

SPECIAL DISTRICTS COMMITTEE



Jerry Troxel, Gary Chaffin Pete Krebsbach Donna Schaffel
Chairperson

MISSION STATEMENT

Penal Code Section 925(a) charges the Grand Jury with the oversight of the ethics, management and use of taxpayer funds. There are over 150 Special Districts in Kern County that fall under the authority of this Committee. Additionally, it may be responsible for follow-up on citizen complaints as they may relate to any of those Districts.

SPECIAL DISTRICTS COMMITTEE

ACTIVITIES

REPORTS WRITTEN AND PUBLISHED:

- Rand Communities Water District
- Tehachapi - Cummings County Water District
- Public Works Special Waste
- Public Works Solid Waste (SB1383)
- Henry Miller Water District (Closing Letter)

The Committee conducted more than 25 interviews, traveled over 1,500 miles, made over 200 phone calls. The Committee received and inquired into three (3) citizen complaints and participated in an indictment for the Kern County District Attorney's Office. Member of the Committee were involved in numerous other Committees, Grand Jury activities and visits.

MEMBERS OF THE COMMITTEE VISITED AND ATTENDED:

- Board of Supervisors Meetings
- Kern County Crime Lab
- City of California City
- Rand Communities Water District Board Meeting
- Tehachapi - Cummings County Water District Board Meeting
- Tehachapi California Correctional Institute
- Wasco State Prison Reception Center
- Kern County Sheriff's Central Receiving Facility
- Kern County Sheriff's Search and Rescue Facility
- Kern County District Attorney Department Indictment Hearing
- Green Waste Facility - Mt. Vernon
- Home and Garden Show
- Grand Jury Appreciation Week
- Public Relations Committee
- Bena and Shafter - Wasco Landfills
- Kern County Sheriff's Special Operations
- Condor Night - Grand Jury Appreciation Night
- Kern County Grand Jury Association
- Aging and Adult Services
- BARC Recycling Center

KERN COUNTY PUBLIC WORKS
BAKERSFIELD CITY PUBLIC WORKS
Kern County Solid Waste
Wake Up Kern County
The “Trash Police” Are Coming!

SUMMARY:

Since the advent of the Industrial Revolution, there have been inventions and new manufactured items to make life easier. The finer things in life have also caused us to create LANDFILLS! Initially, landfills just buried trash, but the Revolution allowed us to invent monitoring and measuring instruments, which has allowed us to see what was happening with the buried trash. It was found that the landfills were producing volatile gases. Due to these conditions, laws needed to be implemented. California has implemented many laws regarding the global warming effect. The most significant is the implementation of SB 1383 (the Law) which requires us to be more vigilant when taking out the garbage/trash or face the “Trash Police”.

PURPOSE OF INQUIRY:

California Penal Code §925 and §925a authorizes the Grand Jury to routinely conduct an inquiry/investigation of the Kern County Public Works and the City of Bakersfield Public Works. These departments may not be working in unison to comply with the State of California’s SB 1383 rules and regulations to reduce Short-Lived Climate Pollutants and Organic Waste Reductions of 75 percent by January 1st, 2025.

PROCESS:

The 2018-2019 Kern County Grand Jury Special Districts Committee (Committee) visited the Green Waste Facility on Mt. Vernon Ave., the MRC (Metropolitan Recycling Center) on Mt. Vernon Ave., BARC (Bakersfield ARC), Bena and Shafter-Wasco Landfills as well as Roberts Lane and McFarland-Delano Transfer Stations. The Committee researched the internet and conducted interviews with the Kern County Public Works and the City of Bakersfield Public Works Directors and Staff.

BACKGROUND:

The *California Department of Resources Recycling and Recovery* (CalRecycle) is a department within the California Environmental Protection Agency and was created on January 1st, 2010. It merged the California Integrated Waste Management Board and the beverage container recycling program, previously managed by the California Department of Conservation. *CalRecycle administers and provides oversight for all of California’s state-managed non-hazardous waste handling and recycling programs.*

CalRecycle's vision is to inspire and challenge Californians to achieve the highest waste reduction, recycling and reuse goals in the nation. CalRecycle's budget is \$1.4 billion plus \$1.1 billion Beverage Container Re-cycling Fund, better known as CRV (California Redemption Value).

