

SPECIAL DISTRICTS COMMITTEE

MISSION STATEMENT

The Special Districts Committee of the 2012-2013 Kern County Grand Jury is responsible for reviewing and overseeing the management, performance, and execution of fiscal responsibilities of all County Services Departments and Special Districts within Kern County. In addition to routine visits, the Committee may investigate citizen complaints alleging managerial or fiscal irresponsibility. After investigation and review of facts, the Committee may make recommendations for improvements. Recommendations are made to maximize efficiency and minimize waste of taxpayer funds. If necessary, the Special Districts Committee may consult with other Grand Jury committees regarding managerial, administrative, and fiscal matters.

SPECIAL DISTRICTS COMMITTEE MEMBERS:



Diana Aronson, Chair
Loretta Avery
Samuel Duran
Patrice Kline

SPECIAL DISTRICTS COMMITTEE

SUMMARY OF ACTIVITIES

The 2012-2013 Special Districts Committee has written and published the following reports:

- Bear Mountain Recreation and Parks District
- Delano Mosquito Abatement District
- Desert Lake Community Service District
- East Kern Cemetery District
- Kern River Valley Cemetery District
- Lake Isabella Community Service District
- Lebec County Water District
- Mojave Public Utility District
- Quail Valley Water District
- Rosamond Community Services District
- Shafter Recreation and Park District
- Southern San Joaquin Municipal Utility District
- Stallion Springs Community Services District

The Committee has investigated 19 complaints. During our tenure, the Committee has visited many different Special Districts within Kern County. Committee members also accompanied other Committees on visitations to the City of Tehachapi, Coroner's Office, Animal Control, Local Area Formation Commission, the Department of Public Health, Camp Erwin Owen, Kern County Fire Department, Juvenile Hall and the Kern Regional Crime Laboratory.

Total investigative miles traveled by Committee: 780

Of the \$42 billion dollars in tax monies annually spent on Special Districts it is believed some of the money will be spent more wisely due to the Committee's concern.

BEAR MOUNTAIN RECREATION AND PARKS DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Bear Mountain Recreation and Parks District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information about the District by:

- Reply to a survey mailed to the District's General Manager (Manager)
- Independent auditor's report for year ending June 2011
- Budget summary reports for 2005 through 2010
- Review of the California Form 700 documents
- Telephone interviews with District Manager
- The Local Area Formation Commission (LAFCO) Municipal Service Review for 2007
- Visit with the District Manager at the District Office
- Review of the Employees Policy and Procedures Manual

BACKGROUND/FACTS:

The District office is located at 10300 San Diego Street, Lamont, CA 93241. The District was formed on June 27, 1957, to provide park and recreation services for the communities of Arvin and Lamont. The District owns both Bear Mountain and Weedpatch parks and provides recreation services at the Arvin and Lamont pools. It also provides programs at the David Head Building for children, young adults and seniors. The David Head Building incorporates a senior center, a child care facility and meeting rooms for special events in the community.

- A. The District is an Independent Special District with a board comprised of five resident-voter board members elected to a four-year term.
- B. The District Board holds regularly scheduled meetings on the third Thursday of every month at 6:30 p.m.
- C. The District employs one salaried, four full-time and four part-time employees.
- D. The District obtains a majority of revenue from property taxes and grants.

- E. Four of the five Board Members live within the District boundaries. The fifth member was a Board Member on December 31, 2001, is a qualified California voter and owns property within the District.

FINDINGS:

- F1. The meeting agendas are posted only at the District office lobby 72 hours prior to the meeting.
- F2. Board members have not attended ethics training every two years as required.
- F3. Board Members are not compensated for service.
- F4. Three Board Members were elected in November 2012.
- F5. Actual expenses exceeded budgeted expenditures in 2011.
- F6. The District has relied on advances from the Kern County General Fund to pay for current operations due to loss of program funding.
- F7. The Board Member residing outside the District is eligible to serve as a Board Member pursuant to Government Code §5784.1.

COMMENTS:

The 2012-2013 Kern County Grand Jury appreciates the cooperation of the District in providing the requested information in a timely manner and for the opportunity to meet the staff and tour the District Office.

RECOMMENDATIONS:

- R1. Both the Board agendas and meeting minutes should be posted at one additional location or online.
- R2. Board members shall attend ethics training every two years.
- R3. The District should compensate Board Members for services.
- R4. Ensure revenues exceed expenditures in the annual budget or include contingency funds to allow for unanticipated expenditures.
- R5. The District should prepare a compliance schedule and routinely report to the Board on the status of the findings listed in the most recent independent auditor's report.

NOTES:

The Bear Mountain Recreation and Parks District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

6/13/13




DISTRICT RESPONSE TO RECOMMENDATION R1:

1. Agreed. The District will post an additional agendas and meeting minutes on its website every month.
2. Agreed. Ethic's training for the Board will be conducted in June, 2013.
3. Agreed. Two members of Board have elected to receive the compensation authorized by statute. The remaining three Board members continue to serve without compensation.
4. Agreed.
5. Agreed. The independent Auditor personally presents the audit to the Board at a regularly scheduled board meeting. A compliance schedule will be prepared and the Board will be asked to determine the interval at which the compliance schedule is monitored.

DISTRICT RESPONSE TO FINDINGS:

The District agrees with each finding (F1 through F7 inclusive) made by the Grand Jury.


Olan Armstrong, Chairman

P.O. BOX 658 • LAMONT, CA 93241

LAMONT (661) 845-0757 • FAX (661) 845-4238
EMAIL: bearmtnpr@sbcglobal.net

BEAR VALLEY COMMUNITY SERVICE DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Bear Valley Community Service District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee Members obtained background information about the District by:

- Review of responses provided on August 7, 2012, to the Committee's Survey.
- Interviewing individual members of the District Board of Trustees (Board), General Manager (GM) and Assistant General Manager.
- Review of financial reports, District website, meeting agendas, meeting minutes and audio/video recordings.
- Review of the District's Policies and Procedures Manual.

BACKGROUND/FACTS:

The District was established by resolution of Kern County Board of Supervisors on May 4, 1970, for the purpose of providing infrastructure services for the developing community of Bear Valley Springs. The District is similar to a City government supplying such services as police protection, fresh water, road maintenance, wastewater treatment and solid waste disposal.

The Mission Statement of the District is "committed to providing high quality municipal services to the residents of the Bear Valley Springs in a reliable, professional, safe, cost effective, and environmentally conscious manner."

The District is located in the Tehachapi Mountains approximately fifteen miles West of Tehachapi City Hall.

- A. The District is a gated community.
- B. The District has a five member Board of Directors. The Directors are elected to four-year terms by the residents of the District.

FINDINGS:

- F1. The meeting agendas are posted on the website and include podcasts for both Regular Meetings and Committee Meetings.
- F2. Meetings are broadcast live on <http://www.ustream.tv/channel/bvcsd-meetings> or can be viewed when desired.

F3. Violations of the Brown Act may have occurred as a result of serial meetings with Board and Committee Members which are participating on both the District and the Bear Valley Springs Association (BVSA) Committees.

ORGANIZATION	MEMBER	BVCSD	BVSA
BVCSD	Board Member "A"	Finance Infrastructure Liaison	Finance Lake Quality Advisory Liaison
BVCSD	Board Member "B"	Administration Finance	Lake Quality Advisory
BVCSD	Board Member "C"	Administration Infrastructure Liaison	Liaison
BVCSD	Board Member "D"	Communication Public Safety	
BVCSD	Board Member "E"	Communication Public Safety	
BVSA	Board Member #1	Administration	Equestrian Advisory Rules Advisory Lake Quality Advisory
Citizens	Citizen "A"	Infrastructure Finance	Lake Quality Advisory
Citizens	Citizen "B"	Infrastructure Finance	Lake Quality Advisory
Citizens	Citizen "C"	Infrastructure	Finance

Potential Brown Act Violations

Whenever the Finance Committee of the BVCSD meets, a quorum of the Infrastructure Committee of the BVCSD and a quorum of the Lake Advisory Committee of the BVSA is possible.
Whenever the Infrastructure Committee of the BVCSD meets a quorum of the Finance Committee of the BVCSD is possible
Whenever the Lake Advisory Committee of the BVSA meets a quorum of the Finance Committee of the BVCSD is possible

F4. The BVSA has nine Committees: Equestrian, Food Service Advisory, Golf Advisory, Rules Advisory, Recreation Advisory, Lake Quality Advisory, Special 4th of July, Finance Advisory, Alternative Dispute Resolution/Internal Dispute Resolution, Audit and Liaison.

F5. Two of the District Board Members and three citizen volunteers on District Committees are also members of BVSA Committee(s) other than the Liaison Committee.

F6. The Grand Jury has received complaints of harassment and improper etiquette by a Board Member during Board meetings.

F7. Personality issues between Committee Members of the District and involved members of the BVSA have interfered with accomplishing tasks.

F8. The District employs 37 full-time and 16 part-time employees.

- F9. Each Board Member is compensated \$100 per meeting up to a maximum of \$600 per month.
- F10. The District owns all the amenities in Bear Valley Springs (nine hole golf course, driving range, tennis courts, swimming pool, country club, restaurant, equestrian center, lakes and recreation building) for the purpose of providing amenities to the residents. The BVSA leases the buildings and facilities from the District to provide the amenities.
- F11. The BVSA is a corporation and charges fees to homeowners and property owners to pay for amenities.
- F12. In 2008 the District gained the portion of tax revenue previously provided to the Tehachapi Valley Parks and Recreation Department and the Arvin Parks and Recreation District for the purpose of Parks and Recreation in the Bear Valley Springs area.
- F13. The District has six standing Committees: Administration, Communication, Finance, Infrastructure, Liaison and Public Safety.
- F14. One of the BVSA Directors is a member of a District Committee (other than the Liaison Committee).
- F15. One major operating expense of the District is the entrance gate to the community, primarily due to personnel costs stationed at the gate. The entrance gate is funded by tax revenue as the gate is considered necessary for public safety.
- F16. The District provides Police Dispatch Services to the Tehachapi Police Department under contract. The service charges to Tehachapi are approximately 20% over the contracted amount. This excess charge is reportedly due to overhead for District accounting, overtime and utilities. The latest contract allows only a 5% increase in costs per year. The contract expired June 2012.
- F17. Lack of due diligence involving projects managed by the BVSA with associated environmental impacts could subject the District to future liability.
- F18. The District funds Parks and Recreational facilities managed and operated by the BVSA with little or no administrative control of the operation of the funded facilities.
- F19. Salaried Staff spends 12 to 14 hour days at the District Office. Extra work is required to accomplish tasks requested by Board Members and Committees.

COMMENTS:

The 2012-2013 Kern County Grand Jury appreciates the cooperation of the District Board Members, the GM and the Assistant GM in providing information for the report.

RECOMMENDATIONS:

- R1. The District should revise the Policies and Procedures Manual to disallow membership of Board and Committee Members on both BVCSD and BVSA Committees (with the exception of the Liaison Committee). This would help insure separation of duties and mitigate potential violations of the Brown Act.
- R2. The District should take a lead role in administering, managing and staffing the BVSA parks and recreation programs which receive funds from the District.
- R3. The District should consider the occasional use of a professional third party to review projects with environmental impacts to assure compliance with California Environmental Quality Act (CEQA) requirements. Such services may be mitigated in the long term by providing training and education to Board and Committee Members in CEQA and environmental compliance requirements.
- R4. The District shall revise compensation policy to prevent Board and Committee Members from scheduling meetings to receive the maximum monthly compensation of \$600. Maximum compensation could be limited to a certain number of months per year.
- R5. The District should review employee staffing needs to minimize overtime requirements of salaried personnel.
- R6. The District should consider automating the entrance gate during off-peak hours (nights and evenings) and employ remote video monitoring by Dispatchers at the Police Department during the automated or unattended periods.
- R7. The contract for Police Dispatch Services for the Tehachapi Police Department should be renegotiated. The Grand Jury suggests the District reconsider contracting with the Kern County Sheriff's Department to handle both dispatch and police services.

NOTES:

The Bear Valley Community Service District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



BEAR VALLEY COMMUNITY SERVICES DISTRICT

July 11, 2013

The Honorable Colette Humphrey
Presiding Judge, Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA 93301

Re: Grand Jury Final Report Concerning Bear Valley Community Services District,
dated May 22, 2013

Dear Judge Humphrey:

This letter is being submitted on behalf of the Bear Valley Community Services District ("District") in response to the findings and recommendations made by the Grand Jury in the above-referenced report. The District's response to each finding and recommendation is as follows:

FINDINGS:

F1. The meeting agendas are posted on the website and include podcasts for both Regular Meetings and Committee Meetings.

Response: The District agrees with this finding, but with the clarification that webcasts are transmitted live, via the internet, for each of the District's committee and regular board meetings.

F2. Meetings are broadcast live on <http://www.ustream.tv/channel/bvcسد-meetings> or can be viewed when desired.

Response: The District agrees with this finding.

F3. Violations of the Brown Act may have occurred as a result of serial meetings with Board and Committee Members which are participating on both the District and the Bear Valley Springs Association (BVSA) Committees.

Response: The District disagrees with this finding in part. For clarification, meetings of the BVSA board or committees are not conducted pursuant to the Brown Act. While it may be possible for a Brown Act violation to occur when members of the District's Board or committees also convene relative

to serving on a BVSA committee, there are no facts included in the report to indicate that an actual violation has occurred.

F4. The BVSA has nine Committees: Equestrian, Food Service Advisory, Golf Advisory, Rules Advisory, Recreation Advisory, Lake Quality Advisory, Special 4th of July, Finance Advisory, Alternative Dispute Resolution/Internal Dispute Resolution, Audit and Liaison.

Response: The District agrees with this finding.

F5. Two of the District Board Members and three citizen volunteers on District Committees are also members of BVSA Committee(s) other than the Liaison Committee.

Response: The District disagrees with this finding. Currently, only one (1) member of the District's Board serves on a committee of the BVSA (other than those serving on the Liaison Committee). Four (4) individual citizen volunteers serving on District committees also serve on BVSA committees.

F6. The Grand Jury has received complaints of harassment and improper etiquette by a Board Member during Board meetings.

Response: The District disagrees with this finding on the basis that it does not have sufficient knowledge of the extent or nature of the complaints received by the Grand Jury.

F7. Personality issues between Committee Members of the District and involved members of the BVSA have interfered with accomplishing tasks.

Response: The District disagrees with this finding on the basis that it does not have sufficient information to be able to identify the "personality issues" being referenced.

F8. The District employs 37 full-time and 16 part-time employees.

Response: The District agrees with this finding.

F9. Each Board Member is compensated \$100 per meeting up to a maximum of \$600 per month.

Response: The District agrees with this finding.

F10. The District owns all the amenities in Bear Valley Springs (nine hole golf course, driving range, tennis courts, swimming pool, country club, restaurant, equestrian center, lakes and recreation building) for the purpose of providing amenities to the residents. The BVSA leases the buildings and facilities from the District to provide the amenities.

Response: The District agrees with this finding, but with the clarification that the BVSA is obligated to maintain, repair and operate the District owned facilities pursuant to a written lease agreement between the parties.

F11. The BVSA is a corporation and charges fees to homeowners and property owners to pay for amenities.

Response: The District agrees with this finding, but with the clarification that the BVSA is a non-profit, 501(c)(7) corporation.

F12. In 2008 the District gained the portion of tax revenue previously provided to the Tehachapi Valley Parks and Recreation Department and the Arvin Parks and Recreation District for the purpose of Parks and Recreation in the Bear Valley Springs area.

Response: The District disagrees with this finding, in part. The District currently receives the tax revenue previously apportioned to the Tehachapi Valley and Bear Mountain Parks and Recreation Districts.

F13. The District has six standing Committees: Administration, Communication, Finance, Infrastructure, Liaison and Public Safety.

Response: The District agrees with this finding.

F14. One of the BVSA Directors is a member of a District Committee (other than the Liaison Committee).

Response: The District agrees with this finding as of the date of the Final Report. Since the release of Final Report, however, the BVSA Director resigned from his position as a member of the District committee.

F15. One major operating expense of the District is the entrance gate to the community, primarily due to personnel costs stationed at the gate. The entrance gate is funded by tax revenue as the gate is considered necessary for public safety.

Response: The District disagrees with this finding, in part. The entrance gate is not a necessity to ensuring the residents' safety. The gate does, however, act as a deterrent that enhances community safety.

