits

Staff concurs that these are priority topics that support regional collaboration and align with the City Council's

goals. These topics are recommended for continued discussion with regional partners to identify opportunities for joint action and shared resources.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this staff report such comments will be provided to the City Council as supplemental materials before or at the meeting.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items. The City will provide the appropriate legal notification of changes.

FISCAL IMPACT: There is no fiscal impact with discussion of this item.

RESTATED RECOMMENDATION:

That the City Council consider potential 2025 Discussion Topics for the Sonoma County Mayors and Councilmembers Board of Directors Meeting and authorize the Mayor or his designated representative to provide three topics for regional collaboration and discussion with the Sonoma County Board of Supervisors and to prioritize the three topics in order of preference for voting.

OPTIONS:

There are no options as it is key that the City advocate for key subjects that should be discussed on a regional basis.

ATTACHMENTS:

Library JPA

Grand Jury Report

Grand Jury Response

Press Democrat Article

Sonoma Clean Power Agreement

Homeless Coalition Governance

APPROVALS:

Department Head Approval:

Approval Date: 4-28-2025

CEQA Determination (Planning):

Approval Date: 4-28-2025

This action is not subject to CEQA because it is an administrative activity that will not result in direct or indirect physical changes in the environment, and it relates to government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. (CEQA Guidelines § 15378(a), (b)(2), (b)(4) and (b)(5)).

Administrative Services (Financial)

Approval Date: 4/17/2025

Costs authorized in City Approved Budget: ☐ Yes ☐ No ☒ N/A

Account Code (f applicable)

City Attorney Approval:

Approval Date: 4-28-2025

City Manager Approval:

Approval Date: 4-28-2025

**First Amended and Restated Joint Powers Agreement
for the County-Wide Provision of Library
Services by the Sonoma County Library**

This First Amended and Restated Joint Powers Agreement for the County-Wide Provision of Library Services by the Sonoma County Library (“Agreement”) is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 *et seq.*) of the California Government Code relating to the joint exercise of powers among the Parties hereto, and amends the original Joint Powers Agreement dated January 27, 1975 (the “Original Agreement”).

RECITALS

A. In the Original Agreement, the County of Sonoma and the Cities of Santa Rosa, Healdsburg, Petaluma, and Sonoma created a separate joint powers authority entity pursuant to California Government Code Sections 6500, *et seq.* (the “JPA Act”) named the Sonoma County Library, which was established for the purpose of consolidating their existing public library services and continuing the operation of free public library services throughout the County of Sonoma.

B. The Sonoma County Library is a county free library pursuant to California Education Code Sections 19100, *et seq.*, a local agency pursuant to California Revenue and Taxation Code Section 95(m), and a special district pursuant to California Revenue and Taxation Code Section 2216.

C. The Sonoma County Library has been successful in providing county-wide free public library services to the public in the County of Sonoma, providing community education and literacy services, and fulfilling its mission since its creation on January 27, 1975.

D. The Parties to this Agreement hereby desire to continue the Sonoma County Library and the provision of free public library services throughout the County of Sonoma, and to amend the Original Agreement with respect to the terms and provisions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the executing Parties agree to the following terms and provisions:

I. PURPOSE

A. Amended and Restated Agreement. The purpose of this Agreement is to modify and amend the Original Agreement with respect to matters relating to membership, governance, administration, and operations of the Sonoma County Library (“Library”), a JPA Act entity. The terms and provisions of this Agreement replace the Original Agreement in its entirety. Unless expressly stated herein, this Agreement does not affect any of the Library’s contracts, debts, revenues, claims, obligations, policies, procedures, or bylaws that pre-date this Agreement, which will continue to remain in full force and effect in accordance with their terms and/or applicable law.

B. Continuation of the Sonoma County Library as a JPA Act Public Entity. The parties to the Original Agreement created the Library as a distinct public entity, separate and apart from the parties to such agreement, pursuant to the provisions of the JPA Act (Government Code Section 6506) and Education Code Sections 19100, *et seq.* It is the intent of the Parties that, under this Agreement, the Library continue as a distinct public entity under the JPA Act and other applicable law. Pursuant to Government Code Section 6508.1, the debts, liabilities or obligations of the Library shall not be debts, liabilities or obligations of the individual Parties to this Agreement, unless the governing body of a Party expressly agrees in writing to assume any of the debts, liabilities or obligations of the Library.

C. Library Services Provided. The Library shall be responsible for operating, managing, and administering the integrated free public library system in the County of Sonoma, consistent with the terms of this Agreement.

D. Commitment to County-Wide Library System. The Parties to this Agreement agree to collaborate and work cooperatively with one another and the Library in good faith to ensure the provision of library services to Sonoma County citizens across the regional county-wide library system.

II. POWERS

A. General Powers. The Library shall have the powers common to the Parties to this Agreement that are necessary or convenient to the operation of the free public library system in the County of Sonoma, as well as other powers accorded to it by law, subject to the restrictions set forth herein.

B. Specific Powers. The Sonoma County Library is authorized in its own name to perform all acts necessary for the exercise of common powers to carry out this Agreement, including, but not limited to, the following:

1. To make and enter into contracts;
2. To employ agents and employees;
3. To obtain legal, financial, accounting, technical, and other services as needed to carry out its mission;
4. To acquire, construct, manage, maintain and operate any buildings, works, or improvements;
5. To acquire, hold, lease, or dispose of property;
6. To incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code §§ 53850, *et seq.*, and authority under the JPA Act;
7. To issue revenue bonds and other forms of indebtedness;

8. To impose, levy, collect or cause to be collected, to receive and use sales taxes, parcel taxes, Mello Roos taxes, property taxes, special taxes, or any other type of tax or assessment, as authorized by law;

9. To apply for, accept, and receive all permits, grants, loans, or other aids from any federal, state, or local public agency;

10. To receive and administer trusts, gifts, contributions, and bequests, as well as receive donations of property, funds, services and other forms of financial assistance, from any person, entity, or agency;

11. To sue and be sued in its own name;

12. To promulgate, adopt, and enforce any ordinances, policies, rules and regulations as may be necessary and proper to implement and effectuate the terms, provisions, and purposes of this Agreement; and

13. To exercise all powers reasonable or necessary to accomplish the foregoing.

C. Eminent Domain. The Library shall not have the power to acquire property by eminent domain unless the Member having jurisdiction over the subject property has expressly granted it such power in writing. Alternatively, Members may exercise their own eminent domain powers for the benefit of the Library. The Members shall work cooperatively and in good faith with the Library to address any eminent domain issues for the benefit of the regional library system.

D. Restriction on Exercise of Powers. Pursuant to the JPA Act (i.e., Government Code Sections 6508 and 6509), all common powers exercised by the Library shall be exercised in a manner consistent with, and subject to, the restrictions and limitations upon the exercise of such powers as are applicable to the County of Sonoma, a general law county.

III. EFFECTIVE DATE AND TERM

A. Effective Date. This Agreement shall become effective on August 1, 2014, or the date by which the governing bodies of all of the parties to the Original Agreement (the County of Sonoma and the Cities of Santa Rosa, Healdsburg, Petaluma, and Sonoma) have executed this Agreement, whichever is later. Such date shall be the “Effective Date” for purposes identified herein.

B. Term. This Agreement shall remain effective until it is terminated in accordance with the provisions set forth below in Section XI.A, subject to the rights of individual Parties to withdraw from the Library.

IV. MEMBERSHIP

A. Current JPA Members. Prior to the Effective Date of this Agreement, the sole Members of the Sonoma County Library are the County of Sonoma and the Cities of Santa Rosa, Healdsburg, Petaluma, and Sonoma. These parties shall remain Members of the Library after the Effective Date of this Agreement, subject to the terms and conditions herein.

B. Membership Eligibility. After the Effective Date of this Agreement, other incorporated cities within the geographic boundaries of the County of Sonoma may also become Members of the Library. To become a Member, the governing body of a city must: (1) approve of and request membership in writing; (2) execute this Agreement; and (3) present such documents to the Library Commission. Admission of a new Member under this provision shall not require this Agreement to be modified or amended.

C. “Member” Defined. For the purposes of this Agreement and after its Effective Date, the term “Member” shall refer to the County of Sonoma and any incorporated city within the geographic boundaries of the County which: (1) are eligible to join the Library as a Member pursuant to the provisions of this Agreement; (2) have signed this Agreement as a Party; and (3) have satisfied all other requirements to become a Member set forth herein.

V. LIBRARY ADVISORY BOARDS

A. LAB Creation. The Library shall establish a Library Advisory Board (“LAB”) in each city or community in which at least one regional branch library operates. The LABs shall be comprised of, and shall be operated by, the residents of their respective service areas who shall be appointed by the Commission. Each LAB shall set its own procedural rules and operational bylaws, and shall comply with the provisions of the Ralph M. Brown Act, California Government Code Section 54950, *et seq.* As of the Effective Date, all existing LABs shall continue to remain in effect.

B. LAB Purpose. The purpose of the LABs shall be to provide information and make recommendations to the Commission and the Library Director on matters affecting library service based on input from their respective service areas.

C. LAB Liaisons. Each LAB may appoint one LAB member to act as a liaison to the Library Commission, who shall present an annual report on the activities of the LAB to the Library Commission.

D. Annual LAB Meeting. All LABs are encouraged to hold one combined meeting at least once a year to address system-wide library service and related issues.

VI. GOVERNANCE

A. Library Commission. The Library Commission (“Commission”) is the governing and administrative body of the Sonoma County Library. Generally, it shall be responsible for exercising the powers set forth in this Agreement and applicable law to accomplish the purposes of the Library. Specific responsibilities of the Commission are as follows:

1. Provide structure and direction for operational, administrative and fiscal oversight of the Library;

2. Before the beginning of each Fiscal Year (as defined in Section IX.E), adopt, in its sole discretion, either an annual or a multi-year budget for the Library, and revise it periodically as necessary;

3. Ensure strict accountability of all funds and reports of all receipts and disbursements;
4. Identify and pursue additional funding sources for the Library;
5. If approved by a 2/3 vote of the Commission, issue bonds or other forms of indebtedness, and/or impose or levy taxes as authorized by this Agreement and/or applicable law;
6. Approve a strategic plan which addresses existing and proposed new facilities, operations, technology, and budget, at least once every ten years;
7. Adopt a facilities maintenance plan at least once every three years, and revise it as necessary;
8. Contract for, employ or otherwise engage sufficient administrative, technical, support and other staff, consultants and contractors, and provide for necessary direction, management and oversight for all staff, consultants and contractors;
9. Approve employment agreements or memoranda of understanding with employees and/or their representative bargaining units;
10. Adopt personnel rules and regulations;
11. Oversee the Library Director's performance of duties;
12. Adopt rules for procuring supplies, equipment and services, and for the disposal of surplus property;
13. Adopt a conflict of interest code, as required by law;
14. Adopt bylaws, policies, rules and regulations as necessary for the purposes of this Agreement; provided that nothing in the bylaws, policies, rules and regulations shall conflict with this Agreement or applicable law;
15. Review this Agreement once every ten years to determine its continuing effectiveness, and present written findings to Members; and
16. Discharge other duties consistent with the purposes of this Agreement as appropriate or required by statute.

B. Commissioners Appointed by Parties. The governing body of each Member of the Library shall be entitled to appoint one representative to sit on the Commission as a voting member ("Commissioner"). In addition, the County of Sonoma and the City of Santa Rosa shall also be entitled to jointly appoint one additional representative to sit on the Commission as a voting member. When a vacancy for said joint appointment occurs, the City of Santa Rosa and the County of Sonoma will advertise the vacancy, accept applications, review the applications, and forward them to the City of Santa Rosa Mayor and Chair of the Sonoma County Board of Supervisors for consideration. Interviews will be held if deemed appropriate. The Mayor and Chair shall jointly recommend one Commissioner candidate to the Sonoma County Board of

Supervisors and the Santa Rosa City Council, who shall approve the recommended candidate, which said approval shall not be unreasonably withheld. Should such candidate not be approved, then the Mayor and Chair shall jointly recommend subsequent candidate(s) until such time as a candidate is approved by the City Council and Board of Supervisors. Removal of said jointly appointed Commissioner shall only be by joint action of both the Sonoma County Board of Supervisors and the City Council of Santa Rosa.

Commissioners must be Sonoma County residents, and shall be appointed and serve pursuant to the rules of appointment adopted by each Member's governing body.

1. Each Commissioner shall be appointed to serve for a term of four years; provided, however, that ½ of the number of Commissioners initially appointed (as chosen by lots) shall serve for an initial term of two years, though all subsequent appointments shall be for a term of four years. There is no limit on the number of terms a Commissioner may serve.

2. Initial appointments to the Commission by Members shall become effective on the Effective Date, or immediately after a city first becomes a Member of the Library, whichever is later.

3. If a Member's seat on the Commission becomes vacant at any time, the governing body of the Member shall appoint another representative to fill the vacancy within 60 days of the date on which such position became vacant.

4. Commissioners newly appointed to the Commission shall be provided with training for their position by the Commission, Library Director, or other persons, as designated by the Commission.

C. Commission Officers. The Commissioners shall select, from among themselves, a Chair who shall be the presiding officer of all Commission meetings, and a Vice Chair who shall serve in the absence of the Chair. In addition, the Commission shall appoint a Secretary and/or Clerk (who need not be Commissioners) to be responsible for keeping the minutes of all meetings of the Commission and posting agendas.

D. Reimbursement of Expenses. Commissioners shall serve without compensation, but may be paid actual expenses incurred in the performance of their duties.

E. No Personal Liability of Commission Members. Under the JPA Act, no Commissioner shall be personally liable for any debts, obligations or liabilities of the Library, or on any bonds issued by the Library, nor subject to any personal liability or accountability by reason of the Library's incurrence of debts, obligations or liabilities or issuance of bonds.

VII. COMMISSION MEETINGS AND VOTING

A. Regular Meetings. The Commission shall hold its regular meetings on a monthly basis pursuant to a meeting schedule, but may reschedule or dispense with particular meetings as it deems necessary or appropriate.

B. Special Meetings. Special meetings of the Commission may be called by the Chair or as provided for in the bylaws.

C. Call, Notice, and Conduct of Meetings. All meetings of the Commission shall be noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950, *et seq.* As soon as practicable, but no later than the time of posting, the Secretary or Clerk shall provide a copy of the posted agenda to each Member and Commissioner. Commissioners may attend meetings remotely (via telephone, video conferencing, etc.) with full voting rights, to the extent practicable and as permitted by law.

D. Minutes. The Secretary or Clerk shall prepare minutes of all Commission meetings as soon as practicable after each meeting, and shall make the draft minutes available to each Commissioner, the Members, and other interested parties upon request. The Commission shall consider the minutes at the next regularly scheduled meeting for approval.

E. Quorum. A majority of the Commissioners duly appointed to the Commission as of any meeting date shall constitute a quorum of the Commission for the transaction of business. If there is less than a quorum present at a meeting, no Commission action can be taken, and the meeting may be adjourned.

F. Voting. All voting power of the Library shall reside in the Commission. Each Commissioner shall have one vote. No absentee ballot or proxy is permitted. The affirmative vote of at least a majority of the Commissioners attending a meeting is required for the Commission to take any action. However, a 2/3 vote of all duly-appointed Commissioners is required for those actions expressly identified in Section VI.A.5 of this Agreement, and a vote of at least a quorum of all duly-appointed Commissioners is required for any of the following actions: (1) approval of the budget; (2) approval of collective bargaining agreements; (3) approval of new regional branch libraries; (4) decisions to incur debts from public or private lending sources that do not otherwise require a 2/3 vote; and (5) adoption or revision of bylaws.

VIII. OFFICERS, COMMITTEES, AND LIAISONS

A. Library Director. The Commission shall appoint a Library Director who shall meet the qualifications of a “county librarian” as specified in Education Code Section 19142. The Library Director shall report directly to the Commission, and shall serve at the pleasure of the Commission. The Library Director shall be responsible for the day-to-day operation, administration, and management of the Library, and shall perform duties as assigned by the Commission and specified in this Agreement.

1. Subject to the general policies adopted by the Commission, the Library Director shall build up and manage, according to accepted principles of library management, the library for the use of the residents of Sonoma County and shall, subject to budget limitations, determine what materials, furniture, fixtures, and equipment shall be purchased.

2. The Library Director shall have the power to employ staff, consultants and independent contractors as may be necessary to carry out the purposes of this Agreement, subject to the policies, rules and regulations set by the Commission.

3. The Library Director is authorized to make payments for the Library under any contract or agreement previously approved by the Commission where the payments are identified therein. The Commission may also, by resolution, authorize the Library Director to pay claims of the Library which do not exceed amounts identified in the resolution.

4. The Library Director shall apply for and, with the approval of the Commission, accept and administer grants and subventions from outside funding sources, both public and private.

5. The Library Director shall prepare and file all notices with the Secretary of State as required by Government Code Sections 6503.5, *et seq.*, and shall be responsible for preparing and filing any other notices required by law.

6. The Library Director is the custodian of Library property and, pursuant to Government Code Section 6505.1, is required to file an official bond in an amount set by the Commission or as otherwise required by law.

7. Decisions of the Library Director regarding policies, facilities, and materials may be appealed to the Commission pursuant to criteria and procedures established in its bylaws.

B. Chief Financial Officer. The Library Director shall appoint a person, firm or entity to act as the Chief Financial Officer to the Library. The Chief Financial Officer shall be responsible for overseeing the Library's financial activities and shall, in writing, approve the accuracy of figures contained in each recommended budget presented to the Commission. The Chief Financial Officer shall report directly to the Library Director.

C. Treasurer, Controller, and Annual Audit. The Sonoma County Auditor-Controller-Treasurer-Tax Collector shall act as the Treasurer and Controller for the Library. The Treasurer and Controller shall perform all usual and customary duties of their offices for the Library, including but not limited to receiving all deposits, issuing warrants per direction, and other duties specified in Government Code Section 6505.5. The Commission may transfer the responsibilities of the Treasurer and/or Controller to any other person or entity as the law may provide at the time (see e.g., Government Code Section 6505.5). The Commission shall cause an independent annual audit to be made by a certified public accountant, or public accountant, in compliance with Government Code Section 6505.

D. Legal Counsel. The Commission shall appoint a person, firm or entity to act as general legal counsel to the Library.

E. Committees. The Commission may establish any advisory committees it deems appropriate to assist it in carrying out its functions, including both standing and ad hoc committees.

F. Liaisons. The Commission may appoint liaisons to the Commission as it deems appropriate to assist it in carrying out its functions, and to assist with outreach to school districts and other community institutions. In addition, each LAB may appoint one LAB member to act as a liaison to the Commission, per Section V.C of this Agreement.

IX. LIBRARY BUDGET, TAX LEVIES AND REPORTING

A. Budget Requirements. The Library shall operate only under an approved and balanced budget, which must be reviewed, adopted, and/or revised by the Commission each

Fiscal Year. The Commission may revise an adopted budget as may be reasonably necessary to address contingencies, and unexpected expenses or financial circumstances.

B. Budget Process. The Library Director is responsible for preparing the recommended budget to present to the Commission with assistance from the Chief Financial Officer. At least one month prior to the Commission's annual public sessions to be held on the budget, the Library Director and Chief Financial Officer shall hold a public discussion or workshop with respect to the budget.

C. Tax Levies. The County of Sonoma (and any other Member as applicable) shall continue to annually levy, in the same manner and at the same time as other similar taxes are levied, and in addition to all other taxes, the tax upon all property to maintain and improve the Library system. Such library tax revenues shall be deposited with the Library's Treasurer, and paid out for the purposes authorized by this Agreement.

D. Annual Report. The Commission shall comply with Education Code Section 18927, and shall provide an annual report to the State Librarian and the Members on the condition of the Library. The Library Director shall comply with Education Code Section 19169, and shall provide an annual report to the Commission, the Members, and the State Librarian on the condition of the Library.

E. Fiscal Year. The Library's Fiscal Year shall be 12 months commencing July 1 and ending June 30.

X. SERVICES, RESOURCES, AND FACILITIES

A. Services. It is the intention of the Parties that the services the Library presently offers to the public be continued at or above current levels in all of its regional branch libraries. Such services include, but are not limited to, the size and quality of collections, hours of operation, qualifications of staff, and availability of technology. The Library shall endeavor to increase existing levels of services, and the locations in which services are provided, as allowable.

B. Distribution of Resources. The Library shall distribute its personnel, financial and technological resources among the various regional library branches in an equitable fashion, unless such distribution is expressly restricted (such as conditions in a gift or bequest).

1. With respect to hours of operation, an equitable distribution of resources requires that all regional branch libraries be funded in a manner allowing them to remain open to the public the same baseline number of hours, with the exception of the Central Branch in Santa Rosa (which may be funded to allow it to remain open to the public for more hours than the other regional branch libraries).

2. Nothing in this Agreement shall be construed as prohibiting a Member, person, or other entity from providing a gift, devise, endowment, donation or bequest ("endowment or donation") to a particular regional branch library for a specific purpose, or prohibiting a particular regional branch library from accepting such endowment or donation; provided, however, that access to any such conferred benefit at the regional branch at issue must be made be available to all Sonoma County residents, and the endowment or donation not be

used to extend or expand hours of service at the regional branch(es). The Commission may elect to develop policies, procedures and requirements in its bylaws to establish conditions for endowments and donations.

C. Facilities. All facilities used or operated by the Library shall meet minimum standards satisfactory to the Commission.

1. The Library shall enter into and maintain lease agreements for each facility in which it operates, or intends to operate, a regional branch or rural station library, unless the facility is owned by the Library. The Commission shall establish lease agreement standards and requirements in its bylaws, and shall approve Library leases that are consistent therewith.

2. The Library and Members who own library facilities shall work together to plan for the provision and payment of capital improvements and capital repairs to facilities operated by the Library, including but not limited to major repair and replacement of building structures, HVAC systems, plumbing, roofing, ADA improvements, and other structural elements or external features such as parking lots.

3. Any temporary or permanent relocation of a regional branch library shall be mutually agreed upon by the Library and the Member(s) owning the subject library facility or facilities.

a. Notwithstanding the foregoing, in consideration of its unique and important role in the provision of county-wide library services, the Library shall continue to have the exclusive occupancy and control of the Central Library building and grounds in Santa Rosa, California, subject to a written lease. The Library has previously paid the City of Santa Rosa approximately \$1,355,895 to allow it to retire its outstanding bonded indebtedness for which the City was liable on account of the Central Library building. Upon retirement of such indebtedness, the City of Santa Rosa has agreed to allow the Library to continue to occupy and control it without further debt service from the Library.

b. In the event the City of Santa Rosa withdraws from the Library, and provided the County of Sonoma continues to be a Member of the Library, the Library shall have the right to lease such portions of the Central Library building as are essential for the operation of the County library, under terms which are mutually agreeable to the Library and the City of Santa Rosa.

4. Members shall obtain the prior written approval of the Commission with respect to any proposed new library branches and any expansion/remodeling of existing library branches, including approval of plans and specifications. With respect to any library facility owned by a Member, the Commission shall not unreasonably withhold its approval of modifications proposed by that Member if they are required by state or federal law. Any architects retained by a Member for such purposes shall consult with the Library Director as often as the latter deems necessary to the proper exercise of his/her responsibilities.