On September 19th, 2016, then Governor Brown signed SB 1383 into law. This will change how landfills operate today and in the future. SB 1383 requires CalRecycle to direct the reduction of statewide disposal of organic waste; *as landfilled organic waste emits methane gas and contributes to climate change.* In conjunction with the requirement, CalRecycle has mandated a 50 percent reduction of organic waste going to landfills from the 2014 levels by January 1st, 2020, and a 75 percent reduction by January 1st, 2025.

These landfills have been under constant change since 2014 in the effort to comply with the 75 percent reduction of organic greenhouse gases by January 1st, 2025. This reduction in GHG (greenhouse gas) begins with the residents and the way they manage their household waste. There are three curbside carts in some of the jurisdictions. These three carts are the current solution for the majority of waste generated in the county.

Brown Carts

The brown cart is used for general trash that can't be recycled. Surprisingly, not much would go in this cart. Items like Styrofoam, thin-plastic food containers, wax/plastic coated papers and domestic animal feces are among the few things that can't be recycled. The contents of this cart is picked up by the franchise haulers (trash trucks), then taken directly to the landfills to be buried.

Green Carts

The green cart is where your grass clippings, bushes, wood products, paper, standard cardboard and food wastes are deposited. This cart is picked up by the trash trucks, and taken to the Mt. Vernon Green Waste Facility. These items are separated and conveyer-belted to various areas of the facility. This material will either be composted or chipped, then sold to customers.

Blue Carts

The blue cart is for recyclables. **Rinsed** plastic and glass containers, as well as broken-down corrugated cardboard, tin cans and small metal items go in these carts. The trash trucks take the contents to the MRF or BARC where the trucks dump their loads in a big pile. The material is placed on conveyer belts where it is sorted and dumped into their perspective bins. The plastics and cardboards are separated, bundled and readied for shipment. The glass is placed in bins and placed on trucks for final destination. Mixed paper is sent to the Mt. Vernon Green Waste Facility. Any residuals go to the landfill.

FACTS/FINDINGS: (See Glossary for definition of terms Appendix B)

Landfills/Transfer Stations

Kern County Public Works Department is the Owner/Operator for all landfills and transfer stations in Kern County. These permitted landfills are regulated by the County of Kern Environmental Health Division to ensure compliance with all rules and regulations as defined in the Conditional Use Permit.

There are seven landfills, four transfer stations and three bin site locations throughout Kern County. (See Appendix A)

- F1. Landfills have a network of piping for the collection and disposal of methane gas that each facility generates. There is a horizontal grid of buried pipelines every 40 to 50 feet in depth connected to a series of vertical wells drilled to capture the methane gas that is generated. This methane gas is collected and flared (burned) at each facility.
- F2. Landfills producing methane gas are monitored 24/7 with the data collected at the KCPW headquarters. These facilities are permitted and monitored by the Kern County Air Pollution Control District:

| <u>Active Landfills:</u> | <u>Average Flow Rate</u> | <u>Yearly Total</u> |
|--------------------------------|--------------------------|--------------------------|
| Bena Sanitary | 1,214.8 SCFM* | 612,709,405 SCF |
| Ridgecrest Sanitary | 118.1 SCFM | 59,212,645 SCF |
| Shafter-Wasco Sanitary | 285.5 SCFM | 147,716,189 SCF |
| Tehachapi Sanitary | 64.6 SCFM | 32,120,413 SCF |
| <u>Inactive Landfills:</u> | | |
| Arvin Sanitary | 190.1 SCFM | 79,606,149 SCF |
| China Grade | 217.2 SCFM | 75,598,270 SCF |
| Kern Valley | 77.0 SCFM | 21,559,375 SCF |
| McFarland-Delano | 110.9 SCFM | 15,126,337 SCF |
| Totals: | 2,278.2 SCFM | 1,043,648,783 SCF |

*(Standard Cubic Feet per Minute)

- F3. At the Bena Landfill, a \$12 million capital investment is being evaluated by a 3rd party contractor to treat and compress this methane gas for sale to a natural gas transmission system. The other landfills within Kern County do not generate enough methane to justify the expenditure.
- F4. Landfills have Gatekeepers assigned to each location to direct the self-haulers to the correct area within the facility. One of the Gatekeeper’s responsibilities is to eliminate any lost time for the franchise haulers while at the “face” of the dump site.