F16. The District provides Police Dispatch Services to the Tehachapi Police Department under contract. The service charges to Tehachapi are approximately 20% over the contracted amount. This excess charge is reportedly due to overhead for District accounting, overtime and utilities. The latest contract allows only a 5% increase in cost per year. The contract expired June 2012.

Response: The District disagrees with this finding, in part. The subject contract provided for an annual automatic 5% increase in the contract amount, which over the four (4) year term of the contract resulted in a 20% total increase.

F17. Lack of due diligence involving projects managed by the BVSA with associated environmental impacts could subject the District to future liability.

Response: The District disagrees with this finding on the basis that it does not have sufficient information to be able to specifically comment. The District agrees, however, with the general proposition that a failure to diligently carryout improvement projects could expose the District to liability.

F18. The District funds Parks and Recreational facilities managed and operated by the BVSA with little or no administrative control of the operation of the funded facilities.

Response: The District disagrees with this finding. The District does not entirely fund BVSA operations. Rather, the District simply distributes to the BVSA the tax revenue previously apportioned to the Tehachapi Valley and Bear Mountain Parks and Recreation Districts. That tax revenue amounts to approximately \$100,000 annually, whereas the BVSA's annual budget is in excess of five (5) million dollars. Furthermore, the District does maintain administrative control and oversight by requiring District approval of improvement projects.

F19. Salaried Staff spends 12 to 14 hour days at the District Office. Extra work is required to accomplish tasks requested by Board Members and Committees.

Response: The District disagrees with this finding, in part. The additional workload recently experienced by District staff has been due to a number of unforeseen circumstances that have occurred in the last 18 months, not the least of which was the untimely passing of two (2) of the District's top management personnel. The District has otherwise experienced a significant turnover of support staff, thereby adding to staff's workload.

RECOMMENDATIONS:

R1. The District should revise the Policies and Procedures Manual to disallow membership of Board and Committee Members on both BVCS and BVSA Committees (with the exception of the Liaison Committee). This would help insure separation of duties and mitigate potential violations of the Brown Act.

Response: This recommendation requires further analysis. (See Penal Code, §933.05(b)(3).) The Board is currently undertaking the process of editing and revising the District Code and will continue to explore the recommendation made by the Grand Jury. The District wishes to note, however, that

committee members only serve in an advisory role and that it is ultimately the responsibility of the Board to act on matters of District business.

R2. The District should take a lead role in administering, managing and staffing the BVSA parks and recreation programs which receive funds from the District.

Response: This recommendation will not be implemented by the District because it is not reasonable given the nature and circumstances of the relationship between the two entities. (See Penal Code, §933.05(b)(4).) Given the District only funds a fraction of the BVSA's overall budget, and the fact that the BVSA is contractually responsible for properly managing the District owned recreational facilities, it is not practical for the District to take on the additional administrative duties suggested.

R3. The District should consider the occasional use of a professional third party to review projects with environmental impacts to assure compliance with California Environmental Quality Act (CEQA) requirements. Such services may be mitigated in the long term by providing training and education to Board and Committee Members in CEQA and environmental compliance requirements.

Response: This recommendation has not yet been implemented, but will be implemented within the next six (6) months. (See Penal Code, §933.05(b)(2).)

R4. The District shall revise compensation policy to prevent Board and Committee Members from scheduling meetings to receive the maximum monthly compensation of \$600. Maximum compensation could be limited to a certain number of months per year.

Response: This recommendation will not be implemented by the District in light of the fact that its current compensation policy complies with Government Code, section 61047. (See Penal Code, §933.05(b)(4).)

R5. The District should review employee staffing needs to minimize overtime requirements of salaried personnel.

Response: This recommendation has not yet been implemented, but will be implemented within the next six (6) months. (See Penal Code, §933.05(b)(2).)

R6. The District should consider automating the entrance gate during off-peak hours (nights and evenings) and employ remote video monitoring by Dispatchers at the Police Department during the automated or unattended periods.

Response: This recommendation requires further analysis. (See Penal Code, §933.05 (b)(3).) The District is currently in the process of retaining an engineering consultant to advise the District concerning improvements to the entrance gate. The recommendation made by the Grand Jury will be one option explored by the District in consultation with the retained engineer.

R7. The contract for Police Dispatch Services for Tehachapi Police Department should be renegotiated. The Grand Jury suggests the District consider contracting with the Kern County Sheriff's Department to handle both dispatch and police services.

Response: With respect to the recommendation that the contract with Tehachapi Police Department be renegotiated, this recommendation has been implemented and the two agencies are currently in negotiation discussions. (See Penal Code, §933.05(b)(1).) As for the recommendation that the District reconsider contracting with the Kern County Sheriff's Department for police and dispatch services, the District will not be implementing this recommendation at this time. (See Penal Code, §933.05(b)(4).) The District recently explored this option and received overwhelming opposition from the public. Recent administrative changes have also resulted in significant improvements to the day-to-day police department operations. The District is amenable, however, to reviewing from time-to-time the viability of contracting with the Sheriff's Department from an economic perspective.

The District appreciates the Grand Jury's time and effort in providing the referenced findings and recommendations. In the event there are additional questions or concerns, please feel free to contact me.

Sincerely,



Rick Zanutto, President

BEAR VALLEY COMMUNITY SERVICES DISTRICT

cc: Lynn Runyan, Foreperson, Kern County Grand Jury
Bear Valley CSD Board of Directors

DELANO MOSQUITO ABATEMENT DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Delano Mosquito Abatement District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information about the District by:

- Review of the previous Grand Jury reports.
- Interviewing individual members of District Board of Trustees (Board), General Manager (GM) and Staff.
- Reading meeting agendas and minutes for March 2012 through February 2013.
- Conducting announced and unannounced visits to the District Office.
- Reviewing the District's 2012 version of the Regular Employees Personnel Policies Manual and the July 19, 2012, Purchasing Policy.
- Reviewing agreements for Financial Services and Legal Services.
- Reviewing job posting for the GM and resumes of selected candidates.
- Reviewing annual budget for fiscal year 2012-2013 and new equipment purchases during the year 2012.
- Confirming recent AB 1234 Ethics Training for Board Members.

BACKGROUND/FACTS:

The District was formed in 1944 under provisions of the California Health and Safety Code. The objectives of the District are the elimination of mosquito breeding-grounds, education of the public at large about mosquito control measures and establishment of processes for mosquito source reduction. Also, when necessary, the District performs the service of temporary relief control using abatement methods.

The District is one of four contiguous mosquito abatement districts located in Kern County. The District is located at 11282 Garzoli Avenue, Delano, CA and services the Northern part of Kern County including Delano, McFarland, Pond and Richgrove. The District also extends into Southern Tulare County.

The District's Board has five appointed members representing various jurisdictions within the District's boundaries; one member is appointed by the Tulare County Board of Supervisors; two members are appointed by the Kern County Board of Supervisors and one member is appointed by each of the cities of Delano and McFarland. The representatives from Delano and McFarland are members of the respective City Councils.

FINDINGS:

- F1. The meeting agendas are posted within the enclosed locked display board outside the gate of the District office no less than 72 hours prior to the meetings.
- F2. The Board is compensated for services.
- F3. A computer was purchased and a seasonal gardener was hired by the interim GM without the bidding process or prior Board approval.
- F4. The current Board is adopting new policies and procedures and is in the process of improving oversight of the District.
- F5. The District purchased the adjacent real estate property located at Millennium Drive and Garzoli Avenue (subject to change in the zoning from Commercial to Industrial) for possible construction of a new District office.
- F6. An outside attorney and a financial advisor were hired on a short term basis by the Board.
- F7. The Board hired a new GM with considerable experience with Special Districts.
- F8. The new GM plans to attend in-state and local educational seminars on mosquito abatement if or when necessary.

COMMENTS:

The 2012-2013 Kern County Grand Jury appreciates the cooperation of the District Staff and the Board Members in the preparation of the report. The Committee has noted positive changes in the operation of the District from the previous years.

RECOMMENDATION:

None

NOTES:

The Delano Mosquito Abatement District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED

DESERT LAKE COMMUNITY SERVICE DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Desert Lake Community Service District (DLCSO or District) pursuant to California Penal Code §933. The DLCSO was last reviewed by the Grand Jury in 2002.

PROCESS:

The Committee visited the District on October 9, 2012, and interviewed the General Manager. The Committee reviewed past audits, California Form 700's, Board meeting agendas and minutes for 2012 and the Special District Survey for the District. The DLCSO is located at 12200 Del Oro Street, Boron, CA 93596.

BACKGROUND/FACTS:

The Desert Lake Community Service District was formed on December 10, 1957, to supply water, sewer, streetlights and park maintenance for the community. The District has 238 customers and is governed by an elected five-member board of directors. The mission of the DLCSO is to service the community with potable water and a waste water plant.

- A. The DLCSO employs three employees; the General Manager, the Secretary and another employee that reads meters and makes general repairs.
- B. Extensive repairs are contracted out.
- C. Due to high arsenic levels the District blends its water with water from Antelope Valley to provide safe drinking water.

FINDINGS:

- F1. The District is applying for an Arsenic Removal Plant Grant through Proposition 84 funding.
- F2. There is one working well in the District due to a down-hole failure of the second well. If funding is approved for the Arsenic Removal Plant a replacement well will be drilled.
- F3. The DLCSO posts its minutes and agenda on the outside door of the District building, at the Boron Food Mart and at the pizza parlor in Boron.
- F4. All of the customers in the District are metered.

F5. The District Secretary is married to the President of the Board of Directors.

F6. The District keeps a large amount of funds in reserve to fulfill a loan agreement with the United States Department of Agriculture (USDA) that requires emergency funds be available.

COMMENTS:

The Committee thanks the DLCSD for the courtesy and forthright information provided during the visit.

RECOMMENDATIONS:

None

NOTES:

The Desert Lake Community Service District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED

EAST KERN CEMETERY DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury reviewed the East Kern Cemetery District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information about the District by:

- Reply to a survey mailed to the District Manager (Manager)
- Agendas and minutes for May and June of 2012
- Independent auditor's report for 2011
- Budget summary report for 2009 through 2013
- California Form 700 documents
- Online website information
- Telephone interviews with Manager

BACKGROUND /FACTS:

The District office is located at 2040 Belshaw Street, Mojave, CA 93502. The District handles interments for the residents of Mojave, California City and the surrounding communities. The District was formed in 1940 and in 1977 took over operations of the California City Memorial Park.

- A. District Board meetings are held the third Monday of every month.
- B. The District employs a full-time salaried manager and one hourly seasonal groundskeeper.
- C. The five Board Members live within the District boundaries and are appointed to a four-year term by the Kern County Board of Supervisors.
- D. Board members must successfully complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General every two years.
- E. Starting in 2012 the District added a budgetary line item for education of District personnel.

FINDINGS:

- F1. The agenda for the monthly meetings is only posted at the office.

F2. No compensation for District directors is indicated on the Kern County Board of Supervisor's website however the District's survey indicated the directors receive \$100 per meeting.

F3. The District does not have a Treasurer position identified.

F4. The Manager is also the acting Secretary.

COMMENTS:

The Manager was very prompt and forthcoming with information requests. The District appears to be a well run organization.

RECOMMENDATIONS:

R1. Agendas and meeting minutes should be posted at the office and at a separate public location.

R2. The District should notify the Board of Supervisors of the District Director's compensation and request the Board of Supervisors update the respective website.

R3. The District should identify and have a board member conduct the duties of District Treasurer.

NOTES:

- The East Kern Cemetery District should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

East Kern Cemetery District

P. O. Box 372
2040 Belshaw Street
Mojave, California 93502
(661) 824-2778 or (800) 711-6199

March 18, 2013

Honorable Colette M. Humphrey
1415 Truxtun Ave.
Bakersfield, CA 93301

Subject: Kern Co. Grand Jury Findings & Recommendations

Honorable Colette M. Humphrey,

This letter is in response to the 2012-2013 Kern Co. Grand Jury (KCGJ) Findings & Recommendation (F&R). The KCGJ recently discussed district procedures with the District Manager, Paul Holzer. Issues discussed were agenda postings, board compensation and the position of district treasure. Below is the district's response.

R1. Agendas and meeting minutes should be posted at the office and at a separate public location.

Response: The district will include the minutes with agenda postings and will post monthly agendas and minutes at the United States Post Office in Mojave @ 2053 Belshaw St.

R2. The district should notify the Board of Supervisors of the District Director's compensation and request the Board of Supervisors update the respective website.

Response: The District Manager has contacted Tracey Cody, Assistant Clerk of the Board of Supervisors, to make necessary changes and updates to the Kern Co. Board of Supervisors website. These changes explain that the Board receives compensation (stipends) for each regular meeting of the Board and any conference that a Trustee may attend as official business of the District. Updates included meeting days and times.

R3. The District should identify and have a board member conduct the duties of District Treasure.

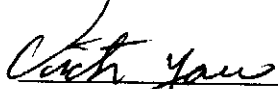
Response: The Kern County Auditor/Controller (KCAC) serves as the District's official Treasure. According to Sec.9077 of the Health & Safety Code a district may not withdraw from the county treasure unless it has total annual revenues greater than five hundred thousand dollars

East Kern Cemetery District


P. O. Box 372
2040 Belshaw Street
Mojave, California 93502
(661) 824-2778 or (800) 711-6199

(\$500,000). However, the KCAC does not have control over the Districts budgets or how the District uses its funds. The District Manager knows the intimate details of all income and expenses. He is responsible for and prepares all financial reports, budgets, etc. All bills are prepared on a voucher that receives two Board signatures, which is then sent to the KCAC, who processes each bill and creates warrant's (checks) for payment. All financial reports, inflows-outflows, deposits, transfers, sales, etc. are reviewed at each regular meeting of the Board where they are scrutinized and discussed. Therefore, at the regular meeting of the Board on March 18, 2013 the Board appointed the District Manager to the local position of District Treasure.

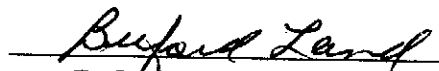
Respectfully,



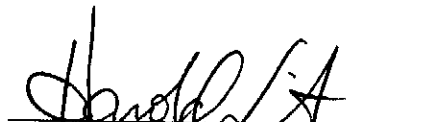
Victor Yaw – Board President



Glenda Willie – Vice-President



Buford Land – Trustee



Harold Smith – Trustee

_____ *absent*
Owen Carder – Trustee

cc: Lynn Runyan, Foreman
2012-2013 Kern Co. Grand Jury
1415 Truxtun Ave. Suite 600
Bakersfield, CA 93301

KERN COUNTY PROBATION DEPARTMENT VICTIM WITNESS ASSISTANCE CENTER

PURPOSE OF INQUIRY:

Members of the 2012-2013 Kern County Grand Jury (Grand Jury) visited the offices of the Kern County Probation Department's Victim Witness Assistance Center (Center) on May 9, 2013, pursuant to California Penal Code §925.

PROCESS:

Grand Jury Members visited the Center and listened to an oral presentation regarding the functions and activities of the Center. The Staff provided information about current activities and Grand Jury Members had the opportunity to interview Staff Members. Pamphlets and brochures were also provided.

BACKGROUND/FACTS:

The Center's Mission Statement is "*The Kern County Victim Witness Program assists survivors and witnesses of violent crimes through the criminal justice system, educating them as to their rights and providing them access to state and local resources.*"

The Center assists survivors and witnesses of violent crimes through the criminal justice system by providing:

- Crisis Interventions
- Emergency assistance and community resource referrals
- Orientation to the criminal justice system
- Restitution information
- Court escort
- Case status and disposition information
- Assistance in filing for financial reimbursement

FINDINGS:

- F1. The Center's Director recently retired.
- F2. The Center is in the process of transferring services to the District Attorney's Office (DAO) on July 1, 2013.
- F3. The Center's Staff will remain with the Probation Department and be assigned different duties after the transition. New Staff will be hired by the DAO to provide the Center's services.