XI. TERMINATION AND WITHDRAWAL

A. Mutual Termination. This Agreement may be terminated only by the mutual agreement of all of the Parties; withdrawal of all but one of the Parties shall constitute a mutual termination of this Agreement by all Parties as of the end of the Fiscal Year in which the penultimate Party withdraws. Upon termination of this Agreement, Members shall mutually agree upon the disposition of Library funds and assets remaining after satisfaction of all of its debts and obligations, and Members shall retain any real property interests already owned by the Members (i.e. the buildings, underlying land, etc.). If the Members are unable to reach an agreement on such disposition, the Library funds and assets shall be apportioned pursuant to each Member's proportionate share (based on assessed values for library tax purposes), which shall be determined by the Library's Treasurer.

B. Withdrawal. Individual Members may withdraw from the Library without affecting the continuing operation or administration of the Library. Individual Members may withdraw from the Library by complying with all applicable laws and by giving a minimum of one year's written notice to the Commission and all other Members, which withdrawal shall be effective only at end of a given Fiscal Year. Subject to the terms of any lease and Section XC3b, any Member who withdraws from the Library shall retain any real property interests already owned by such Member (i.e. the buildings, underlying land, etc.). Upon withdrawal, the withdrawing Member shall not be entitled to distribution of any Library property or funds; rather, the Library shall retain all property used in the provision of library services at the Member's facilities, including but not limited to furniture, fixtures, technology, equipment, library collections and materials, and the like. Further, a withdrawing Member shall be responsible for satisfying its proportionate share (based on assessed values for library tax purposes) of all outstanding debt and obligations for system-wide costs, and all costs relegated to any regional branch library in the Member's jurisdiction, that exist at the time of withdrawal. Upon withdrawal, all future library tax revenues attributable to the withdrawing Member shall revert to that Member only if it assumes the responsibilities of providing a free public library within its jurisdiction and if otherwise allowed by law. Upon the withdrawal of an Individual Member, the Library may elect to continue to provide library services in the withdrawing Member's jurisdiction as it deems fit, but is not obligated to do so.

XII. MISCELLANEOUS PROVISIONS

A. Privileges and Immunities from Liability. All of the privileges and immunities from liability, applicable to the activities of officers, agents or employees of a public agency when performing their respective functions, shall apply to the officers, agents or employees of the Library to the same degree and extent while performing any of the functions and other duties of such officers, agents or employees under this Agreement. None of the officers, agents or employees directly employed by the Library shall be deemed, by reason of their employment by the Library, to be employed by the Parties to this Agreement or subject to any of the requirements of the Parties.

B. Insurance. The Library shall be required to obtain insurance, or join a self-insurance program(s) in which one or more of the Parties participate, appropriate for its operations. Any and all insurance coverages provided by the Library, and/or any self-insurance programs joined by the Library, shall name each and every Party to this agreement as an

additional insured for all liability arising out of or in connection with the operations by or on behalf of the named insured in the performance of this Agreement. Minimum levels of the insurance or self-insurance program shall be set by the Library in its ordinary course of business. The Library shall also require all of its contractors and subcontractors to have insurance appropriate for their operations.

C. Indemnification of Parties and Participants. The Library shall defend, indemnify, and hold harmless the Parties and each of their respective officers, agents, and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Library.

D. Amendment of this Agreement. This Agreement may be amended only by the written agreement of all Parties.

E. Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

F. Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices directed to the Library shall be addressed to the Chair of the Library Commission, or such other person designated in writing by the Commission, and shall be copied to all Parties.

G. Complete Agreement. This Agreement constitutes the full and complete agreement of the Parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the Parties with respect to the subject matter of this Agreement are merged into this Agreement.

H. Execution in Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all signing Parties had signed the same instrument.

WHEREFORE, the Parties agree to and execute this Agreement as of the dates set forth below.

Signed on _____ 2014, by

CITY OF CLOVERDALE

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF COTATI

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF HEALDSBURG

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF PETALUMA

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF ROHNERT PARK

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF SANTA ROSA

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF SEBASTOPOL

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

CITY OF SONOMA

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

TOWN OF WINDSOR

by _____

its duly authorized officer whose position is that

of _____

Signed on _____ 2014, by

COUNTY OF SONOMA

by _____

its duly authorized officer whose position is that

of _____

Sonoma County Taxes & Spending

How much do Sonoma County residents pay in taxes, how is that money spent, and how hard is it to answer these questions?

The public is entitled to the information it needs to make informed judgments about taxes and government spending. In the words of Thomas Jefferson:

“wherever the people are well informed they can be trusted with their own government . . . and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion.”

Are we paying for a Cadillac and getting a Yugo, or vice versa? As it stands, this question is impossible to answer. There is plenty of data about collections and spending, but it isn’t captured or presented in ways that citizens or decision-makers can use. How much is being spent on homelessness in Sonoma County—does anyone know? The 2020-2021 Civil Grand Jury asked the County that question, and it took almost three years to get an answer. (Read this report to find out what we learned!)

Government transparency doesn’t inform. In fact, disclosure rules followed scrupulously—as they almost always are by State and County employees—make it difficult to know how much is collected and impossible to know where it goes. For example, how much is the County spending for mental health services? No one can tell you; the cost is spread among dozens of line items in half a dozen agency and nine city budgets. Are you paying more or less than your neighbors for public schools? Answering that one would take a lot of time. When we voted for additional fire protection spending in March of 2024, did you know—*before* you voted—that it would essentially double current spending?

An informed citizenry is at the heart of a dynamic democracy.

Thomas Jefferson

Are taxes too high? That’s a policy question, and the Grand Jury doesn’t review policy. It is, however, allowed to ask how policy decisions impact local government, and we tried; the published data should provide easy answers, but it doesn’t.

Only the County has the resources to classify its expenditure data in ways that everyone can understand; the Grand Jury can’t do that. This report will, however, give you an overview of the true scope and scale of public work. It includes recommendations to make tax-and-spend information more accessible, and some insight into issues challenging government agents who are trying to deliver great public service—at very significant cost.

The Grand Jury is uniquely chartered to see that local government is operating efficiently in the public interest. Taxes and spending are big topics, and you will learn at least one thing you didn’t know—if we’re wrong, PLEASE join next year’s Grand Jury: we can use the help!

METHODOLOGY

This report was initiated in response to a civil complaint alleging a school bond oversight committee's failure to comply with statutory requirements for participation and reporting. Trying to answer those questions led to more questions about school debt and disclosure, which led to the taxes that pay for the debt, which led to ...

While investigating this report, the Grand Jury:

- Reviewed public financial records from more than 20 school districts.
- Met with many representatives of the Auditor-Controller-Treasurer-Tax Collector's offices; the County Office of Education; and the Assessor to review public records and reporting procedures.
- Reviewed public meeting records and financial reports for more than 12 County agencies.
- Reviewed more than 1,000 pages of reports published by County agencies.
- Queried the State Legislative Analyst's Office, Franchise Tax Board, and the California Department of Tax and Fee Administration.

Every source of data used to produce this report is available without a public records request.

TAX COLLECTIONS

California's tax structure has three major pillars: sales taxes, income taxes and property taxes. Everyone, even people of modest means, pays sales taxes on clothing, books, fuel, and almost every material thing purchased in the county except unprepared food. Many of us pay state income taxes, too, an average of 5.6% of income. Income tax collection skews significantly toward higher earners. Both sales and income taxes are collected by the State of California. Some of this money comes back to Sonoma County for schools, roads, health care, and a host of other public services.

People with property pay for the privilege of ownership, at rates set almost 50 years ago by a state constitutional amendment known as Proposition 13 (Prop 13). In hindsight, Prop 13 has had both positive and negative impacts: it has constrained property taxes for generations of Californians but has also created significant differences in tax burdens between older and younger, richer and poorer, and short-term vs. long-term property owners.

Voter approval is a requirement for most local taxes, but all levels of government can levy fees that are supposed to match the actual cost of services. The Grand Jury found no public records that document the cost <---> fee relationship. By statute, thousands of dollars of "[School](#)" and "[Traffic and Park](#)" fees are levied on new construction to offset the impact of new residents, but what specific costs and benefits are associated with the fee? What is the cost basis for the fees charged for local permit review, or traffic tickets? The answers to these questions could each be a report in itself, reports that may never be feasible since Grand Jury terms are only one year long.

The County levies more than 500 specific fees; the price of most of them is derived from [a consultant's study conducted in 2021](#) that determined how much County agencies should charge to reach "full cost recovery". How much does the County collect in "cost recovery" fees? We don't really know; the answer is buried in hundreds of pages of budget reports. It's certainly tens, and possibly hundreds, of millions of dollars per year.

TYPES OF TAXES (FISCAL 2023)

TAXES ON REAL AND TANGIBLE PROPERTY: \$1.5 BILLION TOTAL

The most common of the many types of property taxes are *Ad Valorem* and direct levy taxes. *Ad Valorem* taxes in Sonoma County constitute 94% of property tax collections while direct levy charges such as parcel taxes make up the remaining 6%. As the Tax Collector's experts taught us, property taxes are complicated; the information that follows only covers a tiny amount of the detail that goes into assessing and collecting local property taxes.

Ad Valorem: Latin that translates as "according to the value of" something. In other words, *ad valorem* taxes will be a percentage of the assessed value of real property.

Basis: the assessed value of real property, regardless of whether the assessment reflects a current appraisal of market value.

GENERAL LEVY AD VALOREM PROPERTY TAX: \$1.21 Billion

The "General Levy", established by [Proposition 13](#) in 1978, limits property taxes to 1% of 1975 assessed value with annual valuation increases limited to the inflation rate or 2% (whichever is smaller). Properties with significant new construction are reappraised at the time of construction. The elected Assessor is responsible for property valuation; the elected Tax Collector issues the bills and collects the money.

The 2017-2020 wildfires created an appraisal backlog in the Assessor's office, and 2020's Proposition 19 created additional workload. As of March 2024, the Assessor's office is approximately four years behind on revaluation assessments. Revaluations will be retroactive to the construction date, a big liability for unwitting taxpayers, but a meaningful increment to school, County, and city property tax collections is coming when assessors eventually clear the backlog.

Money collected for Prop 13 property taxes is distributed to schools, local governments, and special districts according to a formula managed by the [State Board of Equalization](#). Here's where it goes:

Prop 13 Taxes: Schools \$595 Million

Schools are the largest single beneficiary of Prop 13 property taxes. Appendix B lists annual property tax revenue for each of the County's 40 school districts; this is a summary:

SCHOOL DISTRICT TYPE	2019-20	2020-21	2021-22	2022-23	2023-24*
Non-Basic Aid Schools	\$294,953,736	\$304,397,094	\$326,953,306	\$349,998,056	\$205,749,354
"Basic Aid" Schools	118,181,737	122,596,180	128,456,311	138,397,971	80,445,815
Santa Rosa Jr. College	65,737,894	68,183,366	72,535,523	77,791,919	45,404,558
So Co Office of Ed	25,054,940	25,698,880	27,229,942	29,153,791	16,821,287
Total, All Schools	\$503,584,445	\$520,743,629	\$555,031,698	\$595,022,967	\$349,574,406

*: Partial Year totals; final will end up 5-7% greater than 2022-23

Prop 13 Taxes: Local Government \$433 Million.

Sonoma County and the 9 cities rely on *ad valorem* property taxes for much of their funding. In total, the County and nine cities received more than \$433 million dollars from Prop 13 taxes in fiscal 2023. Property taxes are the largest single source of local government revenue.

Prop 13 Taxes: Special Districts \$125 Million

Special district agencies including fire, water, health districts, lighting and sanitation districts and other service entities are formed by local or county government. Special districts have defined

geographic boundaries and will receive an allocated portion of the Prop 13 tax collection for use within these areas. This chart summarizes Prop 13 special district taxes for the past 5 years:

Special District Property Taxes					
TYPE OF SPECIAL DISTRICT	2019-20	2020-21	2021-22	2022-23	2023-24*
County Library	\$21,761,724	\$23,078,504	\$24,403,975	\$26,138,584	\$14,996,572
Miscellaneous Districts	\$4,821,839	\$4,950,123	\$5,285,193	\$5,647,993	\$3,253,960
Resource Conservation	\$181,513	\$186,330	\$198,300	\$212,236	\$122,126
Cemetery Districts	\$545,093	\$552,764	\$588,035	\$615,503	\$350,787
Community Svc Districts	\$329,107	\$338,645	\$357,127	\$386,352	\$219,496
Fire Districts	\$33,014,478	\$33,793,252	\$35,172,362	\$37,651,374	\$21,500,774
Water Agencies	\$22,117,030	\$22,627,607	\$24,128,833	\$25,770,026	\$14,881,435
Lighting Districts	\$1,740,389	\$1,814,147	\$1,933,415	\$2,114,066	\$1,185,940
Perm. Road Divisions	\$28,609	\$29,053	\$30,736	\$35,218	\$19,836
Park & Rec. Districts	\$1,058,215	\$1,097,855	\$1,172,168	\$1,293,185	\$648,570
TOTAL, SPECIAL DISTRICTS	\$107,528,893	\$110,902,676	\$117,195,049	\$125,416,049	\$71,936,876

*2023-24 partial year; full year totals will be 5-7% greater than 2022-23

There are a few other special property taxes:

Warm Springs Dam ad valorem property tax \$12 Million

Sonoma County public water is managed by Sonoma Water, an agency that is just the County Board of Supervisors operating as a different legal entity. Sonoma Water secured rights to water in Lake Sonoma (created by the Warm Springs Dam project) in 1992, at a cost of ~\$102 million. The project was financed with bonds supported by *ad valorem* property taxes; in 2023, debt service on these bonds was approximately \$6 million dollars. Annual property tax collections for Warm Springs Dam debt service? ~\$12 million and growing (*ad valorem* taxes for fixed cost public projects increase with property value, while debt service is generally fixed or declines as debt is paid off.) The balance goes into a restricted-use fund which currently has about \$12 million in reserve.

Other non-school ad valorem property taxes

There are only three other *ad valorem* property taxes in the County. Two are being used to repay debt associated with failed health districts in Sonoma Valley and West County. In addition, Cloverdale is one of 22 cities in California allowed to use a [1985 exception](#) to Prop 13's 1% limit on property tax collections to pay for safety personnel pensions.

Prop 13 Taxes on Tangible *business* property: \$38 Million in fiscal 2023

According to the State Board of Equalization, "All property that may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses, except land and improvements, is tangible personal property." And is taxable.

In Sonoma County, tangible business property tax collections add up to approximately \$38 million per year (not counting the annual fees paid to the State for vehicle property taxes.)

A peaceful place named Shiloh.

There are [more than 700 cemeteries named Shiloh](#) in the US; [ours](#) is in a beautiful Windsor park. Founded in 1840, Shiloh is one of only two cemeteries in the county supported by a permanent Prop 13 *ad valorem* tax; Windsor residents pay ~\$600K yearly for cemetery upkeep and staffing. Reserves currently total ~\$1.5 million plus ~\$400K in endowments.

Voter Approved Local Taxes: School District Debt Repayment and Local Parcel Taxes

General Obligation Bonds: \$1.8 Billion of debt requires \$138 Million of annual tax collections.

Each of Sonoma County's 41 Elementary, High School and Jr. College districts may ask voters to authorize bonded indebtedness for construction and improvement of school facilities; it may *not* be used for salaries and administrative expenses. Funds are raised with general obligation bonds; *ad valorem* property taxes repay this school bond debt.

As of June 30, 2023, outstanding school bonded indebtedness totaled about \$1.4 billion dollars; 34 of the 40 Sonoma County school districts had 76 outstanding bonds. Bonded indebtedness isn't spread evenly around the county: as of April 2024, (4) school districts have no outstanding debt, while 9 school districts have more than \$40,000 of indebtedness per student– and two districts have more than \$60,000 per student! [Exhibit B lists all school debt]

Lowest & Highest School District Debt in Sonoma County					
DISTRICT	# of Students 2022-23	Annual Bond Payments	Annual Payments Per Student	Total Outstanding Bond \$	Outstanding Bond Debt Per Student
Dunham	147	\$0	\$0	\$0	\$0
Fort Ross	14	\$0	\$0	\$0	\$0
Montgomery El	21	\$0	\$0	\$0	\$0
Two Rock Union	133	\$0	\$0	\$0	\$0
Liberty	1,559	\$148,000	\$95	\$883,790	\$567
West County High	1,588	\$4,507,497	\$2,838	\$80,003,953	\$50,380
Monte Rio Union	59	\$198,375	\$3,362	\$2,990,000	\$50,678
Kenwood	113	\$0	\$0	\$6,000,000	\$53,097
Geyserville Unified	211	\$1,170,809	\$5,549	\$14,188,300	\$67,243
Healdsburg Unified	1,240	\$7,610,101	\$6,137	\$111,584,301	\$89,987

Sonoma County Jr. College District has issued about \$660 million of debt; as of year-end 2023, \$400 million of that debt is still outstanding.

In total, county residents paid \$138 million of *ad valorem* taxes towards repayment of general obligation school bonds in fiscal year 2023, an average of \$2,151 per student. [See Appendix B for details.]

Parcel taxes and other direct levies: \$82 Million in fiscal 2023

Direct levy property taxes are assessed equally on all property parcels in a district. Most of the 261 different parcel taxes levied in Sonoma County pay for sanitation (\$35M), fire districts (\$17M), local schools (\$8M) and defunct health care districts (\$6M). The balance is distributed among towns and cities, intergovernmental transfers and more than one hundred town and city direct charges that, in total, add up to another \$7M.

Exceptions and Exemptions

Any report on property taxes in agrarian Sonoma County should mention property that is either exempt from tax or has substantially discounted assessments. Worth noting:

- There are roughly 187,500 property parcels in Sonoma County. Approximately 2,600 benefit from agricultural tax subsidies by contracting for [California Land Conservation Act](#) (CLCA, also known as “Williamson Act”) status.
- CLCA subsidies require [a contract with Permit Sonoma](#) (NOT the Tax Assessor, please don’t call them about it!). If approved, this results in assessment reductions of up to 95% *of just the land* value (not including the homesite or any construction on the property). Property improvements such as planted vines are also subject to property tax, albeit at a discounted agricultural rate.
- The Tax Assessor’s office estimates that subsidies for Sonoma County CLCA properties saved qualifying taxpayers approximately \$30 million in 2023.
- In 2024, the assessed value of CLCA properties and crops was \$3.7 billion; CLCA discounts resulted in a taxable valuation of \$1.4 billion for these 281,000 acres.
- [Some types of property are exempt](#) from property taxes: severely disabled veterans’ homes; churches and property used by religious organizations; non-profits operated for religious, hospital, charitable or scientific purposes; cemeteries; colleges, public and some charter schools; free public libraries and museums.
- [Every homeowner living in a primary residence qualifies for, but must elect, a \\$7,000 reduction in assessed value](#)—a \$70 annual property tax saving.

Seniors over 65 and persons receiving Supplemental Security Disability Income can be exempt from the school district *parcel* tax in these school districts: Cotati-Rohnert Park Unified; Kenwood; Petaluma; Rincon Valley; Shoreline; and West Sonoma County High School. *Eligible taxpayers must call the district and apply to be exempted.*

ANALYSIS: PROPERTY TAXES

1. Annual property tax collections of approximately \$1.5 billion are the largest single source of public revenue in Sonoma County (by a small margin over personal income taxes.)
2. The longer one owns a property, the greater the Prop 13 discount; the more valuable the property is, the greater these dollar savings over time. We don’t know *how much these discounts add up to; neither the Assessor nor Tax Collector could tell us* (and they are not required to know this to do their job). Nor do we know the effect of the recently passed Proposition 19, but it will eventually increase property valuations on affected properties. We may never know how much the Sonoma County wildfires impacted tax collections.
3. Williamson Act subsidies in Sonoma County discounted annual property taxes—by approximately \$30 million this year— but we can’t show you a map of Williamson discounted properties because (in spite of [California Government Code 51237.5 requirements](#)) [Permit Sonoma hasn’t reported it to the State](#).
4. Outstanding school bonds are the single largest type of public debt obligation in the county. One concerning observation: school bonds with a 30+ year life are paying for “technology upgrades”, many of which have a projected lifespan of less than ten years. For example,

[Sonoma County JC District spent \\$31 million](#) of its most recent bond fund on PC's, software, media equipment and other IT “investments”; these Measure H bonds mature in 2055! The JC isn't alone; many school districts in Sonoma County have used bond proceeds to pay for “technology upgrades”. This results in long term debt paying for short-lived assets, which is generally considered poor financial practice.

5. Property taxes have increased by more than \$200 million between 2019 and 2023 and are likely to increase at a more rapid rate as the Assessor's office catches up with its revaluation backlog. Allocation of these revenues among governments, schools and special districts will shift as school populations decline and Sonoma County's population continues to age.
6. Sonoma County collects a lot more in property taxes, in total and per capita, than Lake, Mendocino and Solano Counties but trails Marin and Napa in per capita collections. Sonoma County schools and governments have much more money to spend than the two counties closest to us in population. Tulare County has approximately the same number of people (and 3 times the acreage) but collects almost \$700 million less in Prop 13 taxes! Here's how Sonoma County property tax collections compare to neighboring counties.

COUNTY	Population July 2022	Pop Rank	Prop 13 Tax 2023-24*	Prop 13 Per Capita	Per Capita Rank	Acreage
Sonoma	485,110	17 th	1,149,894,140	2,370	16	1,008,544
Lake	68,082	40 th	94,152,980	1,383	39	804,134
Marin	260,416	26 th	1,016,221,690	3,902	5	332,998
Mendocino	90,806	38 th	140,753,060	1,550	34	2,244,057
Napa	137,600	34 th	527,865,780	3,836	6	478,950
San Francisco	855,550	12 th	3,403,714,530	3,978	4	29,997
Solano	452,532	19 th	702,866,010	1,553	33	525,926
Tulare	474,861	18 th	463,148,420	975	54	3,087,494
California Total	39,368,613		\$81,755,686,550	2,077		104,764,800
* per State Board of Equalization; excludes voter-approved local taxes						

SALES AND USE TAXES

State Sales Tax Collections

The State of California mandates a 7¼% collection on all taxable items. 6% goes into the State general fund; roughly 4% of this 6% supports education, criminal justice, infrastructure, and other programs. 1% is redistributed to local agencies for specific programs; ½% is directed specifically to public safety, and another ½ % is specifically targeted for public health. State [sales and use tax collections in fiscal 2022 totaled almost \\$95 billion](#). [Item-specific sales taxes in this state add up](#) too: in total, fiscal 2023 collections on cigarettes (\$1.6 billion) and cannabis (\$515 million) were part of state collections. There are 25 [item-specific use taxes](#). A “use tax” is collected from purchasers of items not sold through retail channels (mostly online resellers and direct distributors). Use taxes totaled about \$18.5 billion in fiscal 2023.