- F5. A major concern at landfills is the self-haulers who are not inspected by the Gatekeepers and dump their load into the landfill. This “trash” may contain green waste, recyclables and hazardous materials that must then be hand removed from the landfill and taken to a diversion site located at each landfill. Load Checkers at the “face” make random inspections to check these loads for household hazardous waste.
- F6. When the self-hauler **is** inspected by the landfill Gatekeeper, the self-hauler is directed to the diversion site set up to properly dispose of the waste, assuring that it does not become part of the landfill. The large diversion site at each landfill is a collection of several small specialty sites designed to collect and recycle specific products.
- F7. The Transfer Stations have Gatekeepers who direct the self-haulers to the designated collection sites to off load their waste. Transfer stations are important in the reduction of GHGs.
- F8. Everything deposited at the diversion sites and transfer stations are sold for profit. Year to date, these facilities have generated \$1,258,304 to offset the cost of labor:
- a. Used tires, mattresses, old appliances, electronics, cardboards, old concrete (used for road base) and tree stumps are things that generate revenue.
 - b. Lumber piles are chipped and sold to the Mt. Poso Cogeneration Plant as fuel.
 - c. Large branches, leaves, grass and small yard waste are processed and sold as compost.
 - d. Labor cost is reduced by using the Kern County’s Sheriff’s Work Release Program.
- F9. The Solid Waste Enterprise Fund is the means by which Kern County operates the Solid Waste Management System. This Fund has three main sources of revenue:
- **Gate and Bin Fees:** All **non-residential** waste is subject to a fee. Tires and construction debris, however, are classified as nonresidential waste regardless of where the waste is generated. Disposal fees are site specific due to the availability of programs at these facilities.
 - **Land Use Fee:** All residential parcels within Kern County are charged an annual land use fee. This fee appears on property tax bills as KCSWMP Land Fee. Vacant property is not charged a land use fee.

Green Waste Facility

The City of Bakersfield, Department of Public Works Solid Waste & Recycling Division owns and operates the Mt. Vernon Green Waste Facility located at 2601 South Mt. Vernon Ave., Bakersfield, California. The facility was built in 1992, starting with a five acre plot and has grown to 97 acres. The site is designated for a maximum permitted throughput of 976 tons per day of generated food, green materials and wood waste. The facility accepts green waste from both metropolitan and nonmetropolitan franchise haulers. Currently, the facility processes 650 tons per day, with the capability to process an additional 326 tons per day. This facility is a low emission composting facility using both windrow and ASP (Aeration Static Piles).

- F10. The estimated replacement cost today for a facility this size would be \$50 million.
- F11. The windrow process is being replaced by ASP because it uses excessive amounts of electricity and water and is labor intensive with the use of large motorized tillers, front end loaders and dump trucks to move the material. It will also reduce the footprint, thereby allowing the Bakersfield City Public Works to apply for a new land use permit to process additional green waste in the future.
- F12. The residential green carts that are collected by the franchise haulers may contain “dirty” material (household trash, glass, metals, and other miscellaneous items). This “dirty” material is loaded onto a sorter to remove all non-compostable materials and then transported by a conveyor belt to the ASP.
- F13. Presently, 11,000 tons per year of mixed paper is blended with green waste and made into compost.
- F14. Twenty years ago, the BCPW management, working with Dreyer’s Ice Cream, initiated a pilot program for the disposal of food waste. Today, 30 tons per day (approximately 11,000 tons per year) of food waste from Dreyer’s is successfully processed at the green waste facility.
- F15. Under the current law, food and food-soiled paper must be recycled. Another 25,000 tons of commercial litter (paper bags, soda cups, food wrappers, paper food trays) is blended with green waste for compost.
- F16. The food waste delivered to the landfills at Shafter-Wasco and Ridgecrest must first be blended with equal amounts of green waste before it is trucked to the Mt. Vernon Green Waste Facility.

