

2008-2009 GRAND JURY REPORT

Coachella Valley Mosquito and Vector Control District

Background

The Coachella Valley Mosquito and Vector Control District (District) was established in 1928 by the Riverside County Board of Supervisors as a special district, primarily to control eye gnats. Over the years, the District assumed more responsibilities, including the addition of mosquito control in 1951. By 1995 the District had become a full-fledged vector control agency. (Vectors are defined as insects or rodents that transmit disease.) The mission statement for the District is to enhance the quality of life for the Coachella Valley by providing effective and environmentally sound vector control and disease prevention programs through research, development, and public awareness.

The District is one of five agencies providing vector control services throughout Riverside County. (Others include the City of Riverside, City of Blythe, Northwest Mosquito and Vector Control District, and Riverside County.) It is governed by an eleven-member appointed Board of Trustees, including two representatives appointed by the Riverside County Board of Supervisors and one each appointed by the cities of Palm Springs, Desert Hot Springs, Palm Desert, Indio, Coachella, Rancho Mirage, Cathedral City, Indian Wells, and La Quinta.

With a budget in the 2008-2009 fiscal year of approximately \$10 million and an employee force of sixty, the District provides a number of control and surveillance activities for the residents of the Coachella Valley. Most of the District income is generated by property taxes. These services include: red imported fire ant control, eye gnat and fly suppression, mosquito and rodent abatement.

Findings

1. For several years the District followed an annual budget preparation practice of minimizing expected revenue and maximizing expected expenses, thus providing a distorted picture of each year's anticipated results.
2. Excessive reserves were accumulated over several years. These reserves were beyond what most special districts would require to cover unanticipated expenditures. The District tried unsuccessfully to increase its assessment in 2007.

3. In spite of repeated recommendations from outside auditors, the District has failed to complete a financial policies and procedures manual.
4. The 1997 personnel policies and procedures manual is incomplete and outdated. It does not reflect current labor laws, regulations, and District personnel administration.
5. Investigation and sworn testimony from trustees and employees revealed that the prior general manager and legal counsel together had managed the organization in a heavy-handed and dictatorial manner, thus contributing to the dysfunctionality of the District. The District has been without a permanent general manager since May 2008, and the search for a replacement has taken at least ten months. Investigation revealed that this delay has caused much uncertainty and turmoil among the employees.
6. An October 2007 study by the Riverside Local Agency Formation Commission (LAFCO) recommended that the District assume vector control responsibility for the eastern portion of Riverside County, from the Coachella Valley to the California – Arizona state line, including the city of Blythe.
7. Control products used in mosquito and vector suppression activities are a large share of the District's operating budget. These products are budgeted at \$2,141,000 in the 2008-2009 budget, and include expenditures for *Choice*, a product under investigation by the Environmental Protection Agency. Both trustees and management have questioned the use of *Choice*.
8. (a) In all of the interviews conducted, lack of communication was a constant theme. This lack of effective communication among trustees, appointing bodies and the Riverside County nine cities, management, employees, and the community was evident. This reflects a recurring problem contributing to the dysfunctionality of the District.

(b) Sworn testimony revealed that on a regular basis, aside from an annual outside audit, the District failed to consider viewpoints from similar organizations, valley opinion leaders, and the community, thus resulting in insularity of management.

(c) Sworn testimony revealed that former management discouraged any outside consultation. As a result, the District has not utilized the services of outside consultants on organizational structure, trustee policies and procedures, updated personnel policies, appropriate financial documentation and reporting, and management practices.

Recommendations

**Riverside County Board of Supervisors
Board of Trustees, Coachella Valley Mosquito and Vector Control District
Riverside Local Agency Formation Commission
City of Palm Springs – City Council
City of Desert Hot Springs – City Council
City of Palm Desert – City Council
Cathedral City – City Council
City of Rancho Mirage – City Council
City of Indian Wells – City Council
City of La Quinta – City Council
City of Indio – City Council
City of Coachella – City Council**

1. The District should budget anticipated revenue and expenses more realistically, within a five per cent margin, to present a more useful picture of the financial health of the organization.
2. Reserves, both restricted and unrestricted, should be reduced.
3. A financial policies and procedures manual should be completed, providing guidance on accounting practices, purchasing, credit card usage, travel, expense accounts, banking, and other financial matters.
4. District personnel policies and procedures should be documented and updated, at the earliest possible time. These revisions should be communicated regularly to employees and updated periodically.
5. The search for a permanent general manager should be expedited.
6. A LAFCO recommendation regarding expansion of the District should be deferred until remedial action by the District on these recommendations is considered and completed.
7. Use of the suppression chemical called *Choice* should be discontinued once the present supply is exhausted.

8. The District should consider retention of outside consultation on organizational development, including but not limited to: trustee recruitment and training; trustee policies and procedures; management structure, systems and procedures; and most importantly, communication among trustees, senior management, employees, and communities in the valley. Further, appointing authorities (Riverside County and the nine cities) should develop criteria for trustee qualification and apply more intense vetting of potential trustees prior to appointment, thereby improving the quality of appointments to the District Board of Trustees.

Report Issued: 04/14/09
Report Public: 04/16/09
Response Due: 07/13/09