Local Sales Tax Collections

State law apportions 1% of the 7¼% statewide sales tax directly to counties and cities within each county. The state also sends ¼% to the County for road maintenance and transportation programs. Here's how the *baseline* 1% state sales tax was distributed to local governments in fiscal 2023:

Local Allocation of State Sales Tax Revenue

Jurisdiction	\$ Fiscal 2023	% of Total
CLOVERDALE	\$1,147,842	0.9%
HEALDSBURG	\$5,913,493	4.8%
PETALUMA	\$17,816,394	14.6%
ROHNERT PARK	\$9,866,842	8.1%
SANTA ROSA	\$46,736,167	38.2%
SEBASTOPOL	\$2,289,884	1.9%
SONOMA		\$3,817,092 3.1%
COTATI	\$2,919,213	2.4%
WINDSOR	\$5,619,962	4.6%
SONOMA COUNTY	\$26,143,198	21.4%
ALLOCATED LOCAL STATE SALES TAX	\$122,270,087	100.0%

In addition to this money, the mandated $\frac{1}{4}\%$ state collection generated about \$33 million for the County's local transportation funds in 2023.

Voter-approved County Sales Taxes: \$220 Million

As of January 2025, there will be at least eight specific sales taxes that apply to every taxable transaction in Sonoma County, adding $1\frac{3}{4}\%$ to all taxable purchases. These taxes take the baseline $7\frac{1}{4}\%$ state tax up to 9% throughout the county.

Open Space, Clean Water and Farmland Protection: $\frac{1}{4}\%$

First passed in 1990, and renewed by voter approval in 2010, the [Ag + Open Space District](#) collects approximately \$32 million per year to purchase property and/or pay for conservation easements on mostly rural properties. The Ag + Open Space Commission consists of the members of the Sonoma County Board of Supervisors, managing a legally separate entity for funding and liability purposes.

Since 1991, this tax has resulted in public purchase of approximately [\\$450 million worth of conservation easements](#), keeping 123,000 acres constrained from future development, along with approximately 4,200 acres of land owned outright by the County. [Financial reports for the Ag + Open Space commission](#) show that Ag + Open Space employs 34 people and currently has a very healthy fund balance of \$65 million.

This tax is scheduled to end in 2031, unless extended by voter approval.

Library Maintenance, Restoration, Enhancement: $\frac{1}{8}\%$

Passed in 2016, Measure Y sales tax generates approximately \$16 million per year to support 14 libraries in Cloverdale, Healdsburg, Petaluma, Rohnert Park, Cotati, Santa Rosa, Sebastopol, Sonoma, Windsor, and the unincorporated county. Expenditures are intended "to provide the residents of Sonoma County with libraries comparable to those operated in other Bay Area communities." The Measure Y sales tax supplements approximately \$27 million in Prop 13 taxes allocated to libraries.

This tax is scheduled to end in 2027, unless extended by voter approval.

Local Mental Health, Addiction and Homeless Services: ¼%

Measure O, passed in 2020 with a 10-year commitment, generates approximately \$32 million per year and provides investment into the following five types of programs:

Type of Service	Allocation
Behavioral Health facilities and services for individuals with severe mental illness; transitional housing for individuals discharged from crisis services; and a local, locked facility for emergency psychiatric facilities;	22%
Emergency psychiatric crisis services including a mobile support team with crisis assessment;	44%
Mental Health and Substance Use Disorder Outpatient Services including youth services, services supporting residential care and permanent supportive housing for homeless, and services for substance abuse disorders;	18%
Homeless and high needs individuals' behavioral health and multidisciplinary care coordination;	14%
Transitional and permanent supportive housing for the homeless.	2%

Measure O funds are managed by the County Department of Health Services and are supposed to be incremental spending, over and above programs previously supported by the County general fund. Are the amounts charged to the Measure O fund incremental? There's no way to know: the County budget doesn't include comparative spending for specific Measure O programs. For example, the [Measure O Implementation report](#) for 2022-23 says \$3.7 million funded the Sonoma County Healing Center. The facilities management contract for it was signed in May of 2020—5 months *before* Measure O passed.

This tax is scheduled to end in 2031, unless extended by voter approval.

Parks for All: 1/8%

Measure M, passed by voter approval in 2018, generated \$11 million in 2022-23 to augment County funds for regional parks and local recreation programs. One-third of the money is shared with Sonoma County's cities to maintain and improve local parks. Tax proceeds are supposed to supplement existing funding; they are not to be used to supplant an agency's historical general fund support. The measure's expenditure plan designates revenue for specific needs in four categories as follows:

Support for local parks, recreation needs and fire risk reduction	33%
Protect water quality, wildlife habitat and natural resources in Sonoma County's regional parks & trails	18%
Investing in maintenance, safety and recreation services in Sonoma County's regional parks and open	25%
Improve access to Sonoma County's regional parks trails and open space preserves	24%

This tax is scheduled to end in 2027, unless extended by voter approval.

Transportation Authority Go Sonoma: ¼%

Re-authorized in 2020 for a period of 25 years, [this tax](#) is in addition to the ¼% transportation sales tax mandated and collected by the State of California. In fiscal 2023, this tax generated approximately \$32 million in addition to the \$33 million raised by the state-imposed ¼% transportation sales tax. [The investment plan](#) includes four programs:

Fix roads, fill potholes, improve safety and usability for smooth and maintained roads	38%
Move traffic and improve safety	27%
Increase bus service, affordability, and first/last mile connections	23%
Build bikeways and pathways	12%

Has this targeted “Investment Plan” been implemented? We don’t know, and the financial reports don’t help. 38% of \$32 million, approximately \$12 million, is supposed to go to fixing potholes and making smoother roads. The County budget report shows “Local Streets” projects were allocated \$13 million but it all went to “Local Government transfers”. Presumably, this went to cities and the County for pothole repairs and better streets, but how would we know?

This tax is scheduled to end in 2045, unless extended by voter approval.

Sonoma-Marin Area Rail Transit District: ¼%

The Sonoma Marin Area Rail Transit District was established in 2002; the district includes both Sonoma and Marin Counties and provides passenger and freight train service along a publicly owned railroad right-of-way. Service started in 2017, with 10 stops along 43 miles of track between San Rafael and the Sonoma County airport; service has since expanded to Larkspur, with future stops planned in Windsor, Healdsburg, and Cloverdale.

67% of SMART’ revenue ¹ comes from this ¼% sales tax; \$32 million of the \$50 million in sales taxes collected for SMART in fiscal 2023 came from Sonoma County. [Operating revenues from fares, advertising and fees](#) totaled approximately \$2.3 million. While ridership has reportedly recovered to pre-COVID levels faster than any other bay area transit system, [the total number of trips](#) taken is expected to be less than 850,000 in 2024. Annual passenger service operating expenses, excluding depreciation and construction spending, exceed \$43 million, so the average out-of-pocket cost per passenger trip exceeds \$50.

This tax is scheduled to end in 2029, unless extended by voter approval.

Wildfire Prevention, Paramedic Services, and Emergency Response: Measure H: ½%

[Measure H](#), passed in 2024, is intended to supplement existing funding for wildfire prevention and preparedness, paramedic services, and emergency and disaster response. This tax is expected to generate approximately \$62 million annually, starting in fiscal year 2025. Practically, it will be nearly impossible to tell whether spending is truly incremental: an interested citizen would have to review the budgets for each of the 19 local fire agencies to determine whether, in total, they have increased by \$62 million. Previously existing expenses, such as *the roughly \$15 million cost of Redcom dispatch fees that were paid by the county budget*, now are supposed to be paid from the Measure H fund—which is not what voters were told what Measure H funds would be used for.

This tax never ends unless revoked by voters.

¹ State & Federal subsidies also contributed \$24.7M of SMART’s \$77.6 total revenue in fiscal 2023.

Additional Locally Imposed Sales Taxes

Cities can (with voter approval) impose a sales tax on transactions within city boundaries. Seven of the nine cities in the County have voted for additional taxes over and above the 9% county rate. Here are the locally authorized sales tax rates effective in January 2025:

Jurisdiction	Add'l Local Sales Tax	Effective Rate
SONOMA COUNTY	Baseline	9 %
CLOVERDALE	0 %	9 %
HEALDSBURG	.5 %	9 ½ %
PETALUMA	1 %	10 %
ROHNERT PARK	.5 %	9 ½ %
SANTA ROSA	.75 %	9 ¾ %
SEBASTOPOL	.75 %	9 ¾ %
SONOMA	.5 %	9 ½ %
COTATI	1 %	10 %
WINDSOR	0 %	9 %

Analysis: Sales and Use Taxes

At 9%, Sonoma County has the fourth highest county-wide sales tax rate in California. When Measure H is implemented in 2025, combined county and city sales tax collections will exceed \$220 million per year. All the agencies that receive specific sales tax revenue publish annual reports detailing what is done with these funds; taxpayers may, with some diligent web searching, learn how much was raised or what it was spent on. Targeted sales taxes like Measure H or Measure O or the 30-year-old Ag + Open Space tax reflect public interest at a point in time—unlike taxes going to general funds that can be redirected by leadership to address more contemporary concerns.

There is no public accounting of incremental spending for the taxes that promise it. Sales tax measures supporting libraries, parks, mental health, fire, and emergency services all promise that expenditures supported by these taxes won't be an offset to general funds—that the money raised by these taxes will be truly incremental to previous funding. Is there evidence in the public record to verify that this commitment is met? Is this funding truly incremental, or does it just enable the Board of Supervisors to direct more spending elsewhere? The Grand Jury couldn't find public reports to confirm either case.

TAXES ON PERSONAL INCOME

Personal income taxes are levied by the Franchise Tax Board (FTB), and [the FTB website](#) has an enormous amount of data about tax payments statewide. We *can* tell you, that Sonoma County residents pay more than \$1.5 billion in personal state income taxes, and that the county pays more per capita personal income taxes than all but 11 of the 58 counties in California (while ranking 17th in total population). Here's how Sonoma County personal taxes compare with neighboring counties:

Population July 1, 2021

TAX YEAR 2020-2021							
COUNTY	Population	# of Returns	Gross Income*	Median Income	Rank	Per Capita Income	Total Income Tax Paid*
Sonoma	485,110	240,700	26,099,048	54,695	10	\$53,800	\$1,448,552
Lake	68,082	25,076	1,384,520	36,266	51	\$20,336	\$45,707
Marin	260,416	124,876	36,925,128	81,474	1	\$141,793	\$2,997,960
Mendocino	90,806	38,446	2,533,225	37,890	44	\$27,897	\$106,120
Napa	137,600	65,896	10,927,045	55,192	9	\$79,412	\$692,757
Solano	452,532	205,151	16,534,844	52,651	13	\$36,539	\$658,309
San Francisco	855,550	430,462	110,817,367	73,798	4	\$129,528	\$9,559,905
Total	39,368,613	17,939,133	\$2,043,908,300	\$45,726		\$51,917	\$124,272,604

*: 000's omitted

Personal income taxes paid don't necessarily come back to the County; the State uses income tax payments to underwrite school, public safety, road construction and a wide variety of health and public welfare programs throughout the state. It's notable that Sonoma County's per capita tax payments—approximately \$3,000 in fiscal 2021—were more than 3 times the *per capita* income tax payments of 16 small counties—including nearby Lake County, whose residents only paid \$671 per person in income taxes. Income taxes correlate directly with income, of course—so Sonoma County residents are fortunate indeed to be able to help these significantly poorer locales.

TAXES ON COMMERCIAL INCOME

Grand Jury inquiries to the Franchise Tax Board (FTB) produced no information on county-specific commercial income taxes; FTB doesn't aggregate commercial income by county.

HOW MUCH IS IN THE BANK?

The Sonoma County Treasurer publishes a [monthly balance report](#) for all major agencies and reserve funds. Operating accounts can be highly variable, of course: tax collections are seasonal, while agency expenses may not be, or may be counter cyclical. Some interesting accounts reflect true reserves—for example, the \$65 million Ag + Open Space April 2024 fund balance is the equivalent of two years of tax collections. Sonoma County Library fund balance? \$14 million. 2017 Fire Debris Removal—\$95 million. Non-operating fund balances for all the school districts are also available in this report. *In total, the Treasurer manages more than \$3.5 billion in cash and short-term investments.* The Treasurer's fund balance report is highly informative. *It would be even more useful if it included an index that decodes cryptic account names so the purpose and ownership of the fund is clear.*

ADDING IT ALL UP: \$3.9 BILLION

Property, sales and use, and personal income taxes collected in Sonoma County in 2023:

Type of Tax paid in Sonoma County	TOTAL TAX YEAR 2022-23
Sonoma County Prop 13 Property Tax	\$1,219,000,000
Special District Prop 13 Property Tax	\$125,000,000
Prop 13 School Bond Debt Service	\$138,000,000
Special District & School Parcel Taxes	\$82,000,000
Business Prop 13 Property Tax	\$38,000,000
Total Property Tax Collections	\$1,601,000,000
State 6% Sales Tax Collection	\$480,000,000
Sales Tax— State Collection @ 1.25 %	\$154,000,000
County Taxes @ 1.5%	\$155,000,000
City Taxes	\$96,000,000
Total, Sales Taxes	\$885,000,000
Personal Income Taxes	\$1,449,000,000
Total, Sonoma County 22-23 Taxes	\$3,936,000,000

WHERE DOES ALL THE MONEY GO?

The first place one should look to answer this question is [The Citizens' Report](#), an annual report published by the Auditor-Controller-Treasurer-Tax Collector's office. This is the County's best effort at aggregating County revenue and expense reports in terms that people who are not finance professionals can understand; it is highly recommended. As it says in the 2022-23 report, "The Citizens' Report serves...to provide our taxpayers and stakeholders with access to County financial information."

The information in the Citizens' Report is similar to data presented here, and has valuable information, ranging from demographics and employment to balance sheet summaries, for several major agencies. *You can even learn that the County has more than half a billion dollars of unfunded pension liabilities:* "As of June 30, 2023, the pension and OPEB² Plans were 88.5% and 47.0% funded, respectively, on a market value basis...[with] combined net pension and OPEB liabilities of \$553.1 million in fiscal year 2022-23." There are even informative pie charts for County revenue and spending.

But...the Citizens' Report is limited to its focus on the County (i.e., the collection of agencies that are directly managed (and funded) by the Board of Supervisors) —and as other sections of this report show, Sonoma County is much more than the County as depicted in the Citizens' Report. The Citizens' Report says, for example, that the County has approximately \$350 million in long term debt; but that excludes more than a billion dollars of school debt, or any city debt, or unfunded pensions, or special district bonds. *Not wrong, but not complete.*

² OPEB: Other Post-Employment Benefits

There are many ways to get your own information, of course. Thanks to public disclosure requirements and the hard work of many agency and administration employees, we have VERY detailed budgets for almost every public entity in the County. The [County Budget](#) is an excellent resource: [the 2023-24 budget](#) has 438 pages (!) describing costs for every County agency and initiative. It takes months of work by many County staffers to prepare this document, and days of public hearings by the Board of Supervisors. It even wins awards from something called the Government Finance Officers Association!

Here's how the County describes the budget document:

“The budget is an operating plan that has been developed based upon policy direction given by the Board of Supervisors to provide services to the public within available resources. It is a vehicle for presenting plans and investment opportunities that will make Sonoma County an even better place to live and work. The County of Sonoma acts as an administrative agent for three sets of services: municipal services; countywide local services; and countywide services provided on behalf of the state and federal governments.”

We tried to use it as our roadmap to County spending information, and it has plenty of useful information. For example,

- The County is responsible for procuring, managing, and coordinating delivery of *more than \$2.2 billion of goods and services* on behalf of county residents.
- The County has *more than 4,200 authorized permanent positions*; it is the single largest employer in Sonoma County.
- The “General Fund” pays for locally initiated programs and the County’s contribution to State and Federal programs requiring local participation. It has grown from \$373 million in 2019 to more than \$450 million in fiscal 2024.

Here's what the budget shows as a categorical description of where the money goes:

Description	Actual 2021-22	Estimated 2022-23	Adopted 2023-24
Justice Services	\$281,921,401	\$294,927,476	\$330,031,399
Health & Human Services	496,665,375	499,300,861	537,048,396
Development Services	302,484,120	325,651,203	344,901,431
Natural Resources and Agriculture	267,400,812	378,097,459	354,907,592
Capital Projects	19,512,714	102,666,581	107,193,455
Increase to Fund Balance/Net Assets	348,977,385	147,566,274	38,182,043
Total Financing Uses	\$2,024,960,884	\$2,190,417,981	\$2,238,196,731

There are many more detailed itemizations of the department budgets that make up these very top-level totals, and you can learn a lot from them. What won't you learn?

- You won't learn how much is spent to help the homeless; there is a Homelessness Department within the Department of Health Services with a \$16 million budget, but that is a small fraction of the dollars actually spent: a conservative estimate puts the annual expenditure over \$100 million per year, and County representatives informed us that 2021-22 spending was actually closer to \$129 million.³

³ See Appendix D for more information on this budget memo

We think this is understated: the \$129 million estimate includes no costs of the Corrections Department. Based on Grand Jury dialogue with the Sonoma County Sheriff's office, at least 25% of the Corrections Department's \$80 million annual budget could fairly be attributed to homelessness services. In addition, many of the dollars spent on substance abuse programs, behavioral health services, housing assistance, sheriff's department, probation office, district attorney time... all these departments spend a significant amount of money on services for the homeless that isn't budgeted as such. Adding in a very conservative estimate of 20% of the Corrections Department costs would bring total Homelessness spending to almost \$150 million.

- Most mental health and substance use disorder programs are funded by state and federal programs but in 2020, voters approved a new sales tax, Measure O, to increase local funding for these two types of need. Since the budget doesn't provide baseline information about how much was *spent* on these programs in 2020, how can we know that Measure O spending is actually incremental?
- How much do we spend on road maintenance and repair? The Road Maintenance department has a \$90+ million budget, but that doesn't include costs reported as Executive Administration and it's not clear if it fully reflects costs funded by state or federal programs. We know that Sales tax collections for road maintenance, repair and improvement add up to ~\$62 million a year and we know that a chunk of the \$111 million in city property taxes goes to road maintenance, but there is no public report that aggregates this spending... or tells you how many potholes were fixed.
- How much are we spending on schools? *It's the single most costly government service*, yet there is no report from the County Office of Education, Board of Supervisors, or State that aggregates taxation and spending for all county schools.

Some of the answers can be approximated; for example: taxes raised by 2024 Measure H should all go to increased staffing and equipment for fire and emergency services; that's what was voted for. In the ballot language, the Tax Collector estimated that this new sales tax would generate \$60 million a year in additional funding.

How does this compare to the amount that was previously being spent? Based on public documents, it probably (roughly) doubles current spending. \$37 million of special district Prop 13 taxes and \$18 million of direct charges, added to approximately \$12 million found in various County budgets *suggest* that spending (before Measure H) on fire and emergency services was approximately \$67 million. \$62 million from Measure H in 2025 should bring this to \$129 million in 2025—but since spending across agencies isn't aggregated and published, how will we know?

Similarly with schools: Prop 13 and direct charge parcel taxes generate about \$600 million, and the State reports about \$875 million went to Sonoma County school districts, so annual operational spending for public schools in the county appears to add up to approximately \$1.5 billion—but absent an actual accounting, this is just a best-guess estimate. The Grand Jury believes that something this significant deserves more than a best guess.

Changing this paradigm will be challenging, but it's certainly possible: the Board of Supervisors can mandate it, and accountants and analysts can make it happen. The public can't make good decisions without good information; at present, the data isn't available in any manner that can be fairly reviewed or reasonably understood.

WHO'S MINDING THE STORE?

First and foremost, the Board of Supervisors is in charge: it has the authority to impose fees, propose and endorse new taxes, and recommend retention or withdrawal of voter-approved sales and special district taxes.

The BoS relies on agencies, employees, and ordinances to manage taxation and spending, but only the County Executive is charged with critical review of agency performance. There is no “Inspector General” or “Public Watchdog”. The Civil Grand Jury exists to review County operations but has no real resources for serious investigation, let alone the authority to mandate improvement.

The public also has a role: virtually all publicly approved tax measures include reference to an oversight committee that will ‘make sure the money is being spent appropriately.’

Oversight Committees

State laws establish oversight requirements for every type of voter-approved tax. Public entities with bonded indebtedness are also required to establish a “Citizen Oversight” committee. Language promising oversight is front and center in every public tax measure, but what exactly do these oversight committees do?

Oversight:

1. “watchful and responsible care”
2. “regulatory supervision”

*Merriam-Webster
Dictionary*

Most of the time, they simply review reports prepared by independent auditors stating that accounting was done according to generally accepted accounting principles. The agency or district may (but is rarely required to) invite the committee ‘inside the lines’ to see where tax dollars went and confirm that it’s been spent appropriately. But if the public expects actual citizen oversight—defined as “the state of being in charge of someone or something” by the Oxford-American dictionary—it *is precluded by the laws that authorize the taxes*. [See Appendix C for the relevant text of recent voter-approved local taxes.]

School bond oversight committees

Similarly, oversight committees are a prominent feature of all school district bonded indebtedness proposals, but in virtually every case, the oversight committee is limited to reviewing the annual audit of bond proceeds expenditures. Some school districts engage residents on committees that develop or review proposed expenditures, but that is a local decision and there is no legal requirement for school bond oversight committees to do more than confirm expenditures were for the purposes authorized by statute.

Despite extensive and detailed statutory language requiring Citizen Bond Oversight Committees, it’s doubtful that the intent of the legislation is being realized. We surveyed a number of Sonoma County school districts regarding their bond oversight committee and reviewed financial disclosures on more than 20 school district’s websites. Few district sites have status reports for their bonded indebtedness, and even fewer have a functioning committee; many existing committees don’t have as many members as they’re supposed to. Required committee notices, minutes, and reports are rarely on district web sites.

There are two reported reasons for this general failure of Citizen Bond Oversight Committees. First, school districts are unable to recruit and retain qualified and motivated members, despite significant efforts at recruitment: who wants to sit on a committee that has no functional authority? Second, there is no negative consequence to a school district without a functioning committee as long as the district makes a reasonable effort to recruit.

Oversight, part 2: The Elected County Auditor

Oversight committees don't do much, so that leaves the elected County Auditor to look out for us. The Auditor is charged with ensuring that the public interest is represented when governments spend public money; 'Audits' are investigations of and questions about these entities' performance.

The Audit division reports to the elected Auditor; it has a public charter (ordained by the BoS) to review the accounts of county agencies and special districts. This charter establishes internal audit objectives and provides for *uninhibited and complete authority to fulfill its objectives*, with procedures to address obstacles and issues.

Accounting audits look at transaction records to confirm that they're accurate and compliant with accounting principles and are a statutory requirement whenever large sums of money are collected or spent. *Sonoma County appears to be fully compliant with these legal requirements.*

Performance audits are a comprehensive review of an entity's operational behavior to confirm that work is being done according to industry best practices and is also compliant with policies and procedures. The Grand Jury feels that performance audits are needed for real oversight—and they take a lot of time and expertise.

"Don't expect what you don't inspect."