- F4. The Center's Staff was not aware whether training or a shadow program was to be implemented for the new Staff.
- F5. The Center currently has five Probation Officers serving as Victim Advocates, three local interns (serve various towns and cities throughout the general Kern County area), two Office Services Specialists and one volunteer dedicated to preparing Restraining Orders.
- F6. Two of the Probation Officers are bilingual; a necessary skill to meet the linguistic and culturally diverse needs of the population served.
- F7. Services provided by the Center Staff include:
- Personalized services to meet the immediate needs of juvenile and adult victims and witnesses of violent crimes.
 - Information about Community services to connect clients to resources.
 - Accompanying victims and witnesses to court proceedings to guide clients through the process.
- F8. Center personnel also assist victims of violent crimes and families by facilitating recovery of certain eligible expenses. Excluding property losses, the State may reimburse for:
- Medical/dental expenses
 - Funeral/burial expenses
 - Counseling services
 - Home security improvements
 - Crime scene clean-up
 - Loss from income and wages
- F9. The Director of the Center has been able to expand the services by assisting clients in obtaining Restraining Orders.
- F10. Services in addition to those listed above include crisis intervention (counseling, reassurance and support following a crime), meeting immediate needs for food, clothing and lodging, and if requested, informing victims and witnesses about court case information.
- F11. Emergency funds can be disbursed to victims and witnesses of crimes to provide safety and security, bus passes, miscellaneous "in-between" services, relocation and transportation out of the area.
- F12. The Department of Human Services, District Attorney's Office, Law Enforcement, Community Based Organizations (CBOs), and individual citizens refer clients to the Center.

- F13. The Center is funded through a combination of Federal, State, Local funds and specialized grants. The funds available from the Victims of Crime Act are disseminated to all counties as the Victim Witness Assistance Center Grant.
- F14. The Probation Department budgets for printing costs. All printed information is produced in English and Spanish.
- F15. The Center has developed a pamphlet that describes the services provided. Law Enforcement personnel provide a "Green Card" to those needing assistance. An orange "Marsy's Card" is also provided which informs crime victims regarding rights.
- F16. During the current fiscal year the Center received approximately 14,000 referrals, an increase of 40% from the previous year.

COMMENTS:

Brochures, community presentations, website links and a Kern County website assist in getting the message to individuals needing Center services. The Officers of the Victim Witness Center were courteous and provided professional responses to questions posed by Grand Jurors. The dedicated employees of the Center are doing an exceptional job despite limited resources. The following enhance the ability of the Center to provide services to targeted individuals:

- The current Center Supervisor has stressed to Staff the importance of participating in community collaborative efforts with other service organizations
- Positive and continuous interaction with Law Enforcement
- The use of interns and volunteers

The Center Staff work to assist clients, victims and witnesses of violent crimes to obtain services that will help make the ordeal more manageable and tolerable. Employees operate under the premise the assistance is best accomplished when clients perceive help comes from the Center rather than from a Law Enforcement Agency.

RECOMMENDATIONS:

- R1. The Kern County District Attorney's Office should provide a shadowing program for smooth and orderly transition and training of new DAO Staff in a time appropriate period.
- R2. The District Attorney's Office should assure the Center is adequately staffed to handle the growing number of referrals.

NOTES:

The Kern County Probation Department Victim Witness Center should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



OFFICE OF THE DISTRICT ATTORNEY
COUNTY OF KERN

CIVIC CENTER JUSTICE BUILDING
1215 TRUXTUN AVENUE
BAKERSFIELD, CALIFORNIA 93301
(661) 868-2340, FAX: (661) 868-2700

MARK E. PAFFORD
CHIEF DEPUTY DISTRICT ATTORNEY

LISA S. GREEN
DISTRICT ATTORNEY

July 26, 2013

SCOTT J. SPIELMAN
ASSISTANT DISTRICT ATTORNEY

The Honorable Colette M. Humphrey
Presiding Judge, Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA 93301

**Re: Response to Findings and Recommendations for Grand Jury Report
Regarding the Kern County Probation Department Victim Witness Assistance
Center**

Dear Judge Humphrey:

The Kern County Probation Department Victim Witness Assistance Center was visited by members of 2012-2013 Kern County Grand Jury on May 9, 2013. The purpose of the visit was to observe the Victim Witness Assistance Center and review their activities pursuant to Penal Code § 925. The results of the visit are contained in their final report. Pursuant to Penal Code § 933, the following are the Findings and Recommendations from that report combined with the District Attorney's Office Responses to the Honorable Colette M. Humphrey, Presiding Judge, Kern County Superior Court:

GRAND JURY FINDINGS:

The District Attorney's Office agrees with Findings #1, and 3-16; however, we would like to clarify Finding #2.

F2. The Center is in the process of transferring services to the District Attorney's Office (DAO) on July 1, 2013.

RESPONSE: The date of transfer of services from the Probation Department to the District Attorney's Office was scheduled for July 1, 2013 to better make adjustments for transfer within the fiscal year. The actual assumption of all services will occur when the unit is able to be staffed within the District Attorney's Office. The District Attorney's Office is in the process of hiring the

personnel and is hoping to complete the process and take over Victim Witness services within 90 days of July 1, 2013

GRAND JURY RECOMMENDATIONS:

R1. The Kern County District Attorney's Office should provide a shadowing program for a smooth, orderly transition and training of new DAO Staff in a time appropriate period.

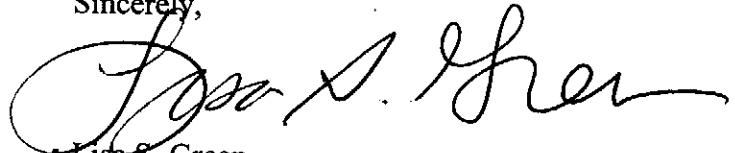
RESPONSE: The Kern County Probation Department and the Kern County District Attorney's Office are working together to transfer victim services. The Probation Department has already provided information and numerous materials to accomplish the transfer in addition to providing ongoing services.

R2. The District Attorney's Office should assure the Center is adequately staffed to handle the growing number of referrals.

RESPONSE: The District Attorney's Office agrees to work with the County Administrative Office and the Board of Supervisors to maintain adequate staffing levels for victim services.

We are appreciative of the work of the Grand Jury and their report regarding their recent visit to the Victim Witness Center.

Sincerely,



Lisa S. Green
District Attorney

LSG:jm

cc: Foreman, Kern County Grand Jury
Kathleen Krause, Clerk of the Board
John Nilon, CAO, Attn: Elissa Ladd,
Assistant County Administrative Officer

**KERN COUNTY PROBATION DEPARTMENT
VICTIM WITNESS ASSISTANCE CENTER**

Response to Findings:

The Board of Supervisors notes that the Grand Jury's findings are substantially correct, with the clarification of Finding 2 regarding the date of transition. The District Attorney's response clarifies that the actual assumption of all services will occur when the District Attorney's unit is staffed, hopefully within 90 days of July 1, 2013.

Response to Recommendation:

The Board concurs with the District Attorney's response.

R1. The Kern County District Attorney's Office should provide a shadowing program for smooth and orderly transition and training of new District Attorney Office staff in a time-appropriate period.

The District Attorney's Office and the Probation Department recognize the importance of a smooth transition of the Victim Witness Program. In order to prevent any disruption in service, the District Attorney's Office and the Probation Department will work together throughout the transition process. Thorough training will be provided by the Probation Department prior to the District Attorney's Office assuming responsibility for the program.

R2. The Kern County District Attorney's Office should assure the Center is adequately staffed to handle the growing number of referrals.

As part of the FY 2013-14 budget process, the Victim Witness Program was transferred from the Probation Department to the District Attorney's Office. As a result of this transfer, nine positions were moved from the Probation Department to the District Attorney's Office. The District Attorney's Office will monitor the program's volume of referrals and evaluate the need for additional staff on an ongoing basis.

KERN RIVER VALLEY CEMETERY DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury reviewed the Kern River Valley Cemetery District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information about the District by:

- Reply provided from a survey mailed to the District Manager (Manager)
- Agendas and minutes for April 2012 through and January of 2013
- Independent Auditor's report for 2011
- Budget summary reports for 2009 through 2013
- California Form 700 documents
- Review of Board Resolution regarding Conflict of Interest
- Review of District's Website

BACKGROUND/FACTS:

The District office is located at 8441 Burlando Road, Wofford Heights, CA 93285. The District handles interments for the residents of Wofford Heights and the surrounding communities. The District was established by the Board of Supervisors Resolution of November 27, 1950, pursuant to Chapter 6, Paragraph 8950 of the California Health & Safety Code. Board action on January 30, 2001, increased the number of trustees from three to five. The District has approximately 5,000 people interred.

- A. The five Board Members required to reside within the District boundaries are appointed to four-year terms by the Kern County Board of Supervisors and are compensated on a per meeting basis.
- B. Board Members must complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General every two years.
- C. District Board meetings are held the second Tuesday of every month at 2:00 pm in addition to one additional budget meeting.

FINDINGS:

- F1. The agenda for the monthly meetings are posted at the office, the main entrance and on the District's Website.

- F2. The District employs a full-time manager, one part-time secretary and one part-time clerk and one hourly seasonal groundskeeper.
- F3. The District employs the Manager's spouse as one of the part-time secretaries. The District's Nepotism Rule states that part-time employees are excluded. The exclusion is noted in the Mission Statement provided to the District Residents.
- F4. The Manager is compensated on an hourly basis and receives overtime compensation.
- F5. Based on the District's budget for fiscal year 2009-2010 the expense for the employee's wages and related liabilities is 51.8% of total projected revenue.
- F6. All five Board Members have complied with the ethics training requirement.
- F7. The Chairman of the Board is also the acting Treasurer.
- F8. The Board is in the process of developing a District's Policy and Procedures Manual.

COMMENTS:

The Manager was very prompt and forthcoming with information requests. The District appears to be a well managed organization.

RECOMMENDATIONS:

- R1. The Board should evaluate whether the Manager should be compensated on a salaried rather than hourly basis.
- R2. The Board should consider identifying a separate Board Member, other than the Chairman, to perform the duties of District Treasurer.
- R3. The Board should consider adoption of District policies and procedures concerning segregation of duties and strengthening internal control measures as recommended in the recent financial auditors report.

NOTES:

The Kern River Valley Cemetery District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

Kern River Valley Cemetery District

8441 Burlando Road
P.O. Box 215
Wofford Heights, CA 93285
(760) 376-2189

July 18, 2013

Superior Court of California
County of Kern
Honorable Judge Colette Humphrey
1415 Truxtun Avenue
Bakersfield, CA 93301

To Whom It May Concern:

The Grand Jury final report concerning the Kern River Valley Public Cemetery District was listed on the District's July 9th regular meeting agenda and was reviewed by the District's Board of Trustees. The Grand Jury recommendations were discussed and a response formulated.

The following is the response by the Board of Trustees to Grand Jury recommendations:

R1. At the June 19th special budget meeting it was determined that Manager Kyt would be compensated on a salaried basis instead of an hourly basis.

R2. At the July 9th regular board meeting, the Board of Trustees discussed taking into consideration identifying a separate Board Member, other than the Chairman, to perform the duties of District Treasurer. Since there was one vacant seat on the District's Board, the Board of Trustees will continue to discuss this matter at the next regular meeting when the vacant seat is expected to be filled.

R3. Discussion began at the regular board meeting in November 2012 to hire a part-time office assistant in order to create segregation of office duties. There were several steps required to officially hire a clerk such as separating tasks, creating a job description, and review of the employee benefit policy. A part-time clerk specialist receptionist was hired and reported to work on March 25, 2013 and is being trained in tasks associated with the position's job description and duties. Segregation of duties in the financial aspects of the District to strengthen internal control measures is now part of the District's procedures.

Furthermore, there are some facts that have changed which were in the Grand Jury report that we feel the Grand Jury should be informed. At the time of the survey the District's

Board of Trustees met monthly at 2:00 p.m. as noted in the section BACKGROUND/FACT (page 1 item C). The District Board meetings are still held on the second Tuesday of the month, however on December 11, 2012 the Board adopted a resolution to change the meetings from monthly to every other month plus one special meeting annually for budget purposes until rescinded if deemed necessary. Then on March 12, 2013 another resolution was adopted to change the meeting time schedule from 2:00 p.m. to 1:00 p.m. The Board of Trustees are to meet in January, March, May, (June - special budget meeting), July, September, and November at 1:00 p.m.

In the report under "FINDINGS" (page 1 item F1) indicates that the agenda is posted on the District's website. Please be advised that the Board of Trustees cancelled the contract with the company that set up and hosted a website for the District. The primary reason the District contracted with this company was for the purpose of creating a revenue stream by selling online memorial accounts. Over time it was discovered that there really was not any interest in memorial accounts by the clients of the District and that the monthly fee of this company would soon increase considerably whether or not a revenue stream was generated. Therefore at this time the District does not have a website.

In the report under "FINDINGS" (page 2 item F2) the District employs a full-time manager, one part-time secretary, one part-time clerk (specialist receptionist) but does not employ any groundskeepers in a full-time or part-time capacity. Currently all groundskeepers are considered "on-call" and are called in when needed. The District has a cooperative agreement with the County of Kern to provide work experience training in a program identified as "CalWORKS". Manager Kyt works with the Department of Human Services who places participants to be trained. These participants' schedules vary and their wages, employer taxes and workers compensation are paid by this program. The "CalWORKS" program has reduced the payroll expenses of the District considerable over the last few years. Manager Kyt also works with the Community Volunteer Center assignees such as adult court order and juvenile court order offenders.

In the report under "FINDINGS" (page 3 item F8) indicates the District is in the process of developing a Policy and Procedures Manual. The District has a Policy and Procedures Manual. It is titled "General Provisions and Policy Handbook" and it was approved and adopted April 6, 2004. Over time it has had some revisions.

If you have any questions please do not hesitate to call.

Kindest regards,


Laura Fitchie Kyt
District Secretary

cc: 2012-2013 Grand Jury

District Manager
Randy Kyt

Board of Trustees
John Blythe, Barbara Casas, Jennifer Hanley, Jill Sloan-Thurman (one vacant seat)

LAKE ISABELLA COMMUNITY SERVICE DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Lake Isabella Community Service District (LICSD or District) pursuant to California Penal Code §933.

PROCESS:

The Committee interviewed the Acting General Manager and Office Manager of the District and reviewed documentation provided by the District. The Committee studied financial documents, contracts and the District survey information as well as other documentation obtained via the internet. The Committee also met with the Local Area Formation Commission (LAFCO) manager.

BACKGROUND:

The LICSD was formed in 1966. By the early 1980's local residents were considering the possibility of dissolving the District with the intent of forming another Community Service District (to be named the Kern River Valley Community Service District) that would serve the entire Kern River Valley. Voters refused efforts to form the other District in 1983 and the measure failed. In 1985 the LICSD was revived with the intent of providing safe drinking water for the District. There were approximately 40 residents in the District.

By 1995 the local wells failed to meet water quality standards and the District was forced to seek water from another source. The District expanded and restructured to address the water issue. Due to the failure of the wells there was a moratorium on building and expansion in the area so the District entered into a contract with Erskine Creek Water Company (ECWC) to provide safe drinking water thereby ending the moratorium on new construction in the area.

The ECWC is outside of the boundaries of the District and at the time had no way of providing water to LICSD. A plan was devised that would provide the water by pumping it from a holding tank on ECWC premises north on Lake Isabella Boulevard to another holding tank where it would be dispersed to local residents and businesses. The initial price of \$1.2 million dollars for the plan was alleviated by a grant to the District of \$400,000 leaving an outstanding balance of \$800,000 to be paid by the LICSD with a 30 year loan from the State of California Department of Water Resources. The loan should be fulfilled by 2025.

FACTS:

- A. The mission of the LICSD is to “*provide a good quality, safe supply of drinking water and customer service to our district, along with an affordable price*”.
- B. The District originally had a Policies and Procedures Policy. The District now has no full time employees and the Policies and Procedures are not applicable.
- C. When the District was revitalized in 1985 the other water companies in the area were deeded through escrow to the LICSD enlarging the District and making it able to make payments on the outstanding loan.
- D. The California Public Utilities Commission (CPUC) does not control the rates of the LICSD.
- E. The LICSD pays Erskine Creek Water Company \$1,000 per month for operating costs and \$400 per month for the Secretary. The Secretary handles phones, billing, budget, accounts payable and receivable, hydrant maintenance, water sampling and customer service for the District.
- F. The LICSD pays \$350 per month for a groundskeeper. The groundskeeper maintains the foliage on Lake Isabella Boulevard as part of a beautification project started by a member of the Board of Supervisors.
- G. The two employees working for the LICSD (secretary and groundskeeper) are contract labor and work part-time for the District.
- H. Documentation provided by LAFCO states districts: “*Established in accord with the Community Services District Law, Government Code Sections 61000 and following...each district in Kern County is governed by a board of directors of either three or five members elected at large by the voters of the district; each director must be a registered voter residing within the district*”.
- I. The LICSD has one active board member and 186 customers. Seventy percent of the customers are businesses and do not reside within the District.
- J. The District has no regular meetings and does not post minutes or agendas.
- K. Community Service Districts within the State can be either a dependent or independent district. Dependent districts are governed by the County Board of Supervisors whereas independent districts are governed by a Board of Directors.

