



Established in 1918 as a public agency  
**Coachella Valley Water District**

**FILE**

**Directors:**

John P. Powell, Jr., President - Div. 3  
Franz W. De Klotz, Vice President - Div. 1  
Ed Pack - Div. 2  
Peter Nelson - Div. 4  
Debi Livesay - Div. 5

**Officers:**

Jim Barrett, General Manager  
Julia Fernandez, Board Secretary

Redwine and Sherrill, Attorneys

August 14, 2013

File: 0933.

Don Rapp, Foreperson  
2012-13 Riverside County Grand Jury  
PO Box 829  
Riverside, CA 92502

Dear Mr. Rapp:

**Subject: Response to Grand Jury Report: Riverside County Water and Sanitation District, Compensation and Transparency**

The Coachella Valley Water District (CVWD) has received and reviewed your Grand Jury Report: Riverside County Water and Sanitation District, Compensation and Transparency.

CVWD respects the function of the Grand Jury to investigate and report on the operations of Special Districts and appreciates the important role it plays as a check and balance against the possible misuses of public funds.

Per California Penal Code §933.05, we respectfully submit the following response to the report's findings and recommendations.

**Grand Jury Findings:**

1. The Grand Jury, in its review of water and sanitation districts servicing Riverside County, found that 15 out of 29 districts provided benefit packages to some boards of directors. These packages may have included such medical benefits as dental, vision and life insurance (See Table C); in some cases retirement benefits were paid for by the districts. Some of these insurance benefits were offered to the spouses and/or families of board members. It must be noted that these benefits given to the directors are voted on by the directors themselves. These are benefits that are generally given to full-time employees of the districts.

State law established the amount of stipend a director may receive for attending meetings; however, there are no regulations on the amount of benefits a director may receive. This has resulted in some districts having an average director's total compensation in excess of \$40,000 (See Table C). The review of district financial data indicated these benefits were added to the district's direct operating cost and were ultimately passed on to the rate payer as "cost of doing business."



**Response:**

The respondent agrees with the finding.

**Grand Jury Findings:**

2. The California Public Records Act (CPRA) was passed in 1968, requiring inspection and/or disclosure of governmental records to the public upon request, unless exempted by law. The CPRA is currently codified as California Government Codes §6250 through § 6276.48. The legislature enacted CPRA, and §6250 expressly declared that “access to information concerning the conduct of the people’s business is a fundamental and necessary right of every person in this state” and it emphasized that maximum disclosure of the conduct of governmental operations [is] to be promoted by the act.” By promoting prompt public access to government records, the CPRA is “intended to safeguard the accountability of government to the public.” (CBS v. Block, 42 Cal. 3d 646 n.5, 230 Dal.Rptr.362, 725 P.2d370 (1986). This “prompt public” accessibility to water and sanitation district public documents is achieved through district websites.

Of the 29 water and sanitation districts studied, 6 districts had no website available to their ratepayers:

- Cabazon County Water District (CCWD)
- Fern Valley Water District (FVWD)
- Chiriaco Summit Water District (CSWD)
- Edgemont Community Services District (ECSD)
- Home Gardens County Water District (HGCWD)
- Home Gardens Sanitary District (HGSD).

Those districts which had websites available provided varying amounts of public documents as guided by the California Public Records Act.

While some districts had created and maintained websites, not all websites remained current to reflect public meeting changes, updated minutes and agendas, and updated financial reports and audits.

During the investigation, the Grand Jury utilized a number of sources to acquire data. One very important source of public documents was the best practice of providing websites which are operated by the 23 districts themselves. There was a wide disparity in the availability of data, its ease of finding, and the timeliness of the information. This did not necessarily correlate with the size of the district. Some large, sophisticated districts had limited online access to compensation and financial data, while some smaller districts excelled. A keystone in improving public confidence in local government operation is to make operating information easily available and demonstrate nothing is hidden.

District websites were reviewed for inclusion of the following items of transparency:

- Clearly labeled link or links on the website's home page to all financial and compensation information
- Compensation data for the board of directors and general manager listing all types of compensation (salary and other benefits) in a clear, understandable manner.
- If the general manager had a contract, then a copy of the current contract should be posted on the district's website.
- The current and previous fiscal year budgets, Comprehensive Annual Financial Reports, and latest County audits.
- Public meeting information, including dates, times, locations, agendas and minutes.
- Rate structure and rate history of water and sanitation services.
- Other public documents, including water quality reports.

**Response:**

The respondent agrees with the finding.

**Grand Jury Findings:**

3. Some water and sanitary district boards of director's meetings are conducted during the day rather than in the evening when working rate payers are able to attend. These include:
  - Chiriaco Summit Water District (CSWD)
  - Coachella Valley Water District (CVWD)
  - Desert Water Agency (DWA)
  - Eastern Municipal Water District (EMWD)
  - San Bernardino Valley Municipal Water District (SBVMWD)
  - Elsinore Valley Municipal Water District (EVMWD)
  - San Gorgonio Pass Water Agency (SGPWA)
  - Lake Hemet Municipal Water District (LHMWD)
  - Valley Sanitary District (VSD)
  - Mission Springs Water District (MSWD)
  - Rubidoux Community Services District (RCSD)
  - West Valley Water District (WVWD)
  - Lee Lake Water District (LLWD)
  - Santa Ana Watershed Project Authority (SAWPA)

**Response:**

The respondent agrees with the finding.

**Grand Jury Recommendation One:**

Before raising any water and/or sewer rates, water and sanitation districts providing insurance and/or retirement benefits to its directors shall reduce or eliminate these full-time benefit packages for part-time directors.

**Response:** The recommendation has been implemented. Prior to the publication of the Grand Jury Report, effective January 1, 2013, the CVWD Board of Directors reduced its benefit package through the elimination of Medi-Gap insurance coverage for new directors and spouses. This decision was one of many cost-cutting measures made in lieu of increased water and sewer rates. The last time the board approved domestic water or sewer rate increases was in 2010. The board has not increased meeting compensation since 2008.

**Grand Jury Recommendation Two:**

This recommendation was not made to CVWD. No response required.

**Grand Jury Recommendation Three:**

Water and sanitation district Boards of Directors shall conduct board meetings after 6 p.m. to ensure maximum participation by ratepayers, and generate maximum public attendance.

**Response:** The recommendation requires further analysis. Following review of the Grand Jury recommendation, the CVWD Board of Directors voted unanimously to hold its regularly scheduled Sept. 10, 2013, meeting at 6 p.m. (preceded by a 5 p.m. closed session meeting) to help gauge public interest in evening meetings. After September 10, 2013, the Board of Directors will discuss whether continued evening meetings are warranted.

If you have any questions, please call me at 760-398-2661, extension 2201.

Sincerely,



J. M. Barrett  
General Manager