The source of this corporate axiom isn't certain, but it's true: without feedback, systems don't work as expected.

Sonoma County's Audit team has published 28 audit reports during the past three years. 27 of them are accounting accuracy/compliance audits. *Only [one performance audit](#) has been completed* (and it took almost 2 years to be publicly released.) Looking at [the list of completed audits](#), it's clear that most County agencies, spending significant taxpayer dollars, have *never* had a performance audit.

Why haven't more performance audits been conducted? We learned there are two reasons:

- The Board of Supervisors hasn't asked for them, and
- The Auditor doesn't have the staffing or budget to conduct them.

The Board of Supervisors sets the Audit division's budget and employee headcount authorization; it's also ultimately responsible for county agency performance and oversight. *Audits take resources, and the Audit division doesn't have enough of them.* Without a significant increase in compliance and performance audits, there can be no public assurance that the oversight promised in every tax proposal is actually in place.

TAXES LOOKING FORWARD

Property Taxes

2020's Proposition 19 changed valuation rules for inherited property and also promised substantial additional funds for firefighting—*but has produced zero dollars statewide*—for the Fire Response Fund over the past three years. *It has* added a lot of work for assessors throughout the state.

How will Prop 19 affect property taxes? They will go up quite significantly in a few years. Many formerly exempt inherited properties are now subject to partial basis revaluation, and some will need to be sold due to the impact of the mandated revaluation, thereby reducing one type of Prop 13 discount. How much will it affect tax collections? Ah... that we don't know; almost three years in, the Assessor and Tax Collector haven't produced an impact report yet.

The Grand Jury also asked the Assessor's office to estimate how the 2017-2020 fires impacted tax rolls, but it couldn't answer that question because *revaluation assessments are running years behind*. The Assessor's office never caught up with the backlog from fire rebuilds and pandemic-era home improvements and is falling further behind as Prop 19 requires revaluations that historically weren't required for inherited properties.

We know, however, that property tax collections will soon accelerate in Sonoma County. New development in Rohnert Park, downtown Santa Rosa and Petaluma coupled with the accelerating construction in Fountain Grove, Windsor, and Healdsburg (much of which will eventually be assessed at or near current market value) will add tens of millions of additional dollars to property tax collections in Sonoma County.

Sales Taxes

The State of California currently has a statutory sales tax limit of 10 ¼%; anything over that requires state legislated authorization. Voter approval of the BoS-endorsed Child Care initiative in November would mean that most Sonoma County residents will be paying 10% in sales taxes in January, 2025 and, if this initiative passes, Rohnert Park and Petaluma would hit the statutory limit in 2025.

A bit further downstream, Senate Bill 1031 authorizes a 2026 Bay Area regional transport sales tax initiative that could add between ¼% and ¾% to the sales tax rate. Sebastopol or any entity looking to increase revenue via additional sales taxes would require statutory authorization to go over the 10 ¼% limit if this regional measure is approved.

It is worth noting that *local voters have the ultimate authority* to determine whether sales taxes above 7¼% are collected. Voters can also decide that local sales taxes collected for a particular purpose can be redirected, although the process for revoking or redirecting a sales tax would probably require initiative by the Board of Supervisors.

CONCLUSION

The Grand Jury set out to investigate a simple citizen complaint about a school district's failure to follow oversight rules and ended up looking at the entire universe of taxation and spending in Sonoma County. It's a topic made for analysts: county residents pay almost four billion dollars in taxes and the Sonoma County government spends more than \$2.2 billion to provide public services, so there is *a lot* of data.

It isn't particularly hard to figure out how much is paid in taxes, but it's almost impossible to figure out where the money goes in terms that most people will understand: it's buried in thousands of pages of County, city, special district, and school documents. There is little effort to aggregate the information across government boundaries and none of these agencies have any *legal* requirement to aggregate information. But if agencies could agree on common ways to classify and share their operational data, all their jobs would be easier—and a significant public benefit would be an important byproduct.

We also learned that the Assessor's office has a backlog that is impacting current property tax collections and that is putting taxpayers in jeopardy. As assessors catch up, three or four years of delayed revaluation can add thousands and thousands of dollars to an unsuspecting taxpayer's bill. This is a solvable problem: the Board of Supervisors can give the Assessor's office the authority and budget to temporarily engage the necessary resources.

Finally, the Grand Jury learned that the two major public oversight mechanisms—citizens' committees and the County's internal audit program—are doing what they're legally required to do,

but not enough to provide actual, robust oversight. Citizen's Oversight Committees are largely restricted to reviewing post-fact accounting and have a hard time getting public participation and the County audit team doesn't have the staff or budget to expose County operational weakness before they become headlines in the Press Democrat. At least one of these problems can be solved.

An informed electorate is government's most valuable asset. The Grand Jury commends the Auditor-Controller-Treasurer-Tax Collector staff for the Citizens' Report; it's an excellent start. The Controller can help by updating EFS, the general accounting system, to facilitate functional tracking as spending occurs. Most importantly, the Board of Supervisors can lead the way by mandating improved data definition, cross-agency reporting and aggregation, and facilitating reporting integration with independent authorities like schools and special districts.

FINDINGS

- F1. The total amount and source of tax collections is not published in a useful, publicly accessible format by any government entity.
- F2. The actual amount of money being spent to address public need is not published in a useful, publicly accessible format by any government entity
- F3. The Sonoma County Office of Education publishes no report summarizing how much, in total, is being collected, spent, or borrowed to pay for public education in Sonoma County.
- F4. The County Auditor/Controller/Treasurer/Tax Collector Citizen's Report, a helpful document, doesn't answer major questions about tax revenue or spending.
- F5. The County Auditor doesn't have the resources needed to conduct performance audits throughout County government.
- F6. The County Assessor doesn't have the resources needed to eliminate a significant assessment backlog. As a consequence, many taxpayers will get hit with significant back-dated property tax bills when this assessment backlog is cleared.
- F7. Sonoma County sales tax rates are among the highest in California.
- F8. Citizen Oversight Committees are frequently inoperative, largely ineffective and have no authority.

RECOMMENDATIONS:

- R1. By December 27, 2024, the Board of Supervisors shall direct and fund the Controller to modify County financial systems such that spending classification data capture enables cross-agency categoric reporting for fiscal 2026 onward.
- R2. By February 28, 2025, the Board of Supervisors, ACTTC and County Office of Education shall jointly determine personnel and professional services needed to make the Citizens Report a comprehensive presentation of all Sonoma County property and sales tax collections and expenditures.
- R3. By June 30, 2025, the Board of Supervisors shall fund the ACTTC so the Citizens Report includes this categorized information for fiscal years 2026 and onward.
- R4. By June 30, 2025 the Board of Supervisors shall fund and authorize staffing sufficient for the Auditor to conduct appropriate performance audits each fiscal year from 2026 onward.
- R5. By December 28, 2024 the Board of Supervisors shall fund and authorize temporary staffing to enable the Assessor's Office to eliminate the assessment backlog within 12 months.

REQUIRED RESPONSES

Pursuant to Penal Code §§ 933 and 933.05, the Grand Jury requires responses as follows:

- Sonoma County Board of Supervisors (R1, R2, R3, R4, R5)
- Sonoma County Auditor/Controller/Treasurer/Tax Collector (R2)
- Sonoma County Office of Education (R2)

The governing bodies indicated above should be aware that their comments and responses must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.

APPENDIX A: MISCELLANEOUS DETAIL ABOUT TAX COLLECTION

Property Taxes

The [California State Board of Equalization](#) (BoE) establishes and interprets [property tax rules](#).

Prop 13 (as amended by Proposition 19 in 2020) allow basis retention when property is inherited, but the difference between market and basis value is capped at basis plus \$1,000,000; anything over that is additive to the basis. It also includes provision for 55+ year old homeowners to keep their basis when purchasing a new home of greater value; up to three such transactions are allowed now.

School bonds

Such bonds are authorized pursuant to the California Constitution and must be approved by at least 55% of the property-owning taxpayers living in the school district authorizing the bonds. General obligation school bond proceeds may not be used for school district operating expenses or teacher salaries. The amount each property owner pays is an ad valorem tax, so it is based on the assessed value of the individual property.

APPENDIX B: SCHOOL DISTRICT BONDED INDEBTEDNESS & REVENUE

SCHOOL DISTRICT BONDS OUTSTANDING AS OF 6/30/2023

SCHOOL DISTRICT	DATE OF ELECTION	AMOUNT AUTHORIZED	AMOUNT ISSUED	REMAINING AUTHORIZED	PRINCIPAL REMAINING	BOND MATURITY
Alexander Valley	6/5/201	6,000,000	\$6,000,000	\$	5,440,000	8/1/2049
Bellevue Elementary	11/5/19	11,000,000	\$10,999,998	2	920,746	8/1/2024
Bellevue Elementary	11/4/20	19,000,000	\$18,999,483	517	17,381,523	8/1/2042
Bellevue Elementary	6/3/201	12,000,000	\$12,000,000	-	11,020,000	8/1/2045
Bellevue Elementary	3/3/202	28,000,000	\$17,475,000	10,525,000	14,830,000	8/1/2051
Bennett Valley Elementary	11/2/20	10,600,000	\$10,596,491	3,509	12,034,811	8/1/2041
Cinnabar Elementary	11/4/20	2,500,000	\$2,500,000	-	2,516,000	8/1/2042
Cloverdale Unified	6/8/199	4,000,000	\$4,000,000	\$	544,869	8/1/2025
Cloverdale Unified	11/2/20	17,000,000	\$16,997,406	2,594	11,713,327	8/1/2038
Cloverdale Unified	11/6/20	46,000,000	\$46,000,000	-	48,855,000	8/1/2050
Cotati-Rohnert Park Unified	6/5/199	85,000,000	\$84,996,865	3,135	11,640,000	8/1/2026
Cotati-Rohnert Park	6/3/201	80,000,000	\$80,000,000	-	74,869,505	8/1/2050
Cotati-Rohnert Park Unified	11/8/20	80,000,000	\$80,000,000	-	73,590,000	8/1/2046
Forestville Elementary	11/7/20	5,100,000	\$5,099,947	53	498,379	8/1/2030
Forestville Elementary	11/2/20	5,100,000	\$5,099,309	691	5,607,440	8/1/2042
Forestville Elementary	11/8/20	6,500,000	\$4,000,000	2,500,000	3,885,000	8/1/2046
Geyserville Unified	2/5/200	3,250,000	\$3,250,000	-	1,728,300	8/1/2032
Geyserville Unified	3/3/202	22,000,000	\$15,000,000	7,000,000	12,460,000	8/1/2051
Gravenstein Elementary	11/4/19	1,800,000	\$1,800,000	-	113,000	8/1/2023
Gravenstein Elementary	11/6/20	6,000,000	\$6,000,000	-	5,490,000	8/1/2043
Guerneville Elementary	6/5/201	6,000,000	\$6,000,000	-	5,943,000	8/1/2045
Guerneville Elementary	11/8/20	7,000,000	\$5,000,000	2,000,000	4,060,000	8/1/2048
Harmony Elementary	6/5/201	9,600,000	\$9,600,000	-	8,820,000	8/1/2050
Healdsburg SFID	11/5/20	18,820,000	\$18,819,951	49	6,879,000	7/1/2027
Healdsburg Unified	6/5/201	35,000,000	\$34,999,954	46	42,820,301	8/1/2040
Healdsburg Unified	11/8/20	67,000,000	\$67,000,000	-	61,885,000	8/1/2047
Horicon Elementary	11/8/20	10,400,000	\$6,000,000	4,400,000	6,000,000	8/1/2048
Kenwood Elementary	11/8/20	17,000,000	\$6,000,000	11,000,000	6,000,000	8/1/2052
Liberty Elementary	11/2/20	1,920,000	\$1,499,299	420,701	883,790	8/1/2030
Mark West Elementary	11/5/20	11,000,000	\$10,999,999	1	3,200,634	8/1/2030
Mark West Elementary	6/8/201	14,000,000	\$7,203,714	6,796,286	6,683,780	8/1/2035
Monte Rio Elementary	11/6/20	3,300,000	\$3,300,000	-	2,990,000	8/1/2048

SCHOOL DISTRICT	DATE OF ELECTION	AMOUNT AUTHORIZED	AMOUNT ISSUED	REMAINING AUTHORIZED	PRINCIPAL REMAINING	BOND MATURITY
Oak Grove Elementary	11/4/20	6,000,000	\$6,000,000	-	5,570,000	8/1/2046
Oak Grove Elementary	11/6/20	9,500,000	\$9,500,000	-	8,950,000	8/1/2051
Old Adobe Elementary	6/6/199	10,250,000	\$10,247,017	2,983	183,222	6/1/2024
Old Adobe Elementary	6/5/201	26,000,000	\$25,996,222	3,778	23,086,384	8/1/2044
Old Adobe Elementary	11/6/20	38,500,000	\$25,000,000	13,500,000	20,470,000	8/1/2048
Petaluma Elementary	11/5/19	30,000,000	\$30,000,000	-	1,925,000	8/1/2028
Petaluma Elementary	6/3/201	21,000,000	\$21,000,000	-	16,760,000	8/1/2042
Petaluma High	4/14/19	45,000,000	\$44,999,999	1	2,810,000	8/1/2024
Petaluma High	6/3/201	68,000,000	\$68,000,000	-	57,380,000	8/1/2041
Piner-Olivet Elementary	11/2/20	20,000,000	\$14,032,213	5,967,787	12,054,157	8/1/2045
Rincon Valley Elementary	3/2/200	23,900,000	\$23,899,008	992	13,926,389	8/1/2036
Roseland Elementary	11/6/20	7,000,000	\$6,999,673	328	6,799,673	8/1/2046
Roseland Elementary	3/3/202	9,400,000	\$3,500,000	5,900,000	2,870,000	8/1/2049
Santa Rosa Elementary	3/5/200	19,125,000	\$19,125,000	-	6,675,000	8/1/2030
Santa Rosa Elementary	11/4/20	54,000,000	\$54,000,000	-	40,647,000	8/1/2043
Santa Rosa Elementary	11/8/20	125,000,00	\$32,000,000	93,000,000	32,000,000	8/1/2053
Santa Rosa High	3/5/200	72,230,000	\$72,230,000	-	22,690,000	8/1/2030
Santa Rosa High	11/4/20	175,000,00	\$175,000,000	-	130,596,00	8/1/2043
Santa Rosa High	11/8/20	398,000,00	\$104,000,000	294,000,000	99,490,000	8/1/2053
Sebastopol Elementary	6/5/200	3,200,000	\$3,199,828	172	775,572	8/1/2026
Sebastopol Elementary	6/5/201	9,000,000	\$8,996,756	3,244	9,248,792	8/1/2043
Sebastopol Elementary	3/3/202	17,500,000	\$6,000,000	11,500,000	4,885,000	8/1/2049
Sonoma Valley Unified	6/7/199	27,500,000	\$27,500,000	-	5,700,000	8/1/2025
Sonoma Valley Unified	11/2/20	40,000,000	\$39,998,881	1,119	37,176,881	8/1/2033
Sonoma Valley Unified	11/8/20	120,000,00	\$120,000,000	-	97,865,000	8/1/2047
Twin Hills Elementary	11/3/19	4,000,000	\$4,000,000	-	335,000	8/1/2025
Twin Hills Elementary	11/2/20	11,000,000	\$2,664,964	8,335,036	2,375,978	8/1/2036
Waugh Elementary	11/8/20	4,000,000	\$3,999,601	399	3,934,601	8/1/2048
West Side Elementary	3/3/202	7,500,000	\$5,000,000	2,500,000	4,435,000	8/1/2053
West Sonoma County High	6/4/199	13,300,000	\$13,299,372	628	210,000	9/1/2023
West Sonoma County High	11/2/20	23,800,000	\$23,796,794	3,206	23,833,953	8/1/2046
West Sonoma County High	6/5/201	91,000,000	\$68,000,000	23,000,000	55,960,000	8/1/2052
Wilmar Elementary	11/6/20	4,000,000	\$3,997,436	2,564	4,347,464	8/1/2042
Windsor Unified	2/5/200	50,000,000	\$49,999,987	13	33,533,064	8/1/2041
Windsor Unified	11/8/20	62,000,000	\$62,000,000	-	55,960,000	8/1/2046
Wright Elementary	11/3/19	6,600,000	\$6,599,971	29	1,714,198	8/1/2028
Windsor Unified	6/5/201	14,000,000	\$13,997,616	2,384	12,802,397	8/1/2042
Sonoma County Jr. College	3/5/2002	251,700,000	\$251,700,000	-	108,515,000	8/1/2029
Sonoma County Jr.	11/4/20	410,000,00	\$410,000,000	-	289,305,00	8/1/2041
TOTAL, ALL SCHOOL BONDS (\$ in 000's)		\$3,014,895	\$2,512,518	\$502,377	\$1,756,299	

2022-23 School Prop 13 and State Funding By District

District Name	# Students 2018 2019	# Students 2022 2023	Prop 13 Tax 2022 2023	State Expenditures 2022 2023	PROP 13 AND STATE REV. 2022-2023
Alexander Valley Union	110	112	\$1,856,664	\$2,898,673	\$4,755,337
Bellevue Union	1,621	1,586	\$10,206,222	\$30,829,858	\$41,036,079
Bennett Valley Union	995	951	\$6,129,260	\$12,968,017	\$19,097,276
Cinnabar	267	207	\$1,166,447	\$3,813,170	\$4,979,617
Cloverdale Unified	1,375	1,318	\$10,759,285	\$20,276,099	\$31,035,384
Cotati-Rohnert Park Unified	6,166	6,449	\$37,872,717	\$99,271,069	\$137,143,786
Dunham	168	147	\$248,343	\$2,207,179	\$2,455,522

DISTRICT NAME	# STUDENTS 2018-2019	# STUDENTS 2022-2023	PROP 13 TAX \$ 22-23	STATE EXPENDITURES 2022-2023	PROP 13 & STATE REVENUE
Forestville Union	237	224	\$3,814,093	\$5,251,449	\$9,065,542
Fort Ross Elementary	21	14	\$423,530	\$961,527	\$1,385,057
Geyserville Unified	232	211	\$3,125,733	\$5,251,332	\$8,377,065
Gravenstein Union	761	768	\$3,686,973	\$11,510,815	\$15,197,788
Guerneville	1,341	360	\$2,626,603	\$10,420,765	\$13,047,368
Harmony Union	652	504	\$2,987,550	\$15,938,556	\$18,926,107
Healdsburg Unified	1,440	1,240	\$24,884,483	\$30,203,226	\$55,087,709
Horicon	69	56	\$1,873,061	\$2,447,780	\$4,320,841
Kashia	15	8	\$129,627	\$401,972	\$531,599
Kenwood	138	113	\$2,540,954	\$3,361,260	\$5,902,214
Liberty	834	1,559	\$7,978,260	\$24,662,866	\$32,641,125
Mark West Union	1,444	1,305	\$9,056,420	\$21,878,547	\$30,934,967
Monte Rio Union	84	59	\$1,474,447	\$1,629,524	\$3,103,971
Montgomery Elementary	33	21	\$599,609	\$998,545	\$1,598,153
Oak Grove Union	1,241	1,217	\$3,338,860	\$20,163,280	\$23,502,140
Old Adobe Union	2,091	1,973	\$13,407,489	\$32,468,359	\$45,875,848
Petaluma City Elementary	2,463	2,410	\$16,926,204	\$38,093,713	\$55,019,917
Petaluma Joint Union High	5,358	4,926	\$33,498,261	\$0	\$33,498,261
Piner-Olivet Union	1,261	1,235	\$6,936,519	\$21,568,670	\$28,505,189
Rincon Valley Union	3,307	3,072	\$22,343,216	\$45,985,597	\$68,328,814
Roseland	2,912	2,766	\$9,970,349	\$82,510,554	\$92,480,903
Santa Rosa City Elementary	4,992	4,861	\$33,094,511	\$86,229,862	\$119,324,373
Santa Rosa City High	11,104	10,179	\$83,495,319	\$0	\$83,495,319
Sebastopol Union	900	764	\$6,765,546	\$14,781,467	\$21,547,013
Sonoma Co Office of Ed	547	317	\$24,639,127	\$0	\$24,639,127
Sonoma Valley Unified	4,329	3,626	\$54,502,755	\$84,091,436	\$138,594,192
Twin Hills Union	1,207	959	\$4,536,992	\$17,087,596	\$21,624,589
Two Rock Union	166	133	\$471,660	\$2,176,752	\$2,648,412
Waugh	854	775	\$2,905,495	\$9,754,259	\$12,659,753
West Side Union	178	137	\$1,539,551	\$2,193,475	\$3,733,027
West Sonoma County Union	1,933	1,588	\$14,566,675	\$28,635,515	\$43,202,189
Wilmar Union	243	219	\$1,805,125	\$3,015,378	\$4,820,503
Windsor Unified	5,165	4,727	\$29,372,124	\$71,312,846	\$100,684,969
Wright	1,480	1,279	\$6,404,265	\$23,976,901	\$30,381,167
Total	69,734	64,375	\$502,103,660	\$888,329,216	\$1,390,432,876
Note: the state report on ADA \$ aggregates high school and elementary districts while population data is split and the State report doesn't include the SCOE schools					

APPENDIX C: OVERSIGHT

School Bond Oversight

School districts are required by law to conduct both an annual independent performance audit and an annual professional financial audit to ensure that school bond proceeds are used for their declared and intended purpose. However, to ensure that bond proceeds were spent for their intended purpose, the school district board is required by law to appoint an independent Citizen Bond Oversight Committee. These committees are supposed to review the expenditure of bond funds and to verify that the bond funds are being spent only for the authorized purpose.

Citizen Bond Oversight Committee meetings must be open to the public following notice in the same manner as the proceedings of the governing board. The committee is required to issue reports at least once a year on the results of its activities. Minutes of the committee proceedings and all documents

received, and reports issued are a matter of public record and must be made available on an internet web site maintained by the governing board of the district.

In furtherance of its mission to ensure that bond revenues are expended only for the construction and rehabilitation of school facilities, including furnishing and equipping the facilities, the committee is authorized to do the following:

- Receive and review the annual independent performance audit.
- Receive and review the annual independent financial audit.
- Inspect school facilities and grounds.
- Receive and review any deferred maintenance plans or proposals.
- Review efforts by the school district to implement cost-savings measures.
- Alert the public to any waste or improper expenditure of school bond funds.
- Ensure that unauthorized expenditures of school construction bond revenues are vigorously investigated, prosecuted and court restrained.

