

## **Riverside County Special Districts: Obscure Local Government**

### **SUMMARY**

The primary focus of this report is to bring attention to a relatively unknown governmental structure of special districts. Riverside County (County) is home to 226 special districts. Created by the California Legislature during the state's early days, special districts have become essential for public service delivery.<sup>1</sup>

Special districts are political subdivisions authorized by state statutes to provide specialized services that local city or county do not provide. There are approximately 50 major types of special districts, each dedicated to different services. Special districts vary in size from small to expansive, often crossing city and county lines.

This report finds that special districts in Riverside County remain largely unnoticed, operate with inadequate oversight, and serve residents who have limited knowledge about their governance or the taxes they collect and spend.

In Riverside County, as elsewhere, special districts are subject to the following:

- **Transparency and Accountability:** Special districts need transparency in their operations and decision-making processes to effectively communicate with the rate-payers to whom they are accountable.
- **Community Engagement:** Community engagement and feedback are crucial for understanding local needs and preferences.
- **Governance and Oversight:** Effective governance is crucial for special districts to operate efficiently and serve community needs.
- **Financial Stability:** Special districts must manage finances to sustain essential services without falling into deficits or relying on unpredictable revenue streams.
- **Legal and Regulatory Compliance:** Special districts must comply with laws and regulations, which can be complex and subject to change.
- **Service Delivery:** Special districts bear the responsibility of delivering specialized services like water, sanitation, or fire protection.
- **Infrastructure Development and Maintenance:** Special districts face the challenge of overseeing infrastructure expansion to accommodate environmental and sustainability concerns. Those focused on transportation, responsible for roads and public transit, confront unique challenges in maintaining and enhancing transportation infrastructure to keep pace with population growth and mitigate congestion.
- **Economic Development:** Special districts provide infrastructure and services that facilitate economic development and job creation.

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<sup>1</sup> The Little Hoover Commission, Special Districts: Improving Oversight & Transparency, Report #239, August 2017.

- **Healthcare Services:** Special districts involved in healthcare, such as hospital districts, address the healthcare needs of the county's residents, including access to affordable and quality healthcare services.
- **Wildfire Risk:** Special districts address the risk of wildfire to ensure adequate resources for fire prevention and preparedness.
- **Water Management:** Special districts provide water management, including irrigation, flood control, and water supply. Sustainable water management is a significant concern due to the region's semi-arid climate and ongoing drought conditions.
- **Sustainability:** Special districts engaging in environmental conservation tackle challenges such as habitat loss, pollution, and effective resource management in the face of climate change and drought.

These concerns highlight the diverse range of challenges faced by special districts in Riverside County and the importance of effective management and planning to address them. Without robust mechanisms of public accountability, inefficiency can become routine and controversy inevitable.

## **METHODOLOGY**

The Riverside Civil Grand Jury (Grand Jury) conducted interviews, reviewed documents, viewed websites, and communicated with relevant individuals and organizations through emails and telephone calls.

### **Interviews, Visits, and Conversations**

- Riverside County Clerk of the Board Office
- Representative from Local Agency Formation Commission (LAFCO)
- Representatives from California State Controller's Office
- Representative from California Secretary of State

### **Email Correspondence**

- California Secretary of State
- Riverside County Auditor-Controller's Office
- Riverside County, Assessor-County Clerk-Recorder's Office
- Riverside County Clerk of the Board Office
- Riverside County Executive Office
- Riverside County Treasurer's Office
- Riverside Local Agency Formation Commission

### **Websites, Documents and Entities Reviewed<sup>2</sup>**

- California Association of Public Cemeteries
- California Association of Recreation and Park Districts
- The California Association of Sanitation Agencies
- Association of California Water Agencies

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<sup>2</sup> Refer to Appendix for additional details.

- California Association of Local Agency Formation Commission
- California Grand Jurors Association
- The California Special Districts Association
- California State Controller's Office
- Civil Grand Jurors' Association of California
- Riverside County Board of Supervisors (BOS) Countywide Oversight Board
- Institute for Local Government
- Legislative Analyst's Office
- Little Hoover Commission
- Riverside Local Agency Formation Commission
- Mosquito and Vector Control Association of California
- Riverside County, Assessor-County Clerk-Recorder
- Riverside County Boards, Commissions, and Committees Report
- Riverside County Board of Supervisors acting as Trustees
- Riverside County Information Technology
- Riverside County Office of Economic Development
- Senate Governance & Finance Committee
- Special District Leadership Foundation
- What's So Special About Special Districts?<sup>3</sup>

## **BACKGROUND**

### **History**

According to U.S. Census figures, more than 30,000 special districts provide a wide array of specialized services to millions of Americans.<sup>4</sup>

Established by communities through state statutes, special districts are governed by boards elected by constituents or appointed by city councils or county executive boards. They are subject to sunshine laws<sup>5</sup>, financial audits, and regulatory compliance. They have powers similar to counties and cities, including the ability to provide services, sign contracts, employ workers, acquire property, issue bonds, impose taxes, and charge fees. In essence, special districts are limited-purpose governments, providing only services allowed by California State law and supported by residents.<sup>6</sup>

These special districts vary in size and scope, often crossing city and county lines. Approximately 50 major types of special districts exist, each dedicated to different services and can be categorized based on activities, funding sources, and governance structures. Most are

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<sup>3</sup> A Citizen's Guide to Special Districts in California, Fourth Edition, 2010, [https://www.ca-ilg.org/sites/main/files/file-attachments/resources\\_2010WSSASD4edition.pdf](https://www.ca-ilg.org/sites/main/files/file-attachments/resources_2010WSSASD4edition.pdf), accessed 3/26/2024.

<sup>4</sup> Special District Fact Sheet, Senate Governance and Finance Committee, September 2016, [https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special\\_district\\_facts\\_2016.pdf](https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special_district_facts_2016.pdf), accessed 3/14/2024.

<sup>5</sup> Refer to Appendix Definitions.

<sup>6</sup> California Special Districts Association, Learn About Districts, <https://www.csda.net/special-districts/learn-about>, accessed 3/26/2024.

single-function, providing one service, while some are multi-function, offering two or more services. For example, municipal utility districts may provide fire protection, park services, and utilities.