- F17. The finished compost must pass stringent environmental and health standards (the removal of heavy metals, pathogens, and coliforms) with a 99.9 percent purity before it can be sold.
- F18. There is a strong market for all compost produced in the San Joaquin Valley. Unfortunately, it costs \$30 per ton to produce and can only be sold for \$5 per ton.
- F19. Tree stumps are accepted at Mt. Vernon for recycling. The tree stumps are loaded onto trucks and delivered to “*Mulch Masters*” in Delano, a contractor for *Caltrans*.
- F20. Waste lumber is chipped and sold to the Mt. Poso Cogeneration Plant as fuel.
- F21. Treated lumber is sent to an offsite hazardous waste facility for disposal.

Material Recycling Facility

There are four MRFs in Kern County. Three facilities are owned by a group of franchised haulers and a non-profit, BARC. These facilities represent multi-million dollar investments by the owners and are highly automated for the separation and removal of site specific recyclable materials. The markets for recyclable materials have been slow to develop domestically and have declined drastically internationally. The MRFs are losing money for both private and non-profit:

- All KCPW haulers send their blue cart waste to one of their own facilities.
 - BCPW uses both the private and BARC facilities based on the hauler’s route.
- F22. KCPW has given permission to the franchise haulers to request an annual surcharge of \$20.52 over the next three years for residents using the blue carts in the universal collection areas, to offset their losses. This equates to \$300,000 per year.
- F23. BCPW will not ask the Bakersfield City Council for a surcharge increase at this time.
- F24. The BARC facility does not have the same high degree of automation that private MRFs do, but with skills training, the BARC employees perform their tasks safely and efficiently:
- BARC has additional functions that are not available at the private MRFs such as tire shredding, cardboard box reuse and beverage decanting (removing spoiled or outdated liquids).

F25. BARC charges \$55 per ton for using their facility compared to \$90 per ton at a private facility. BARC has an offset loss of over \$100,000 per month because of closed markets, i.e. China.

F26. KCPW and BCPW are asking for a rate increase for transportation costs to adjust for the cost of living and fuel. KCPW had asked the Kern County Board of Supervisors for a 4.7 percent increase on May 21st, 2019, and BCPW is asking the Bakersfield City Council for a 3.2 percent increase on June 5th, 2019:

| | <u>PRIOR</u> | <u>PROPOSED</u> |
|------|--------------|-------------------|
| KCPW | \$257.00 | \$270.00 per Year |
| BCPW | \$207.00 | \$214.00 per Year |

F27. *Kern County has a Solid Waste Management Advisory Committee (SWMAC) to identify solid waste issues on a countywide concern. The committee shall develop goals, policies and procedures which are consistent with the guidelines and regulations adopted by CalRecycle. Duties of SWMAC are, but not limited to:*

- *Review the County's current plan for implementing solid waste management in the future.*
- *Determine the need for solid waste collections system, processing facilities, and marketing strategies that can serve more than one local jurisdiction within the region.*
- *Facilitate resolution of conflicts and inconsistencies between or among City and County source reduction and recycling elements.*
- *Develop goals, policies and procedures which are consistent with the guidelines and regulations adopted by CalRecycle, to guide the development of the siting elements of the countywide waste management plan.*

For more information on SWMAC go to: [www.kerncounty.ca.gov/solid waste management advisory committee](http://www.kerncounty.ca.gov/solid_waste_management_advisory_committee)

SB 1383 Timeline

On December 18th, 2018 *CalRecycle* approved a timeline for the implementation of SB 1383.

F28. Selected members of the KCPW and BCPW, responsible for the implementation of SB 1383, have attended training classes and joined the on-line webcast sessions provide by *CalRecycle*.

F29. Currently, *CalRecycle* is working with statewide jurisdictions on the proposed rules and requirements (still in draft form) needed to implement SB 1383:
a. *CalRecycle* intends to adopt these new regulations in the fall of 2019.

- b. *KCPW* will meet with *CalRecycle* to seek positive evaluations on all current organic programs that have been implemented within the jurisdiction and will negotiate resolutions to current organic programs as necessary.
- c. New regulations will not become enforceable until January 1st, 2022. This provides jurisdictions, businesses and haulers time to make budgetary and logistic decisions.