School Oversight

For more information, the State of California Legislative Analyst's Office recommends elements that should be an integral part of school oversight: <https://www.lao.ca.gov/Publications/Report/4883>

SALES TAX OVERSIGHT

Here are the actual oversight requirements for the last four county-wide sales tax measures:

Measure H, 2024 (fire & ambulance agency funding): *“shall Sonoma County establish a ½ cent sales tax until ended by voters, providing approximately \$60,000,000 annually, with annual audits and citizen oversight, and increase its annual appropriations limit to allow expenditure of the proceeds?”*

Oversight fine print: *“the Committee’s responsibilities shall not include decision making on spending priorities, financing plans or tax rate projections or assumptions, and the Committee shall have no authority to direct, nor shall it direct, County staff or officials or fire agency staff or officials.”*

Measure O, 2020 (mental health programs): *“shall the County of Sonoma establish a countywide ¼ cent sales tax for ten years, providing approximately \$25 million annually, with annual audits and citizen oversight to ensure funds are properly spent?”*

Oversight fine print: *“the committee’s responsibilities shall not include decision-making on spending priorities, financing plans or tax rate projections or assumptions and the committee shall have no authority to direct, nor shall it direct, County or City staff or officials.”*

Measure M, 2018 (park and rec programs): *“shall Sonoma County establish a one-eighth cent special transaction and use tax (sales tax) countywide for a ten-year period, providing approximately \$11.5 million annually, with citizens' oversight and annual audits?”*

Oversight fine print: *“the committee shall produce an annual oral or written report on its review which shall be considered by the Board at a public meeting. The committee may provide budget recommendations to the Board and City Councils regarding expenditures from the transactions and use tax...The amount generated by this revenue source and how it was used shall be included in the annual audit of the County’s financial operations by an independent certified public accountant, which the committee shall review. To preserve the integrity and independence of the oversight process, the committee’s responsibilities shall not include decision-making on spending priorities, financing plans or tax rate projections or assumptions and the committee shall have no authority to direct, nor shall it direct, County or City staff or officials.”*

Measure Y, 2016 (library funding):

Oversight fine print: *“Each appointee shall attend all meetings and fully participate in the review and annual report of the Measure Y revenue expenditures. The role of the committee is not to approve Measure Y expenditures in advance, but to carefully review expenditures on a regular basis, ask clarifying questions as needed, and make recommendations to*

library staff as to the appropriateness of expenditures and how they conform to the intent of the ordinance. The committee also works with library staff to prepare an annual report on the previous fiscal year expenditures, which is then presented to the library commission and made available to the public. The staff will make every effort to provide timely reports and answer committee questions about expenditures. Meetings of this committee are to be public and governed by the Brown Act.”

OVERSIGHT AUDITS AND THE ELECTED AUDITOR CHARTER

There are four basic types of audits:

- **Accounting:** Were accounting entries made properly and in accordance with generally accepted accounting principles?
- **Controls:** Did the audited entity have accounting and documentation analysis processes in place to ensure that the accounting records would likely be accurate and compliant with statutory and accounting requirements?
- **Compliance:** Did the entity being audited ensure that the accounting records would be accurate and compliant with statutory and accounting requirements?
- **Performance Audits:** A comprehensive review of the entity’s operational and financial procedures to confirm that work is being done according to industry best practices, and that the entity’s financial behaviors are fully compliant with stated policies and procedures.

Here are *excerpts* from the County Code regarding the Auditor’s authority and responsibility:

The Institute of Internal Auditors (IIA) defines internal auditing as "an independent objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The Audit division of our elected “Auditor/Controller/Treasurer/Tax Collector (ACTTC) has a public charter formalizing its responsibilities, reporting lines, and internal audit protocols. By ordinance, the Audit Division is authorized by the Board of Supervisors to review the accounts of all of County agencies and special districts; its charter establishes internal audit objectives and provides for *uninhibited and complete authority to fulfill its objectives*, with procedures to address obstacles and issues.

APPENDIX D. HOMELESSNESS COSTS

The \$129 million dollar reported spend on Homelessness comes from [the 2023-24 “Budget Memo”](#), a communication about topics that don’t necessarily fit into the budget process. Note that NO costs for the Corrections Dept./MADF are included in the County’s estimate below:

Homeless Costs

Beginning with FY 2022-23 Budget Hearing materials, we began providing information on costs associated with homeless response and prevention for the prior complete fiscal year. The information provided below reflects homelessness costs incurred in FY 2021-22.

...the County does not have a financial account coding structure exclusively designed to track homelessness related expenses, as delivery of service interactions are not all identified as providing services to housed versus unhoused clients.... their housing status may or may not be the leading cause for that interaction. Therefore, determining costs associated with addressing homelessness relies on considering expenditures as well as available case data.

Ultimately, the reported costs *are an approximation of* actual expenses incurred due to these realities.

In total, in FY 2021-22 Countywide spending on homelessness prevention and response totaled almost \$129 million, with the largest share being in the Community Development Commission (CDC)... approved by the County's Board of Supervisors/Board of Commissioners.

The enclosed table includes costs associated both with prevention, such as rental assistance programs & housing vouchers, as well as response, such as cleaning up homeless encampments in parks. Even the delineation between prevention and response can be nuanced...

Homelessness Prevention & Response Costs 2021-22

Community Dev. Commission Programs		
	2021	2022
Affordable Housing	33,876,217	43,811,447
Ending Homelessness	7,528,044	13,891,245
Housing Authority	37,712,059	45,922,030
Project Homekey	18,056,000	0
CDC Total	\$97,172,320	\$103,624,722
Health Services Programs		
Acc..Coord. Care (ACCESS)	6,464,568	6,738,393
Behavioral Health Acute Forensic	4,176,650	6,512,901
Behavioral Health Youth & Family	804,371	1,262,483
DHS Total	\$11,445,589	\$14,513,778
Human Services Programs		
Adult & Aging	601,980	652,478
Employment & Training	965,623	3,134,517
Family Youth & Children	2,662,918	1,925,869
Human Services Total	\$4,230,521	\$5,712,864
Misc Depts		
District Attorney Total	248,691	236,683
Regional Parks Total \$	379,889	
Probation Total	1,219,949	1,500,878
Public Infrastructure Total	1,247,143	684,790
Sheriff- Law Enforcement Total	411,157	
Sonoma Water Total	500,000	800,000
Misc Total	4,006,829	3,222,351
Total Homelessness Costs:	\$116,784,284	\$127,073,715

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August 14, 2024

Honorable Shelly J. Averill, Presiding Judge
Superior Court of California
County of Sonoma
600 Administration Drive
Santa Rosa, CA 95403

READ AND CONSIDERED
DATE 8/21/24 BY [Signature]

RE: Response to Grand Jury Report: Taxing and Spending in Sonoma County

Dear Judge Averill,

The Sonoma County Auditor-Controller-Treasurer-Tax Collector's Office respectfully submits the attached response to the findings and recommendations presented in the 2023-2024 Grand Jury investigation titled "Taxing and Spending in Sonoma County." The attachment outlines our office's responses to the Grand Jury's findings and addresses the recommendations submitted in their report.

Our office is honored to be a part of this integral process and looks forward to continued collaboration with County departments and the Board of Supervisors on the improvement of Sonoma County government.

On behalf of the Auditor-Controller-Treasurer-Tax Collector staff, I thank the Grand Jury for their integrity, dedication, and time during the 2023-2024 Investigation.

Sincerely,

Erick Roeser
Sonoma County Auditor-Controller-Treasurer-Tax Collector

cc: Sonoma County Board of Supervisors
Christina Rivera, Sonoma County CEO

DEPARTMENT GRAND JURY REPORT RESPONSES

Report Title: Taxing and Spending in Sonoma County
Report Date: June 17, 2024
Response by: Erick Roeser Title: Auditor-Controller-Treasurer-Tax Collector
Agency/Department Name: Sonoma County/Auditor-Controller-Treasurer-Tax Collector

FINDINGS ASSOCIATED WITH REQUIRED RESPONSES:

- F1. The total amount and source of tax collections is not published in a useful, publicly accessible format by any government entity.
- F2. The actual amount of money being spent to address public need is not published in a useful, publicly accessible format by any government entity.
- F4. The County Auditor/Controller/Treasurer/Tax Collector Citizen's Report, a helpful document, doesn't answer major questions about tax revenue or spending.
- F5. The County Auditor doesn't have the resources needed to conduct performance audits throughout County government.
- F7. Sonoma County sales tax rates are among the highest in California.


I (we) agree with the findings numbered: **F1, F4**

I (we) disagree wholly or partially with the findings numbered: **F2, F5, F7**

(Please see attached statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS:

- R2. By February 28, 2025, the Board of Supervisors, ACTTC and County Office of Education shall jointly determine personnel and professional services needed to make the Citizens Report a comprehensive presentation of all Sonoma County property and sales tax collections and expenditures.
- R3. By June 30, 2025, the Board of Supervisors shall fund the ACTTC so the Citizens Report includes this categorized information for fiscal years 2026 and onward.
- Recommendations numbered: **R2, R3** will not be implemented because they are not warranted or are not reasonable. (Please see attached explanation.)

Date: 8/15/2024 Signed: 

Number of pages attached: 1

The following are the Auditor-Controller-Treasurer-Tax Collector's (ACTTC) required responses to the 2024 Grand Jury Report investigation titled "Taxing and Spending in Sonoma County."

FINDINGS

F2. The actual amount of money being spent to address public need is not published in a useful, publicly accessible format by any government entity.

ACTTC RESPONSE: We disagree wholly or in part with this finding.

The County publishes annual reports that provide useful, publicly available information on spending to address public need. A comprehensive report for all government agencies in the county is not published.

F5. The County Auditor doesn't have the resources needed to conduct performance audits throughout County government.

ACTTC RESPONSE: We disagree wholly or in part with this finding.

The County Auditor has resources to conduct some performance audits of County programs and departments. Audit engagements are prioritized and selected by the ACTTC through a risk assessment process.

F7. Sonoma County sales tax rates are among the highest in California.

ACTTC RESPONSE: We disagree wholly or in part with this finding.

According to information published by the California Department of Tax and Fee Administration, Sonoma County is tied for the 9th highest sales tax rate for California counties and no Sonoma County cities are in the top 90 highest sales tax rates for California cities.

RECOMMENDATIONS

R2. By February 28, 2025, the Board of Supervisors, ACTTC and County Office of Education shall jointly determine personnel and professional services needed to make the Citizens' Report a comprehensive presentation of all Sonoma County property and sales tax collections and expenditures.

ACTTC RESPONSE: This recommendation will not be implemented because it is not warranted or is not reasonable.

Preparing a non-mandated, cross-governmental tax and spending report would detract from the ACTTC's ability to provide mandated and auditing services to and for benefit of the public and local government agencies. Additionally, the County of Sonoma, as defined for reporting purposes, does not include the incorporated cities, school districts or independent special districts in Sonoma County; therefore, it would be inappropriate to include financial data extraneous to the County of Sonoma in the Citizens' Report. The purpose of the Citizens' Report, an optional document, is to communicate selected financial information from the County of Sonoma's Annual Comprehensive Financial Report.

R3. By June 30, 2025, the Board of Supervisors shall fund the ACTTC so the Citizens Report includes this categorized information for fiscal years 2026 and onward.

ACTTC RESPONSE: This recommendation will not be implemented because it is not warranted based on the response to recommendation R2.

Sonoma County agencies must improve how tax spending is relayed to the public, grand jury report says

The county's civil grand jury contends that the system of tax collection and spending is too opaque for taxpayers to easily track where money is being spent.



Slide 1 of 2

Sonoma County Supervisors David Rabbitt, right, and Chris Coursey, middle left, listen as the discussion continues about the Agricultural Access Verification Program at the Board of Supervisors meeting in Santa Rosa, Tuesday, Sept. 19, 2023. (Kent Porter / The Press Democrat)



July 2, 2024
4 minute read

Sonoma County officials and agencies need to do a better job of clearly communicating how much tax revenue county agencies get and exactly how those funds are spent, the county's civil grand jury has said.

In a new report published last week, the Sonoma County Civil Grand Jury contends that the system of tax collection and spending is too opaque for taxpayers to easily track where the money is being spent – information that could be helpful when residents are asked to vote in support of new measures or renew existing ones.

“Are we paying for a Cadillac and getting a Yugo, or vice versa? As it stands, this question is impossible to answer,” the report read. “There is plenty of data about collections and spending, but it isn’t captured or presented in ways that citizens or decision-makers can use.”

The grand jury also faulted oversight committees that are largely toothless and the County Auditor’s office, which has not audited department spending in part because of staffing restraints and also because the board has not requested them, according to the report.

The grand jury called on the Board of Supervisors, the Auditor-Controller Treasurer-Tax Collector’s office and the Sonoma County Office of Education, a state-chartered agency not affiliated with the county, to improve how it disseminates and explains information about tax collection and spending to the public.

For more coverage on the Sonoma County Grand Jury’s 2023-24 reports

- On inadequate care in the county jail for inmates with mental health issues
- On the county’s breakdowns tracking billing by homeless service provider DEMA and failure to so far hold any of its own officials accountable.
- On county elections, which the grand jury found to be free of bias, undue influence, corruption, or other irregularities that could alter their outcome.

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It also tasked the Board of Supervisors with taking a more active oversight role.

The Board of Supervisors, Auditor-Controller Treasurer-Tax Collector and the Office of Education have 90 days to respond to the findings and recommendations.

The report was one of at least two from the grand jury last month to criticize county fiscal oversight. The other focused on the county's failure to properly oversee homeless service provider DEMA, which operated pandemic-era emergency housing sites for the county but could not document up to 40% of its roughly \$27 million in billing.

Just under \$4 billion in taxes — on personal income, property, sales and use — was paid within Sonoma County in 2022-23, according to the grand jury report.

ADDING IT ALL UP: \$3.9 BILLION

Property, sales and use, and personal income taxes collected in Sonoma County in 2023:

Type of Tax paid in Sonoma County	TOTAL TAX YEAR 2022-23
Sonoma County Prop 13 Property Tax	\$1,219,000,000
Special District Prop 13 Property Tax	\$125,000,000
Prop 13 School Bond Debt Service	\$138,000,000
Special District & School Parcel Taxes	\$82,000,000
Business Prop 13 Property Tax	\$38,000,000
Total Property Tax Collections	\$1,601,000,000
State 6% Sales Tax Collection	\$480,000,000
Sales Tax— State Collection @ 1.25 %	\$154,000,000
County Taxes @ 1.5%	\$155,000,000
City Taxes	\$96,000,000
Total, Sales Taxes	\$885,000,000
Personal Income Taxes	\$1,449,000,000
Total, Sonoma County 22-23 Taxes	\$3,936,000,000

A breakdown of property, income and sales and use taxes paid within Sonoma County in the fiscal year 2022-23. (Sonoma County Civil Grand Jury)

Outside of income tax, which is the exclusive domain of the federal and state government, the other taxes are levied by the state, county, cities, school districts and special districts.

The grand jury singled out two sources as perennial guides for how that money was spent at the county level: The Citizens Report which the Auditor-Controller Treasurer-Tax Collector produces for accounting and finance professionals, and the county's thick annual budget. Both are posted online.

The Citizens Report “is the County’s best effort at aggregating County revenue and expense reports,” the grand jury found, but it does not include a comprehensive look at school debt, city debt, special district debt and the like that also impact taxpayers.

The county budget includes an itemized breakdown of County of Sonoma department budgets and spending broken down across hundreds of pages.

Simple summaries of how much the county spends on issues like homelessness and mental health services are not neatly outlined because some services and funds cut across multiple departments and programs and so are not always logged as homeless services spending, the grand jury noted.

Sonoma County spokesperson Matt Brown, in a written statement, said the board is reviewing the report and will provide a “detailed response” within the required 90 days.

“The County of Sonoma is committed to transparency and open government, and values and appreciates the work of the grand jury,” Brown said.

The statement also directed members of the public with questions about tax spending to look through the county’s operating budget online. That breakdown is designed to make county spending more accessible to the public.

Property tax collections in the county in the 2022-23 fiscal year reviewed by the grand jury amounted to \$1.6 billion.

About half of local property tax goes to public education, including K-12 schools, universities and community colleges. Counties, which also rely heavily on property tax, get a smaller share, while cities, which rely most heavily on sales tax, get a smaller portion after that.

But accounting for how all that property tax money was distributed and spent across Sonoma County’s 40 public school districts is not easy, the grand jury concluded.

The county Office of Education does not direct that spending but it does provide some level of fiscal oversight, especially for struggling districts.

“The civil grand jury report shows the difficulty of taking a big picture look at the local level of how all taxpayer money is spent,” Eric Wittmershaus, director of communications for the Office of Education, said in a written statement.

Wittmershaus noted that the report found that local schools are meeting California’s financial reporting requirements but said the office is looking forward to working with the Board of Supervisors and Auditor-Controller-Treasurer-Tax-Collector on the grand jury’s recommendations.

Wittmershaus also addressed a criticism in the report that school districts often use bond measures to fund things like technology upgrades. The grand jury described the use of bonds for technology expenses as “long-term debt paying for short-lived assets.”

Wittmershaus called those concerns “familiar,” adding that it is permitted by the state.

“As a state agency responsible for ensuring schools are spending their money within California’s guidelines, SCOE does not have a position on this issue and generally regards school bonds as matters that are between individual districts’ voters and boards of trustees,” Wittmershaus said in the statement.

You can reach Staff Writer Emma Murphy at 707-521-5228 or emma.murphy@pressdemocrat.com. On Twitter @MurphReports.

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Emma Murphy

County government, politics reporter

The decisions of Sonoma County's elected leaders and those running county government departments impact people's lives in real, direct ways. Your local leaders are responsible for managing the county's finances, advocating for support at the state and federal levels, adopting policies on public health, housing and business — to name a few — and leading emergency response and recovery. As The Press Democrat's county government and politics reporter, my job is to spotlight

Do you want to know more about a decision coming before the Board of Supervisors? Is there an issue the county government needs to address?

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Your contact info

We'll be in touch if we need to follow up on your question.

Name

Email Address

- ☐ I am over 16 years old
- ☐ I accept the Terms and Conditions

Submit

Third Amended and Restated Joint Powers Agreement

Relating to and Creating the

Sonoma Clean Power Authority

By and Among

The County of Sonoma and
The Sonoma County Water Agency

This Third Amended and Restated Joint Powers Agreement (“Agreement”), effective as of October 13, 2016, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B (“Parties”), and, as of this date, supersedes the original Joint Powers Agreement dated December 4, 2012, the First Amended and Restated Joint Powers Agreement dated June 25, 2013, and the Second Amended and Restated Joint Powers Authority dated July 25, 2013.

RECITALS

- A. The Parties share various powers under California law, including but not limited to the power to generate, buy and sell power and aggregate electric load for themselves and customers within their jurisdictions.
- B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.
- C. The purposes for the entering into this Agreement include
 - a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;
 - b. Providing electric power and other forms of energy to customers at a competitive cost;
 - c. Carrying out programs to reduce total energy consumption;
 - d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and
 - e. Promoting long-term electric rate stability, energy security, reliability, and resilience.
- D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to

solar, wind, geothermal, and biomass energy production, with a preference for local distributed sources and California sources.

- E. The Parties have established a separate public agency, known as the Sonoma Clean Power Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
- F. The Parties have adopted an ordinance electing to implement through the Authority a common Community Choice Aggregation program, an electric service enterprise available to cities, counties, and the Sonoma County Water Agency pursuant to California Public Utilities Code Sections 331.1(c) and 366.2 (“CCA Program”).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions

Exhibit B: List of the Parties and Participants

Exhibit C: Annual Energy Use and Voting Shares

ARTICLE 2: FORMATION OF SONOMA CLEAN POWER AUTHORITY

2.1 Effective Date and Term. This Agreement became effective, and the Sonoma Clean Power Authority commenced existence as a separate public agency, on December 4, 2012 (the “Effective Date”). The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public agency named the Sonoma Clean Power Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties and Participants are authorized to participate in the CCA Program, as further described in Section 5.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 4.7 through 4.7.6:

- 2.4.1 to make and enter into contracts;
- 2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;
- 2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;
- 2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- 2.4.5 to lease any property;
- 2.4.6 to sue and be sued in its own name;
- 2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;
- 2.4.8 to form subsidiary or independent corporations or entities, if necessary to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
- 2.4.9 to issue revenue bonds and other forms of indebtedness;
- 2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- 2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- 2.4.12 to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority (“Operating Rules and Regulations”); and

2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the Sonoma County Water Agency.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (CEQA).

ARTICLE 3: AUTHORITY PARTICIPATION

3.1 Participation in CCA Program. The Parties may participate in the CCA Program upon the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12). Other incorporated municipalities and counties (“Participants”) may participate in the CCA Program upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a participant in the CCA Program, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 4.7.3 (or, if demanded by any Director, 4.7.4), of a resolution authorizing the participation of the additional incorporated municipality or county, specifying the participation payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning, and other pre-existing expenditures, and describing additional conditions, if any, associated with participation, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of any necessary program agreements by the incorporated municipality or county, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board.

3.2 Continuing Participation. The Parties acknowledge that participation in the CCA Program may change by the addition or withdrawal or termination of Participants. The Parties agree to participate with such other Participants as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Participant shall not affect this Agreement or the remaining Parties’ or Participants’ continuing obligations under this Agreement.

3.3 Participants Not Liable for Authority Debts. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Participants unless the governing board of a Participant agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Participant who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties and Participants agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 3.3 may not be

amended unless such amendment is approved by the governing board of each Participant.

ARTICLE 4: GOVERNANCE AND INTERNAL ORGANIZATION

4.1 Board of Directors. The governing body of the Authority shall be a Board of Directors (“Board”). The composition of the Board shall be as set forth in Section 4.7. Each Director shall serve at the pleasure of the governing board of the Party or Participant who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

4.2 Quorum. A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

4.3 Powers and Functions of the Board. The Board shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Board shall provide general policy guidance to the CCA Program. The Board shall be required to approve any of the following actions:

- a. The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.
- b. The hiring of a Chief Executive Officer and General Counsel.
- c. The appointment or removal of an officer.
- d. The adoption or modification of the annual budget.
- e. The adoption of an ordinance.
- f. The initiation of litigation where the Authority will be the plaintiff, petitioner, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board.
- g. The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority, except as provided in Section 4.5.2.1.1.
- h. Any agreement between the Authority and any Party or Participant if the total amount payable under the agreement and other agreements with the Party or Participant is more than \$50,000 in any fiscal year.
- i. Termination of the CCA Program.

4.4 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the

Authority, except the powers specifically set forth in Section 4.3 or those powers which by law must be exercised by the Board of Directors. The Chief Executive Officer may enter into and execute any Energy Contract, in accordance with criteria and policies established by the Board.

4.5 Commissions, Boards, and Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs, and the provisions of this Agreement. All advisory commissions, boards, and committees established by the Board shall comply with the requirements of the Ralph M. Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

4.5.1 Community Advisory Committee. The Board shall establish a Community Advisory Committee consisting of a minimum of seven members and a maximum of eleven members, none of whom may be members of the Board. In appointing members to the Committee, the Board shall use its best efforts to appoint a balanced, diverse group of individuals, a majority of whom represent the interests of customers as ratepayers (both residential and commercial/industrial), and including members having expertise in one or more of the areas of management, administration, finance, or contracts (in either the public or private sector), infrastructure development, renewable power generation, power sales and marketing, energy conservation, public policy development, or public relations. The Board shall publicize the opportunity to serve on the Community Advisory Committee, and shall appoint members of the Community Advisory Committee from those individuals expressing interest in serving, giving a preference to individuals who are customers of the CCA Program. Members of the Community Advisory Committee shall serve staggered four-year terms as determined by the Board of Directors. A member of the Community Advisory Committee may only be removed by the Board of Directors by a two-thirds vote as provided in Section 4.7.5. Each member of the Community Advisory Committee shall have one vote; a majority of members shall constitute a quorum; and a majority of a quorum is sufficient for committee action.