About two-thirds of special districts are independent, meaning they have their own elected or appointed boards with fixed terms. These boards usually consist of five members, but can vary depending on the district's size and nature. Examples of independent districts include cemetery, fire protection, and community services districts. The remaining one-third are dependent districts, governed by either a city council or county board of supervisors. County service areas fall under this category.<sup>7</sup>

Independent special districts derive their authority directly from the communities they serve, with a governing body operating independently from other government agencies. Board members have a high degree of autonomy and are directly accountable to the community. Most independent special districts are governed by a constituent-elected board of directors, although in some cases, the board may be appointed by other local elected officials. The Little Hoover Commission, an independent state oversight agency,<sup>8</sup> found that independent special districts often lack the kind of oversight and citizen involvement necessary to promote efficient operation and evolution.<sup>9</sup> Dependent special districts are closely linked to another unit of local government, with city council members, county executive board members, or their appointees typically serving as the board of directors. Unlike independent special districts, appointees to the board of a dependent special district may serve in an ex-officio capacity and at the pleasure of the appointing body, making their governance subject to the interests and influence of other governmental bodies.<sup>10</sup>

### **California's Special Districts**

Local governments in California, encompassing counties, cities, and special districts collectively deliver a range of services to residents.<sup>11</sup> The concept of special districts emerged in California in the late 19th and early 20th centuries as a response to the need for specialized services such as water, sanitation, and fire protection for rapidly growing urban and rural populations. The California State Legislature enacted the Municipal Utility District Act in 1921, which provided a legal framework for the formation of special districts to provide water, sewer, and other utilities. Over the years, the number and types of special districts in California have expanded and diversified to include services such as healthcare, transportation, parks and recreation, and mosquito abatement. Today, there are over 2,000 special districts in California, each providing a specific service or set of services to a defined geographic area.

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<sup>7</sup> Special District Fact Sheet, Senate Governance and Finance Committee, September 2016, [https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special\\_district\\_facts\\_2016.pdf](https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special_district_facts_2016.pdf), accessed 3/14/2024.

<sup>8</sup> The Little Hoover Commission, California's Independent Voice for Reform, <https://lhc.ca.gov/about/>, accessed 5/28/2024.

<sup>9</sup> The Little Hoover Commission, Special Districts: Improving Oversight & Transparency, Report #239, August 2017.

<sup>10</sup> California Special Districts Association, Learn About Districts, <https://www.csda.net/special-districts/learn-about>, accessed 3/26/2024.

<sup>11</sup> Special districts are the primary focus of this report, with schools excluded due to their funding stream determined by Proposition 98.

These districts operate separately from counties, cities, or other government agencies serving the area. Some residents primarily rely on their city or county government for services, while others rely heavily on independent or dependent special districts to provide essential services within their boundaries, including fire protection, waste disposal, water supply, electric utilities, libraries, public safety, transportation, parks/recreation, and sanitation. Residents' access to specific services depends on location, as different areas may receive services from a combination of local governments.<sup>12</sup>

California's special districts boast a lengthy and significant history spanning over a century. Initially created to address the specific needs of communities lacking adequate services from traditional local governments, these districts have evolved and broadened their scope to encompass a diverse array of services.

California Government Code §61100 outlines the types of services special districts may provide. The financial framework of each district is shaped by its enabling legislation and the specific services it delivers. While they have corporate and tax powers, special districts typically lack police powers.<sup>13</sup>

Overall, special districts have evolved to become an integral part of California's local government landscape, providing specialized services that meet the unique needs of communities across the state. In August 2019, the State Legislature established the week of September 22 through September 28 as an annual Special Districts Week. Californians are encouraged to familiarize themselves with their local service providers, vote in the upcoming election, attend a board meeting, and consider serving on a local board.<sup>14</sup>

### **Riverside County's Special Districts**

Special districts in Riverside County have a history that mirrors the broader development of special districts within the state. Special districts in Riverside County began to emerge in the early to mid-20th century, primarily in response to the need for water and sanitation services in rapidly growing communities. The Riverside County Flood Control and Water Conservation District, formed in 1945, was one of the earliest special districts in the county, reflecting the importance of water management in the region.<sup>15</sup>

Special districts in Riverside County have expanded and diversified over the years to include a wide range of services. These include fire protection, healthcare, transportation, parks, recreation, and more. The growth of these districts paralleled the population growth and urbanization of the county.

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<sup>12</sup> An Initial Look at Effects of the COVID-19 Pandemic on Local Government Fiscal Condition, <https://lao.ca.gov/reports/2021/4428/COVID-19-Fiscal-Effects-Local-Gov-051221.pdf>, page 3-8, accessed 4/3/2024.

<sup>13</sup> California State Controller's Office, State of California Special District Uniform Accounting and Reporting Procedures, 2023 Edition, [https://www.sco.ca.gov/Files-ARD-Local/spd\\_manual\\_2023\\_edition.pdf](https://www.sco.ca.gov/Files-ARD-Local/spd_manual_2023_edition.pdf), accessed 3/22/2024.

<sup>14</sup> California Special Districts Association, <https://www.csda.net/blogs/csda-admin/2019/08/19/california-state-legislature-establishes-special-d>, accessed 3/22/2024.

<sup>15</sup> California Special Districts Association, Learn About Districts, <https://www.csda.net/special-districts/learn-about>, accessed 3/26/2024.

In Riverside County, the Clerk of the Board of Supervisors (COB) maintains some records related to special districts within its boundaries. Although the COB does not maintain its own comprehensive listing of special districts, it utilizes the Riverside Local Agency Formation Commission's (LAFCO) list. A comprehensive list that includes special districts and Joint Powers Authorities (JPAs) is available from the California Grand Juror's Association and [California State Controller's Office](#). Special districts' financial information, including revenues and expenditures is also available on the California State Controller's website. Additionally, Board of Supervisors Appointments, Public Official Appointments with stipends, Boards, Commissions, and Committees Annual Report are available on the [COB website](#). Of particular interest are a type of special district known as County Service Areas (CSAs). Some communities in the unincorporated areas of Riverside County have utilized CSAs for over 50 years to provide a wide range of services within these communities.<sup>16</sup> The Riverside County Office of Economic Development assumed control of CSAs in July of 2002. Links to the CSAs information and staff contact are accessible on the county [CSA website](#).

Overall, special districts in Riverside County have evolved to become an integral part of the local government landscape, providing specialized services that are essential to the quality of life in the county's communities.