FINDINGS:

- F1. The LICSD is currently in arrears of the 30 year loan (one payment). There is approximately \$561,000 outstanding on the loan.

- F2. The LICSD Board of Directors is lacking four of the five board members. The LICSD does not have many residents (approximately 60 people) within the boundaries of the District interested in becoming a board member.
- F3. The ECWC does not treat the water because the water meets safe drinking water standards. The ECWC bi-monthly water rates are substantially lower (average \$41.87) compared to California Water (average \$120). The LICSD water rate is comparable to ECWC water rates however, ECWC recently gained permission from the CPUC to raise rates 25%.
- F4. The LICSD does not have a complete Board of Directors therefore cannot raise rates.
- F5. The Manager of the LICSD does not receive compensation and cannot be a member of the Board of Directors (business owner, not a resident).
- F6. There has never been a Municipal Services Review (MSR) for the LICSD. The cost of a MSR could range between \$3,000 and \$15,000.
- F7. The ECWC cannot "absorb" the LICSD and take over the loan payments because the District is not within the boundaries of the ECWC.
- F8. Non-board members (Acting Manager and District Secretary) sign the checks for the District.

COMMENTS:

The Acting Manager and District Secretary of the LICSD were helpful to the Committee during the investigation and were forthcoming with documentation and information. The LICSD has been making payments to "catch up" on the late loan payments.

RECOMMENDATIONS:

- R1. The Board of Supervisors should consider making the LICSD a "dependent" district due to the lack of board members.
- R2. The LICSD should consider raising rates when a Board of Directors is re-established.
- R3. The accounting practices of the District should be audited.

NOTES:

The Lake Isabella Community Services District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

**Lake Isabella Community Services District
P.O. Box 647
Lake Isabella, CA 93240**

April 4, 2013

RE: Response to Kern County Grand Jury Findings & Recommendations

Dear Presiding Judge & Foreman,

FINDINGS:


- F1. Correct (1) Loan Payment in arrears, Loan balance as of 9/13/12 561,000
- F2. Correct – District may be eligible for (3) Board Members
- F3. Correct
- F4. Correct
- F5. Correct
- F6. Not sure what this is, however the LICSD has Audits through 2010.
- F7. LICSD has interest in being absorbed by ECWC and the requirements of the DWR Loan and Grant may well complicate and prevent this action
- F8. Correct, however with authority of the Last Board of Directors.

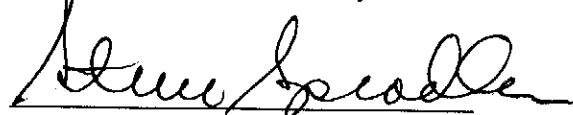
RECOMMENDATIONS:

- R1. The LICSD feel's this would not be in the best interest financially of its residents and has high hopes of forming a board for Supervisor's approval momentarily.
- R2. Agree
- R3. The District has been audited (per Government Code) for the years 2007/2008 and 2009/2010 and results were forwarded previously to the Kern County Grand Jury. No irregularities were found. The 2011/2012 Audit is scheduled for April 29, 30 2013.

NOTES:

**A copy of Kern County Grand Jury report has been posted at the District Office
2095 Edith Ave. Lake Isabella, California**


Henry Hutchinson/Secretary-Clerk


Steve Spradlin/General Manager


Debbie Loseth/Office Manager

Steve Spradlin
General Manager
Lake Isabella Community Services District
PO Box 647
Lake Isabella, CA 93240

March 12, 2013

Presiding Judge
Kern County Superior Court
1415 Truxtun Ave, 2nd floor
Bakersfield, CA 93301

RE: Response to Kern County Grand Jury Findings & Recommendations

Dear Presiding Judge

First, I apologize for not responding earlier to the 2012 Grand Jury report. I did not realize that a response was expected.

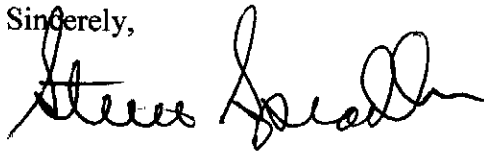
In examining the report, I find the Kern County Grand Jury to have done an in-depth and accurate report, but with a few minor exceptions.

One exception worth noting is the fact that the LICSD has indeed been audited on two separate occasions, once for the years 2008-2009 and another for 2010-2011. These audits were performed by a county approved auditor, the firm of Harold Manning, CPA of Ridgecrest, CA. Results of both audits were forwarded to the Grand Jury upon completion.

Looking through the report with no less than 19 items listed in "Facts & Findings", one would believe the LICSD to have serious flaws and problems. However, I would take exception to that impression. The LICSD has, for over 15 years, provided it's customers with a clean and reliable source of water at a cost well below those that are served by a much larger and well-staffed water company than ours, and without a single documented complaint from LICSD customers.

If the Kern County Board of Supervisors should decide to make the district a "dependent" one, we would only hope they would consider the financial impact on our very low income domestic customers in their future decisions.

Sincerely,



Steve Spradlin
General Manager, LICSD

LEBEC COUNTY WATER DISTRICT

SUMMARY:

The 2011-2012 Kern County Grand Jury (Grand Jury) investigated the Lebec County Water District (LCWD) in response to complaints about the 2011 Rate Increase for the District. An Ad-Hoc Committee was formed and a report titled "Lebec County Water District 2011 Rate Increase" was published by the Grand Jury. The first report did not have recommendations to the District and no response by the District was required.

Other complaints made to the 2011-2012 Kern County Grand Jury about the District and investigated by the Ad-Hoc Committee resulted in two comprehensive reports titled "Lebec County Water District 12 Inch Line" and "Lebec County Water District Board of Directors." Recommendations made in both reports by the Kern County Grand Jury have not received a proper response:

"2011-2012 LCWD 12 Inch Line Report Recommendations:

- R1. The Board of Directors should abide by the Policy and Procedure Manual and adhere to the Brown Act and the Robert's Rules of Order as directed in the Manual. Training on proper Parliamentary Procedure and the Brown Act should be considered for all Board members.**
- R2. The current Board Secretary/Treasurer should recuse from any and all discussion and/or voting by the Board concerning the 12" line.**
- R3. The Board of Directors should seek advice from their Legal Advisors and the District Engineers as to approval and/or acceptance of the disputed 12" line.**
- R4. The District should immediately establish the proper fire-flow of water to provide adequate water use continually for all customers and the Fire Department. In case of a fire emergency, all areas of the District, including simultaneously Chimney Canyon and the hotel, must have enough water pressure for the Fire Department to effectively subdue the fire."**

"2011-2012 LCWD Board of Directors Report Recommendation:

- R1. Based on the foregoing, it appears to the Grand Jury that the Lebec County Water District is not operating in a manner that serves the best interest of the public. Accordingly, the Grand Jury recommends that District Board Members who consistently fail to comply with the District's policies and/or their own responsibilities as members of the Board, should**

either obtain formal training on those matters and conduct themselves accordingly, or resign from the Board.”

PURPOSE OF INQUIRY:

The Special Districts Committee of the 2012-2013 Kern County Grand Jury inquired into the operation of the Lebec County Water District pursuant to California Penal Code §933.5 to follow up on the previous (2011-2012) Grand Jury reports in response to further complaints about the LCWD.

PROCESS:

Committee members obtained background information about the District by:

- Review of all 2011-2012 Grand Jury Reports
- Reply to a survey mailed to the District Manager in 2009
- Reply to a survey mailed to the Board of Directors in 2012 and 2013
- Agendas and minutes of Board meetings from 2012
- Announced and unannounced visits to the District
- Interview with Office Manager on December 5, 2012
- Interview with employees of the District on December 5, 2012
- Interviews with other persons regarding the District
- California Form 700 documents for current Board Members
- Information from the online website established February 2013
- Policy and Procedures Manual for the District dated April 2011

BACKGROUND:

The District was created on December 26, 1967, to provide for organization and management of water works and for the acquisition or construction of facilities to distribute and sell water.

FACTS:

- A. The District recently moved the office location to 2037 Lebec Road, Lebec, CA 93243 (P.O. Box 910).
- B. The District has a five member Board of Directors elected by the citizens of the District to two or four-year terms. The terms of office are offset and not all members of the Board are elected at the same time.
- C. Board Members must live in the District and are compensated for service.
- D. Meetings of the Board of Directors are held once a month on the first Tuesday of the month.

- E. The District has a full time Office Manager, a full time Water Operations Manager, a full time Water Operator and a part time Office Clerk.
- F. The District launched a website in February 2013 (www.lebecwater.com).

FINDINGS:

- F1. The District hired a Water Management Company on a five year contract to handle billing, meter reading, water production and maintenance in November 2011. The Office Manager employed by the District was hired by the Water Management Company. The Water Management Company provided a General Manager.
- F2. The Water Management Company's services were terminated by the District on October 26, 2012. The General Manager was transferred to another aspect of the Water Management Company.
- F3. The Office Manager was on leave of absence in October 2012 and was terminated by the Water Management Company when the Water Management Company was dismissed by the District.
- F4. The current Office Manager (previously a part time office worker for the Water Management Company) and Water Operations Manager (also an employee of the Water Management Company) were notified by the District Board of the pending termination of the Water Management Company and urged to apply for work with the District.
- F5. A Water Operator on disciplinary leave at the time of the dismissal of the Water Management Company was terminated. A second Water Operator was relocated to a separate job location within the Water Management Company.
- F6. The open job positions for Office Manager and Water Operations Manager were not posted for any other applicants to apply.
- F7. The Office Manager on leave of absence was not notified or offered the Office Manager position upon termination of the Water Management Company (a job the Office Manager had previously held).
- F8. A full time Water Operator was hired on November 27, 2012. A part time Office Clerk was hired on October 27, 2012 after walking into the District office and submitting a resumé. No job posting was listed for the part time Office Clerk.
- F9. The District has no General Manager.
- F10. The District does not provide benefits to the employees.

- F11. The full time Water Operations Manager also works part time for two other local Water Companies. The Committee was told the Water Operations Manager gains benefits the District is unable to provide by working at the other Water Companies.
- F12. The District has one vehicle, a pickup truck, used for work within the District. The truck was purchased used from a former employee of the District. The truck has no decals or markings indicating the vehicle is a LCWD vehicle.
- F13. Agendas and meeting minutes are posted at the Lebec Post Office, the District Bulletin Board and on the LCWD website.
- F14. The District has not submitted an equipment inventory list to the Kern County Grand Jury as requested.
- F15. The District has not submitted time cards for the Water Operations Manager.
- F16. Form 700's (Conflict of Interest Statement) have been submitted for all Board Members.
- F17. AB1234 (Ethics Training) has been completed for two of the five Board Members.

COMMENTS:

The Committee appreciates the information given to complete the report. However, the Committee was met on many occasions with obstacles, resistance and a certain degree of hostility. The Board was not cooperative and the employees, although polite, would not provide information unless specifically instructed to provide the information by subpoena.

RECOMMENDATIONS:

- R1. Proper responses to the previous two 2011-2012 Kern County Grand Jury reports should be made, on District letterhead, and signed by the Board of Directors.
- R2. When funds become available the District should purchase another District vehicle for the second Water Operator to drive to perform job requirements.
- R3. The District vehicle should be appropriately marked with a District decal for identification.
- R4. When funds become available the District should provide medical benefits to the employees.

R5. All Board Members should complete AB1234 Ethics Training every two years.

NOTES:

The Lebec County Water District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



Lebec County Water District Board of Directors
Response to Grand Jury Final Report

IN SUMMARY

The water management company, known as APTwater, was hired by the previous Board of Directors, at the cost of \$26,935.00 a month. APT submitted a Mutual Rescission of Service Agreement to the current Board of Directors and it was mutually accepted. The previous LCWD Secretary was hired by APT and the District is not aware of her current employment. Debbie Bechtel and Rafael Molina were hired through Account Temps upon acceptance of said Rescission. The District had difficulty obtaining workers Comp insurance, as there was an unpaid balance. The previous APT Secretary had failed to stop Workers Comp, between APT's hiring of LCWD's employees. When workers compensation resumed again, both Debbie Bechtel and Rafael Molina were hired permanent as Office Manager and Water Operations Manager, (which was mandated by the State to have on staff). It is unknown as to the current employment of said APT employees. At this time, we do not employ a General Manager, and we are saving money resulting from this. The District is currently in better shape financially overall. We have submitted all requests from the Grand Jury. To date, All LCWD Directors have completed AB1234 Ethics training, some twice in the last year.

Recommendations

- R1 Proper responses to the previous two 2011-2012 Kern County Grand Jury reports should be made, on District letterhead, and signed by the Board of Directors.
We will submit a second time, as the first was not accepted by the Grand Jury, because of failure of previous Secretary not submitting on District letterhead.
- R2 When funds become available, the District should purchase another District vehicle for the second Water Operator to drive to perform job requirements.
We agree that a second reliable vehicle is needed, possibly a small size truck. When funds become available we will do so
- R3 The District vehicle should be appropriately marked with a District decal for identification.
We agree and the identification has been placed on our new vehicle last month

"Water is One of Life's Precious Resources"



- R4 When funds become available the District should provide medical benefits to the employees.
We agree and have been researching our options since the beginning of the year.
- R5 All Board Members should complete AB1234 Ethics Training every two years
ALL BOARD MEMBERS have completed AB1234 Ethics Training, meeting the requirements, some more than once during this year.

Julie McWhorter
Julie McWhorter
LCWD Board President

Anthony Venegas
Anthony Venegas
LCWD Board Vice President

Millie Karr
Millie Karr
LCWD Secretary/Treasurer

Thomas Kermode
Thomas Kermode
LCWD Director

William Hopper
William Hopper
LCWD Director

"Water is One of Life's Precious Resources"

Lebec County Water District Board of Directors

Response to Grand Jury Final Report

LEBEC COUNTY WATER DISTRICT

12 INCH LINE

Response to Findings:

The Board of Directors notes that the Grand Jury's findings are substantially incorrect and unsubstantiated.

Bullet Points below are mistakes in findings:

***F14** The Installation was supervised from start to finish by the Districts Water Operator. It should be noted that the PBP1 was fully aware of this and instructed LCWD water operator to not divulge his involvement in the oversight of the construction.

***F22** The LCWD Board of Directors were aware of the construction/connection on the Dec. 7th Board Meeting. (see Minutes) There were also TWO subsequent SPECIAL MEETINGS held in that same month regarding this issue.

***F23** The Hotel had not opened until the first of January 2010 and the water outage was due to an error in adjustment in calculation of a Cla-Valve and pump failure at the State Well.

***24** PBD was listed as absent on this agenda and PBP2 did not resign during the Jan.4, 2010 Board meeting, PBP2 resigned on the 6th of January, 2010.. A motion was made during this meeting and passed for PBP2 to be removed as Board President and for PBP1 to be reinstated as Board President.

(None of which was on the AGENDA)

Response to Recommendations:

***R1** The LCWD Board of Directors agrees. The Brown Act and the Roberts Rules of Order are very important and we will be investigating training for all the newly appointed.

***R2** The LCWD Board of Directors considers this matter the sole decision of the Secretary/Treasurer. It sees no reason to intervene.

***R3** The LCWD Board of Directors has continued to consult with Legal Counsel on this matter.

***R4** The Kern County Fire Department has determined that fire flow has been previously established. The LCWD Board of Directors is continually upgrading the system when funds become available, and always have fire flow safety as a main priority.