4.5.2 Duties and Powers of Community Advisory Committee. The Community Advisory Committee shall meet at least six times per calendar year, and shall have the following duties and powers:

4.7.2.1 Review of Budget and Rates. The proposed annual budget of the CCA Program and any rates or charges proposed to be imposed by the Authority for CCA Program power or services shall be submitted to the Community Advisory Committee for review and comment. Following review by the Community Advisory Committee of any such matter, the committee shall recommend to the Board that the matter be approved, approved as amended, or disapproved by the Board. The recommendation of the Community Advisory Committee shall be communicated to the Board and noted on the agenda for the meeting at which the Board considers the matter. The Board may impose a reasonable deadline for action on the Community Advisory Committee as necessary to ensure the timely setting of rates by the Authority.

4.5.2.1.1 Temporary Rate Changes. Notwithstanding the requirements in Sections 4.3 and 4.5.2.1, the Chief Executive Officer may change any rate for power sold by the Authority or any charge for services provided by the Authority if (a) the need for the change arises from (i) unforeseen circumstances, (ii) a change in rates or charges imposed on the Authority or its customers by PG&E, the CPUC, or any other regulatory agency, or (iii) technical deficiencies or errors in an existing Authority rate or charge; and (b) the Chief Executive Officer determines, following consultation with the Chair of the Board of Directors, that the change is reasonably necessary for budgetary reasons or to keep the Authority's rates and charges competitive. Changes in rates or charges made by the Chief Executive Officer under this Section shall be brought to the Board of Directors at the next scheduled meeting for consideration and shall expire after 90 days unless ratified by the Board of Directors.

4.5.2.2 Review of Policies and Programs. The Community Advisory Committee may review and may make recommendations with respect to the programs, policies, and operations of the CCA Program to the Chief Executive Officer or to the Board of Directors. The Community Advisory Committee shall have the opportunity to review and comment upon proposals for new programs, policies, or significant operational changes proposed by the Chief Executive Officer for the CCA program. If requested by the Community Advisory Committee, the Chief Executive Officer shall provide the Committee with any information reasonably necessary for the Committee to carry out its duties. Actions of the Community Advisory Committee are advisory only, and Community Advisory Committee action or approval is not a prerequisite to the Board of Directors' or the Chief Executive Officer's action on any item.

4.5.2.3 Reports to the Board. The Community Advisory Committee may prepare or cause to be prepared for presentation to the Board any reports, investigations, studies, or analyses relating to the Authority or the CCA Program.

4.5.2.4 Placing Matters on Board's Agenda. The Community Advisory Committee may place any matter relating to the Authority or the CCA Program on the Board's agenda for consideration and possible action.

4.5.2.5 Support for Community Advisory Committee. The Board shall provide for reasonable and necessary administrative assistance to the Community Advisory Committee. If requested by the Community Advisory Committee, the Chief Executive Officer shall enter into contracts as reasonably necessary to carry out the duties and powers of the Community Advisory Committee; provided, however, that (a) the amount payable under any contract cannot exceed \$20,000 per year, (b) the total amount payable under all contracts cannot exceed \$50,000 per year, and (c) the contracts are in a form acceptable to the Authority's Chief Executive Officer and General Counsel. The Board of Directors may authorize an amount in excess of these expenditure limits if it finds and determines that it is reasonable and necessary to do so for the Community Advisory Committee to perform its obligations.

4.5.2.6 Chief Executive Officer Reports to Community Advisory Committee. The Chief Executive Officer shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Community Advisory Committee on the operations of the Authority during the preceding fiscal quarter. The report shall contain information regarding the financial performance of the Authority during the preceding quarter, the number of accounts served, the amount of power delivered, and a narrative description of energy efficiency, energy conservation, renewable power generation, and other programs carried out by the Authority.

4.5.2.7 Other Delegated Powers. The Board of Directors may delegate such other and further powers and duties to the Community Advisory Committee as it shall determine in its sole discretion.

4.5.2.8 Existing Committees Dissolved. Effective as of the date this Third Amended and Restated Agreement is approved, the Ratepayer Advisory Committee and the Business Operations Committee are dissolved.

4.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Directors.

4.7 Board of Directors Composition. The Board of Directors shall consist of one appointee from each Participant located within the boundaries of the County of Sonoma, and one joint appointee from the County of Sonoma and the Sonoma County Water Agency. If the Board of Directors approves any other municipality or county as a Participant pursuant to Section 3.1, the Board of Directors shall determine whether such municipality or county (or any combination thereof) may appoint an additional member to the Board of Directors. Each appointee must be an elected member of the governing board of his or her appointing body. Each Party or Participant appointing a member to the Board of Directors may also appoint up to two alternates to serve in the absence of its Director. Alternates must be either an elected member of the governing board of his or her appointing body, or an employee of the jurisdiction appointing them.

The voting shares of Directors and approval requirements for actions of the Board shall be as follows:

4.7.1. Voting Shares.

Each Director shall have a voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100, where

(a) “Annual Energy Use” means the annual electricity usage, expressed in kWh, of accounts within a Party’s or Participant’s respective jurisdiction that are served by the Authority; and

(b) “Total Annual Energy” means the sum of all Annual Energy Use, expressed in kWh, of accounts within the jurisdictions of those Parties and Participants who have appointed a director to the Board of Directors.

(c) The combined voting share of all Directors representing the County of Sonoma and the Sonoma County Water Agency shall be based upon the annual electricity usage within the unincorporated area of Sonoma County.

4.7.2. Exhibit Showing Voting Shares. The voting shares of each member of the Board of Directors are set forth in Exhibit C. Exhibit C shall be revised no less than annually as necessary to account for changes in the number of Parties or Participants appointing members to the Board of Directors, and changes in the Parties' and Participants' Annual Energy Use.

4.7.3. Approval Requirements Relating to CCA Program. Except as provided in Sections 4.7.4 and 4.7.5 below, action of the Board shall require the affirmative vote of a majority of Directors present at the meeting.

4.7.4. Option for Approval by Voting Shares. Notwithstanding Section 4.7.3, any Director present at a meeting may demand that approval of any matter related to the CCA Program be determined on the basis of voting shares and by the affirmative vote of a majority of Directors present at the meeting. If a Director makes such a demand with respect to approval of any such matter, then approval of such matter shall require the affirmative vote of a majority of Directors present at the meeting and the affirmative vote of Directors having a majority of voting shares of the Directors present at the meeting, as determined by Section 4.7.1 except as provided in Section 4.7.5.

4.7.5. Special Voting Requirements for Certain Matters.

A. Two-Thirds and Weighted Voting Approval Requirements Relating to Sections 4.5.1, 7.2, and 8.4. Action of the Board on the matters set forth in Section 4.5.1 (removal of member of Community Advisory Committee), Section 7.2 (involuntary termination of a Party or Participant), or Section 8.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors; provided, however, that (a) notwithstanding the foregoing, any Director present at the meeting may demand that the vote be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of at least two-thirds of Directors and the affirmative vote of Directors having at least two-thirds of the voting shares, as determined by Section 4.7.1; (b) when a Director has demanded that the vote be determined on the basis of voting shares and by the affirmative vote of Directors, if any individual Party or Participant's voting share exceeds 33 and the Director(s) for that Party or Participant votes in the negative or abstains or is absent from the meeting, then at least one other Director representing a different Party or Participant shall be required to vote in the negative, or the matter shall be deemed approved; and (c) for votes to involuntarily terminate a Party or Participant under Section 7.2, the Director(s) for the Party or Participant subject to involuntary termination may not vote, and the number of Directors constituting two-thirds of all Directors, and weighted vote of each Party or Participant, shall be recalculated as if the Party or Participant subject to possible termination were not a Party or Participant.

B. Seventy Five Percent Special Voting Requirements for Eminent Domain and Participant Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors.

(ii) The imposition on any Party or Participant of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties and Participants who are being asked to make such contribution or pledge.

(iii) Notwithstanding the foregoing, any Director present at the meeting may demand that a vote under subsections (i) or (ii) be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of at least 75% of Directors and the affirmative vote of Directors having at least 75% of the voting shares, as determined by Section 4.7.1, and when a Director has demanded that the vote be determined on the basis of voting shares and by the affirmative vote of Directors, if any individual Party or Participant's voting share exceeds 25% and the Director(s) for that Party or Participant votes in the negative or abstains or is absent from the meeting, then at least one other Director representing a different Party or Participant shall be required to vote in the negative, or the matter shall be deemed approved. For purposes of this section, "imposition on any Party or Participant of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any liabilities or obligations of a withdrawing or terminated party imposed under Section 7.3.

4.8 Meetings and Special Meetings of the Board. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings of the Board, the Community Advisory Committee, or the governing body of any subsidiary entity or independent corporation established by the Authority shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

4.9 Selection of Board Officers.

4.9.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

4.9.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

4.9.3 Treasurer and Auditor. The Sonoma County Auditor-Controller-Treasurer-Tax Collector shall act as the Treasurer and the Auditor for the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depositary of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 6.

4.10 Administrative Services Provider. The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed administrative services provider or providers (an "Administrative Services Agreement"). The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 5 IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 Preliminary Implementation of the CCA Program.

5.1.1 Enabling Ordinance. Except as otherwise provided by Section 3.1, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

5.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.7.3.

5.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any

applicable requirements of state law.

5.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

ARTICLE 6 FINANCIAL PROVISIONS

6.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 Depository.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or Participant or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties and Participants at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 Budget and Recovery of Costs.

6.3.1 Budget. The annual budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses.

6.3.2 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 7: WITHDRAWAL AND TERMINATION

7.1 Withdrawal.

7.1.1 Right to Withdraw. A Party or Participant may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party and Participant. Withdrawal of a Party or Participant shall require an affirmative vote of its governing board.

7.1.2 Right to Withdraw After Amendment. Notwithstanding Section 7.1.1, a Party or Participant may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Party or Participant's Director(s) voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party or Participant shall require an affirmative vote of its governing board and shall not be subject to the six month advance notice provided in Section 7.1.1. In the event of such withdrawal, the Party or Participant shall be subject to the provisions of Section 7.3.

7.1.3 Continuing Liability; Further Assurances. A Party or Participant that withdraws its participation in the CCA Program may be subject to certain continuing liabilities, as described in Section 7.3. The withdrawing Party or Participant and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party or Participant from participation in the CCA Program.

7.2 Involuntary Termination of a Party or Participant. Participation of a Party or Participant in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's or Additional Participant's participation in the CCA Program upon a vote of Board members as provided in Section 4.7.5. Prior to any vote to terminate participation with respect to a Party or Participant, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party or Participant whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party or Participant has allegedly violated. The Party or Participant subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party or Participant that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 7.3.

7.3 Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Party or Participant, the Party or Participant shall remain responsible for any claims, demands, damages, or liabilities arising from the Party or Participant's membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party or Participant shall not be responsible for any liabilities arising after the date of the Party or Participant's withdrawal or involuntary termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Party or Participant may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party or Participant's load. With respect to such liability, upon notice by a Participant that it wishes to withdraw from the program, the Authority shall notify the Party or Participant of the minimum waiting period under which the Participant would have no costs for withdrawal if the Participant

agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party or Participant elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party or Participant also shall be responsible for any costs or obligations associated with the Party or Participant's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party or Participant. The Authority may withhold funds otherwise owing to the Party or Participant or may require the Party or Participant to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board of Directors, to cover the Party's or Participant's liability for the costs described above. Any amount of the Party's or Participant's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party or Participant. The liability of any Party or Participant under this section 7.3 is subject and subordinate to the provisions of Sections 2.2 and 3.3, and nothing in this section 7.3 shall reduce, impair, or eliminate any immunity from liability provided by Sections 2.2 or 3.3.

7.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Participant to withdraw its participation in the CCA Program, as described in Section 7.1.

7.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties and Participants in proportion to the contributions made by each.

7.6 Negotiations with Participants. If the Parties wish to terminate this Agreement, or if the Parties elect to withdraw from the CCA Program following an amendment to this Agreement as provided in Section 7.1.2, but two or more Participants wish to continue to participate in the CCA Program, the Parties will negotiate in good faith with such Participants to allow the Participants to become parties to this Agreement or to effect a transfer of CCA Program operations to another entity.

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.1 Dispute Resolution. The Parties, Participants, and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should such efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be settled by binding arbitration in accordance with policies and procedures established by the Board.

8.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their

employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Participants, the Authority, or its Directors, officers, or employees.

8.3 Indemnification of Parties and Participants. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties, the Participants, and the public. The Authority shall defend, indemnify, and hold harmless the Parties and Participants, and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 4.7.5. The Authority shall provide written notice to all Parties and Participants of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

8.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties or Participants may not be assigned or delegated without the advance written consent of all of the other Parties and Participants, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties and Participants. This Section 8.5 does not prohibit a Party or Participant from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's or Participant's contributions to the Authority, or the disposition of proceeds which that Party or Participant receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties or Participants under this Agreement.

8.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties and Participants.

Exhibit A

Definitions

“AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 4.7.2.

“Authority” means the Sonoma Clean Power Authority.

“Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Board of Directors of the Authority.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities, counties, and the Sonoma County Water Agency pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.3, 2.4, and 5.1.

“Director” means a member of the Board of Directors representing a Party or an Additional Participant.

“Effective Date” means December 4, 2012, the date on which this Agreement became effective and the Sonoma Clean Power Authority began to exist as a separate public agency.

“Energy Contract” means any agreement for the purchase or sale of electrical energy or any related attributes, including but not limited to capacity, resource adequacy, transmission or congestion rights, demand response products, or environmental attributes.

“Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or

more Administrative Services Provider Agreements and Program Agreement 1. Administrative and operational costs incurred after the approval of Program Agreement 1 shall not be considered Initial Costs.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Participant” or “Additional Participant” means any incorporate municipality or county electing to participate in the CCA Program.

“Parties” means, collectively, the County of Sonoma and the Sonoma County Water Agency.

“Party” means the County of Sonoma or the Sonoma County Water Agency.

“Total Annual Energy” has the meaning given in Section 4.7.2.

Exhibit B**List of Parties and Participants**

Parties: County of Sonoma, Sonoma County Water Agency

Participants: Town of Windsor; City of Cotati; City of Sebastopol; City of Sonoma; City of Santa Rosa; City of Petaluma; City of Rohnert Park; City of Cloverdale, County of Mendocino, City of Fort Bragg, City of Willits, City of Point Arena.

Exhibit C**SCPA Voting Shares**

January 1, 2021

	Annual Energy Use (kWh) 12/1/2019 to 12/1/2020	Voting Shares
CLOVERDALE	30,710	1
COTATI	28,080	1
PETALUMA	265,850	11
ROHNERT PARK	162,960	7
SANTA ROSA	591,070	25
SEBASTOPOL	29,520	1
SONOMA	51,320	2
UNINCORPORATED SONOMA	753,770	32
WINDSOR	90,940	4
SONOMA CO. TOTAL	2,004,220	-
FORT BRAGG, WILLITS, PT ARENA	66,540	3
UNINCORPORATED MENDOCINO	271,180	12
MENDOCINO CO. TOTAL	337,720	-
SONOMA + MENDOCINO TOTAL	2,341,940	100

Note: Voting Shares may not add to 100 due to rounding.

Sonoma County Homeless Coalition Governance Charter
Version: January 30, 2025

Table of Contents

Contents

Preamble	2
Mission	2
Vision	2
Purpose of this Charter	3
Stakeholders include:	4
The Coalition supports:	4
Performance Targets & Monitoring	4
Coalition General Membership & Voting Membership	7
General Members	7
Voting Membership	7
Coalition Member Recruitment and Solicitation (General and Voting Members)	8
Coalition Quarterly Membership Meetings	8
The Coalition Board	9
Coalition Board Roles and Responsibilities	9
Board Composition and Terms	10
Board Member Elections	12
Board Officers and Terms	13
Board Vacancy, Removal & Resignation	13
Meetings and Action	15
Board Staffing	15
Policy Committees	16
Sonoma County Racial Equity Workgroup	17
Sonoma County Lived Experience Advisory Planning (LEAP) Board	17
Non-Discrimination	18
Conflict of Interest and Recusal Processes	18
Recusals of Conflicted Members - Preferred and Alternative Processes	20

Annual Document Review & Amendments	21
Administrative Agencies	22
Lead Agency	22
Collaborative Applicant	22
Homeless Management Information System (HMIS) & HMIS Lead	23
HMIS Lead Evaluation	23
Sonoma County HMIS Lead Responsibilities	24
HMIS End User Agreements, HMIS Participation Agreements and Fees	25
HMIS Fees	26
HMIS Vendor Selection	27
HMIS Policies and Procedures	27
Appendix A: Terms, Definitions, and Acronyms	28
Appendix B: Board Protocols	29
Appendix C: Coordinated Entry Policies and Procedures	30
Attachement A: Conflict of Interest Form	32

Preamble

The Sonoma County Homeless Coalition is the legislative body which under Federal law has the primary responsibility for addressing homelessness in Sonoma County in collaboration with County government, cities, community-based organizations, faith-based organizations, persons with lived experience, and the Sonoma County public. It is the system whereby all who want to reach functional zero in homelessness in our region can be part of the community solutions.

Mission

The Sonoma County Homeless Coalition addresses the problems of housing and homelessness by having a countywide, community-informed, lived-experience-informed, and person-centered system that is compassionate, transparent, inclusive, financially responsible, equitable, coordinated, and outcomes-based.

Vision

Our vision for the Coalition in Sonoma County is that:

- We have a unified, coordinated, equitable, and integrated system with a clear vision across the community to reduce homelessness.
- The people of our region, via our Coalition, have a system of care that ensures that all persons experiencing homelessness have a safe, supportive and permanent place to call home.
- The people of our region are collectively building a future in which there are sufficient resources, political leadership, and community involvement to end homelessness as a permanent fixture in our social landscape.
- Our system:
 - ensures quick access to permanent housing, stable and increased income for participants, strength-based consumer relationships, effective and financially responsible services and programming, coordination and collaboration with mainstream partners, policy and resource advocacy, and comprehensive community education.
 - provides for programming and services in all regions of Sonoma County.
 - Supports policies that address the disparity we have experienced in Sonoma County between community members' financial resources and housing costs.
 - Commits to equity and inclusion to engage all community members, regardless of background, throughout Sonoma County, especially those whose voices have been traditionally marginalized.
 - Is transparent and clear when it comes to funding and funding decisions.

The Coalition is committed to upstream investments before problems occur, to reduce overall societal costs, including:

- Diverting those at imminent risk of homelessness from entering shelters via robust homelessness prevention effort(s).
- Engaging and empowering people who are experiencing homelessness, to reclaim their dignity and to regain housing stability.
- Avoiding high criminal justice and hospital costs, and negative health outcomes, with appropriate housing, income, and access to health services.
- Aligning public and private efforts to address the problems we share.

Purpose of this Charter

This Governance Charter and associated Policies and Procedures memorialize how stakeholders meet the federally-defined responsibilities of operating a US Department of Housing and Urban Development (HUD) Continuum of Care (CoC) as found in the Program Rule at [24 CFR Part 578](#). As described, HUD empowers and expects the Sonoma County Homeless Coalition to lead local policy and program development around homelessness. The Coalition (as CoC) also determines the Collaborative

Applicant (the agency that coordinates our HUD Continuum of Care application, among other things), Homeless Management Information Systems (HMIS) provider, Coordinated Entry operator, and the Continuum of Care's lead administrative agency.

Stakeholders include:

- People without a home
- Individuals committed to ending homelessness
- Government entities such as the County and municipalities and educational entities
- Nonprofit and for profit service providers
- Communities – including residents and businesses - affected by homelessness
- Federal and State funders
- Persons with lived experience in homelessness

Stakeholders are committed to the broad values of being: person centered, inclusive, equitable, collaborative, integrated, communicative, coordinated, data driven, transparent, accountable, sustainable, proactive, and comprehensive.

The Coalition will be guided by a commitment to Diversity, Equity, and Inclusion (DEI). The Coalition will promote equity for communities of color disproportionately affected by homelessness through Coalition membership participation and leadership to assure decision-making is conducted with an awareness of the people we serve. This may include methods such as:

- Recruiting organizations representing these communities as Coalition members and leaders.
- Training to promote decision-making that reflects awareness of the people we serve.
- Tracking and reporting results by race and ethnicity, starting with the annual or semi-annual Point in Time (PIT) Count of sheltered and unsheltered homeless.
- Considering funding and policy decisions that support and uplift DEI and belonging.

The Coalition supports:

Performance Targets & Monitoring

1. Establish appropriate performance targets by population and program in consultation with the Coalition (and HUD Continuum of Care) Program Grantees and sub-recipients then:

2. Monitor performance and evaluate outcomes of Emergency Solutions Grants (ESG) and other CoC-funded programs.
 - a. ESG recipients provide housing and related support services for low-income persons and their households in the entire Coalition Service Area in accordance with HUD ESG Program regulations and the State of California Emergency Solutions Grant ("CA ESG") Program regulations.
3. Improve performance in reducing homelessness
 - a. Ensure compliance with federal regulations and steward public resources to ensure they are retained in Sonoma County.
 - b. Report to the U.S. Department of Housing and Urban Development (HUD) as required/requested.
4. Coordinated Entry (CE) and Assessment
 - a. Establish and operate a coordinated entry and assessment system in consultation with CoC fund recipients, ESG fund recipients, and other Coalition stakeholders.
 - b. CE Policies and Procedures: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/providers/sonoma-county-coordinated-entry>
5. Written Standards
 - a. Establish and follow written standards for providing Coalition assistance in consultation with CoC and ESG fund recipients.
 - b. Written standards must include:
 - i. Policies and procedures for evaluating individuals' and families' eligibility for assistance.
 - ii. Policies and procedures for determining and prioritizing which eligible individuals and families for assistance (ie. transitional housing, rapid rehousing, permanent supportive housing).
 - iii. Emergency Transfer Priority policies and procedures
 - iv. Standards for determining what percentage or amount of rent each program participant must pay while receiving rapid rehousing assistance.
 - c. Coalition's Written Program Standards: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/continuum-of-care/coc-governance-and-compliance>
6. Homeless Management Information System (HMIS)
 - a. Designate a single HMIS for the Sonoma County geographic area and designate an eligible applicant to manage it.
 - b. Review, revise, and approve privacy, security, and data quality plans

- c. Ensure consistent participation of the Coalition's Program Grantees (including ESG and CoC recipients) and sub-recipients in HMIS.
 - d. Ensure that the HMIS is administered in compliance with HUD requirements.
 - e. HMIS Policies and Procedures: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/providers/sonoma-county-hmis>
7. Planning
- a. In the context of regional homelessness strategic planning efforts:, (a) compile information on the status of and changes in Sonoma County homeless housing and service needs; (b) obtain information on activities, programs, policies and evidence of outcomes elsewhere; (c) revise Coalition funding and programs in light of this information.
 - b. Coordinate implementation of a housing and service system
 - c. Conduct a point-in-time count of sheltered and unsheltered homeless individuals, families, veterans, and youth that meets HUD's requirements, at least once every 2 years.
 - d. Conduct an annual gaps analysis of homelessness needs, housing units/beds, and services.
 - e. Provide information required to complete the Consolidated Plan(s)
 - f. The Lead Agency and HMIS Lead will establish appropriate performance targets by population and program in consultation with the CoC and ESG Program Grantees and sub-recipients.
 - g. Monitor performance and evaluate outcomes of the following programs: Emergency Solutions Grant (ESG), Continuum of Care (CoC), Homelessness Housing Assistance and Prevention (HHAP), Homelessness Housing Incentive Program (HHIP), and all programs funded by local government.
8. Application for US HUD Continuum of Care Program Funds:
- a. Design, operate, and follow a collaborative, fair, and transparent process for developing applications and approving submission of applications in response to a CoC Program Notice of Funding Opportunity (NOFO).
 - b. Establish priorities for funding projects.
 - c. Determine if one or more applications will be submitted
 - d. If more than one, designate the Collaborative Applicant
 - e. If only one, the applicant is the Collaborative Applicant
 - f. Rank multiple applications if required by HUD

Coalition General Membership & Voting Membership

Anyone or any entity committed to the prevention and ending of homelessness is welcome in the Homeless Coalition; there are general members and voting members as described below. There are no meeting requirements, dues or fees needed to become a member.