### **Oversight**

Special districts are independent government bodies responding solely to the voters or landowners they serve. The Legislature not only established special districts and implemented the regulatory frameworks guiding their operations, but also retained the authority to establish new districts and dissolve existing ones. Anticipating the need for local oversight in the early 1960s, the Legislature established Local Agency Formation Commissions (LAFCOs). LAFCOs were established with the mission of promoting more cohesive planning practices and curtailing unsuitable expansion by evaluating local government boundary determinations. LAFCOs possess the power to initiate the dissolution and merging of special districts, although the ultimate decision rests with local voters.<sup>17</sup>

Currently, State government has limited special districts. For example, special districts must submit annual financial reports to the State Controller. While the State Attorney General's Office is not the primary enforcer of criminal violations, local district attorneys do handle most criminal activity complaints. As it relates to special districts, multiple state laws strictly prohibit misconduct. These include: Government Code §8314 prohibits the diversion of state funds for personal use; Penal Code §424 imposes four-year prison terms for those who misuse public funds; Government Code §1090 establishes a strict liability standard prohibiting public officials from having financial interests in their agencies' contracts; and, Government Code §1097 disqualifies violators from holding office.<sup>18</sup>

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<sup>16</sup> County Service Area, [County Service Area | RivCo Office of Economic Development \(rivcoed.org\)](#), accessed 5/13/2024.

<sup>17</sup> The Little Hoover Commission, Special Districts: Improving Oversight & Transparency, Report #239, August 2017.

<sup>18</sup> California Legislative Information, California Law, Code Search, <https://leginfo.ca.gov/faces/codesTextSearch.xhtml>, accessed 5/16/2024.



Special districts are often unknown to the public they serve because their functions are narrow and technical. Special districts, however, must conform to governing safeguards such as the Ralph M. Brown Act, the Public Records Act, and the Political Reform Act. Access to government meetings and documents is available through the Senate Local Government Committee citizen guides to the Brown Act, the Public Records Act, and conflict-of-interest laws.<sup>19</sup>

### **Finances and Funding Mechanisms**

Special districts must maintain critical infrastructure and continue the delivery of their essential services through economic downturns, natural disasters, and other emergencies. Financial stability is imperative.<sup>20</sup>

Depending on their category, special districts' financial information may be included on county reports or their own independent reports.<sup>21</sup> Local governments in California release comprehensive annual financial reports detailing revenues, expenditures, and other financial information. They also provide annual reports to the State Controller's Office (SCO), which aggregates and publishes this information. However, there is a lag of up to two years in aggregated reporting. This delay makes it challenging to assess the overall impact of special districts on local governments' finances. Until the aggregated data is available, assessments are based on individual government reports and other sources.<sup>22</sup>

Special districts fund their activities through a variety of means, including fees and property tax revenues. Some districts rely primarily on non-tax revenues, such as user charges. Districts can issue bonds to finance projects like building new infrastructure. For example, general obligation bonds may be backed by property taxes. Some revenue bonds are paid from user fees and do not necessarily need voter approval. These bonds can be paid off through property taxes or user fees, depending on the type of bond.<sup>23</sup>

### **Controversies Involving Riverside County's Special Districts**

As with many regions, special districts in Riverside County, California, have faced controversies and challenges over the years. Some of these challenges are examined in a 2023-2024 Riverside County Civil Grand Jury report entitled [March Joint Powers Authority: Marginally](#)

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<sup>19</sup> These reference books can be obtained from the Senate Publications Office at (916) 327-2155. Senate Local Government Committee, <https://www.senate.ca.gov/senate-local-government-committee>, 4/22/2024.

<sup>20</sup> Special District Fact Sheet, Senate Governance and Finance Committee, September 2016, [https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special\\_district\\_facts\\_2016.pdf](https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special_district_facts_2016.pdf), accessed 3/14/2024.

<sup>21</sup> California State Controller's Office, State of California Special District Uniform Accounting and Reporting Procedures, 2023 Edition, [https://www.sco.ca.gov/Files-ARD-Local/spd\\_manual\\_2023\\_edition.pdf](https://www.sco.ca.gov/Files-ARD-Local/spd_manual_2023_edition.pdf), accessed 3/22/2024.

<sup>22</sup> An Initial Look at Effects of the COVID-19 Pandemic on Local Government Fiscal Condition, <https://lao.ca.gov/reports/2021/4428/COVID-19-Fiscal-Effects-Local-Gov-051221.pdf>, page 8, accessed 4/3/2024.

<sup>23</sup> Sonoma County LAFCO, Special Districts, <https://sonomalafo.org/reports-and-publications/what-are-special-districts/funding#:~:text=Special%20districts%20general%20obligation%20bonds.revenues%2C%20such%20as%20user%20charges>, accessed 4/3/2024.

Transparent.<sup>24</sup> While specific controversies can vary widely, here are some common issues that have arisen:

- **Conflict of Interest:** Allegations of conflict of interest involving board members or district officials have surfaced in some cases. This raises questions about the integrity of decision-making processes and the fairness of outcomes.
- **Governance and Accountability:** The transparency of decision-making processes, the responsiveness of district boards to community concerns, and the effectiveness of oversight mechanisms are areas of concern for some special districts.
- **Legal and Regulatory Compliance:** Compliance with legal and regulatory requirements, such as environmental regulations, labor laws, and procurement rules, has long been a source of controversy for some special districts. Failure to comply with these requirements can result in fines, penalties, or legal action.
- **Financial Mismanagement:** Some special districts in Riverside County have faced accusations of financial mismanagement, including misuse of funds, improper accounting practices, and failure to adhere to budgetary constraints. These issues can lead to audits, investigations, and even legal action.
- **Service Delivery and Quality:** Residents and stakeholders have expressed dissatisfaction with the quality or timeliness of services provided by some special districts. Delays in infrastructure projects, inadequate maintenance, or inconsistent service levels can lead to frustration and criticism.

It is important to note that while controversies involving special districts can be significant, they do not represent the entire sector. Many special districts in Riverside County and elsewhere operate effectively and efficiently, providing valuable services to their communities.