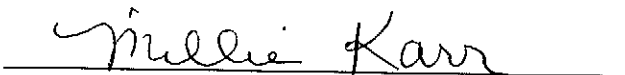
Lebec County Water District

Board of Directors President Resigned in October 2012.
Previous President doesn't feel comfortable signing letter
after resignation. Original letter addressed to APT water Services
(Old Management Company)

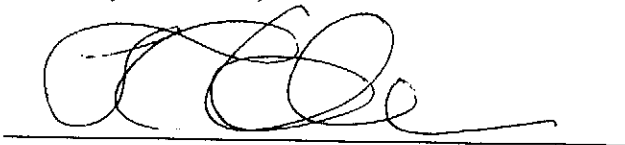
President, Delbert Clowes



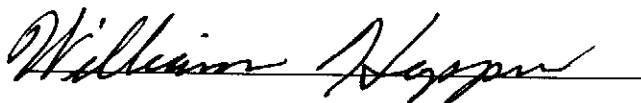
Vice President, Julie McWhorter



Secretary/Treasurer, Millie Karr



Director, Thomas Kermode



Director, William Hopper

Lebec County Water District
Operated by: APTwater Services, LLC
401 Frazier Mountain Park Road
P.O. Box 910
Lebec, CA 93243
Ph: 661.248.6872
Fax: 661.248.6439

**Lebec County Water District Board of Directors
Response to Grand Jury Final Report**

**LEBEC COUNTY WATER DISTRICT
BOARD OF DIRECTORS**

Response to Findings:

The Board of Directors notes that the Grand Jury's findings are substantially incorrect and unsubstantiated.

***Bullet Points below are mistakes in findings:**

***F2** Copies of "Statement of Economic Interest 700 Forms" we submitted by all LCWD Directors at the Kern County Elections Office in August, 2011. (copies available)

***F4** The LCWD Board of Directors follow Policy and Procedures which states that we "shall conduct each and every meeting in an informal, but professional manner." Thus making this statement regarding dress inappropriate and discriminatory.

***F8** The CVP, (Incumbent) was instructed by Kern County Elections, to swear in the newly elected Board Members at anytime, either prior to, or on the date of Dec. 2, 2011 (take office on the first Friday in December) No meeting was needed, as instructed by Kern County Elections and General Counsel. (No Brown Act Violation) Because of untrue allegations regarding, the CVP chose to have Kern County Elections administer the process instead.

***F11** The CVP was directed by General Counsel to contact him with concerns and any questions or concerns regarding District matters.

***F12** The LCWD Board of Director did not make this statement. (See recording) In fact, recues himself from any motions made to approve billing associated with said employment.

RESPONSE TO RECOMMENDATION:

THE BOARD OF DIRECTORS DOES NOT AGREE WITH THIS RECOMMENDATION. THIS REPORT IS FILLED WITH OPINION, UNSUBSTANTIATED WITH ACTUAL FACTS. We find that many of the issues were due to previous Boards and its Members. We find that the Grand Jury's attendance of our

Lebec County Water District
Operated by: APTwater Services, LLC
401 Frazier Mountain Park Road
P.O. Box 910
Lebec, CA 93243
Ph: 661.248.6872
Fax: 661.248.6439

meetings, were done in a very unprofessional manner and showed clear bias toward certain members of the Board and the Public. The Grand Jury's statement that the LCWD Board of Directors is self-serving is again inaccurate and untrue. Our only goal is to provide safe, clean water to all of the Districts customers and we will continue on this path. Our LCWD Board of Directors has "NO HIDDEN AGENDA", other than above mentioned.

***Due to the complexity of errors of the Grand Jury's report, several individuals on the Board will be submitting their own responses, as they target them individually.**

Lebec County Water District

Board of Directors

President Resigned in October 2012.

Previous President doesn't feel comfortable signing letter

after resignation. Original letter addressed to APT water Services

(Old Management Company)

President, Delbert Clowes



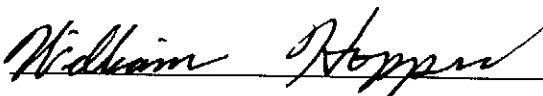
Vice President, Julie McWhorter



Secretary/Treasurer, Millie Karr



Director, Thomas Kermode



Director, William Hopper

METTLER COUNTY WATER DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Mettler County Water District (District) pursuant to California Penal Code §933.

PROCESS:

The Committee interviewed a District Board Member, reviewed District minutes, agendas, financial statements through June 30, 2012, and the reply to an informational survey provided by the Committee.

BACKGROUND/FACTS:

The District was formed in 1956 in accordance with the laws of the State of California, to provide water and sanitary sewer facilities to the community of Mettler.

- A. The District is comprised of five Directors each serving staggered four year terms. The Directors meet monthly and are authorized to receive a stipend of fifty dollars, although the Directors have not collected the stipend for eight years.
- B. The Board of Directors is subject to the Uniform District Election Law and is an Independent Board not dependent on the Kern County Board of Supervisors.
- C. The District offices are located at 1822 Stevens Drive, Bakersfield, California 93313.
- D. The boundaries of the District are as follows: Highway 99 on the East from Highway 166 on the South to Valpredo Avenue on the North. The Western boundary is Sabodan Street.
- E. The District posts the agendas in the front window of the office. The District is very small and every resident has easy access to the agendas. The District has 66 residential and 13 commercial accounts.

FINDINGS:

- F1. In the past years, the District had three water wells condemned due to nitrates. The contamination levels were elevated since the wells were reportedly too shallow. Ten years ago, the District drilled one well and recently completed a second having received a \$300,000 grant. To complete the project \$75,000 from the Kern County Board of Supervisors was necessary.

- F2. The District has no gas or oil contamination problems since the nearest oil well is six miles away.
- F3. The District has a \$2 million grant to build a Waste Water Treatment Plant (WWTP). The District spent \$58,000 for the engineering design of the plant. The current study is considering the use of solar power at the plant.
- F4. The District is concerned with future equipment failure since other WWTP's have experienced similar failures. The District is searching for equipment that meets the District needs for both the residential and commercial sewage treatment. Two types of systems are being considered. One type is a membrane system, the other is a filter system. The nearest facility that could meet the design requirements of the District is the Buttonwillow WWTP, which uses a filtration type system. However, Buttonwillow WWTP experiences frequent downtime due to drive chain failures and necessitates frequent filter replacement. The filtration problems are apparently due to oil and grease contamination. Ideally, the District could find a system that is cost efficient and works with minimal down time and not incur the high costs associated with filter replacement.
- F5. The District also needs to locate a construction site for the WWTP. The District does have 15 acres along the frontage road of Highway 99 however, it is not an ideal site. Instead, the District is leasing the 15 acre property to provide revenue for the District. The District hopes to locate a 10 acre site provided by a donor.
- F6. The District receives approximately \$97 yearly from each taxpayer in the District to finance the District and currently has \$97,000 in reserves.
- F7. Because of Pacific Gas & Electric rate increases, the utility fees included in the 2011-2012 budget have increased markedly. The increase may also be the result of a new commercial customer located on the Northern end of the District and has increased expenses for pumping additional water to the plant.
- F8. The Board President donates time and equipment to the District. The equipment is used for ditch digging and cutting grass for the District.
- F9. There are no paid employees working for the District. The Operations Manager and Secretary are contract employees. The District pays Golden Empire Water Company for services of an Operations Manager. The Secretary for Buttonwillow Water Company is paid monthly for services to the District. An office worker comes to the District Office two days a week and picks up the mail for the Secretary. The District Office is not staffed and the Committee found the office answering machine is not working.

F10. Accounting policies of the District and sanitary sewer conform to generally accepted accounting principles applicable to State and Local Governments.

COMMENTS:

The Committee thanks the District for providing information to complete the report. The District seems to be well run and forward thinking to fill the needs of the District.

RECOMMENDATIONS:

None

NOTES:

The Mettler County Water District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED

MOJAVE PUBLIC UTILITY DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury reviewed the Mojave Public Utility District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information regarding the District through review of:

- A survey mailed to the District Manager (Manager)
- Agendas and minutes for the months of May, June and July of 2012
- Independent auditor's report for 2011
- Budget Summary Reports for the years 2009 through 2013
- California Form 700 documents
- Training documents
- Telephone interviews with Manager

BACKGROUND/FACTS:

- A. The District was formed on December 19, 1938 by the Kern County Board of Supervisors to provide utility service to the public within designated boundaries in response to electors within the unincorporated area of Mojave, California.
- B. The District was initially formed to provide water service to residents within the District. Since initial formation, the District has instituted a sewage collection and disposal system pursuant to Section 16491 of the Public Utilities Code.
- C. The District was formed according to the provisions of the California "Public Utility District Act" of May 1929. It is designated an "independent district" by the State and is governed by a board of directors.
- D. Charges to customers represent the District's principal operating revenues and include water and sewer charges. Operating expenses include the cost of maintenance and support of providing water service, sewer collection, sewer treatment and administrative expenses.

FINDINGS:

- F1. The District Board consists of five compensated board members with four year terms that attend regularly scheduled meetings twice a month.

F2. Four of the five Board Members attended ethics training in calendar year 2009 and the fifth board member attended said training in 2012.

F3. Agendas are posted at the District Office, Post Office and the Mojave Desert Bank.

COMMENTS:

The Manager was very prompt and forthcoming with information requests. Based on the information provided the District appears to be well managed and provides excellent service in a cost efficient manner.

RECOMMENDATIONS:

R1. In accordance with State requirements the District Board Members must attend required ethics training once every two years.

R2. Meeting minutes along with the agenda should be posted at locations accessible by the public.

NOTES:

The Mojave Public Utility District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

Mojave Public Utility District

* * *

Phone (661) 824-4161

Mojave, CA 93501

15844 K Street

December 13, 2012

Presiding Judge
Kern County Superior Court
Bakersfield, CA 93301

In response to Grand Jury recommendations.

R 1). All Board members will be attending Ethics training on January 22, 2013.

R 2). Meeting minutes and agendas are posted at locations accessible by the Public.

Mojave Public Utility District Board of Directors

President Hansen



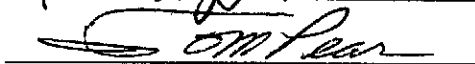
President Pro Tem Adams



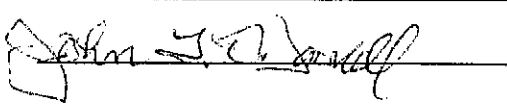
Director Smith



Director Pear



Director O'Donnell



QUAIL VALLEY WATER DISTRICT

PURPOSE OF INQUIRY:

The Special District Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) has reviewed the operations and management of the Quail Valley Water District (QVWD) pursuant to California Penal Code §933. The District has never been reviewed by the Grand Jury.

PROCESS:

The Committee has reviewed public meeting minutes, financial records and independent auditor's report including the current budget. The Committee met with the General Manager (GM) and Secretary-Board Member. The GM is also the President of the Board. The Committee also reviewed the current financial audit.

BACKGROUND/FACTS:

The Water District was formed in 1966 for the purpose of furnishing water to a small community of farmers and ranchers in the Tehachapi area. The District was formed to obtain, develop and deliver domestic water within the District's boundaries. The District is governed by a five member Board of Directors. Board Members are elected by landowners within the District boundaries. Board Members are elected for two or four year terms.

- A. The District currently has 80 customers.
- B. The current rate for water is \$60.00 per month flat rate for the first 2,000 gallons used and \$6.00 for each additional 700 gallons used.
- C. The cost to connect to the main line, if the main line reaches the customer's property line, is \$9,500. A down payment of \$1,900 is required with a five year term loan at 10% interest per year. The fee does not include water storage tanks as tanks have variable costs and are discussed at the time the contract is written. A \$1,000 discount is provided for any connection paid in full.

FINDINGS:

The District encompasses an area of 22,000 acres located northeast of the City of Tehachapi.

- F1. The District does not have a Policy and Procedures Manual.
- F2. The District does not post agendas or minutes.
- F3. The District has 11 water wells and is currently using only four wells.
- F4. The District Board Members are not compensated for quarterly meetings.

- F5. One Board Member reads meters and prepares bills for the District.
- F6. The District has not purchased commercial liability insurance.
- F7. On October 1, 2012, the District was notified by the California Department of Public Health the District's application for a Safe Drinking Water Grant was approved. The Grant will allow the District's improvement of the water system.
- F8. The District Office is located in the Sand Canyon area of Tehachapi.
- F9. The Office of the President of the Board and Secretary is in Bakersfield.

COMMENTS:

The Committee thanks the President and Secretary of the Board of Directors for cooperation in helping with the report.

RECOMMENDATIONS:

- R1. The District should develop a Policy and Procedures Manual as soon as possible.
- R2. The District should post all agendas and Board Minutes in a public place.

NOTES:

The Quail Valley Water District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 60 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

QUAIL VALLEY WATER DISTRICT



Presiding Judge
Kern County Superior Court
1415 Truxtun Ave., 2nd Floor
Bakersfield, CA 93301

June 24, 2013

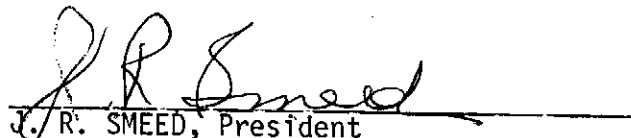
RE: Grand Jury Report of Quail Valley Water District

Quail Valley Water District would like to thank the Kern County Grand Jury for the invaluable service provided to the citizens of Kern County and the Special District Committee for taking the time to review Quail Valley Water District.

Quail Valley Water District apologizes for our tardy response. With a minimal paid staff and a volunteer board trying to manage day to day operations along with the added work involved in the Safe Drinking Water Grant activities to enable the District to meet State water quality standards, it has been difficult keeping up with the increased workload.

The District will look into R1 and R2 and make the necessary changes and adjustments as resources become available. Again, thank you for your assistance in helping the Quail Valley Water District.

Sincerely,


J. R. SMEED, President

ROSAMOND COMMUNITY SERVICES DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee of the 2012-2013 Kern County Grand Jury inquired into the operation of the Rosamond Community Services District (RCSD or District) pursuant to California Penal Code §933.5. The last report on the District was completed in 2002-2003.

PROCESS:

Committee members obtained background information about the District from:

- Reply to a survey mailed to the District's General Manager (GM)
- Agendas and minutes for April, June, July and August of 2012
- Independent auditor's report for 2011 and 2012
- California Form 700 documents
- Information from the online website

The Committee also met with the General Manager on October 9, 2012, for the purpose of the report.

BACKGROUND/FACTS:

The Mission of the RCSD is: *to provide safe drinking water that meets or exceeds all of the State and Federal Government standards; maintain a sewage treatment facility that disposes of waste in an effective and efficient manner and provide sufficient street lighting to the community.*

In 1966 the citizens of Rosamond voted to create the Rosamond Community Services District (RCSD) for the purpose of providing water for domestic, irrigation and fire flow use, collection and treatment of waste and storm waters and for the maintenance of street lights. In 1998 the voters added two additional powers, graffiti abatement and parks and recreation to those originally approved in 1966. At the time the original district was approved a bond issue was authorized by the voters. A portion of the funds from the bond issue were used to build a waste collection and treatment system and two evaporation ponds. Additional monies from the bond were used to purchase a local private water company and to make needed improvements to the water system. Repayment of the bonds was completed in 2003.

- A. Prior to 1982 the District had approximately 600 accounts and activities were handled by four full-time and one part-time employee. Today the District employs 17 full time employees and two part-time employees and manages over 5,000 accounts. The budget crunch of 2008-2009 caused a reduction in staff to 17 from approximately 40-45 previously employed.
- B. The Board of Directors meets on the 2nd and 4th Wednesdays of the month at 6 p.m. Board Members are compensated \$147 per meeting.

FINDINGS:

- F1. The RCSD posts agendas on site, online and at the County Library next door to the District.
- F2. The GM stated the focus of the Board is to stabilize the District, the core mission and establish fiscal balance to achieve a better financial position.
- F3. The District has updated accounting, asset management, tracking of work orders and has online billing. A kiosk to pay bills onsite is located at the District building as well as a drive-thru window. There is also a drop box for bill payment at the District office.
- F4. All of the Board Members received Ethics training and are in compliance with Form 700 information.
- F5. The District currently maintains nine wells, a tertiary waste water treatment facility, two parks, graffiti removal, 16 evaporation ponds, water banking and over 550 street lights.
- F6. The RCSD handles Parks and Recreation and receives a small amount of funding (through the tax base) to maintain the pool at Williford Park
- F7. The District had been working in deficit when the GM was hired 18 months ago.
- F8. The RCSD is an Enterprise District and does not have a general fund to pay debts. Instead, expenditures that exceed monies on hand are taken from reserves to pay.
- F9. The District is looking at solar power for the wastewater treatment plant and hopes to gain a seven million dollar savings to the District over a twenty-five year period.
- F10. Graffiti removal is provided at no cost to the customer. The District has a public works truck equipped with a high pressure compressed air system able to remove the graffiti without damage to property.
- F11. The District had not performed an inventory count on capital assets since 2007. In the June 2012 fiscal audit a formal procedure of inventory count was lacking. However, the District has established a formal schedule for year-end inventory count and has acquired software to implement the inventory counts.
- F12. The June 2012 fiscal audit shows the District is managed responsibly and is not in deficit.

