

June 30, 2006

Honorable Judge Rodney Melville  
Superior Court  
312-M East Cook Street  
Santa Maria, CA 93455-5165

Re: Response to Grand Jury “Water and Cemetery Districts” Report dated June 1, 2006

Dear Judge Melville,

The purpose of this letter is to provide responses of the Governing Board of the Carpinteria Valley Water District (CVWD) as requested for Findings 1, 2, 5, and 8 and Recommendations 1, 2, 4, 5, 6, 7, 8 and 9 contained in the Santa Barbara County Grand Jury Report dated June 1, 2006 entitled “Water and Cemetery Districts, Do Special Districts Need Watching?” The Findings and Recommendations set forth in this Grand Jury Report, together with the District’s responses, are set forth below.

**Finding 1**

Water and cemetery district board members do not have adequate recent training to make informed decisions on many of the issues applicable to their districts.

**Response to Finding 1**

CVWD disagrees partially with the finding relative to “recent training to make informed decisions on many of the issues applicable to their districts.” Four of five of CVWD’s directors recently completed Assembly Bill 1234 ethics training, for example, and at least two Directors regularly attend semi – annual conferences of the Association of California Water Agencies (ACWA) and the ACWA Joint Powers Insurance Authority where they attend seminars related to issues applicable to the District. These seminars address a wide variety of topics including financial management, personnel management, insurance, the Brown Act, current legislation and water resource management.

**Finding 2**

Water districts generally follow better business practices than cemetery districts.

## **Response to Finding 2**

CVWD neither agrees nor disagrees with this finding, as the management of cemetery districts is not within its purview.

## **Finding 5**

For cemetery and water districts, barriers to public participation include limited and nonexistent e-mail and fax access, spotty Board meeting noticing and minutes, and, for cemetery districts, impediments to administratively raising tenure and misconduct concerns (for example, the information gatekeeper role of the general manager).

## **Response to Finding 5**

CVWD disagrees with this finding. CVWD strives to enhance public participation by actively maintaining a website, issuing monthly newsletters (H2KNOW) with the bills, frequently publishing ads in the local papers to announce meetings of particular importance, and scheduling alternate afternoon and evening meetings. Meetings held in the evening are frequently televised live on the local Channel 18 cable TV station, and recorded and replayed for at least a week. Inquiries arriving by e-mail, handwritten notes submitted with bills and by telephone are responded to in a timely manner, normally by the General Manager.

## **Finding 8**

Cemetery and water special districts resist even considering consolidation.

## **Response to Finding 8**

CVWD disagrees with this finding relative to its “consideration of consolidation.” CVWD considered the consolidation of the Summerland County Water District (SCWD) into CVWD prior to SCWD’s consolidation into Montecito Water District. CVWD has not once resisted any initiative for consolidation with any other district. CVWD has informally discussed the merits of consolidation with the Carpinteria Sanitary District and identified no significant benefits.

## **Recommendation 1**

Water and cemetery district *Board members* should receive training, by January 1, 2007, in all subjects mandated by Assembly Bill 1234 (for example, ethics), public agency accounting, how to read balance sheets and statements of activities, budget management, employment law, conflict of interest, and law relevant to district operations (for example, Brown Act Open Meetings Law).

## **Response to Recommendation 1**

This recommendation has not been fully implemented but will be within 6 months. All CVWD directors will have received the mandatory Assembly Bill 1234 training by January 1, 2007. (Only one director has not yet met this requirement). CVWD directors are considering in the next six months the scheduling of broader participation in conferences by all directors in the programs and conferences of the Association of California Water Agencies, the American Water Works Association, and the California Special District Association to take advantage of various seminars that would be of assistance to them in carrying out their duties as directors. They are also looking into the use of training workshops in addition to their regular review of various water utility publications.

## **Recommendation 2**

Water and cemetery district *general managers* should receive training, by January 1, 2007, in all subjects mandated by Assembly Bill 1234 (for example, ethics), public agency accounting, how to read balance sheets and statements of activities, budget preparation and management, employment law, conflict of interest, and law relevant to district operations (for example, Brown Act Open Meetings Law).