### **Noteworthy Scandals Involving Riverside County's Special Districts**

There have been several notable scandals involving special districts in Riverside County, California. Here are a few examples:

- **Beaumont Corruption Scandal (2016)**<sup>25</sup>: The city of Beaumont, located in Riverside County, was embroiled in a major corruption scandal that involved allegations of financial mismanagement, embezzlement, and fraud. This scandal implicated several city officials as well as the Beaumont Cherry Valley Water District, a special district that provides water services to the area. This scandal led to multiple arrests and legal proceedings. Four former Beaumont officials entered guilty pleas for their role in a \$43 million embezzlement scheme, received probation and fines, including the former city manager and police chief.
- **Jurupa Community Services District Scandal (2010)**<sup>26</sup>: The Jurupa Community Services District, which provides water, sewer, and park services in the Jurupa Valley area of Riverside County, faced allegations of mismanagement and unethical behavior by its board members. This scandal included accusations of excessive spending, conflicts of interest, and

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<sup>24</sup> 2023-2024 Grand Jury Report: March Joint Powers Authority: Marginally Transparent, [https://rivco.org/sites/g/files/aldnop116/files/2024-04/March\\_Joint\\_Powers\\_March\\_21\\_2024.pdf](https://rivco.org/sites/g/files/aldnop116/files/2024-04/March_Joint_Powers_March_21_2024.pdf), accessed 5/28/2024.

<sup>25</sup> Beaumont officials plead guilty in \$43M embezzlement case, get probation and fines, [https://www.desertsun.com/story/news/crime\\_courts/2017/12/19/beamont-almost-brought-its-knees-officials-plead-guilty-43-million-embezzlement-case/963714001/](https://www.desertsun.com/story/news/crime_courts/2017/12/19/beamont-almost-brought-its-knees-officials-plead-guilty-43-million-embezzlement-case/963714001/), accessed 3/28/2024.

<sup>26</sup> Jurupa: Lawsuit triggered by land deal settled, <https://www.pressenterprise.com/2010/10/08/jurupa-lawsuit-triggered-by-land-deal-settled/>, accessed 3/28/2024.



improper conduct during board meetings. Several board members were ultimately removed from office, and reforms were implemented to improve governance and transparency.

- SunLine Transit Agency Scandal (2004)<sup>27</sup>: The SunLine Transit Agency, which provides public transportation services in Riverside County, was involved in a scandal related to the misappropriation of funds. This scandal resulted in the indictments of several agency officials, including the former general manager, on charges of embezzlement and fraud. This scandal led to significant changes in the agency's leadership and oversight practices.

These scandals, while not representative of all special districts in Riverside County, underscore the importance of transparency, accountability, and ethical conduct in the governance of special districts. They also highlight the need for effective oversight with checks and balances to prevent misconduct. Special district members are expected to exercise judgment as representatives of their constituents rather than simply represent their own self-interests or the interests of their appointing authority.

## DISCUSSION

The Riverside Civil Grand Jury queried the most recent Riverside County data filed (2021) with the Secretary of State and listed with the State Controller's Office. This list contains special districts, both independent and dependent, and nonprofit corporations.<sup>28</sup> This list does not contain special districts that fall within multiple counties.

A majority of special districts are administrated by cities or the County and do not have their own independent websites. Instead, the County and cities may have special district agenda items appear at the end of "normal" board agendas. Sometimes the board will vote to conclude a "normal" board agenda and reopen their board meeting as a special district board meeting. This process may result in confusion and consequently, less community engagement.

Additionally, it is difficult to determine the number of inactive special districts, (i.e., those that hold no meetings and conduct no public business). Table 1 indicates the number of special districts, total revenues and expenditures.

**Table 1 – The Numbers<sup>29</sup>**

Number of special districts in Riverside County	226
Riverside County Special Districts Total Revenues	\$3,118,401,000
➤ That is 42% of the \$7.31 billion total annual revenues for Riverside County in 2021. <sup>30</sup>	
Riverside County Special Districts Total Expenditures	\$3,090,160,000

<sup>27</sup> Audit Finds Misappropriations by Transit Agencies, <https://www.latimes.com/archives/la-xpm-2003-jul-17-me-sunline17-story.html>, accessed 3/28/2024.

<sup>28</sup> California State Controller's Office, Special Districts Financial Data, <https://districts.bythenumbers.sco.ca.gov/#!/year/default>, accessed 4/8/2024.

<sup>29</sup> California State Controller's Office, Special Districts Listing, [https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about\\_data](https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about_data), accessed 3/7/2024.

<sup>30</sup> <https://budget.countyofriverside.us/#!/year/2021/revenue/0/account>, accessed 5/1/2024.

### Special Districts Revenues

As shown in Table 2, the top ten revenue generating special districts in Riverside County have a total revenue of \$1.45 billion. That is 20% of the \$7.31 billion total revenues for Riverside County in 2021.<sup>31</sup>

**Table 2 – Top 10 Special Districts Revenues<sup>32</sup>**

Entity Name	Activity	Revenues
Eastern Municipal Water District	Municipal Water	\$422,670,000
Regional Employer / Employee Partnership for Benefits	Joint Powers Authority	\$203,470,000
Western Municipal Water District	Municipal Water	\$153,750,000
Riverside County Flood Control and Water Conservation	Flood Control and Water Conservation	\$109,440,000
Rancho California Water District	California Water	\$109,410,000
Elsinore Valley Municipal Water District	Municipal Water	\$104,700,000
Corona Utility Authority	Joint Powers Authority	\$94,610,000
San Geronio Memorial Healthcare District	Hospital and Healthcare	\$88,800,000
Southern California Regional Liability Excess Fund	Joint Powers Authority	\$86,230,000
Western Riverside Council of Governments	Joint Powers Authority	\$82,360,000

### Special Districts Expenditures

As shown in Table 3, the top ten expenditures for special districts in Riverside County total \$1.42 billion. That is 19% of the \$7.67 billion annual budget for Riverside County government in 2021, and 11% of the \$13.4 billion total actual expenditures for Riverside County in 2021.<sup>33</sup>

**Table 3 – Top 10 Special Districts Expenditures<sup>34</sup>**

Entity Name	Activity	Expenditures
Eastern Municipal Water District	Municipal Water	\$382,430,000
Regional Employer / Employee Partnership for Benefits	Joint Powers Authority	\$202,530,000
Western Municipal Water District	Municipal Water	\$155,110,000
Rancho California Water District	California Water	\$108,700,000
Elsinore Valley Municipal Water District	Municipal Water	\$102,320,000
Riverside County Flood Control and Water Conservation	Flood Control and Water Conservation	\$95,860,000
Corona Utility Authority	Joint Powers Authority	\$95,750,000

<sup>31</sup> California State Controller's Office, Special Districts Revenues, <https://budget.countyofriverside.us/#!/year/2021/revenue/0/account>, accessed 5/1/2024.