General Members

General Members include any individuals or organizations who participate in and support the Coalition or who actively address homelessness in Sonoma County and will honor codes of conduct and confidentiality requirements. Once your application is received and approved, you need not reapply. These members may include, but not be limited to:

1. Nonprofit homeless service providers
2. Homelessness prevention service providers
3. Victim Service Providers and providers who assist victims of domestic violence
4. Disaster planning and prevention agencies
5. Faith-based organizations
6. Funders
7. Governments
8. Businesses
9. Advocates
10. Public housing agencies
11. School districts
12. Social service providers
13. Medical professionals
14. Mental health agencies
15. Hospitals
16. Universities
17. Affordable housing developers
18. Law enforcement
19. Organizations that serve homeless and formerly homeless veterans
20. Homeless and formerly homeless persons

Voting Membership

The difference between General and Voting membership is the right to vote during the annual Coalition Board elections. Each organization, as an approved voting member, will be granted one vote during elections. Organizations located in Sonoma County will be granted voting rights upon receipt of an application, at the discretion of the Coalition Board, based on material contributions or commitment to supporting the vision of the

Coalition. Applicants may be required to demonstrate that they have a Sonoma County location. Applications shall state the reasons for their request, including their role and contributions to meeting the Coalition's vision. Voting membership applications will be sent to the Coalition's Chair and Vice Chair for review of compliance with the Charter. If there are any issues or concerns with applications received, applications will be submitted to the Coalition Board for approval or rejection. Applications in question will be considered by the Board prior to any election so long as received before the agenda where these decisions are made is posted. Once approved as voting members, organizations are not required to reapply annually.

Staff of the Collaborative Applicant, Lead Agency, or HMIS Lead are not eligible to vote.

The County of Sonoma, all cities and school districts, and any other body reporting to an elected governing board in Sonoma County will be limited to one vote in the Coalition Board elections per governing board. Thus, the County and cities, which are also governing bodies for other purposes, shall not have additional votes for those roles. The Coalition Staff will maintain Voting Membership eligibility lists and make them available prior to all Coalition Board elections. A current list of approved voting members can be located on our website using the following link:

<https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/sonoma-county-homeless-coalition/homeless-coalition-quarterly-meetings>

Coalition Member Recruitment and Solicitation (General and Voting Members)

The Coalition staff will work with Coalition Board members to invite potential new members – both general members and voting members – to join the Coalition. This should occur well in advance of the Coalition's Special Membership meeting in December during which elections to the Board will be held. Invitations to potential new members should include organizations representing communities of color and any person or group disproportionately affected by homelessness.

Coalition Quarterly Membership Meetings

1. Frequency: The Coalition will hold full membership meetings quarterly at a time and location that is accessible to homeless participants and to those with mobility disabilities. Membership meetings shall be in person.
2. Open Meeting: Meetings of the Coalition will be open to any interested person.
3. Agendas: Staff will disseminate an agenda for the Quarterly Membership meeting at least three business days in advance of the meeting through electronic mailing lists,

on the Coalition's web page, and on other websites as appropriate. Presentations of these meetings are available upon request. Staff shall preview the upcoming Quarterly Membership meeting agenda with the Coalition Board in advance of the next Quarterly Membership meeting.

The Coalition Board

Coalition Board Roles and Responsibilities

1. The Coalition Board determines policy and acts as the Coalition's decision-making group.
2. The Coalition Board manages the US HUD Continuum of Care (CoC) Program in Sonoma County, including ranking proposals for submission to HUD under the annual CoC Program NOFO. With staff support, the Coalition Board coordinates and reviews the HUD CoC grant application process for the Continuum of Care. This includes defining community priorities and reviewing CoC Program applications. The Coalition Board acts on behalf of the CoC and ensures that the CoC:
 - a. Scans the environment for best practices and innovations
 - b. Assesses the system for gaps, overlaps, duplication, strategic conflicts, etc.
 - c. Coordinates quarterly membership meetings with published agendas

In addition, the Board is responsible for:

- d. Overseeing the designated Collaborative Applicant to fulfill major duties of the Continuum of Care. Prior to each competition of funds through the NOFO, the Board will designate approval authority for the HUD CoC consolidated application during its March meeting.
- e. Monitoring implementation of any Homelessness Strategic Plan or related regional planning effort
- f. Adopt and follow a written process to select a governing board to act on behalf of the Coalition as the Continuum of Care. The written process must be reviewed, updated, and approved by the Coalition Board at least once every 5 years.
- g. Setting Coalition priorities
- h. Actively seeking participation from organizations listed within this Charter that are eligible for membership; including inviting new members to join the Coalition at least on an annual basis.
- i. Ensuring transparent governance and monitoring potential conflicts of interest
- j. Delegating activities to and overseeing Coalition Policy committees

- k. Designating the Homeless Management Information System (HMIS) Lead to manage the HMIS system in Sonoma County and entering into the HMIS Lead agreement with the HMIS Lead.
 - l. Ensuring consultation of ESG recipients throughout planning and implementation of Coalition activities.
 - m. Taking a holistic view of all funding to address homelessness in Sonoma County in its decisions, and offering recommendations on funding decisions by other bodies as it deems appropriate.
3. Only the Board may designate an individual or entity to speak for the Coalition or its components.
- a. With the exception of removal policies in this Charter, any grievance related to the CoC Program will follow HUD policies and contracts.
4. Individual Members: Individuals serving on the Board must:
- a. Commit to preventing and ending homelessness
 - b. Attend meetings of the Board
 - c. Participate as an active member of the Coalition
 - d. Seek out input from the peers, industry, and/or population they represent
 - e. Bring that input to Board deliberations while remaining attentive to un-represented views
 - f. Communicate Board work to the peers, industry, and/or population they represent
 - g. Adhere to all Governance Charter policies

Board Composition and Terms

1. Board Composition: The Board shall have seventeen (17) voting members, including nine appointed seats:
- a. One representative from the City of Santa Rosa, designated by the City Council.
 - b. One representative from the City of Petaluma, designated by the City Council.
 - c. One representative from the Sonoma County Board of Supervisors, appointed by the Board of Supervisors.
 - d. One senior management representative of a department within the County of Sonoma that has a direct connection to the homelessness system of care as selected by the County Executive Officer. The representative may not be in the same Department nor have any reporting relationship to a County Department serving as the Lead Agency, Collaborative Applicant, or HMIS Lead.

- e. One representative from the northern region of the county, including Cloverdale, Healdsburg, and Windsor, selected by the City/Town Councils of those cities.
- f. One representative from the Sonoma Valley, including the City of Sonoma, selected by the Sonoma City Council.
- g. One representative from the western region of the county, including Sebastopol and Guerneville, selected by the Sebastopol City Council.
- h. One representative from Rohnert Park and Cotati, selected by the City Councils of those two cities.
- i. One representative of the largest homeless services agency in Sonoma County (non-government), as measured by the total number of shelter, transitional housing, and permanent housing beds cataloged in the current Coalition Housing Inventory Chart.
- j. One Tribal representative, as elected by the Sonoma County Homeless Coalition Tribal Leadership Committee.

Eight seats shall be elected in a formal election process by the Coalition's Voting Membership or lived experience advisory board(s) as follows:

- k. One representative of a homeless services provider, different than the one with an appointed seat, as elected by Coalition voting members.
- l. One representative from a licensed health care organization, as elected by Coalition voting members.
- m. One individual currently experiencing homelessness or who has experienced homelessness within five years (at the time of election) prior to the Coalition Board election, as elected by the Lived Experience and Planning (LEAP) Board.
- n. One individual representing homeless transitional age youth (TAY - ages 18-30 at the time of election) currently experiencing homelessness or who has experienced homelessness within five years (at the time of election) prior to the Board election, as elected by the Coalition's Youth Action Board (YAB) if functioning or as determined by the LEAP Board if the YAB is not functioning. In the event that this seat cannot be filled during the annual elections process, the LEAP Board can appoint an individual with lived experience to remain seated until that seat is filled.
- o. One representative of a homeless advocacy organization, as elected by the Coalition's voting members.
- p. One at large seat. Candidates for the large seat need not be members of the Coalition, anyone is eligible to apply.

- q. One representative from organizations led by and serving Black, Brown, Indigenous, and other People of Color, as elected by the Coalition's voting members.

All board members may select an alternate to represent them in the absence of a scheduled meeting. As best as possible, Board members will use a consistent alternate to maintain consistency. If a pattern emerges where a board member consecutively sends an alternate, suggesting they may no longer be able to serve, a discussion around capacity will be arranged with the board member, involving Coalition Staff and/or the Chair and Vice Chair.

Terms for elected members will be two years and shall be staggered such that roughly half of the elected members' terms are voted upon each year, with the other half remaining in place until the next year.

Appointing authorities and voting members will be asked to consider these factors in voting for the "at-large" seats:

1. It is a goal of the Coalition to have each geographic region of the county represented evenly on the Coalition Board
2. Diversity of representation, including persons representing the criminal justice system, housing development or property management, business interests, and private hospitals or health agencies
3. Representation of the people we serve, including sub-populations of people experiencing homelessness and communities of color disproportionately affected by homelessness.

No term limits shall be set for Board membership, and indefinite reelection is permissible.

Board Member Elections

1. Process: Elections shall take place annually during a special membership meeting in December.
 - a. Staff to the Coalition Board shall determine a preliminary list of members eligible to vote, based on requirements for voting members. The resulting list of voting members shall be published through the Coalition's electronic mailing lists and website.
 - b. Challenges may be made regarding organizations eligible to vote as well as applications for Coalition Voting Member status. The Coalition Board shall consider voting eligibility for any applications and challenges received at its meeting immediately prior to annual elections.

- c. Eligible voting organizations must have their voting contact confirmed with the Coalition staff one week prior to the election.
- d. Nominations for open seats shall be solicited for a period of approximately four weeks prior to the annual election. Nomination forms must be received by the Coalition staff by the close of business fourteen (14) calendar days preceding the election. Self-nomination is permissible. The list of candidates and their applications will be published via the Coalition website at least three working days before the election.
- e. Candidates may run for only one seat.
- f. Ballots shall be distributed to a representative of voting organizations in person at the meeting or through other means if the election is held virtually or in a hybrid fashion. Once marked, the ballots will be collected by Board members holding appointed seats, and tallied by them.
- g. If an equal number of votes are received, a run-off vote will be taken. If a tie vote remains, the Board chair (or proxy) will randomly select the winning candidate.
- h. Coalition staff will announce the winners of the election at the membership meeting, and post the full results as soon as practical on the Coalition's website.

Board Officers and Terms

- 1. Officers: Seated Board members shall select by a simple majority vote a Chair and Vice Chair for one-year terms at the first meeting of the Board each calendar year.
- 2. The Chair and Vice Chair positions cannot both be held by homeless services providers.
- 3. The Chair conducts Coalition Board meetings. The Vice Chair serves in the Chair's absence. Any member of the Coalition Board may be elected as Coalition Board Chair or Vice-Chair.
- 4. Terms: Officers shall serve for one-year terms.
- 5. Term limits: There will be no term limits for Officer positions; indefinite re-election is permissible provided that the persons serving as Chair or Vice-Chair remain on the Board as elected or appointed by their appointing organization or agency.

Board Vacancy, Removal & Resignation

- 1. Vacancy: In the event of a vacancy of an elected member, the members of the Coalition Board will elect a successor to hold the seat for the remainder of the vacated seat's term. In the event of a vacancy of the Chair, the Vice Chair

- will serve as Chair. In the event of a vacancy of the Vice Chair, the Coalition Board shall elect an interim Vice-Chair to complete the term.
2. Employment Transition: In the event an elected member leaves their job, the seat follows the elected board member for the remainder of their term. Specific elected board seats (Homeless Service Provider, Licensed Health Care Organization, Homeless Advocacy Organization) will need to still qualify for the assigned designation (i.e. the person must still work in that field), and the transition will need to be approved by the Coalition Board.
 3. Removal – The Coalition Board Chair and Vice-Chair may direct the removal of a Coalition Board member who:
 - a. Is absent (and does not send a proxy) for three (3) regularly scheduled Board meetings in a calendar year; or
 - b. Absent with or without a proxy for more than four (4) regularly scheduled Board meetings in a calendar year.
 - c. Coalition Board members may also be removed by a 3/4 vote of the Board for cause including but not limited to:
 - i. Failure to perform Board member duties
 - ii. Failure to comply with this Charter and/or applicable policies
 - iii. Engaging in conduct that constitutes a conflict of interestSuch seats will then be filled through the process described above under vacancies.
 4. Resignation: Any member of the Coalition Board may resign at any time by giving written or verbal notice to the Chair or to Coalition staff. Any such resignations will take effect at the time specified within the written notice or if the time is not specified, by the written or verbal acceptance by the Coalition Board Chair.
 5. Board Training: Within 90 days of joining the Coalition Board for the first time, a Board member is expected to complete the following training when made available by the Coalition staff in a recorded medium. Those Board members who have completed training on topics through other means (such as serving on an elected body) are not expected to take training offered through the Coalition. Topics include:
 - a. Brief history of the Sonoma County Homeless Coalition
 - b. Roles and responsibilities of a Coalition Board member
 - c. Coalition Conflict of Interest Policy
 - d. Ethics
 - e. Brown Act
 - f. Rosenberg's Rules of Order
 - g. HUD objectives and requirements
 - h. Funding and fiscal responsibilities of the Board

- i. Sexual Harassment prevention
- j. Current state of homelessness in Sonoma County
- k. Diversity Equity and Inclusion 101

Meetings and Action

1. Frequency: Meetings will take place not less than six (6) times per year.
2. Open Meeting: Meetings of the Coalition Board will be open to the public, either in person or via an electronic link (ie. Zoom or Teams).
3. Agendas will be developed by Lead Agency staff and shall be reviewed by the Coalition Board Chair and/or Vice Chair.
4. Quorum: For purposes of voting on Board matters, a quorum is defined as a majority of seated members of the Board present either in person or via telephone or Internet connection. Currently vacant seats do not count in the quorum calculation.
5. Decision-making: The Coalition Board's primary method of decision-making shall be a working consensus. For decisions involving funding, and those for which a timely decision cannot be made through a consensus process, decisions will be made by a simple majority vote. In these cases, yeas, nays, and abstentions will be recorded in the minutes.
6. Voting: Only seated members or their named alternates or proxies may vote on items before the Board.
7. Proxy: Should a seated member or alternate be unable to attend a Board meeting, the member or alternate may assign a proxy notifying the Chair and Coalition staff prior to the meeting.
8. Action between Meetings: Actions may be taken by Coalition Staff or Board officers out of necessity due to time constraints. The Board as a whole shall be provided with an explanation of the circumstances that prompted such action. Actions between meetings must be explained to the Board as a whole at the following regular meeting.

Board Staffing

The Sonoma County Department of Health Services (DHS) serves as Coalition's Lead Agency staff to the Board. Staff responsibilities include assisting the Board in meeting all of its responsibilities. The DHS will be the custodian of all Coalition, Board, and committee documentation and records.

See Appendix B for further information on protocols for the Board and Committees.

Policy Committees

The Coalition Board may establish and abolish policy committees at its discretion. The committees' duration (which can be indefinite) shall be set by the Board at the time of their formation or until the next revision of this Charter. The Board will consider the following factors and others it deems appropriate in establishing and abolishing committees:

1. Committee membership. Coalition staff will solicit applications for newly established committees through an open application process. A Selection Membership Ad Hoc Committee, formed by the Coalition Board, will review and select applications for recommendations to present to the Board for final approval.
2. Role of Committee Chairs. The role of any Committee chair shall be to ensure the successful operation of the Committee, to involve the public and other Committee members in the discussion, and to accomplish the overall purpose of the Committee. Committee Chairs are discouraged from using their role to further specific individual agendas not aligned with the Committee's larger purpose.
3. Officers: Seated Committee members shall select by a simple majority vote a Chair and Vice Chair for one-year terms at the first meeting of the Committee each calendar year.
4. Each committee shall have at least one person with lived experience of homelessness.
5. A Chair, Vice-Chair, or Committee member may be removed by the Coalition Board Chair or Vice-Chair if that committee member is absent (and does not send a proxy) for three (3) regularly scheduled committee meetings in a calendar year.
6. A Committee Chair or Vice-Chair may be removed if they fail to adequately and appropriately advance the goals and responsibilities of the Committee. The Selection Membership Ad Hoc Committee will be called to assess individual cases as they arise and will provide removal recommendations to the Coalition Board, which holds the ultimate authority for these decisions.
7. Committee applications will be solicited on an annual basis after the Coalition Board elections and new Board members are seated. Applications will be collected by Coalition staff. Annual committee applications will be reviewed and approved by a Selection Membership Ad Hoc Committee formed by the Coalition Board. Recommendations from the Ad Hoc Committee will be brought to the Coalition Board for final approval.
8. Committee vacancies may also be referred to the Board Chair and Vice Chair to select a replacement if vacancies occur outside the annual open application period. The Committee may recommend a replacement candidates as approved by a majority of seated Committee members.
9. In the rare event of multiple committee vacancies outside the annual application process leading to quorum issues, the Coalition Board may activate the Selection

Membership Ad Hoc Committee. Applications from the previous annual cycle may be utilized, or new applications may be solicited in exceptional cases.

10. Procedural requirements including taking of minutes and reporting to the Board. Committees are expected to have formal agendas, allow for public comment, and to take, at a minimum, attendance, and action minutes that can be provided in written form and verbally to the Coalition Board at an upcoming public meeting of the Board.
11. Availability of staff to provide support. In some cases, Coalition staff, due to workload or vacancies, may be unable to diligently staff a Committee. The Board Chair and Vice-Chair shall consult with Coalition staff prior to forming a new Committee to attempt to ensure that staffing the Committee is consistent with the Coalition's staff workload abilities.

Current Policy Committees of the Homeless Coalition can be located on the Coalition website: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/sonoma-county-homeless-coalition/committees>

Sonoma County Racial Equity Workgroup

The Sonoma County Racial Equity Workgroup is comprised of individuals with lived experience of homelessness, community members, local providers, and government officials with a focus on centering racial equity to reduce racial disparities across the Homeless Coalition's system of care. Unlike Policy Committees, Racial Equity Workgroup meetings are not public and follow a different operational structure. Although staffed by the Coalition, their work is not guided by the Homeless Coalition Board, but the group provides feedback in an advisory role and makes recommendations to the Board.

Sonoma County Lived Experience Advisory Planning (LEAP) Board

The LEAP Board consists of individuals with diverse backgrounds and lived experiences of homelessness, with a particular focus on racial and ethnic diversity. Unlike Policy Committees, LEAP Board meetings are not public and follow a different operational structure. Although it is not a formal committee of the Homeless Coalition, the LEAP Board plays a crucial advisory role, supporting both the Homeless Coalition Board and homeless service agencies. Its aim is to enhance homeless programs, services, shelters, and housing. The LEAP Board Chair, or an appointed representative, attends Homeless Coalition Board meetings as a non-voting member to provide updates on the LEAP Board's current efforts and offer their expertise and experience. Continuum of Care Policies

Non-Discrimination

The members, officers, committee members, contractors and services of the Coalition will be selected and offered entirely on a nondiscriminatory basis with respect to race; color; national origin or citizenship status; age; disability (physical or mental); religion; sexual orientation or identity; gender, gender identity or gender expression, genetic information; HIV or AIDS; medical conditions; political activities or affiliations; military or veteran status; status as a victim of domestic violence, assault or stalking; or any other federal, state or locally protected group.

Providers of the Coalition are required to adhere to HUD's Equal Access Final Rule (EARFR) and HUD's Gender Identity Final Rule (GIFR). Through the final rules, HUD ensures equal access to individuals in accordance with their gender identity in programs and shelter funded under programs administered by HUD's Office of Community Planning and Development (CPD). HUD's housing programs are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status.

If Coalition projects are out of compliance with the Coalition's anti-discrimination policies, the Coalition staff shall take corrective action. Non-discrimination policy violations include any violation of HUD's EAFFR & GIFR, provisions of federal civil rights laws, including the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act, or Titles II and III of the Americans w/ Disabilities Act. The Coalition staff shall report to the Coalition Board the violation(s) and recommended a Corrective Action Plan. Coalition staff shall also notify the findings to State and/or Federal representatives to work on a resolution when *necessary*.

Eligibility for Children and Youth Educational Services

Providers of the Coalition shall adopt policies and procedures to inform individuals and families experiencing homelessness of their eligibility for educational services.

Conflict of Interest and Recusal Processes

1. All members of the Coalition shall abide by the conflict of interest guidelines in the US HUD's Continuum of Care Interim Rule at [24 CFR 578.95](#) and any successor regulations, notably that:
2. A member of the Coalition Board or of one of its Committees may have an individual conflict of interest or an organizational conflict of interest. These are described as:
 - a. An individual conflict of interest. This occurs when a person's own self-gain and their commitments to the Governance Board and Coalition

interfere. The person is potentially unable to provide impartial or unbiased support to the Governance Board and Coalition in certain situations, like awarding funding or ranking applications for funding. An example of a potential individual conflict is when a Board member has a relative or partner working at the organization applying for funding.