## **Response to Recommendation 2**

Recommendation 2 has been implemented. CVWD's general manager has already (in March) received Assembly Bill 1234 training as well as the District's Business Manager and Administrative Assistant. The District's Engineer and Operations Manager will also receive this training. The General Manager normally attends semi-annual conferences of the American Water Works Association and the Association of California Water Agencies where he attends sessions dedicated to financial management, accounting and budgeting issues, personnel management and public involvement, as well as water resource management. He recently (in May) attended one session presented by a CPA firm about the audit process. In October of 2005 he attended a conference of the American Water Works Association with an emphasis on the water quality management and regulations. In November he will be attending a California Public Employer Labor Relations Association program entitled Labor Relations Academy III: The Negotiations Process. He strives to attend conferences with seminars providing current training in matters of immediate importance to the District at least twice a year.

## **Recommendation 4**

Public noticing of water and cemetery special district board meetings should meet or exceed Brown Act requirements, and the time and place of *noticing* should be explicitly printed on the meeting agenda.

## **Response to Recommendation 4**

Recommendation 4 has been implemented. CVWD strives to meet or exceed Brown Act public noticing requirements. CVWD typically places paid advertisements in addition to legal public notices to engage the public during its rate and budget making process. CVWD also

utilizes its monthly newsletter sent out with the bills to announce meetings of major importance.

### **Recommendation 5**

Water and cemetery special districts should have fax numbers and e-mail addresses, and should check their e-mail daily.

### **Response to Recommendation 5**

Recommendation 5 has been implemented. CVWD has an actively maintained website and a fax number to encourage easy public access and requests for information. E-mail from this website is routinely monitored on a daily basis.

### **Recommendation 6**

Water and cemetery special districts should develop written policies on complaint processing, expenditure processing, board action, employment, record retention, and, for cemetery districts, removal of board members for cause.

### **Response to Recommendation 6**

Recommendation 6 has not yet been implemented in full, but will be within 6 months. CVWD has written policies on expenditure processing, employment and record retention. CVWD is considering development of written policies for complaint processing and board action within the next six months.

### **Recommendation 7**

Water and cemetery special districts should keep minutes of all board meetings, and the minutes should state at least:

- 1) board member, staff and counsel attendance, by name;
- 2) number of attendees that are not board, staff or counsel; and
- 3) for each agenda item or other subject discussed,
  - a) a description of the item,
  - b) the action taken,
  - c) the facts on which the action is based, and
  - d) for each item that cannot be acted upon at the meeting, the issues that must be resolved *before* action can be taken and the person who is assigned to obtain the information needed to resolve the issue.

### **Response to Recommendation 7**

Recommendation 7 has been implemented. In addition, the CVWD typically prepares and adopts resolutions to formally document the context and basis of important action items.

**Recommendation 8**

Water and cemetery special districts should contact their CPAs and attorneys annually and ask to be briefed on changes in the laws and other requirements applicable to their districts.

**Response to Recommendation 8**

Recommendation 8 has been implemented. CVWD annually receives an audit report from its CPA audit firm including information about changes in laws and other requirements, and more frequently staff consults with its audit firm and advises the Board about same. CVWD's general counsel routinely advises directors during board meetings as new laws and other requirements become applicable, as does the general manager, frequently making use of the services of the Association of California Water Agencies relative to new legislation.

**Recommendation 9**

For each action requested of a district board by the general manager, the board should require its general manager to state in writing the facts on which to base a reasonable conclusion that the request should be granted.

**Response to Recommendation 9**

Recommendation 9 has been implemented. CVWD's General Manager or his designees routinely prepare either a memorandum or resolution to document the basis for a recommended action.

In conclusion, the Governing Board of the Carpinteria Valley Water District wishes to thank the Santa Barbara County Grand Jury for its efforts and recommendations to ensure that Carpinteria Valley Water District effectively and efficiently fulfills its mission as the public water purveyor for the Carpinteria Valley.

Sincerely

Frederick Lemere  
President of the Board of Directors

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