F30. *“A Countywide Jurisdiction Division/Disposal Progress Report by Cal Recycle dated 2017 documents each county jurisdiction status.”*

| Jurisdiction | Tonnage | *Target (PPD) | *Actual (PPD) |
|-----------------------|-------------------|----------------------|----------------------|
| Arvin | 10,592.14 | 3.0 | 2.7 |
| Bakersfield | 316,505.46 | 5.4 | 4.5 |
| California City | 8,929.10 | 3.7 | 3.3 |
| Delano | 25,967.07 | 4.0 | 2.7 |
| Kern (Unincorporated) | 380,291.98 | 7.8 | 6.0 |
| Maricopa | 912.90 | 5.7 | 3.8 |
| McFarland | 6,939.48 | 2.9 | 2.6 |
| Ridgecrest | 29,086.48 | 5.5 | 5.6 |
| Shafter | 23,906.50 | 17.2 | 7.1 |
| Taft | 7,876.46 | 11.0 | 4.6 |
| Tehachapi | 15,157.37 | 9.2 | 6.7 |
| Wasco | 23,347.00 | 4.5 | 4.7 |
| Total Tonnage | 849,523.10 | | |

*Population Disposal (PPD) = Pounds per Person per Day.

F31. Beginning January 1st, 2020, the State of California has a requirement of a 50 percent reduction in organic waste as compared to a statewide disposal waste at the 2014 level:

- BCPW will meet the 50 percent reduction in organic waste per state requirements.
- *KCPW will not meet the 50 percent reduction in organic waste by January 1st, 2020, the data used to calculate the 2014 level for Kern County will likely be contested by CalRecycle as it includes some jurisdictionally mixed residuals from material recovery and composting facilities.*

The reasoning is:

- *The dynamic of “just put it in the trash” mentality or culture*
- *Lack of a three cart system that serves all of Kern County*
- *Organic and non-organic material recycling and recovery due to the downturn of the domestic and international markets*
- *Lack of infrastructure and program cost*

F32. Unincorporated Kern County does not have sufficient infrastructure to properly handle all of the generated organic waste. The following facilities are key components in the organic strategy:

- a. Three bio-mass combustion units with “Air Curtain Technology” have been purchased by Kern County to burn green waste and generate electricity to operate the sorting and composting machines. The three units will consume 30,000 tons of waste per year:
 - Each unit will cost \$750,000 and have a payout of less than one year. The justification will be to eliminate the annual \$2,500,000 fee and transportation costs.
 - The first unit is being installed at the Shafter-Wasco landfill. The second unit is scheduled to be installed at Bena, and the third unit might be installed at the McFarland-Delano Transfer Station.

- b. KCPW intends to construct a compost facility at the Shafter-Wasco landfill. Fully constructed, the compost facility is anticipated to process 100,000 tons of inbound material per year. The facility will include a large concrete pad with short walls forming “bunker-like” structures. Material will be placed in these bunkers in ASP. Each ASP will be covered with a “Gore” cover to aid in odor, emissions VOCs (Volatile Organic Compounds) and moisture control as well as facilitating the composting process. KCPW is currently in the design and permitting phase for the Shafter-Wasco Composting Facility. KCPW will apply for a grant to *CalRecycle* to offset the cost for this new composting facility.

- c. Projected Capital Projects to facilitate diversion activities:

| | Fiscal Year | Project Name | Capital Expenditure |
|----|--------------------|---|----------------------------|
| 1. | 19/20 | Bena Loading Docs | \$ 820,000 |
| 2. | 19/20 | Kern Valley Diversion Area Resurfacing & Grading | \$ 866,000 |
| 3. | 19/20 | Mojave Diversion Area Grading | \$ 395,000 |
| 4. | 20/21 | Bena Self Haul Facility | \$ 2,200,000 |
| 5. | 20/22 | Shafter-Wasco Composting Facility | \$ 23,000,000 |
| 6. | 21/22 | Shafter-Wasco Self-Haul Facility | \$ 2,200,000 |
| | | Total | \$29,481,000 |

- F33. Presently, *CalRecycle* has not provided any assistance to local jurisdictions in defining the January 1st, 2022 enforcement and penalties phase for organic reduction and edible food recovery targets:
- KCPW has **not** developed a strategy for enforcement and the penalty phase as of this date.
 - BCPW has prepared an agreement on a strategy for a “common sense method” for the enforcement and penalty phase to offset the “Trash Police”. A written request has been submitted to *CalRecycle*.
 - Ordinances must be prepared for the enforcement and penalties by January 1st, 2022.
 - *CalRecycle* has the authority to conduct an inspection at any jurisdiction, within 24 hour notice, to ensure compliance with the law.