COMMENTS:

The Committee thanks the Rosamond Community Services District and the General Manager for forthright information about the District.

RECOMMENDATIONS:

None

NOTES:

The Rosamond Community Services District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED

SHAFTER RECREATION AND PARK DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Shafter Recreation and Park District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information about the District by:

- Survey mailed to the District's General Manager (GM)
- Independent auditor's report for year ending June 2012
- California Form 700 documents
- Interviews with General Manager
- Meeting agendas and minutes for April through September 2012
- Attendance at a Board Meeting

BACKGROUND/FACTS:

The District office is located at 700 E. Tulare Avenue, Shafter, CA 93263. The District was formed on June 27, 1978. The District's goal is to provide a well-rounded, wholesome program of leisure time and sporting activities by the development of supervised programs and cooperative efforts with other agencies for the people residing in the Shafter Recreation and Park District. The District covers both the unincorporated and incorporated areas within the Maple and Richland-Lerdo School Districts.

- A. The District is an Independent Special District with a Board comprised of five resident-voter Board Members elected to a two or four-year term.
- B. District Board holds regularly scheduled meetings on the first and third Wednesdays of every month at 6:00 p.m.
- C. The District employs two salaried, three permanent part time and 48 seasonal part time employees.
- D. For the fiscal year ending June 2012 the District obtained the majority of revenue from property taxes (69%) and programs and concessions (28%). Expenditures are primarily for salaries, employee benefits, services and supplies.

FINDINGS:

- F1. The meeting agendas are posted only in the District office window viewable by the public 72 hours prior to the meeting.
- F2. Board members have not attended ethics training every two years as required.
- F3. Board Members are not compensated for service.
- F4. As indicated by the annual budget for year ending June 2012, revenues exceeded expenditures and the District appears to be in good financial health.
- F5. Concession items are purchased as needed and inventory control measures on sales are not employed.
- F6. Seasonal part-time workers are evaluated at the end of the season however performance evaluations of the staff by the General Manager and evaluation of the GM by the District Board has not been performed.
- F7. The newly elected Board is adopting new policies and procedures and is improving oversight of the District.
- F8. One full time staff member is compensated hourly and requires frequent overtime pay.
- F9. The GM is frequently away from the office and often must be contacted by cell phone.

COMMENTS:

The 2012-2013 Kern County Grand Jury appreciates the cooperation of the District staff and the Board Members in the preparation of this report. The District has very active sports programs and provides a valuable service to the youth in the District.

RECOMMENDATIONS:

- R1. Board agendas should be posted at one additional location or online which is accessible to the public. In the public interest the Committee suggests the meeting minutes also be posted.
- R2. Board members must attend ethics training every two years.
- R3. The District should consider compensating the Board Members for service.
- R4. Board should review whether certain full time employees should be compensated on an hourly basis or placed on monthly salary to minimize overtime pay.

- R5. As noted in the latest financial audit, the District should adopt policies and procedures to help mitigate the lack of segregation of duties and improve monitoring procedures to reduce the risk of accounting errors.
- R6. The GM should keep staff aware of travel schedules while away from the office during regular work hours.
- R7. District should prepare a compliance schedule and routinely report to the Board on the status of the findings listed in the most recent independent auditors report.
- R8. District should develop an inventory control policy and monitoring procedures for better control of concession items and other recreation related programs.
- R9. Adoption of a policy requiring performance evaluations of the staff by the GM and of the GM by the District Board should be considered.

NOTES:

The Shafter Recreation and Park District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

SHAFTER RECREATION AND PARK DISTRICT

700 E. Tulare Avenue
Shafter, CA 93263
(661)746-3303
www.shafterrecreation.org

August 22, 2013

Terry Wolfe, Foreperson
2013-2014 Kern County Grand Jury
Suite 600 1415 Truxtun Avenue
Bakersfield, CA 93301

RE: Kern County Grand Jury

Dear Mr. Wolfe:

Enclosed please find the 2012-2013 Kern County Grand Jury Report Response.

1. Board agendas should be posted at one additional location or online which is accessible to the public. In the public interest the Committee suggests the meeting minutes also be posted.

Agendas are posted at the District Office, Walker Center and Shafter Police Dept. they will start to be posted on the SRPD website.

2. Board members must attend ethics training every two years.

Board members have complied and have certificates of completion

3. The District should consider compensating the Board Members for service.

This will be posted on the next agenda for consideration

4. Board should review whether certain full time employees should be compensated on an hourly basis or placed on monthly salary to minimize overtime pay.

There are no full time employees who draws overtime, part time employees draw overtime only when absolutely necessary.

5. As noted in the latest financial audit, the District adopt policies and procedures to help mitigate the lack of segregation of duties and improve monitoring procedures to reduce the risk of accounting errors.

System has been put in place to help mitigate the lack of segregation and improve monetary procedures.

6. The GM should keep staff aware of travel schedules while away from the office during regular work hours.

Secretaries will be notified when GM is away from office. GM is always accessible by cell phone when away from office.

7. District should prepare a compliance schedule and routinely report to the Board on the status of the findings listed in the most recent independent auditors report.

A detailed financial report is provided once a month to the Board Members.

8. District should develop an inventory control policy and monitoring procedures for better control of concession items and other recreation related programs.

Procedures are being implemented to develop and improve inventory control. Cash registers will be purchased for concession stands.

9. Adoption of a policy requiring performance evaluations of the staff by the GM and of the GM by the District Board should be considered.

District has an existing policy for staff and GM to be evaluated once per year.

Sincerely,



Rafael Gonzalez
District Manager

Shafter Recreation and Park District

SOUTH KERN CEMETERY DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury reviewed the South Kern Cemetery District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

The Committee interviewed the Board of Trustees and District Manager, reviewed the Board Minutes and Agendas and the Policy and Procedures Manual dated April 2010. The Committee also visited the Cemetery to view the diesel spill area and the status of the remediation effort in January 2013 and attended the Board Meeting in March 2013.

BACKGROUND/FACTS:

- A. A Board of Supervisors (BOS) Resolution established the Arvin Public Cemetery District on August 26, 1957. On July 11, 1995, the BOS changed the name of the District to South Kern Cemetery District. The District is governed and managed by Resolution 2010-173 adopted by the BOS on September 14, 2010.
- B. A five member Board of Trustees (Board) is appointed by the BOS District 5 for a staggered term of four years. One Board Member is currently awaiting re-appointment after expiration of term.
- C. The District is located at 15543 South Vineland Road, Bakersfield, CA 93307 about seven miles West of the City of Arvin. The District covers approximately 450 square miles extending South to Frazier Park, North to Panama Lane, West to Wible Road and East to Stallion Springs. The first interment was in 1960.
- D. The Board Members must live within District boundaries. The Board Members must complete Ethics Training approved by the Fair Political Practices Commission and Attorney General and each member is required to complete the training every two years. Each Board Member must fill out a Form 700 each year.
- E. The Board Meetings are held at 5:30 pm at the Arvin Branch of the Kern County Library, located at 201 Campus Drive, on the third Tuesday of each month. The Board Members do not receive benefits or stipend for service but are compensated for travel and business expenses related to duties.

FINDINGS:

- F1. On April 22, 2013, the fifth Board Member was appointed by the Board of Supervisors Fifth District to fill the previous vacancy. The Board Member with the expired term has not been reappointed but continues to serve as Board President.
- F2. A diesel fuel spill of approximately 300 gallons occurred on December 17, 2012, as a result of a maintenance yard theft. The spill was not immediately reported to the California Emergency Management Agency (Cal EMA). The State requires significant releases of a hazardous material be reported immediately by the responsible person to the Cal EMA State Warning Center. Cal EMA makes further notifications to Federal and State Agencies. The contaminated soil was left onsite and not properly remediated until after January 29, 2013. The reported cost of all items lost or stolen was approximately \$6,100 including the diesel fuel.
- F3. On December 26, 2012, an emergency meeting of the Board was arranged to address a backhoe replacement issue. The District Manager (DM) did not notify the Board during the meeting a burglary had occurred and the gate hours were changed. The Board was notified of the burglary at the January 2013 meeting.
- F4. On January 24, 2013, an employee reported the fuel spill to Cal EMA. After reporting the incident another employee stated the DM has created a hostile work environment for the employee. A third party witnessed the harassment.
- F5. On January 29, 2013, the Committee observed the spill site at the maintenance yard of the District. The contaminated soil was still on site and had not been removed.
- F6. The alarm company for the District called a **former** Board Member when the burglary occurred. The **former** Board Member responded and secured the location.
- F7. All employees are hired "at will" with no contracts. Several of the employees are related to other employees (blood relationship, spouse, siblings, etc). The ex-spouse and daughter of the DM have worked for the District in the past without Board knowledge or approval.
- F8. The DM took the laptop computer home while on leave. The computer was later returned and the DM refused to give the passwords to the protected programs to employees that needed to access information on the laptop.
- F9. On December 24, 2012, a friend/family member of a person interred at the cemetery found the gates to the cemetery were closed and locked prior to the

posted time of closing. No signage explained the change in hours for the cemetery. New signage is now in place giving winter and summer hours.

- F10. Without District Board approval the DM purchased and installed barbed wire fencing after the burglary. The Board had requested bids for the fencing be approved prior to installation. The Board is seeking reimbursement for the fencing from the DM.
- F11. The District Policy and Procedures Manual requires items costing less than \$1,000 may be purchased at the discretion of the DM. Two bids are required for items costing more than \$1,000 and less than \$5,000. The fencing costs \$3,255.
- F12. During the holidays gift cards for employees were purchased by the DM with District money without Board approval. The Board is seeking reimbursement for the gift cards from the DM.
- F13. The DM used a District pickup truck as transportation to and from the District and home. When the DM was asked about the mileage log for the vehicle the DM said no logs existed. The mileage logs were later located.
- F14. The DM logged more than 4,600 miles from late July 2011 until December 31, 2011, and more than 10,200 miles from January to December 2012. The DM regularly purchased fuel for the vehicle on the District account.
- F15. During the investigation it was discovered that the DM had sold the same burial plot to two different families.
- F16. The DM has taken an extended leave of absence and the Head Groundskeeper is acting as Interim DM and was not cross-trained by the DM for the position.
- F17. The District does not have a time clock for the District to keep accurate records of employee work schedule and accrued time (vacation, compensation, sick leave).
- F18. One previous Board Trustee sold land adjacent to the Cemetery to the District. The District currently leases three acres of land for crop cultivation to a family member of the previous Board Trustee.
- F19. Requests for information from the District by members of the public were met with resistance and delays by the DM.
- F20. The District's March 2013 Board Meeting was started without a flag salute. The Board Members sat around a square configured table with some not facing the audience. At the April 2013 Board Meeting the Trustees voted to be compensated for service.

COMMENTS:

The Committee thanks the District for the cooperation and assistance in providing information for preparation of the report. The Cemetery grounds appear well maintained.

RECOMMENDATIONS:

- R1. The Kern County Supervisor of the Fifth District should immediately reappoint the District Board Member with the expired term.
- R2. The District should consider installing video surveillance of the maintenance yard.
- R3. The District shall provide impervious secondary containment for the diesel fuel tank that would contain at least 50% of the contents of the tank.
- R4. The alarm company contact information should be updated to notify the most current District Manager.
- R5. The District should review the duties and responsibilities of the DM and revise the Policies and Procedures Manual accordingly.
- R6. The current grievance procedure in the Policies and Procedures Manual should be updated to include grievance against the DM and Board.
- R7. All District motor vehicles should have visible decals identifying the vehicle as District equipment.
- R8. The DM should indicate the reason for each vehicle trip on the mileage log.
- R9. The District should develop a failsafe procedure to avoid duplicate sale of burial plots.
- R10. The Board should hire a temporary replacement for the Head Groundskeeper to assist during the lengthy absence of the current DM. The Head Groundskeeper is currently working both positions.
- R11. The District should purchase a time clock to keep accurate timekeeping records of employees. The District should also keep accurate records of sick leave, compensatory time and vacation accruals for each employee. The information should be readily accessible to the individual employee.
- R12. The lease agreement between the former Trustee family member and the District should be signed and approved by the Board.

R13. The Board should arrange the Board Member seating at meetings to face the audience. A Pledge of Allegiance should be recited at the start of all meetings.

NOTES:

The South Kern Cemetery District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

South Kern Cemetery District - Arvin

15548 S Vineland Road, Bakersfield, CA 93307 · Phone (661) 845-2540 · Fax (661) 845-3861

August 9, 2013

Presiding Judge
Kern County Grand Jury
1515 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301

Re: Special Districts Committee Visit & Review

Presiding Judge Kern County Grand Jury:

We have received and reviewed the letter sent by the Special Districts Committee of the Kern County grand Jury relative to their site visit and review of the operations and management of the South Kern Cemetery District. On the whole, we find it to be fair and accurate. We would like to take a few paragraphs to more fully address some of the issues raised, and where changes have been recommended, we would like to explain how we have, are, or will be making the recommended changes.

In way of background we would like to say that the past 18 months have been a time of great change within the South Kern Cemetery District as the Kern County Board of Supervisors allowed the expansion of the Board from three members to five members. During that same period the two longest serving members of the Board chose to resign. That left us as a fairly 'new' Board trying to understand an old district while attempting to work with an existing District Manager who had been used to and close with the old Board and its members.

It is an understatement to say that the new Board wanted changes in policies, procedures, financial accountability, utilization of District assets, and we wanted them quickly. The pressure for that accountability came from the newest Trustees, but it had begun with the people of the District stopping various Board members on the street, at the market, or at the church and asking, "...what's going on out there at the cemetery".

Sometimes that meant they did not understand our flower policy, sometimes that meant they wondered about how a District vehicle was being used, and sometimes that meant they wondered why the grass was dying in a particular spot near their mother's grave. The questions varied, but each of the questions pointed up that the people of the South Kern Cemetery District care very deeply about their cemetery district, its policies and procedures, that all local residents are treated fairly and respectfully, and that the long-term welfare of the District be rock solid.

We feel that we've made tremendous progress in our efforts to work through existing policies and procedures, implementing new accounting reporting measures, and tightening up all purchasing, whether by contract or on an as-needed basis. There can be no doubt that these changes were not embraced to the same degree by all District personnel. When we found existing violations, we addressed them and implemented measures to assure that they never occur again. Where procedures had become either lax or outdated, we tightened them back up and updated wherever necessary.

The South Kern Cemetery District is a far different entity than it was even a year ago, but not as different as we expect it to be in the next year. These are trying times in the United States as the economy enters its 6th or 7th 'tough economic year'. Like every other public entity we are being asked to do the same or more than we did last year, but most likely also being asked to do it with less than we had last year. It's for this reason that this visit and letter from your committee comes at such an opportune time. It provides us 'fresh eyes' with which to view our challenges.

Set forth below is our best effort to provide full and thoughtful responses to certain of the Committee's findings. We do this mostly in areas where no recommendation was made, but we hoped to elucidate the situation with a response.

Recommendation 1 The Kern County Supervisor of the Fifth District should immediately reappoint the District Board Member with the expired term.

Response 1: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation.

Recommendation 2 The District should consider installing video surveillance of the maintenance yard.

Response 2: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation and we have already begun seeking professional recommendations and reviewing different audio and video surveillance monitoring options. We are currently 'hardening' the maintenance yard and we will be adding additional surveillance resources over the coming two months.

Recommendation 3. The District shall provide impervious secondary containment for the diesel fuel tank that would contain at least 50% of the contents of the tank.

Response 3: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation and will meet the 50% containment level recommended and exceed that recommendation level by providing impervious secondary containment for the diesel tank that would contain at least 110% of the contents of the tank. The Board has done this in order to comply with current Kern County Fire regulations requiring containment for 100% of the contents of the largest tank within the containment and an additional 10% to account for a severe rain event over a three day (long weekend) period. Our present fuel provider has installed a steel containment unit under and around the existing fuel tank and support scaffolding. Any spill now will be captured and retained by this containment unit.

Finding 3: Under finding number 3, the Committee expressed concern that the Board of Trustees of the South Kern Cemetery District were not informed of a burglary that occurred at the Arvin Cemetery until weeks later, and even then, after the Board and the DM had met in a special meeting prior to the following month's regular meeting.

