



Yucaipa Valley Water District

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December 1, 2013

Mark A. Cope, Presiding Judge
 Superior Court of California, County of Riverside
 4050 Main Street
 Riverside, California 92501

Riverside County Grand Jury
 Post Office Box 829
 Riverside, California 92502

Subject: Response to the 2012-13 Grand Jury Report: Riverside County Water and Sanitation District, Compensation and Transparency

The Yucaipa Valley Water District has reviewed the 2012-13 Grand Jury Report: Riverside County Water and Sanitation District, Compensation and Transparency (the "Report") dated June 28, 2013. The Report was presented to the Yucaipa Valley Water District Board of Directors on August 27, 2013 for review and comment.



Riverside County Grand Jury Finding Number 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 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."

Directors and Officers

KENNETH P. MUÑOZ
 Division 1

BRUCE GRANLUND
 Division 2

JAY BOGH
 Division 3

LONNI GRANLUND
 Division 4

DAVID LEJA
 Division 5

JOSEPH B. ZOBA
 General Manager
 and Secretary

Pursuant to the requirements of California Penal Code Section 933.05 the Yucaipa Valley Water District (respondent) agrees with this finding based on the due diligence and evaluation and preparation of the data compiled by the Riverside County Grand Jury.

Riverside County Grand Jury Recommendation Number 1. 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.

The Yucaipa Valley Water District has reviewed the Riverside County Grand Jury Recommendation Number 1 and has determined that this recommendation will not be implemented because it is not warranted or is not reasonable since the benefits provided to the Board of Directors are consistent with state law. However, the discussion of the Grand Jury recommendation with the board members may be sufficient to change future policies at a time when rates are adjusted in the future.



Riverside County Grand Jury Finding Number 2. The California Public Records Act (CPRA) as 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 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 Dai.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 of 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.

Pursuant to the requirements of California Penal Code Section 933.05 the Yucaipa Valley Water District (respondent) agrees with this finding based on the due diligence and review of the California Public Records Act and associated California Government Code sections by the Riverside County Grand Jury.

Riverside County Grand Jury Recommendation Number 2. Each water and sanitary district shall provide a district website to provide access to public documents including financial, contractual, budgetary and compensation information for board of directors and general managers. These documents shall include benefits paid by the district on behalf of board members and general managers, and include the general manager's contract. The districts shall maintain and update agendas, minutes, and financial reports as issued.

The Yucaipa Valley Water District has reviewed the Riverside County Grand Jury Recommendation Number 2 and has implemented this recommendation.



Riverside County Grand Jury Finding Number 3. Some water and sanitary district boards of directors' meetings are conducted during the day rather than in the evening when working ratepayers are able to attend. These included:

- 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 (SBVNWD)

- **Elsinore Valley Municipal Water District (EVMWD)**
- **San Geronio 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)**

Pursuant to the requirements of California Penal Code Section 933.05 the Yucaipa Valley Water District (respondent) agrees with this finding based on the due diligence and review of the meeting schedules reviewed by the Riverside County Grand Jury.

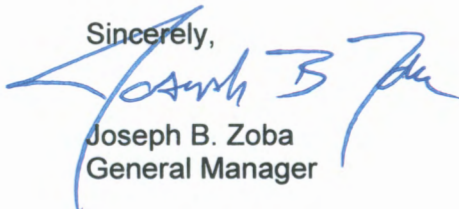
Riverside County Grand Jury Recommendation Number 3. Water and sanitation district Boards of Directors shall conduct board meetings after 6:00 pm to ensure maximum participation by ratepayers, and generate maximum public attendance.

The Yucaipa Valley Water District has reviewed the Riverside County Grand Jury Recommendation Number 3 and has implemented this recommendation by conducting regular board meetings at 6:00 pm.

Thank you for the opportunity to review and comment on the 2012-13 Grand Jury Report: Riverside County Water and Sanitation District, Compensation and Transparency.

Please contact me directly at (909) 797-5119 should you have any questions.

Sincerely,



Joseph B. Zoba
General Manager

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