- F34. On January 1st, 2025, all jurisdictions in the County must dispose of no more than 2.7 PPD (at home and at work), to meet the 75 percent Per Capita Disposal. This corresponds to less than a half ton per resident each year:
- a. Education of the public and the commercial sector is a high priority by BCPW, KCPW and all city jurisdictions, private waste entities and haulers.
 - b. Failure to achieve this state wide target may result in a visit from the “Trash Police”.
- F35. The cost to implement SB 1383 will be in the millions of dollars and will be passed on to the tax payers and commercial businesses. They are:
- Investment in the infrastructures to handle solid waste processing.
 - Implementation of a three cart collection system throughout Kern County.
 - Increase in transportation costs for the collection of solid waste.

COMMENTS:

The Kern County Grand Jury would like to thank The Kern County Public Works Management and Staff, Bakersfield City Public Works Management, BARC and the Metropolitan Recycling Center for their time, cooperation, information and tours provided to the Special District Committee in preparation of this report.

RECOMMENDATIONS:

- R1. Kern County Public Works should implement the Capital Expenditures for the diversion sites to eliminate self-haulers from dumping trash at the landfill “face”. (Findings 4, 5, 6 and 32c)
- R2. The Sheriff’s Work Release Program should continue to support the Kern County Public Works with no-cost labor. (Finding 8d)
- R3. Bakersfield City Public Works should apply for a new Land Use permit to process additional food and green waste in the future. (Finding 11)
- R4. Solid Waste Management Advisory Committee should become proactive during the implementation of SB 1383, ensuring uniformity of compliance with all jurisdictions in Kern County. (Findings 27, 29, 31, 32, 33, 34 and 35)
- R5. All jurisdictions should have ordinances in place by January 1st, 2022, for the enforcement and penalty phase of SB 1383. (Finding 33)
- R6. All jurisdictions within Kern County should institute a program by January 1st, 2022, to educate the public so they understand and follow the requirements of the three cart system. (Finding 34a)

- R7. All jurisdictions within Kern County should employ the three cart system by January 1st, 2025. (Finding 35)

NOTES:

- The Kern County Public Works and the Bakersfield City Public Works 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.kerncounty.com/grandjury.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.kerncounty.com/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

APPENDIX A

2018 Landfill Operations

Condensed by Grand Jury from the Kern County Public Works "2018 Landfill Operations"

Bena Sanitary Landfill
 2951 Neumarkel Rd. Bakersfield, CA 93307
 Average Daily Tonnage: (Inbound) = 1,569, (Disposed) = 1,289
S M T W T F S
 8AM – 4PM Daily

Boron Sanitary Landfill
 11400 Boron Ave. Boron, CA 93516
 Average Daily Tonnage: (Inbound) = 15, (Disposed) = 14
S M T W T F S
 12PM-4PM 12PM-4PM 8A-4P

Mojave-Rosamond Sanitary Landfill
 400 Silver Queen Rd. Mojave, CA 93501
 Average Daily Tonnage: (Inbound) = 102, (Disposed) = 84
S M T W T F S
 8A-12P 8A-4P 8A-12P 8A-4P 8A-12P 8A-4P

Ridgecrest Sanitary Landfill
 3301 West Bowman Rd. Ridgecrest, CA 93555
 Average Daily Tonnage: (Inbound) = 191, (Disposed) = 168
S M T W T F S
 8AM – 4PM Daily

Shafter-Wasco Sanitary Landfill
 17621 Scofield Rd. Shafter, CA 93263
 Average Daily Tonnage: (Inbound) = 608, (Disposed) = 490
S M T W T F S
 10A – 2P 8AM – 4PM

Taft Sanitary Landfill
 13351 Elk Hills Rd. Taft, CA 93268
 Average Daily Tonnage: (Inbound) = 168, (Disposed) = 154
S M T W T F S
 12P-4P 8A-4P 8A-4P 8A-4P