We share the Committee's concern and have addressed this explicitly with the Interim Manager. We will incorporate a contact protocol for all such future 'non-routine' events of which the Board of Trustees of the South Kern Cemetery District should be aware so that important information like this gets to the Board as soon as possible.

Response 4: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation. During the period of the Committee's visit, we were experiencing some organizational upset due to our District Manager being off for an extended period due to a sudden and unforeseen illness.

The District Manager has since resigned. Since that time, we have expanded and updated our 'call list' for the alarm company and deleted the names and phone numbers of former Board members so we can avoid these kinds of incidents in the future.

Finding 4: Under finding number 4, the Committee expressed concern about an event where an employee had complained about 'hostile work environment' and 'harassment'.

We take both of those issues very seriously and have attempted to talk with all the parties involved who would speak with us on the issue. We have also addressed these specific types of issues in our new Grievance Procedures. Additionally, we will include information about what constitutes a hostile work environment and harassment in our employee training going forward.

Recommendation 4: The alarm company contact information should be updated to notify the most current District Manager.

Response 4: Immediately following this occurrence, the Board was made aware of what had happened and ordered that the alarm company receive an updated list of people to call in the event that an alarm is sounded.

Recommendation 5: The District should review the duties and responsibilities of the DM (District Manager) and revise the policies and procedures Manual accordingly.

Response 5: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation and has begun a systemic review of the District's policies and procedures in their entirety. Special attention is being given to the role and responsibilities of the DM going forward and the limits of the DM's authority, responsibility, and accountability in that role will be more clearly delineated than ever before.

Recommendation 6: The current grievance procedure in the Policies and Procedures Manual should be updated to include grievance against the DM and the Board.

Response 6: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation. The first draft of this revised grievance policy was available to the board and the public at the June 18, 2013 meeting. The revised policy is currently being reviewed by the Board and community members with a comment and adoption opportunity having taken place at our regular Board meeting of July 23, 2013.

Recommendation 7: All District motor vehicles should have visible decals identifying the vehicle as District property.

Response 7: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation. The interim DM is currently conducting an asset survey to identify all District equipment for future tracking. During the course of this survey, he has been instructed to acquire an appropriate decal that clearly identifies all District motor vehicles as property of the South Kern Cemetery District.

Finding 7: We share the Committee's concern over the issue of nepotism. In the past, the Board of Trustees of the South Kern Cemetery District apparently felt no need for a strong nepotism policy with regard to hiring, contracting, or vending. The present Board of Trustees of the South Kern Cemetery District is of a much different mindset.

Policy updates are currently under way to assure there are no future hires of close family members (or their consanguineous equivalents) of present District employees or Board members and no future contracting with vendors, contractors, or lessees who are close family members (or their consanguineous equivalents) of present District employees or Board members.

Recommendation 8. The DM should indicate the reason for each vehicle trip on the mileage log.

Response 8: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation and has directed the Interim DM to assure that appropriate forms are available to log these trips and that District personnel are familiar with this mileage tracking requirement.

Finding 8: We share the Committee's concern over the issue of employees taking District property home (in this case a laptop computer) and in later refusing to give the District passwords so other District employees could access district property, in the form of information, from that laptop.

In the future, the District (i.e., employees and Board President and Secretary) will be given the current passwords to each computer or similar electronic device that is owned by the District. District employees will not be allowed to take home District property, even if the claim is they have a need to work from home. Any employee who refuses to surrender a password to a District owned device will be immediately placed on unpaid leave, pending investigation pursuant to disciplinary action, up to and including termination.

Recommendation 9. The District should develop a failsafe procedure to avoid duplicate sale of burial plots.

Response 9: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation. The Board is presently working with the Interim DM and our Office Clerk to develop a failsafe procedure to avoid duplicate sale of burial plots.

Finding 9: We share the Committee's concern over the issue of the early closure of the Cemetery on Christmas Eve, 2012 and have directed that it not occur again, except in case of an extreme emergency. This was an unauthorized action taken by the previous DM as a response to a burglary prior to Christmas Eve. While well intentioned, it was clearly ill advised and was not authorized by the Board of Trustees of the South Kern Cemetery District.

We regret that some District Residents, who wished to share a few moments with their loved one on Christmas Eve, were unable to do so. We have apologized for this breach of policy and assured them of our intent to open the gates of the Cemetery as often and for as many hours as good policy will allow.

Recommendation 10. The Board should hire a temporary replacement for the Head Groundskeeper to assist during the lengthy absence of the current DM. The Head Groundskeeper is currently working both positions.

Response 10: While the Board sees the reasoning of the Committee in making this recommendation, circumstances have changed quite dramatically since the Committee's visit. This is mainly due to the sudden resignation of the former DM at the end of her extended convalescent period related to her time off for health reasons. The Board had been reviewing the entire laborforce and labor requirements prior to that illness.

The actual demand for burials has been stable or declined in recent years and now stands at about two burials per week. Some of this decline can be attributed to more cemetery options locally than in the past, some of this decline can be attributed to more cremations than in the past, and some of this decline can be attributed to the growing popularity among Veterans to take advantage of their right to be buried in the new National Veteran's cemetery East of Arvin.

Regardless of the cause, the Board has been looking at its labor needs for more than a year and was already planning a shift. For the time being we have expanded the work schedule of the office clerk from 20 to 40 hours per week so that she can handle phones calls, assist with cemetery sales, assist with accounting, conduct data entry, and be onsite throughout the day to handle visitors to the District office.

We have closely monitored the actual number of burials in recent weeks since the Cemetery Foreman (referred to previously as the Head Groundsman) has been appointed to act as Interim DM, while the recruitment process move ahead. We've instructed him to notify the Board President immediately if he feels that the load is too much for the present staff. To that end he did ask to make a temporary hire to help cover vacations and he has been told to proceed.

It is not our intent to unfairly overload current staff and to ask 4 people to do the work of 5 people. It is our intent to be both effective and efficient in the way we operate the District and we also don't want to be guilty of having 5 fulltime people if we only need 4 or 4 and ½ people. So, for the present we have realigned our staffing levels more closely with our true staffing needs and are watching them closely to be fair to all parties involved.

Finding 10: The Board of Trustees of the South Kern Cemetery District agrees that finding 10 is as accurate as it is unconscionable. On January 22, 2013, the barbed wire installation was discussed, but not authorized. The Board felt that liability and insurance concerns needed to be researched first. Knowing this, the DM authorized the work to be done in March 2013.

When confronted about this on March 19, 2013, at the regular Board meeting, the DM asserted her right to carry forward any project of less than \$5,000 by soliciting by soliciting two written or verbal bids. She could provide no budget for the barbed wire. She could provide neither of the two bids she claimed to have solicited.

On advice of counsel, we have paid the vendor for the work done in recognition that the contractor entered into the work based upon his recognition of the DM as the South Kern Cemetery District's Manager. Recognizing her apparent authority as our agent, and based upon past dealings with the District through the DM, the contractor/vendor cannot be faulted here.

In the future we plan to implement the system the County of Kern uses whereby vendor/contractors are solicited annually so that their specific information (e.g., products, licenses, insurance, bondability, etc.) can be known in advance to the board and so that the District policies will be clear to vendors wishing to do business with the District.

Recommendation 11. The District should purchase a time clock to keep accurate timekeeping records of employees. The District should also keep accurate records of sick leave, compensatory time, and vacation accruals for each employee. The information should be readily accessible to the individual employees.

Response 11: The Board of Trustees of the South Kern Cemetery District concurs with this recommendation. Consequently we have acquired a time clock and begun its use. While in the past we've routinely tracked the areas that your Committee has suggested, during some of the recent changes in personnel, some of those records seem to have been misplaced, destroyed, or removed. In any event, we will adhere to the Committee's recommendations going forward.

Recommendation 12. The lease agreement between the former Trustee's family member and the District should be signed and approved by the District.

Response 12: Our Board is currently going over this issue with our legal counsel. At present we're unable to find any minutes authorizing the former DM to negotiate or sign such a lease agreement on behalf of the District. Both Board members and members of the public have asked that we find out what our legal obligations and our liabilities are under this contract and whether or not it must be signed or can it be voided. It's not our intent to be disrespectful the Committee, but as part of our due diligence as Trustees, we feel it's reasonable to get a written opinion from our legal counsel to place in the records, to support whatever action we take.

Recommendation 13. The Board should arrange the Board Member seating at meetings to face the audience. A Pledge of allegiance should be recited at the start of the meetings.

Response 13: The Board of Trustees of the South Kern Cemetery District concurs with the first recommendation. The former seating configuration was followed at the behest of the former DM. We recognize this failure to look at the public we serve may be construed as an insult and it certainly makes communications more difficult.

With regard to the second recommendation regarding the flag salute, we have been doing this routinely now for several meeting. At present there is no flag available in the library, so we've simply opened the East blinds and made the salute to the United States flag at the Arvin city hall. We are in the process of acquiring our own flag to use at these meetings.

At least two of our Board members, while both quite willing to salute the Flag and make the pledge, have asked if there is a county, state, or federal statute that requires each public meeting be opened with a salute to the flag. This information would be helpful in answering any future questions from new Board members and the public about why this is routinely done.

Finding 20: Finding 20 references "At the April 2103 Board meeting the Trustees voted to be compensated for service". We would reference the South Kern Cemetery District's Policy Manual dated April 2010. It says that Board members 'shall' receive a stipend of \$50 per 'regular monthly meeting'. It was concluded that there was in fact no need to vote on the issue since it was already a District Policy adopted by a prior iteration of the Board.

Staff was made aware of this policy and since that time, Board members have received a stipend of \$50 for each regular meeting. It should be noted that there is only one regular meeting per month. However, in recent months this board has meet as often as three times a month and in some months spent 15 or more hours in meetings trying to wade through the quagmire we have inherited. If there is a legal issue forbidding this policy, please advise us and we'll rescind it.

However, if there is no legal issue forbidding this stipend, please consider this. For decades the only people who could 'afford' to serve on this Board were wealthy, landed, or retired. When one of our present Board members sought previous appointment to the Board, the sitting Board made a point that they didn't need the stipend and questioned his willingness to forego it if they recommended him.

Our Board will need active community members in years ahead more than ever. While we recognize that community service is an honor, we also know that there are those for whom putting in the hours preparing for and attending these meetings would make service financially impossible. \$50 will not even completely offset an afternoon's work in the fields or a packing shed, but we hope that it will be enough to encourage more 'regular people' to offer to serve the District.

The South Kern Cemetery District has already publicly posted a copy of the letter we received from the Kern County Grand Jury Special Districts Committee and we will publicly post a copy of this letter of response from the South Kern Cemetery District Board of Trustees.

We appreciate your guidance and look to you for answers to any questions we may have raised. If our responses have not been adequate, we are ready to provide more detail or to be corrected in these matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Nicholson-Thome', with a long horizontal flourish extending to the right.

Cynthia Nicholson-Thome, President
South Kern Cemetery District Board of Trustees

- Cc. Public posting file
Legal file
Steven Schrepfer, Interim District Manager
Linda Leary, Trustee
Chandra Meade, Trustee
Farrell Neeley, Trustee
Manuel Pantoja, Trustee

SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury reviewed the Southern San Joaquin Municipal Utility District (SSJMUD or District) pursuant to California Penal Code §933.5. The District has never been reviewed by the Kern County Grand Jury.

PROCESS:

The Committee has reviewed the Special District's Survey provided by the District and financial reports through 2011. The Committee has reviewed Agendas, Board Minutes, the Basic Financial Statement year ending February 29, 2012, and the 2012 Annual Report prepared by the General Manager/Secretary.

BACKGROUND/FACTS:

The District was formed in 1935 for the purpose of developing a supplemental water supply. The District primarily received water from a diversion of the San Joaquin River below the Friant Dam. The District provides a single service of supplying Federal exported surface water from the San Joaquin River. Water is delivered to agricultural land via the Department of the Interior, Bureau of Reclamation's Central Valley Project Friant Division. The District is contracted to operate and maintain the distribution system and maintains contracts with the United States for long term water service.

- A. The District encompasses approximately 68,000 acres of land located in Northern Kern County. The boundary for the District to the North is County Line Road, to the South is Famoso Road, to the West is State Highway 43 and to the East is State Highway 65.
- B. The District Service Area includes 49,187 acres and is made up exclusively of agricultural land. Only the land within the Service Area is assessed a standby charge.
- C. Agendas are posted in a glass covered display case located inside the office building by the front door. After hours, the gates located at the entrance to the property are locked.
- D. Board Meeting minutes are located in Board Minute books stored in the District's vault at the office. The minutes are available for viewing or copying upon request by the public.

FINDINGS:

- F1. The year's construction work included completion of the Elmo East Pipeline Project, also known as Phase 5 of the East System Improvement Project which began in 1998. Several meters and line gates were replaced or refurbished during the winter shut down period. There has been a noticeable reduction in the number of leak repairs due to the replacement of original mortar joint pipe.
- F2. The Friant Water Authority is proceeding with the restoration of the full flowing river. New or additional storage in the upper San Joaquin River is being studied by State and Federal agencies. The Temperance Flat Dam and Reservoir Concept received Federal funding for additional studies. Funds for additional surface storage included in the Governor's new water bond have been delayed due to the poor economy.
- F3. The Board approved assignment of 5,000 acre feet of the Class 2 contract water supply to Kern-Tulare Water District. Kern-Tulare Water District gains access to the Friant-Kern Canal with a Class 2 priority plus water on certain years and the SSJMUD will be paid \$8,000,000 plus interest on half of the payment.
- F4. Pump and motor maintenance was minimal. Several refrigerated type air conditioning units were replaced with more reliable and economical water cooled units. The upgrade provides an 80% decrease in energy consumption and improves control efficiency. New motor control panels were installed at the first and third pumping plants on #9 Phillips Mainline. The second plant was upgraded in 2010.
- F5. The Preventative Maintenance Program (PMP) eliminated nuisance shutdowns of individual pumps and stations. The PMP is responsible for improved reliability to customers and reduced operating costs.
- F6. The automated gate on the #3 Mainline was in operation for a third irrigation season. The District is ready to automate all junction boxes on the #3 Mainline.
- F7. The District continues to evaluate the pumping plant automated systems. Upgrades intended to detect and treat periodic problems were added to the software programs. Most of the changes are done in-house thus eliminating expensive consultant time. The True Point Solutions Software has reduced invoicing time to a single day. The server was upgraded to include additional data storage and backup.
- F8. In 2000, the District was honored as an "innovator" by the Association of California Water Agencies.

COMMENTS:

The District appears to be a well run organization. The Committee thanks the District staff for the timely response to requested information.

RECOMMENDATIONS:

R1. The agenda should also be posted in a public location for viewing rather than only in the office.

R2. The District should develop an employee Policy and Procedures Manual.

NOTES:

The Southern San Joaquin Municipal Utility District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



Southern San Joaquin Municipal Utility District

BOARD OF DIRECTORS

John N. Fisher
President

May 21, 2013

Peter Dulcich
Vice President

Donnie Morris
Director

Lynn Runyan, Foreman
2012-2013 Kern County Grand Jury
Suite 600
1415 Truxtun Avenue
Bakersfield, CA 93301

James A. Regan
Director

George Zaninovich
Director

RE: Grand Jury Report

STAFF

William Carlisle
General Manager
Secretary

Dear Lynn Runyan::

I believe there were two recommendations contained in the Grand Jury Report and they are as follows:

Connie Rising
Office Manager
Treasurer

1. R1. The agenda should also be posted in a public location for viewing rather than only in the office.
 - a. An enclosed glass covered case was purchased and mounted outside in front of the office. Inside the case is the agenda for the next board meeting and the draft minutes from the most recent past meeting. The District also opened a website at ssjmud.org and the agenda and minutes are included on the website.
2. R2. The District should develop an employee Policy and Procedures Manual.
 - a. The District has an Employee Handbook, supplemented by a Memorandum of Understanding from what used to be the union that represented the field employees. Both of these documents have been in use by the District and employees for more than 30 years. Copies of both documents are enclosed.

Roland Gross
Field Superintendent

Rick Notley
Maintenance
Supervisor

Mail:
P. O. Box 279
Delano, CA 93216

Shipping:
11281 Garzoli Ave.
Delano, CA 93215

Phone:
(661) 725-0610

Facsimile:
(661) 725-2110

Email:
water@ssjmud.org

If you need further information, please contact me direct.