- b. An organizational conflict of interest is when a person is potentially unable to provide impartial support to the Governance Board and Coalition in certain situations due to their employment or relationship with an organization. An example of when this can happen is a Board member is employed at a partnering organization applying to the Coalition for funding.
3. No member of the Coalition Board or relevant Committee may participate in or influence the discussion or resulting decisions concerning the award of a grant or other financial benefits in which they have an organizational, individual or for those with whom they have immediate family or business ties, during their tenure or during the one-year period following their tenure.
4. Lobbying: Board or Committee members submitting a proposal, or parties representing proposers, must not attempt to influence any member of the Committee or Board, or Coalition staff regarding the acceptance of a proposal through ex-parte contact may result in rejection of the proposal.
5. No member of the Coalition Board or relevant Committee shall vote upon or participate in the discussion – including as a member of the public - of any matter that has or will have a direct financial bearing on the organization that the member represents. This includes all decisions with respect to funding allocations, awarding contracts and implementing corrective actions. Other representatives of Board members' organizations may participate in these discussions.
 - a. For Board members from government bodies, this applies to Board members employed by the department or division receiving funds, other departments or divisions, and members of the governing body including a city or the County.
6. All members of the Coalition Board or relevant Committee have a duty to disclose potential conflicts of interest. As such, each Board member or relevant Committee member will sign a Conflict of Interest statement not later than February 28th of each calendar year using the template form shown as Attachment A or using a reasonably similar document as produced by Coalition staff. Members who find themselves faced with a potential conflict between their business, organizational or private interests, and their Coalition responsibilities shall avoid conflict of interest during the decision-making process by following these guidelines for disclosure and recusal:

- a. Disclose any actual or potential conflicts of interest in advance of the meeting to the Board Chair, Vice-Chair, or Coalition staff in a manner that allows the meeting leaders to appropriately direct recusals of conflicted members;
 - b. Publicly disclose conflicts of interest at relevant Coalition Board and Committee meetings; and
 - c. Recuse themselves at any time from involvement in any decision or discussion in which they believe they may have an individual or organizational conflict of interest. If the Board Chair or Vice-Chair has an organizational or individual conflict of interest, they shall recuse themselves from any action that may provide a direct financial benefit to themselves or their organization. This may include, but not be limited to, leading a specific meeting, directing staff, or directing the development of a meeting agenda.
 - i. Board or Committee members who have recused themselves during a meeting are not allowed to make public comments on agenda items in which they have a conflict. However, they may have a staff member present to provide public comment on behalf of their organization for the item in which they are recused.
 - d. Board or Committee members should submit any technical questions in writing in advance of the meeting in which decisions are being made. If this is not possible and a question arises from a conflicted Board or Committee member, the Coalition Board or Committee may respond depending on the circumstantial evaluation of the situation.
7. If an action is taken that causes an intentional or unintentional violation of the conflict of interest policy, the following will occur:
- a. In the case of an intentional violation, the offending Board or Committee member shall forfeit their seat, and the Coalition Board may or may not determine to undo or re-do the action in question, depending on the recency of the action and the action's longer-term effects; and
 - b. In the case of an unintentional violation, the offending Board or Committee member may be directed to complete additional training, and the Coalition Board may or may not determine to undo or re-do the action in question, depending on the recency of the action and the action's longer-term effects.

Recusals of Conflicted Members - Preferred and Alternative Processes

It shall be the goal of the Coalition Board to establish itself and its Committees, especially any committee that reviews procurement and funding, to maintain a meeting quorum of non-conflicted members at all times. Doing so is a best practice. In the

event that a meeting quorum may be maintained with conflicted members leaving the room during discussion and vote, this shall be the preferred process for discussing and voting on funding issues.

However, in the event that a quorum cannot be maintained if all conflicted members leave the room for discussion and vote, one of the below alternative processes shall be followed:

1. The Board, funding committee, and Coalition staff may determine that a procurement process (specifically review of applications, scoring, and ranking) should be done by subject matter experts who are not Coalition members at all (i.e. from other regions, other government agencies, etc.). In this instance, the outside subject matter experts would be responsible for reviewing applications and making a recommendation to the Board or funding committee (or both) versus having a funding committee provide its own recommendation.
2. If the meeting is online, one or more conflicted member(s) may return to the online meeting room with camera and microphone off to maintain a quorum. The conflicted member may not engage at all in the meeting, its discussion, or its vote.
3. The meeting may be structured so that all conflicted members are left in the meeting room and funding items are discussed one by one, or program category by program category. During the time that a funding item is discussed (for example, Service Provider A's program funding), any person with a conflict associated with Service Provider A or Service Provider A's program category shall leave the room until such time as discussion occurs, ends, and a vote is taken. The process can repeat vote-by-vote until all votes are complete.

Annual Document Review & Amendments

The Board will review this Charter at least once every two years to ensure that the Charter remains consistent with HUD's CoC Program requirements as well as the Coalition's objectives and responsibilities. As the Lead Agency, Coalition staff is responsible for bringing forward the bi-annual recommended revisions to the Charter, which may be done with or without the Board's creation of an ad hoc committee to propose and/or review the recommended revisions. The Coalition Board is responsible for the final annual adoption of the Charter.

The Coalition Board will have the power to adopt, amend, or repeal the provisions of this Governance Charter by a simple majority of the Board.

Administrative Agencies

Lead Agency

The Sonoma County Coalition Board will designate a Lead Agency that will provide meeting support for the Board, and all other committees. The Lead Agency is responsible for scheduling meetings, developing agendas, issuing meeting materials and posting all relevant documents to the Coalition website. All responsibilities are documented in the Continuum of Care Lead Agency Memorandum of Understanding, pending Homeless Coalition Board and legal approval.

The designation of the Lead Agency is valid for a maximum of two (2) years and will be renewed automatically every year thereafter. Once approved, either party, the Coalition or the Lead Agency, may terminate the MOU at a date prior to the renewal date specified in the MOU by giving 180 days written notice to the other party. The termination shall be effective on the date specified in the notice of termination.

At the time of the relevant amendment to this charter, the Coalition's designated Lead Agency is the Sonoma County Department of Health Services.

Collaborative Applicant

The Coalition Board will designate a legal entity who is also a Continuum of Care Program eligible applicant to serve as the Collaborative Applicant. The Collaborative Applicant is responsible for collecting and combining the required application information from all Continuum of Care Program funded projects within the geographic area. The Collaborative Applicant is also responsible for submitting the annual application to HUD for Continuum of Care Program funding and to apply for Continuum of Care Planning dollars. These and any additional responsibilities are documented in the Continuum of Care Collaborative Applicant Memorandum of Understanding, pending Homeless Coalition Board and legal approval.

The designation of the Lead Agency is valid for a maximum of two (2) years and will be renewed automatically every year thereafter. Once approved, either party, the Coalition or the Collaborative Applicant, may terminate the MOU at a date prior to the renewal date specified in the MOU by giving 180 days written notice to the other party. The termination shall be effective on the date specified in the notice of termination.

The Coalition Board shall vote on the delegation of authority for approval of the Consolidated Application submission on behalf of the Coalition, as the Continuum of Care, annually during the March meeting (ie. approval by the Collaborative Applicant, a

Committee, or the Coalition Board). Before the submission of the annual application to HUD for Continuum of Care Program funding, the Collaborative Applicant shall submit a final draft of the application to the Sonoma County Coalition Board for review. Depending on the timing of the submission to HUD, the Collaborative Applicant will create a timeline for submission to HUD and for members of the Coalition for review.

At the time of the relevant amendment to this charter, the Coalition's designated Collaborative Applicant is the Sonoma County Department of Health Services.

Homeless Management Information System (HMIS) & HMIS Lead

The Sonoma County Coalition Board designates the HMIS Lead. The Sonoma County Department of Health Services is the current Homeless Management Information System (HMIS) Lead, until and unless the Sonoma County Coalition Board designates another HMIS lead agency.

The Sonoma County Coalition Board shall ensure that the HMIS Lead Agency is operating in compliance with current HUD HMIS Regulations and other applicable laws. The Coalition Board and HMIS Lead agree to update HMIS operational documents and HMIS policies and procedures annually in order to comply with any updates to HMIS standards established in notices or other guidance, within the HUD- specified timeframe for such changes.

The Coalition Board shall consider and approve or reject new or updated HMIS vendor selections following an appropriate procurement process led by Coalition staff and subject to approval by the Sonoma County Board of Supervisors.

HMIS Lead Evaluation

The HMIS Data Committee shall conduct at least a bi-annual evaluation of the HMIS Lead's performance. The evaluation shall include, but not be limited to:

1. A user satisfaction survey
2. The extent to which the HMIS Lead complies with US HUD and State HMIS requirements
3. The extent to which the HMIS Lead and HMIS licensed users meet current data quality standards and have appropriate plans to address any deficiencies in these standards.
4. The extent to which the HMIS Lead assists in the development and display of modern and updated data presentation models via the Coalition's web page or related sites. It is not necessarily the role of the HMIS Lead to take the lead in

analyzing the data and recommending system strategies, but the HMIS Lead is expected to participate in analysis discussions and presentations.

Every two years, the Coalition Board shall review the biannual evaluations and any corresponding corrective actions. Upon conducting this review if any areas of concerns are found to be not addressed, the Coalition Board will vote on whether the HMIS Lead Agency is in compliance with pertinent regulations and Coalition Board expectations. Additionally, the Board shall consider if the HMIS lead has taken appropriate corrective actions to improve any areas of concerns.

If the Coalition Board finds that the HMIS Lead has not taken acceptable measures to improve on areas of concern outlined by the HMIS Data Committee, the Coalition Board may vote to develop a timeline for corrective actions or vote to assign a new HMIS Lead.

If the Coalition Board votes to assign a new HMIS Lead, the Board shall direct Coalition staff and the HMIS Data Committee to follow an appropriate procurement process per Coalition staff, as the Lead Agency, regulation to solicit and select a HMIS Lead. Upon receiving and reviewing received qualification proposals, Coalition staff and the HMIS Data Committee shall make recommendations for the Coalition Board for a final vote to select the new HMIS Lead.

Sonoma County HMIS Lead Responsibilities

HMIS Lead responsibilities include:

1. Ensuring all HMIS activities are carried out in accordance with the HEARTH Act of 2009 and the relevant HMIS Data Standards.
2. Development and annual revisions of HMIS policies and procedures annually to remain in compliance with changes in Coordinated Entry Guidance, HMIS Data Standards, the HEARTH Act of 2009, and any new regulations.
3. Annual review of existing Documents including the Privacy Plan, Data Quality Plan, Security Plan, Governance Charter & Policies and Procedures to ensure compliance with any new federal, state or local regulations.

While the final responsibility resides with the HMIS Lead Agency, Sonoma County divides the duties between 3 parties:

1. The HMIS Lead Agency is responsible for updates to the HMIS Policies and Procedures and the creation of or any revisions to existing documents for HMIS in compliance with new regulations and system changes.
2. The HMIS Data Committee will review, provide feedback and approve any HMIS procedural and/or document changes.

3. The Sonoma County Coalition Board will have final approval of annual revisions to the HMIS Policies and Procedures.

The HMIS Lead will monitor Covered Homeless Organizations (CHO) participating in the HMIS system for compliance with the Sonoma County HMIS Policies and Procedures, Privacy Plan, Security Plan, and HMIS Data Standards.

Sonoma County HMIS Policies and Procedures/forms:

<https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/for-providers/sonoma-county-hmis>

Current Sonoma County Covered Homeless Organizations can be located on the HMIS/Coordinated Entry System Release of Information on our website (please see *Combined Release of Information: HMIS and Coordinated Entry* section):

<https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/for-providers/sonoma-county-hmis>

HMIS data for HUD System Performance Measures and Coordinated Entry outcomes will be posted on a public dashboard on a monthly basis and monitored by the Data Committee.

HMIS End User Agreements, HMIS Participation Agreements and Fees

1. The HMIS Lead executes HMIS End User Agreements with every user that participates in and contributes to the data in HMIS. End users of any Participating Agency shall execute, follow, comply with, and enforce the Sonoma County HMIS End User Agreement. The end user must sign an HMIS User Agreement before being granted access to the Sonoma County HMIS.
 - a. The HMIS System Administrator and/or the Participating Agency will provide the end user a HMIS End User Agreement for signature after required training is completed.
 - b. The HMIS System Administrator will collect and maintain HMIS End User Agreements of all end users.
2. The HMIS Lead executes HMIS Participation and End User Agreements with every Contributing Homeless Organization (CHO) that participates in and contributes to the data in HMIS.
 - a. HMIS End User Agreement and HMIS Participation Agreements located here: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/for-providers/sonoma-county-hmis>

3. The HMIS Lead Agency holds the responsibility for monitoring CHO's compliance with the Participation Agreement. A detailed course of action for compliance issues can be referenced in the Sonoma County HMIS Policies and Procedures located here: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/for-providers/sonoma-county-hmis>
 - a. In emergency situations, i.e. security breach and/or imminent danger to the database, the HMIS Coordinator immediately contacts and reports to Sonoma County Department of Health Services' (DHS) Ending Homelessness Manager, who has final authority for the impending action.
 - b. In all other cases, the HMIS Coordinator implements a course of action outlined in the following steps:

Step 1:	Consultation with the Provider Agency
Step 2:	Written warning
Step 3:	Sanctions
Step 4:	Probation
Step 5:	Suspension
Step 6:	Termination

HMIS Fees

1. HMIS fees are based on two factors and are calculated using a formula that factors in number of user licenses, and data quality error rates. The formula and document used to calculate these fees shall be shared with the HMIS Data Committee for review and approval prior to billing.
 - a. Fees are assessed every two years at the beginning of each fiscal year.
 - b. CHOs may attend Data Committee meetings and provide feedback on the proposed HMIS fee formula proposal.

Example:

*Total fees collected/HMIS match requirement = 25% of Coalition HMIS funds.
(\$81,789 in 2021)*

Participation fees are broken into the following categories, with each provider paying a percentage (%) of each categories total.

Number of Users - 50% of the total (varies for each provider) Data Error Rate - 50% of the total (varies for each provider)

2. Participation fees are charged to CHOs via the HMIS Lead Agency and are billed to each Partner Agency on an annual basis.

HMIS Vendor Selection

The Coalition currently uses the Efforts to Outcomes HMIS data base with Bonterra. Bonterra is contracted with the HMIS Lead Agency, Sonoma County Department of Health Services, until the end of April 2025 which is approximately \$ 218,474.01 per year.

HMIS Lead staff will administer an annual survey to all providers using the Homeless Management Information System (HMIS). The purpose of this survey is to gather feedback on the software's performance and effectiveness. The survey will include sections to evaluate:

- Aspects of the software that are working well
- Areas where improvements are needed
- Any additional training needs or related comments

The HMIS Lead staff will compile and analyze the survey results and provide a detailed report to the Homeless Coalition Board. This report will help inform decisions and guide enhancements to the HMIS system and related training programs. Additionally, the feedback will be used to assess whether the selected vendor's data system is effectively meeting the local HMIS needs and requirements, ensuring that it supports the goals and functions of the local homeless service network.

The Coalition has only changed HMIS vendors once and the decision was with the Lead Agency. However, should the vendor be changed again, Coalition staff, as the Lead Agency, will consult with both the Coalition Board and the local Board of Supervisors, both of which contribute funds to support HMIS.

HMIS Policies and Procedures

Please see Sonoma County Homeless Management Information System (HMIS) Policies and Procedures for additional information regarding the following (including additional HMIS Lead roles and responsibilities):

1. HMIS Security Plan
2. HMIS Privacy Plan
3. HMIS privacy Compliance and Grievance Policy
4. HMIS Data and Quality Standards

HMIS Policies and Procedures can be located on the Coalition's website using the following link: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/for-providers/sonoma-county-hmis>

Appendix A: Terms, Definitions, and Acronyms

1. The Homeless Coalition Board (formerly referred to as the **Continuum of Care Board**) is the governing board established to act on behalf of the Sonoma County Continuum of Care (CoC) using the process established as a requirement by C.F.R. §578.7(a)(3) and in compliance with the conflict-of-interest requirements at §578.95(b).
2. **CoC Program Grantee (Recipient)** The CoC Program Grantee is the “recipient” as used by HUD and means an applicant that signs a grant agreement with HUD.
3. **Collaborative Applicant** means the eligible applicant that has been designated by the Coalition to submit the annual CoC Consolidated Application for funding on behalf of the Coalition. In addition, the Collaborative Applicant is the only entity that can apply for a grant for Continuum of Care planning funds on behalf of the Coalition. This Charter designates the Sonoma County Department of Health Services as the Collaborative Applicant for the Continuum of Care.
4. The **Continuum of Care (CoC), also referred to as the Homeless Coalition**, means the group organized to carry out the responsibilities required by the HUD CoC Program, composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons to the extent these groups are represented within the geographic area and are available to participate.
5. **Homeless Management Information System (HMIS)** HMIS is a local information technology system used to collect client-level data and data on the provision of housing and services to individuals and families at risk of and experiencing homelessness. Each Continuum of Care is responsible for selecting an HMIS software solution that complies with HUD's data collection, management, and reporting standards.
6. **HMIS Lead** means the entity designated by the Coalition to operate the Coalition's HMIS on its behalf. This Charter designates the Sonoma County Department of Health Services as the HMIS Lead for the Coalition.
7. **Covered Homeless Organization (CHO)** Any organization (including its employees, volunteers, affiliates, contractors, and associates) that records, uses or processes data on homeless clients for an HMIS.

8. The **Sonoma County 5 Year Strategic Plan to Prevent and End Homelessness** is Sonoma County's strategic plan to prevent, reduce and end homelessness as implemented by the Coalition (2023-2027). The strategic plan can be located on the Coalition's website: <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/sonoma-county-homeless-coalition/strategic-plan>
9. **CoC** – Continuum of Care
10. **DHS**-Sonoma County Department of Health Services
11. **ESG** – Emergency Solutions Grants
12. **HEARTH Act** – The Homeless Emergency And Rapid Transition to Housing Act of 2009
13. **HMIS** – Homeless Management Information System
14. **HUD** – The United States Department of Housing and Urban Development
15. **MOU** – Memorandum of Understanding
16. **NOFA** – Notice of Funding Availability
17. **NOFO** – Notice of Funding Opportunity

Appendix B: Board Protocols

1. Meetings will be scheduled at the convenience of all Board members equally, and account for the availability of sufficient Coalition staff support. The Board will establish a regular meeting schedule prior to or at the first meeting of each calendar year. Additional meetings may be scheduled with the approval of the Board, or in the absence of a Board meeting by the Chair and Vice Chair.
2. Committee meetings will be scheduled at the convenience of all Committee members equally, and account for the availability of sufficient staff support.
3. Each Board meeting agenda will have a section toward the end entitled "Board member questions, comments, and requests."
4. The minutes of Board and Committee meetings shall be Action Minutes (versus verbatim minutes) and will include, but not be limited to, all actions taken, including those by formal vote, other direction provided to staff, commitments made by staff or Board members, and statements which Board members request be included for the record. If minutes are recorded, they will include the time at which consideration of each agenda item began. Staff to the Coalition Board will take the minutes.
5. The Board will operate in the spirit of the Brown Act, but meetings will be held in a virtual setting.
6. Meeting agendas and materials will be distributed electronically to Board members and Coalition members, and posted on the Coalition website, at least 72 working hours (excluding weekends and holidays) prior to the meeting's start time. Agenda items will typically have a report or other material prepared in advance by Coalition

staff. Supplemental documents may be distributed to Board members prior to Board meetings (and shared at Board meetings with the public) and added to the website when required by circumstances, but this should not be a regular practice. If materials are presented at meetings and not in advance, they will be made accessible to the public as soon as is practical. Exceptions for providing materials in advance will be made for special meetings, with noticing requirements consistent with the Ralph M. Brown Act. These requirements shall not preclude earlier distribution and posting of materials for Board meetings.

7. Adding Agenda Items: Board members are encouraged to consult with Coalition staff regarding their availability and the necessary background information when requesting to add agenda items. To ensure a well-organized meeting, no more than one agenda item per meeting may be added using this process. Agenda items proposed by Board members shall be discussed with the Chair and Vice Chair during the agenda-setting meeting. This discussion will ensure adequate Coalition staffing to address the item appropriately, ensuring adequate time for each topic during the selected meeting, and avoiding conflicts with other priorities for the Coalition staff.
8. Any proxy requirement for Board meetings shall extend to Committee meetings.
9. All contracts funded by the Coalition with providers will require consistency with the protocols and practices in the jurisdictions in which the contractors operate as long as such protocols and practices would not cause the provider to become out of compliance with grant/funding regulations.
10. Coalition Staff, as the Lead Agency, shall consult with counsel if questions arise at the board if needed."
11. Coalition staff shall prepare and the Board shall review an annual administrative budget for the Coalition by July of each year for the following fiscal year. The budget shall include all sources of revenue including but not necessarily limited to HUD allocations for administrative and other purposes such as HMIS; administrative funds received from funding allocations, grants or donations, and direct financial support from any local government entity. The budget shall also include all categories of Coalition expenditures, including but not necessarily limited to Coalition staff, overhead expenses charged by the Collaborative Applicant or HMIS Provider, services such as contracts and legal fees (which shall be provided by contractor), and other operating expenses.

Appendix C: Coordinated Entry Policies and Procedures

As of January 2018, HUD has required Continuums of Care to develop and implement a coordinated assessment process to prioritize limited housing resources for those experiencing homelessness. Coordinated Entry standardizes the way individuals and

families at risk of homelessness or experiencing homelessness access are assessed for and referred to the housing and services that they need for housing stability. The Coalition Board is responsible for oversight of Coordinated Entry operations (including the approval of the Coalition's operator and the Coordinated Entry System Policy and Procedures).

The Coordinated Entry Operator shall provide an annual performance report to the Homeless Coalition Board. The report to the Board will also include a summary of the annual Coordinated Entry HUD self-assessment for compliance with regulation.

The Sonoma County Coordinated Entry System Policies and Procedures are available online. Use the following link to access the information (section "Coordinated Entry Documentation"): <https://sonomacounty.ca.gov/health-and-human-services/health-services/divisions/homelessness-services/for-providers/sonoma-county-coordinated-entry>

Attachement A: Conflict of Interest Form

**SONOMA COUNTY HOMELESS COALITION BOARD
CONFLICT OF INTEREST STATEMENT**

Please fill out either Part A or Part B, not both

PART A: ATTESTATION OF NO CONFLICT OF INTEREST

I, _____, as a member of the Sonoma County Homeless Coalition Board, affirm that I have reviewed the Sonoma County Homeless Coalition Board's Conflict of Interest Policy in the Governance Charter and currently hold no conflicts of interest that would prevent me from making decisions about project funding and ranking. If a conflict arises, I will inform the Coalition Board Chair and recuse myself from the discussion.

Signature: _____

Date: _____

Printed Name: _____

PART B: ATTESTATION AND DISCLOSURE OF CONFLICTS OF INTEREST

I, _____, as a member of the Sonoma County Homeless Coalition Board, affirm that I have reviewed the Coalition Board's Conflict of Interest Policy in the Governance Charter and hereby disclose that I have an interest in the following programs or agencies, and will follow the Governance Charter's Conflict of Interest Policy regarding recusal.

Name(s) of agency/project in which I have an interest:

Signature: _____

Date: _____

Printed Name: _____



**SONOMA COUNTY
HOMELESS
COALITION**