<sup>32</sup> California State Controller's Office, Special Districts – Revenues, [https://bythenumbers.sco.ca.gov/Finance-Application/Special-Districts-Revenues/nkv3-m73r/about\\_data](https://bythenumbers.sco.ca.gov/Finance-Application/Special-Districts-Revenues/nkv3-m73r/about_data), accessed 3/7/2024.

<sup>33</sup> County of Riverside, California, Budget, <https://budget.countyofriverside.us/#!/year/2021/operating/0/department>, accessed 5/1/2024.

<sup>34</sup> California State Controller's Office, Special Districts Revenues and Expenditures, <https://districts.bythenumbers.sco.ca.gov/#!/year/2022/operating/0/county/Riverside/0/entityname?vis=barChart>, accessed 3/7/2024.

San Geronio Memorial Healthcare District	Hospital and Healthcare	\$95,060,000
Riverside Transit Agency	Joint Powers Authority	\$92,850,000
Western Riverside Council of Governments	Joint Powers Authority	\$87,220,000

### Special Districts Activities

As shown in Table 4, these numbers illustrate the top ten special districts activity types in Riverside County.

**Table 4 – Top 10 Special Districts Activities<sup>35</sup>**

Type of Activity	Number
Joint Powers Authority	96
Community Service Area	47
Water	14
Nonprofit Corporation	10
Community Service	10
Cemetery	9
Recreation and Park	6
Resource Conservation	4
Hospital and Healthcare	3
Library	3
Fire Protection	3

## CONCLUSION

Special districts may be invisible to the public and policy-makers, compromising oversight and accountability. In contrast to general-purpose local governments, special districts may operate in relative obscurity from the scrutiny of the public they were created to serve. The accountability mechanisms that do exist are sometimes inadequate as illustrated by past controversies and scandals noted in this report.

Special districts enjoy significant political independence under state law, making them ultimately accountable to the voters who elect their governing boards. Throughout the state, opportunities for regulatory improvements and cost-saving measures exist. Legislators and community members should recognize the diversity among special districts. A one-size-fits-all approach to reforms is inadequate and no local agency is immune to potential wrongdoing.

Special districts in Riverside County can improve their effectiveness, accountability, and service delivery. Based on this investigation, here are some key areas for improvement:

- **Transparency and Accountability:** Special districts can bolster transparency and accountability by guaranteeing straightforward access to information concerning their operations, finances, and decision-making procedures. This can involve:

<sup>35</sup> California State Controller's Office, Special Districts, [https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about\\_data](https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about_data), accessed 3/7/2024.

1. Actions such as publishing meeting agendas and minutes, financial reports, and other pertinent documents on their websites.
  2. Accountability can be strengthened through the establishment of clear performance metrics, regular audits, and timely response to public inquiries and complaints. Special districts should actively communicate to the public that they operate directly for public benefit, with taxes and fees collected for local services.
- **Community Engagement:** Special districts can enhance community engagement by actively soliciting input from residents and stakeholders on important issues and decisions. This can involve:
    1. Arranging public meetings, conducting surveys, and leveraging social media and other communication platforms to expand outreach. By cultivating dialogue with the community, districts can glean valuable insights into local needs and priorities. This will ultimately enhance service delivery effectiveness and foster greater public participation and oversight.
    2. Relying solely on the traditional electoral process may not be adequate to ensure that government entities, including special districts, deliver optimal value within constrained resources. Hence, special districts should endeavor to heighten their visibility among the public they serve, as well as among community and business leaders capable of influencing decision-making processes. Through enhanced transparency and accessibility, special districts can cultivate trust and confidence in their operations and decisions, thereby fostering more informed and engaged communities.
  - **Governance and Leadership:** Special districts can enhance governance and leadership by prioritizing adherence to ethical standards and best practices among board members and officials. This can be achieved through various actions such as:
    1. Adopting clear policies and procedures for decision-making processes, including: criteria for evaluating proposals, guidelines for conducting meetings, and mechanisms for ensuring accountability and transparency.
    2. Providing comprehensive training and education to board members and officials to ensure they understand their roles, responsibilities, and ethical obligations. This includes conflict of interest, fiduciary duty, and proper conduct in public office.
    3. Having mechanisms in place for identifying and addressing conflicts of interest among board members and officials such as requiring disclosure of potential conflicts, abstention from voting on matters in which a conflict exists, and recusal from participation in related discussions.
    4. Promoting a culture of integrity and ethical behavior by fostering open communication, encouraging collaboration, and recognizing and rewarding exemplary conduct.

By prioritizing ethical standards and best practices, special districts can strengthen governance and leadership, ultimately enhancing public trust and confidence in their operations and decisions.
  - **Financial Management:** Special districts can enhance their financial management by implementing several key practices:
    1. Developing realistic and comprehensive budgets that align with their priorities and goals. This involves forecasting revenues and expenses accurately, considering long-term financial sustainability, and seeking input from stakeholders.

2. Regularly monitoring and reviewing their expenses to ensure they remain within budgetary constraints. This may involve implementing internal controls, conducting periodic financial reviews, and identifying areas where expenditures can be optimized.
3. Actively exploring opportunities to generate additional revenue or reduce costs without compromising the quality of services provided. This may include pursuing grant funding, renegotiating contracts with vendors, or implementing efficiency measures.
4. Enhancing financial transparency to provide clear and understandable financial reports to the public, including information on revenues, expenses, and financial performance. This promotes transparency and accountability that allow stakeholders to assess the district's financial health.

By adopting sound budgeting practices, monitoring expenses, seeking cost-saving opportunities, and enhancing financial transparency, special districts can improve their financial management and ensure the effective stewardship of public resources.

- **Service Delivery and Efficiency:** Special districts can enhance their service delivery and efficiency by implementing several strategies:
  1. Regularly conducting systematic reviews of their operations to identify areas for improvement. This involves analyzing processes, workflows, and resource allocation to streamline operations and eliminate inefficiencies.
  2. Streamlining processes to reduce complexity and bureaucracy. This may involve standardizing workflows and eliminating redundant processes.
  3. Leveraging technology to enhance service delivery and efficiency. This may include implementing digital tools and platforms to streamline operations, improve communication, and enhance data management and analysis.
  4. Collaborating with other government agencies and organizations to reduce duplication of services and achieve economies of scale. This may involve coordinating efforts, sharing resources, and leveraging expertise to deliver services more effectively and efficiently.