Very truly yours,


Bill Carlisle, General Manager

STALLION SPRINGS COMMUNITY SERVICE DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury reviewed the Stallion Springs Community Service District (District) operation and management pursuant to California Penal Code §933.5.

PROCESS:

Committee members obtained background information about the District by:

- Reply to a survey mailed to the District's General Manager (Manager)
- Independent auditor's report for year ending June 2011
- Budget summary reports for 2010 through 2011
- Review of the California Form 700 documents
- Telephone interviews with District Manager

BACKGROUND/FACTS:

The District's Mission *"is to provide the highest quality of services as designated by law to the community. The services shall be provided in an efficient, economical and reliable manner. The Stallion Springs Board, Management and Staff are committed to promoting a safe courteous and positive attitude in accomplishing our Mission."*

The District office is located at 27800 Stallion Springs Drive, Tehachapi, CA 93561. The elevations within the District vary from 3,480 to 4,620 feet yielding cool summer evenings and blustery winter afternoons. A myriad of wildlife share the countryside. On any given day you might spy an elk, bobcat, mountain lion, wild boar, ducks, deer, jack rabbits and quail.

The District was formed on November 20, 1970, to provide administration, police service and fire protection, parks and recreation, roads and road maintenance, sewer and solid waste disposal, water and water treatment service for over 3,200 residents and businesses of the unincorporated community of Stallion Springs. The District owns and operates a municipal swimming pool, an equestrian trail system, several parks, a Community Library and Multipurpose Center complete with gymnasium, kitchen and smaller meeting rooms.

- A. The District is an Independent Special District with a board comprised of five resident-voter board members elected to four-year terms.
- B. The District Board holds regularly scheduled meetings on the third Tuesday of every month at 6:00 p.m.

- C. The District employs ten full-time, two part-time and two temporary contract employees.
- D. The District obtains the majority of revenue from charges for services, property taxes and grants.

FINDINGS:

- F1. The meeting agendas are posted in the District office lobby, outside the front door and in the Community Center 72 hours prior to the Board meetings. The agenda, minutes and the complete Board Packet is also posted on the District's web site.
- F2. Board members have attended ethics training within the past two years and have complied with Form 700 information.
- F3. Board Members are compensated for service.
- F4. Based on the 2011 financial audit, net assets (the difference between assets and liabilities) have increased 1.6% indicating an improvement in the District's financial health or financial position.

COMMENTS:

The 2012-2013 Kern County Grand Jury appreciates the cooperation of the District in providing the requested information in a timely manner. The District appears to be well managed, properly staffed and efficiently operated.

RECOMMENDATION:

None

NOTES:

The Stallion Springs Community Service District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2012-2013 Kern County Grand Jury (Grand Jury) reviewed the Tehachapi-Cummings County Water District (District) pursuant to California Penal Code §933.5.

PROCESS:

The Committee reviewed the District's website, minutes, agendas, financial statements through fiscal year 2012-2013 and the reply to an informational survey provided to the District. On May 30, 2013, the Committee visited the District Office, toured the facility and interviewed the District Manager.

BACKGROUND/FACTS:

The District's Mission is *“to ensure the most reliable, cost effective and highest quality water supply within the District through the importation of State Project Water, management of groundwater basins, as well as provide flood protection within specified areas of the District and within the jurisdiction of the District as defined in the State Water code and pertinent statutes of the State of California.”*

The District was formed on March 10, 1965, under provisions of the County Water District Law (Sections 30000 et seq. of the Water Code of the State of California) to provide an imported water supply, water resource management and flood protection to the agricultural, municipal and industrial customers within the District boundaries. The District encompasses approximately 266,000 acres in the Tehachapi Mountains East of the Southern San Joaquin Valley. District Organizers were among the first water development leaders in the State to give primary consideration to the preservation of groundwater basins. To protect the local groundwater basins from overdraft, the District obtained court approved authority to regulate well water production.

- A. The District is governed by a five person Board of Directors (Directors) which are residents of the District and:
- are elected at large to four year staggered terms by registered voters in the five roughly equal acreage divisions within the District
 - are responsible for policies and decisions governing the operations of the District
 - meet regularly on the third Wednesday of each month at 4:00 p.m. at the District office
 - receive a stipend of one hundred dollars per meeting

- B. The Board of Directors is an Independent Board subject to the Uniform District Election Law not dependent on the Kern County Board of Supervisors and since inception has operated under the council-manager form of government. The Directors are required to attend Ethics training every two years.
- C. The District Offices are located at 22901 Banducci Road, Tehachapi, CA 93561.
- D. The previous Grand Jury report on the District was published in 2005, thus the Committee felt the District was overdue for review.

FINDINGS:

- F1. The District posts the agendas on the board outside the entrance gate and inside the building. The agendas and meeting minutes are also available on the District's website.
- F2. The District has 18 full-time employees, two part-time summer employees and does not employ interns or volunteers. There are three vacant positions (one assistant manager and two positions related to pipeline maintenance).
- F3. On December 1, 2006, the District entered into an agreement with the Kern County Water Agency (KCWA) to expand the capacity of the Cross Valley Canal Extension Program (Program). The Program resulted in an expenditure of approximately \$400,000 by the District which provided only 2% capacity in the Program based on second priority allocation. As of January 2013 the District has banked 6,000 acre-feet of water. The District has been actively seeking alternatives to improve the economic return on the investment.
- F4. The District has approved routine water exchanges and transfers with other KCWA member units in multi-year contracts in order to take advantage of any exchange or transfer opportunities that may come up.
- F5. Water purchased from the State Water Projects is transported from the California Aqueduct at Edmundson Pump Plant and pumped 3,425 vertical feet to the J. C. Jacobsen Reservoir (aka Brite Lake). The non-potable water is directed to the Brite Basin and to four percolation ponds located in the Cummings and Tehachapi Basins in sufficient quantities to maintain safe groundwater levels.
- F6. The District operates and maintains 31 miles of 27 to 39 inch diameter pipelines and five pump stations.
- F7. Property taxes are the main source of non-operating revenue. The revenue has been on the increase since 2011 primarily due to wind turbine installations on the East side of the District. The second largest source of revenue is imported

water sales which have declined due to the recent recession. The District has begun purchasing recycled water from the California Correctional Institution and reselling the water for irrigation use.

- F8. The District levies a tax each year for the obligations under the two water supply contracts with the KCWA for State Water Project (SWP) water. In recent years the District has not been required to pay the full amount of the estimated annual bill. The reduction is due to the extensive credit provided from the KCWA and the low SWP allocations. Since costs have been lower than expected, a surplus has accumulated in the District's reserve fund allowing for a tax rate reduction intended to lower the reserve over time.
- F9. In 1994, the District upgraded Plants 1, 2, 3 and 4 with new lean burn natural gas fired internal combustion engines. Certificates of Participation in the amount of \$5.3 million were purchased for the upgrade. Approximately \$1 million was allotted to build a natural gas pipeline for an alternate supply of natural gas. The modification resulted in reduced emissions from the Plants and a savings of 35% in fuel costs.
- F10. The District has a Component Unit, the Tehachapi-Cummings Emissions Reduction Facilities Corporation, a California nonprofit public benefit corporation created in 1994. The Corporation was formed to help finance the purchase of the new engines located at the pump plants.
- F11. With the exception of one pressure zone where water rates have decreased, the rates have remained unchanged since May 2010 and the District hopes to avoid rate increases in the future. The price decline for natural gas fuel used for the water pumps has reduced the pumping costs and stabilized the water rates.
- F12. A large part of Tehachapi Valley lies in a flood plain. Periodic flooding occurs due to seasonal runoff from the mountains to the South. Devastating floods occurred in 1932 and 1945 and caused as much as four feet of water to inundate Tehachapi Boulevard in downtown Tehachapi.
- F13. In the mid-80's the District obtained sufficient funds to build flood control facilities. Both the Antelope Dam and the Blackburn Dam retain 750 Acre-feet of storm water in order to provide protection to residents and businesses in the Tehachapi Valley.
- F14. Many local homes have been removed from the flood hazard designation thereby reducing flood insurance costs for thousands of residences and enhancing property values throughout the Tehachapi Valley.

COMMENTS:

The Committee thanks the District for the meeting of May 30, 2013, and the additional information provided to complete the report. The District seems to be a well run organization effectively meeting the needs of the residents.

Annually, after the first Board meeting in April, the District offers a half-day tour of all the facilities and is open to the public.

RECOMMENDATIONS:

R1.The District should continue to pursue alternatives to improve the economic return on the investment in the Cross Valley Canal Extension Program.

R2.The District should conduct an economic evaluation of drilling and operating shallow water injection wells in the Cummings and Tehachapi Basins to mitigate the evaporative water losses resulting from the use of percolation ponds.

NOTES:

The Tehachapi-Cummings County Water District should post a copy of this report where it will be available for public review.

Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301**

**cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

DIRECTORS:
HARRY M. COWAN
DAVID HADLEY
JONATHAN HALL
JEAN PREL
ROBERT R. SCHULTZ

OFFICERS:
HARRY M. COWAN, PRESIDENT
ROBERT R. SCHULTZ, VICE PRESIDENT
JOHN A. MARTIN, GENERAL MANAGER
LORI BUNN, SECRETARY TO THE BOARD

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

22901 BANDUCCI RD.
POST OFFICE BOX 326
TEHACHAPI, CALIFORNIA 93561
(661) 822-5504 - (661) 325-3733 - FAX (661) 822-5122
E-MAIL: tccwd@tccwd.com

June 19, 2013

Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301

Re: Report of the Special Districts Committee of the 2012-13 Kern County Grand Jury

Dear Sir:

On June 17, 2013 the Grand Jury published a report regarding this district, which made numerous findings and two recommendations. This letter is a response to that report, more specifically to the recommendations in the report.

Recommendation R1: The District should continue to pursue alternatives to improve the economic return on the investment in the Cross Valley Canal Extension Program.

In 2006 the district entered into an agreement with the Kern County Water Agency (KCWA) whereby the district obtained a small conveyance capacity in the Cross Valley Canal expansion, which came on-line earlier this year. The district now has 2.8 cubic-feet-per-second first-priority capacity out of the 200 cfs available from the CVC expansion, which enables the district to convey water to and from certain groundwater banking facilities generally west of the City of Bakersfield. The district paid approximately \$400,000 for this capacity. However, the district does not have first-priority capacity in any of the groundwater banking projects; therefore, the district has been unable to exercise its capacity in the CVC. This unfortunate state of affairs occurred because the KCWA's Pioneer Project (groundwater bank) was organized prior to the CVC expansion project, and the district did not participate in the Pioneer Project because the district had no way to convey water at that time. Moreover, up until December 31, 2008 the district had an agreement with Improvement District No. 4 of the Kern County Water Agency to sell ID4 all of its State Water Project water in excess of its needs each and every year.

Two possible solutions to the dilemma of having water and conveyance but no home to send the water are: 1) acquire first-priority capacity in a groundwater banking project (at a cost of millions of dollars) or 2) sell the capacity in the CVC and recoup the district's investment. The district is currently evaluating the need for first-priority capacity in a groundwater bank in light of the facts that 1) as a Member Unit of the Kern County Water Agency the district has

second-priority rights to groundwater banking in the Kern Water Bank, 2) the district is able to bank water through imbalanced exchanges with other water districts, 3) the district can bank imported water in its local groundwater basins and 4) the district has a five-year agreement with the Kern Westside Districts to sell them State Water Project water surplus to the district's needs. In 2011, a very wet year, the district was able to bank 6,026 acre-feet of SWP water in the Kern Water Bank under its second-priority rights. That same year, the district banked 3,206 acre-feet under a 2-for-1 exchange with the West Kern Water District. In 2012, the district recovered 1,000 acre-feet from West Kern, at no cost to the district, through a three-party exchange between the district, West Kern and Rosedale-Rio Bravo Water Storage District. These experiences confirm that the district is able to accomplish both recharge and recovery of groundwater in the San Joaquin Valley without first-priority rights in the banking projects. Therefore, it appears that selling its CVC capacity may be the more prudent option for the district. Discussion with a potential buyer has already been initiated.

Recommendation R2: The District should conduct an economic evaluation of drilling and operating shallow water injection wells in the Cummings and Tehachapi Basins to mitigate the evaporative water losses resulting from the use of percolation ponds.

Within the district are four municipal water purveyors: the City of Tehachapi, Golden Hills Community Services District, Bear Valley CSD and Stallion Springs CSD as well as the California Correctional Institution and several mutual water companies. All of these water purveyors supply high-quality potable water to their service areas without benefit of any water treatment plants. All of the potable water delivered within the district comes from wells, as there is not one operating water treatment plant within the district. Some of the water, including most of the water delivered within the City of Tehachapi and Golden Hills CSD, is pumped by virtue of groundwater rights. The remainder is recovered State Water Project water imported into the district and percolated into the basins by spreading in the district's recharge ponds. The ponds have been strategically located in or near dry streambeds where soil transmissivity is high, which minimizes evaporation losses. Also, the ponds are located where there is no known soil contamination, which ensures the purity of the water as it percolates into the water table. There is also one recharge site within the district owned and operated by Golden Hills CSD with similar siting characteristics.

Water purveyors who purchase SWP water for artificial recharge pay a rate adequate to cover a 6% spreading loss. This is the same spreading loss used by the Kern Water Bank for its operations. A hydrogeologic study completed by Fugro West, Inc. in 2010 determined that the evaporative and phreatophyte losses from the district's spreading ponds in Cummings Basin were 4.8%. Even so, the district imputes a 6% spreading loss to ensure that its conjunctive use programs do not damage the groundwater basins in any way. In both the Cummings and Tehachapi Basins, surface spreading of imported water is a very efficient method of supplementing groundwater supplies. Surface spreading is also the method used by all of the groundwater banking operations in the Bakersfield area (Kern Water Bank, Pioneer Project, Rosedale-Rio Bravo WSD, City of Bakersfield's 2,800 Acres, etc.) Surface spreading is the preferred method for unconfined aquifers, such as the Cummings and Tehachapi Basins, because the earth purifies the water as it travels through the unsaturated (vadose) zone. It is the only method that will work for Tehachapi-Cummings County Water District.

On September 19, 2012 the State Water Resources Control Board adopted their Resolution 2012-0046, which adopted their Water Quality Order 2012-0010, the General Waste Discharge Requirements for Aquifer Storage and Recovery Projects that Inject Drinking Water into Groundwater. Generally speaking, the State and Regional Water Boards will not allow water to be injected into groundwater basins (where the water will be recovered later) unless it has been treated to drinking water standards. The State Board's fact sheet on the subject states, "The general waste discharge requirements require that water injected into an aquifer meet drinking water standards and not cause groundwater to violate any water quality objectives in the applicable Water Quality Control Plan (Basin Plan)." Environmental Protection Agency regulations agree, providing that "no owner or operator shall construct, operate, maintain, convert, plug, abandon, or conduct any other injection activity in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR part 142 or may otherwise adversely affect the health of persons." (40 CFR 144.12). Since the district imports untreated raw water from the State Water Project and there is no water treatment plant in the greater Tehachapi area, the district cannot use injection wells for groundwater recharge, as doing so would violate state and federal laws.

Even so, the district has acted to minimize the losses by locating the recharge ponds in areas where the water will percolate quickly, by removing vegetation to minimize phreatophyte consumption, by recharging in-lieu (exchanging imported water for groundwater by delivering SWP water to growers rather than those growers pumping their water rights) and by installing an automated valve at its Chanac Creek recharge ponds, its primary recharge site. The valve opens automatically when agricultural demand in Cummings Valley drops and it closes when agricultural demand increases. Typically this results in water being released to the recharge ponds at night when evaporation is lowest. The valve is monitored by the district's SCADA system and flow data is recorded and stored. The valve can also be controlled remotely via the SCADA system.

Finally, by using spreading ponds rather than injection wells the district controls its energy use. Injection wells require the pressurization of the water, thereby consuming energy, whereas opening a valve into a spreading pond requires little additional energy.

I would like to thank the Grand Jury's Special Districts Committee for their kind words in their report stating "The District seems to be a well run organization effectively meeting the needs of the residents" and for the opportunity to comment on their recommendations. I also appreciate the very professional interview they conducted on May 30, 2013. If I can be of any further assistance please feel free to contact me at any time.

Sincerely,



John Martin
General Manager

✓ cc: Foreman, Kern County Grand Jury, 1415 Truxtun Ave, Suite 600, Bakersfield, CA 93301