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**Mission Hills**  
**Community Services District**

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www.mhcsd.org



August 3, 2011

Hon. Arthur A. Garcia  
Assistant Presiding Judge  
Santa Barbara Superior Court  
PO Box 5369  
Santa Maria, CA 93456-5369

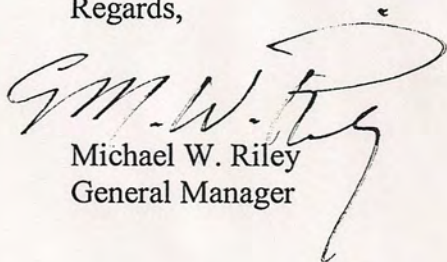
RE: Santa Barbara County Civil Grand Jury "Local Government Post Employment Benefits in Santa Barbara County – Complicated and Costly" Recommendation Response

Mission Hills Community Services District implemented a plan in 2009 to limit compensated absences. This plan limits accumulated vacation time to 240 hours per employee, and accumulated sick time to 1040 hours per employee. The District also offers its employees the option to sell back vacation time, which when utilized, significantly reduces compensated absences liabilities.

The District's compensated absence liability is verified annually during our audit, and reviewed by our Board of Directors. The current liability is fully funded by cash in investment accounts.

Please feel free to contact me if you have any questions.

Regards,



Michael W. Riley  
General Manager

CC: Santa Barbara County Board of Supervisors  
Santa Barbara County Civil Grand Jury