By regularly reviewing operations, streamlining processes, leveraging technology, and collaborating with other agencies, special districts can enhance their service delivery and efficiency, ultimately better serving the needs of their communities.

- **Environmental and Social Responsibility:** Special districts can enhance their environmental and social responsibility by implementing sustainable practices and policies in several key areas:
  1. Reducing carbon footprints and contributing to environmental conservation by investing in renewable energy sources such as solar, wind, or hydroelectric power. This not only reduces greenhouse gas emissions but also promotes energy independence and resilience.
  2. Implementing initiatives to reduce waste generation and optimize water usage. This may involve implementing recycling and composting programs, upgrading infrastructure to improve water efficiency, and promoting conservation practices among residents and businesses.
  3. Fostering a culture of diversity and inclusion within their workforce and decision-making processes. This involves promoting equal opportunity employment practices, fostering a supportive and inclusive work environment, and ensuring that diverse voices are represented in leadership positions and decision-making bodies.

By adopting sustainable practices and policies such as investing in renewable energy, reducing waste and water usage, and promoting diversity and inclusion, special districts can



demonstrate their commitment to environmental and social responsibility while contributing to the well-being of their communities.

Some special districts can be improved on multiple fronts. Given the routine front-line services they provide and the challenges these districts face, those that have the oversight obligations must work to see that they succeed. These actions could potentially save Riverside County taxpayers money if they lead to streamlined local government and improved efficiency in service delivery. By focusing on these aforementioned areas for improvement, special districts in Riverside County can enhance their effectiveness and better serve the needs of their communities.

## FINDINGS

- F-1 All local governments, including special districts, are required to annually report their financial transactions to the California Controller's Office pursuant to Government Code §12463 et seq.<sup>36</sup> These reports are compiled and published by the Controller's Office and are accessible online.
- F-2 Local district attorneys handle most criminal activity complaints. As it relates to special districts, multiple California state laws strictly prohibit misconduct: Government Code §8314, Penal Code §424, Government Code §1090, and Government Code §1097.
- F-3 Riverside County special districts appear to operate in relative obscurity, hidden from the scrutiny of the public they were created to serve. Less than 50% have websites, and of those, a bulk are redirected to the County site for Economic Development.
- F-4 Multiple areas of improvement exist related to best practices: transparency/accountability, community engagement, governance/leadership, financial management, service delivery/efficiency, and environmental/social responsibility.
- F-5 The top ten revenue generating special districts in Riverside County have a total revenue of \$1.45 billion, or 20% of the \$7.31 billion total revenues for Riverside County in 2021.
- F-6 The top ten expenditures for Riverside County special districts total \$1.42 billion, or 19% of the \$7.67 billion annual budget for Riverside County in 2021, and 11% of the \$13.4 billion total actual expenditures for Riverside County in 2021.

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<sup>36</sup> State of California Special District Financial Transactions Report Instructions For the Fiscal Year Ended June 30, 2023, [https://www.sco.ca.gov/Files-ARD-Local/LocRep/SD\\_FTR\\_Instructions\\_22-23v11202023-Final1.pdf](https://www.sco.ca.gov/Files-ARD-Local/LocRep/SD_FTR_Instructions_22-23v11202023-Final1.pdf), accessed 5/16/2024.

## **RECOMMENDATIONS**

- R-1 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors direct the Executive Office staff to collect the following information, at a minimum, on each special district with which the county government is directly or indirectly involved:
1. Name of the Special District
  2. Brief Description of Services Provided
  3. Overall Annual Budget
  4. Website Location
  5. Phone Number
  6. Email Address
  7. Board Appointees
- Based on Findings F-1, F-3, F-4, F-5, F-6  
Financial Impact – Minimal
- R-2 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors direct the Executive Office staff to include special district information, gathered in R-1, on the County’s “Find a Service” website location.  
Based on Findings F-1, F-3, F-4, F-5, F-6  
Financial Impact – Minimal
- R-3 By December 1, 2024, the Grand Jury recommends the Riverside County District Attorney’s Office include misconduct or malfeasance by special districts within Riverside County in its biennial report to the public.  
Based on Finding F-2  
Financial Impact – Minimal
- R-4 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors require its representatives on special district boards, committees, and/or commissions to provide the Board of Supervisors with an “annual summary” of that special district’s purpose, governance, overall financial status, and accomplishments.  
Based on Finding F-4  
Financial Impact – Minimal
- R-5 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors include in its annual report a new special districts “annual summary” (refer to R-4).  
Based on Findings F-1, F-3, F-4, F-5, F-6  
Financial Impact – Minimal

## LEGALLY REQUIRED RESPONSES

California Penal Code §933.05 requires responses to Grand Jury findings and recommendations, within 90-days, to Riverside County's Superior Court Presiding Judge.

### Required Responses

Locations	Findings	Recommendations
Riverside County Board of Supervisors	F-1, 2, 3, 4, 5, 6	R-1, 2, 3, 4
Riverside County District Attorney	F-2	R-2

### Invited Responses

Locations	Findings	Recommendations
Riverside Local Agency Formation Commission	F-1, 2, 3, 4, 5, 6	R-1, 2, 3, 4
Riverside County Special Districts	F-1, 2, 3, 4, 5, 6	R-1, 2, 3, 4

## APPENDIX

### Special Districts List of BOS Appointments - Attachment 1

### Board of Supervisors Appointments Reorganization - Attachment 2

### Public Official Appointments (Form 806) with stipends - Attachment 3

### Boards, Commissions, and Committees Report, including membership roster and terms - Attachment 4

#### Websites, Documents and Entities Reviewed

- **California Association of Public Cemeteries** represents public cemetery districts that provide essential services, “often in small communities where private cemeteries cannot operate profitably.”
- **California Association of Recreation and Park Districts**
- The **California Association of Sanitation Agencies** members provide about 80% of the sewer services in the state.
- **Association of California Water Agencies (ACWA)**, representing local public water agencies that deliver a majority of California’s water service.
- **California Association of Local Agency Formation Commissions**,  
<https://calafco.org/index.php>
- A review of the **California Grand Jurors Association**<sup>37</sup> most recent publicly available listing dated 2021 includes two lists<sup>38</sup>: 1) Special Districts<sup>39</sup>, and 2) JPAs<sup>40</sup>. The Special Districts list contains Special Districts, both independent and dependent, and nonprofit Corporations that have filed with the Secretary of State and are listed with the State Controller’s Office. Both lists are organized by county.
- The **California Special Districts Association (CSDA)** is a nonprofit organization founded in 1969, aiming to promote good governance and enhance core local services across all independent special districts in California through professional development, advocacy, and other services. CSDA, in collaboration with California CAD Solutions, has launched the Special Districts Mapping Project, an interactive map of independent special districts in the state, with the goal of including all district headquarters and boundary lines. However, the data has not been verified and is sourced from various places, its accuracy cannot be guaranteed, and the project serves as a general information resource.
  - Special District Laws Reference Guide,  
<https://www.yololafco.org/files/81915e094/Special+District+Laws+Guide+2020.pdf>

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<sup>37</sup> Civil Grand Jurors’ Association, <https://cgja.org/>, accessed 3/4/2024.