Tehachapi Sanitary Landfill
 12001 E. Tehachapi Blvd. Tehachapi, CA 93561
 Average Daily Tonnage: (Inbound) = 141, (Disposed) = 113
S M T W T F S
 10A – 2P 8AM – 4PM

Glennville Transfer Station
 9301 Hwy 155 Glennville, CA 93226
 Average Daily Tonnage: (Disposed) = 4
S M T W T F S
 8A-4P 8A-4P

Kern Valley Transfer Station
 6092 Wulstein Ave. Kernville, CA 93238
 Average Daily Tonnage: (Disposed) = 56
S M T W T F S
 8A-4P 8A-4P

Lebec Transfer Station
 300 Landfill Rd. Lebec, CA 93243
 Average Daily Tonnage: (Disposed) = 17
S M T W T F S
 9A-5P 9A-5P

McFarland-Delano Transfer Station
 11249 Stradley Ave. Delano, CA 93215
 Average Daily Tonnage: (Disposed) = 22
S M T W T F S
 9A-5P 9A-5P

Keene Bin Site
 29592 Woodford-Tehachapi Rd. Keene, CA93531
 Average Daily Tonnage: (Disposed) = 1
S M T W T F S
 8A-12P 8A-4P

Loraine-Twin Oaks Bin Site
 34007 Sand Canyon Rd. Twin Oaks, CA 93518
 Average Daily Tonnage: (Disposed) = 2
S M T W T F S
 9A-5P 6A-2P 9A-5P 6A-2P 9A-5P

Randsburg Bin Site
 38155 Goler Rd. Randsburg, CA 93528
 Average Daily Tonnage: (Disposed) = 1
S M T W T F S
 1P-5P 8A-12P 8A-12P

APPENDIX B

GLOSSARY OF TERMS

Aerated Static Piles (ASP): Composting used to biodegrade organic material without physical manipulation during primary composting by providing air circulation for controlled aeration.

Biomass: Controlled burning of specified organic materials, such as wood waste, agricultural crop residues, leaves, grass clippings, and pruning's to produce electricity or heat.

CalRecycle-permitted landfill: A facility located within California that is permitted by CalRecycle to accept and bury solid waste from jurisdictions within and outside of California.

Composting: The process of collecting, grinding, mixing, piling, and supplying sufficient moisture and air to organic materials to speed natural decay. The finished product of composting operations is compost, a soil amendment added to topsoil.

Diversion: For waste measurement purposes, diversion is any combination of waste prevention (source reduction), recycling, reuse and composting activities that reduces waste disposed at CalRecycle-permitted landfills.

Franchise hauler: Any waste hauler that has a contract granted by a county board of supervisors, after a competitive bidding process, for the collection, disposal or destruction or garbage, waste or debris.

Good faith effort: Means all reasonable and feasible efforts by a city, county, or regional agency to implement those programs or activities identified in its source reduction and recycling element that achieve the same or similar results. CalRecycle has adopted detailed enforcement guidelines for evaluating agencies that fail to implement their plans or fail to achieve required per capita disposal rates.

Green waste: Is any organic waste that can be composted.

Jurisdictions: A city, county, a combination city and county, or a regional agency with responsibility for meeting integrated waste management act requirements.

Per Capita Disposal: Is a numeric indicator of reported disposal divided by jurisdiction population (residents) or in some cases jurisdiction industry employment (employees to obtain disposal by individual).

Recycling: The process of collecting, sorting, cleansing, treating, and reconstituting material that otherwise become solid waste, returning them to the economic mainstream

in the form of raw materials for new, reused, or reconstituted products that meet quality standards necessary to be used in the marketplace.

Self-hauler: Waste that is hauled to a transfer, processing, or disposal facility by someone other than a franchise waste hauler.

Transfer Station: A facility which receives, handles, separates, converts or otherwise processes solid waste. These facilities transfer the solid waste to a landfill.

Windrows: A long line of material heaped up by the wind or by a machine. A method of composting.