<sup>38</sup> Civil Grand Jurors’ Association, JPA List, <https://cgja.org/special-districts-jpa-list/>, accessed 3/4/2024.

<sup>39</sup> Civil Grand Jurors’ Association, Special Districts, <https://cgja.org/wp-content/uploads/Special-Districts-2021.xlsx>, accessed 3/4/2024.

<sup>40</sup> Civil Grand Jurors’ Association, JPAs, <https://cgja.org/wp-content/uploads/JPA-2021.xlsx>, accessed 3/4/2024.

- **California State Controller's Office**<sup>41</sup>, Local Government Financial Data. This webpage contains revenues, spending, and other financial data of local governments such as cities, counties, and special districts. <https://www.ca.gov/agency/?item=state-controller%27s-office>
  - Special Districts Listing<sup>42</sup> contains a list of all special districts including location, fiscal year end, and districts that are no longer required to report to the State Controller's Office. [https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about\\_data](https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about_data)
  - Counties Financial Data, <https://counties.bythenumbers.sco.ca.gov/#!/year/default>
  - Special Districts Revenues and Expenditures<sup>43</sup> <https://districts.bythenumbers.sco.ca.gov/#!/year/2022/operating/0/county/Riverside/0/entityname?vis=barChart>
  - Special Districts – Revenues, [https://bythenumbers.sco.ca.gov/Finance-Application/Special-Districts-Revenues/nkv3-m73r/about\\_data](https://bythenumbers.sco.ca.gov/Finance-Application/Special-Districts-Revenues/nkv3-m73r/about_data)
  - Special Districts that filed late or failed to file FY 2021-22<sup>44</sup>, <https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-that-filed-late-or-failed-to-file/udxr-rcgh/data>
- **Civil Grand Jurors' Association of California**, Instructions for Special Districts/JPA List, <https://cgja.org/special-districts-jpa-list/>
- **Riverside County Board of Supervisors Countywide Oversight Board** was formed in 2018 because of state legislation that consolidated all oversight boards of successor agencies to oversee the completion of activities of the various successor agencies in Riverside County. The website lists 25 entities under their scope of oversight.<sup>45</sup> The Countywide Oversight Board does not have relevant information regarding Riverside County special districts (i.e., joint powers authorities, nonprofit corporations, independent, dependent, and county service areas) nor does the Countywide Oversight Board maintain a list of the special districts.<sup>46</sup>
- **Institute for Local Government**, <https://www.ca-ilg.org/post/about-special-districts>
- **Legislative Analyst's Office (LAO)**, [https://lao.ca.gov/1995/010195\\_calguide/cglgov3.html](https://lao.ca.gov/1995/010195_calguide/cglgov3.html): Provides fiscal and policy advice to the Legislature. It is known for its nonpartisan analyses of the state budget and serves as a vital resource for the Legislature to ensure efficient and effective implementation of legislative policy by the executive branch.
- **Little Hoover Commission**

<sup>41</sup> California State Controller's Office, <https://bythenumbers.sco.ca.gov/>, accessed 3/14/24.

<sup>42</sup> California State Controller's Office, [https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about\\_data](https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/about_data), accessed 3/14/2024.

<sup>43</sup> California State Controller's Office, [https://bythenumbers.sco.ca.gov/Finance-Application/Special-Districts-Revenues/nkv3-m73r/about\\_data](https://bythenumbers.sco.ca.gov/Finance-Application/Special-Districts-Revenues/nkv3-m73r/about_data), accessed 3/14/2024.

<sup>44</sup> California State Controller's Office, [https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-that-filed-late-or-failed-to-file/udxr-rcgh/explore/query/SELECT%0A%20%20%60no%60%2C%0A%20%20%60county%60%2C%0A%20%20%60special\\_district%60%2C%0A%20%20%60date\\_report\\_submitted%60%2C%0A%20%20%60status%60%0A%20%20%60WHERE%20caseless\\_one\\_of%28%60county%60%2C%20%22Riverside%22%29/page/filter](https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-that-filed-late-or-failed-to-file/udxr-rcgh/explore/query/SELECT%0A%20%20%60no%60%2C%0A%20%20%60county%60%2C%0A%20%20%60special_district%60%2C%0A%20%20%60date_report_submitted%60%2C%0A%20%20%60status%60%0A%20%20%60WHERE%20caseless_one_of%28%60county%60%2C%20%22Riverside%22%29/page/filter), accessed 3/14/2024.

<sup>45</sup> RivCoNOW, Countywide Oversight Board Members, <https://rivco.org/countywide-oversight-board>, accessed 3/7/2024.

<sup>46</sup> Email communication with Riverside County, Clerk of the Board, 3/8/2024.



- Special Districts: Relics of the Past or Resources for the Future?, <https://lhc.ca.gov/wp-content/uploads/Reports/155/Report155.pdf>, <https://lhc.ca.gov/wp-content/uploads/Reports/155/ExecutiveSummary155.pdf>
- **Local Agency Formation Commissions (LAFCO)** was formed under California law (Gov. Code, §56300 et seq.) to oversee boundary changes of cities and special districts, the formation of new agencies, which includes incorporation, consolidation, or reorganization of special districts or cities. Special Districts Websites and Maps: <https://lafco.org/resources/special-districts/>. The California Association of Local Agency Formation Commissions (CALAFCO), has stated that LAFCOs lack the resources they need to carry out oversight duties.
- **Mosquito and Vector Control Association of California** represents mosquito and vector control districts.
- **Riverside County, Assessor-County Clerk-Recorder Office**<sup>47</sup> fulfills the legally and locally mandated functions of the Assessor, County Clerk, Recorder, and Records Management Program in an accurate, timely, professional, and courteous manner to ensure high quality service. Its mandate is to simplify the business of life for Riverside County communities through innovative solutions, trusted expertise, and a fully engaged workforce. Each year, the office completes one of the largest assessment rolls in the Country. This roll serves as the basis for generating property tax revenues that fund county safe neighborhoods, good schools, and many other community-wide benefits.
- **Riverside County Boards, Commissions, and Committees Report:** <https://rivcocob.org/sites/g/files/aldnop311/files/2024-02/Full%20Website%20BCC%20Report%2020240201.pdf>
- **Riverside County Board of Supervisors acting as Trustees:** An example with the Perris Valley Cemetery District <https://rivcoed.org/pvc>
- **Riverside County Information Technology (RCIT)** department provides information technology services to County departments and agencies and is entrusted with managing and safeguarding the County's enterprise and mission-critical solutions and infrastructure.<sup>48</sup> Specifically, RCIT supports departments and agencies that fall entirely under Riverside County leadership. Agencies such as Riverside County Transportation Commission (RCTC), Western Riverside Council of Governments (WRCOG), and the March JPA have their own IT support and services arm. Provision of telephone services for RCTC and WRCOG may occur due to the buildings in which they are located, but that would be the extent of support. In the past, RCIT provided email support to WRCOG, but they moved off onto their own system around 2019/2020. RCIT does not support any nonprofit corporations in Riverside County, other than Riverside County's own Digital Equity Program, which provides surplus computer equipment to schools, low-income families, and charitable organizations.<sup>49</sup>
- **Riverside County Office of Economic Development:** County Service Areas (CSAs), <https://rivcoed.org/csa>
- **Senate Governance & Finance Committee, Special District Fact Sheet,** [https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special\\_district\\_facts\\_2016.pdf](https://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/special_district_facts_2016.pdf)

<sup>47</sup> Riverside County Assessor-County Clerk-Recorder, <https://www.rivcoacr.org/>, accessed 3/13/2024.

<sup>48</sup> Riverside County Information Technology, <https://rivco.org/information-technology-services>, accessed 3/7/2024.

<sup>49</sup> Riverside County Information Technology, Email communication, 3/7/2024.

- **Special District Leadership Foundation (SDF)**, a nonprofit corporation created in 1999 by a coalition of groups to recognize special districts' professional managers.
- *What's So Special About Special Districts?* A Citizen's Guide to Special Districts in California, Fourth Edition, 2010, [https://www.ca-ilg.org/sites/main/files/file-attachments/resources\\_2010WSSASD4edition.pdf](https://www.ca-ilg.org/sites/main/files/file-attachments/resources_2010WSSASD4edition.pdf)

## Definitions<sup>50</sup>

- **Enterprise Special Districts:** Primarily financed by user fees that are set at a level to cover costs. Airports, harbors, hospitals, and water and sewer utilities are examples of districts that operate as enterprise special districts.
- **Nonenterprise Special Districts:** Rely primarily on tax revenues such as property tax revenues to fund their operations. Occasionally, a nonenterprise special district will charge user fees to fund certain services. Types of nonenterprise special districts include – but are not limited to – fire and police protection, cemeteries, libraries, and mosquito abatement programs, because the services they provide benefit the entire community, and not just individual residents.
- **Independent Special Districts:** Operate under a locally elected, independent board of directors. It is independent from other governments and is directly accountable to the people it serves. As defined by Government Code section 56044, a "...independent special district includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district...." Approximately two-thirds of California State's special districts are independent special districts. Independent special districts have separate governing boards elected by the special districts' voters. Registered voters of a community commonly select an independent district's board of directors. In some water districts, political power rests with the landowners. In circumstances where the special districts' services primarily benefit the land and not the people, the courts have upheld the use of landowner-voter districts. An independent special district can be either single-function or multiple-function, and can be either enterprise or nonenterprise.
- **Dependent Special Districts:** Operates under the control of a county board of supervisors, a city council, or another local agency. City councils and county supervisors often appoint local advisory boards to assist and advise them in governing dependent special districts. As defined in Government Code section 56032.5, a "dependent special district includes any special district that has a legislative body that consists, in whole or part, of ex officio members who are officers of a county or another local agency, or who are appointees of those officers, and who are not appointed to fixed terms." A dependent special district can be either single-function or multiple-function, and be either enterprise or nonenterprise. For example, a fire protection district can be a dependent, single function, nonenterprise special district. It is dependent because it is governed by a county board of supervisors; it is single function because it delivers only one type of service (e.g., fire protection), and it is nonenterprise because the special district is supported primarily by taxes.
- **Statutory Authority:** There are over 50 major types of special districts ranging from airport to cemetery to water conservation districts. However, all types of special districts operate

<sup>50</sup> California State Controller's Office, State of California Special District Uniform Accounting and Reporting Procedures, 2023 Edition, [https://www.sco.ca.gov/Files-ARD-Local/spd\\_manual\\_2023\\_edition.pdf](https://www.sco.ca.gov/Files-ARD-Local/spd_manual_2023_edition.pdf), accessed 3/21/2024.

under either a principal act or special act. A principal act is a generic statute that applies to all special districts of that type. For example, the Community Services District Law (Gov. Code, §61000 et seq.) governs all community services districts. Common examples of special districts formed under principal acts include, but are not limited to, County Service Areas, Fire Protection Districts, Community Services Districts, Cemetery Districts, and County Water Districts. Occasionally, local circumstances do not fit the general conditions anticipated by the principal acts. In these cases, the California State Legislature can use a special act to create a district that is tailored to the unique needs of a specific area. Special act districts are typically regional in nature, have unusual governing board requirements, provide unique services, or need special financing. When local governments fail to comply with minimum disclosure requirements, the State of California has the authority to take action to assist the noncomplying local governments to come into compliance. If necessary, legal action may be required to enforce compliance (refer to Gov. Code, §12464). A local government that fails, or refuses, to make and file its report(s) within 20 days after receipt of a written notice of the failure from the State Controller's Office, shall receive a penalty in accordance with Government Code section 53895.

- **Sunshine Laws:** Laws requiring certain proceedings of government agencies to be open or available to the public.<sup>51</sup>

Report Issued: 6/6/2024

Report Public: 6/10/2024

Response Due: 9/10/2024

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<sup>51</sup> What Are Sunshine Laws? Definition, Purpose, Examples.  
<https://www.investopedia.com/terms/s/sunshinelaws.asp>, accessed 5/30/2024.