Source: CalRecycle.ca.gov

KERN COUNTY PUBLIC WORKS HOUSEHOLD HAZARDOUS WASTE “Stop and Shop”

PREFACE:

The Kern County Public Works Special Waste Operations operates a central hazardous waste disposal facility in Bakersfield and two remote satellite facilities located in Mojave and Ridgecrest. These three facilities handle the hazardous waste disposal needs of Kern County residents and small businesses.

PURPOSE OF INQUIRY:

California Penal Code §925 authorizes the Grand Jury to routinely conduct an inquiry/investigation of all County Districts, including Public Works Household Hazardous Waste. This Facility has never been investigated by the Kern County Grand Jury.

PROCESS:

The 2018-2019 Kern County Grand Jury (Grand Jury) Special Districts Committee (Committee) interviewed the Public Works Management and Bakersfield Site Supervisor; toured the Bakersfield Facility and inspected the process for acceptance, storage and disposition of the various types of hazardous waste products accepted at the facilities.

BACKGROUND AND FACTS:

Public Works Mission Statement:

To provide public infrastructure, facilitate development, and deliver services that protect and enhance the lives of the people of Kern County.

Kern County opened its first Special Waste Facility (SWF) in Bakersfield in June 1995, and began accepting only latex paint, used motor oil and filters, batteries and antifreeze three days a week.

In October 1997 California Integrated Waste Management Board (CIWMB) certified the SWF as a Permanent Collection Facility (PCF) accepting residential Household Hazardous Waste (HHW).

In 2000 the County received a \$63,000 grant from CIWMB to process business waste from Conditionally Exempt Small Quantity Generator (CESQG) once a week by appointment only.

In 2005 a second PCF was opened in Mojave, and in 2010 a third PCF was opened in Ridgecrest serving Eastern Kern County.

In 2015 the Bakersfield PCF began accepting CESQG's waste four days per week by appointment only and expanded its daily residential operations to four days per week. There is no cost to homeowners, however, a fee is charged to small businesses using these facilities.

- A. The Bakersfield Special Waste Facility is located at 4951 Standard Street, Bakersfield, CA 93308, and is open four days a week; Wednesday – Saturday from 8:00am to 4:00pm:
 - There are 19 employees assigned to this facility.
 - Employees are sent to operate the Mojave and Ridgecrest facilities when open.
 - New employees receive a medical examination to establish a baseline and are given a follow up examination annually, to compare against the baseline for possible exposure.
 - New employees must submit to a pre-employment drug screening.
- B. Ridgecrest SWF is located at 3301 West Bowman Road, Ridgecrest, CA 93528. This facility is open for residential waste the 2nd and 4th Saturday of each month from 10:00am – 1:00pm. CESQG's are by appointments only.
- C. Mojave SWF is located at 17035 Finnin Street, Mojave, CA 93528. This facility is open for residential waste the 1st Saturday of January, March, May, July, September and November from 9:00am – 12:00pm. CESQGs are by appointments only.
- D. A five-man crew is dispatched from Bakersfield to operate the satellite facilities during the hours of operation. The hazardous waste materials are packaged at the site for disposal by a third party contractor.

FINDINGS:

- F1. The Marketing and Promotions Coordinator position has been vacant for approximately one year.
- F2. HHW has an annual Marketing Campaign Budget of \$90,000 for the three facilities and Temporary Collection Events (TCE). This money is spent on monthly newspaper ads, local advertising magazines, flyers and direct mailers. (See Appendix A)
- F3. A three year history of the collection and disposal of accepted waste items listed below shows that latex paint accounts for more than all other products combined (See Appendix B):

- Aerosol spray cans
 - Antifreeze
 - Batteries (alkaline, auto, gel cell, Lithium and NiCad)
 - Electronics
 - Fluorescent lamps
 - Motor oil and used filters
 - Oil base paints
 - Latex Paint
 - Pesticides and herbicides
 - Rx medications (pills, capsules, liquid)
 - Sharps (hypodermic needles, test strips, I.V.'s, etc.)
- F4. SWF has staffing and infrastructure to process more HHWs and CESQGs than is currently being processed.
- F5. The Bakersfield SWF has not shown any significant growth over the past three years, based upon the number of vehicles visiting the facility. The average number of vehicles is 93 per day. This number is based upon 208 days per year of operation including residential and CESQGs:
- Documented vehicle count:
 - 2015 / 2016 - 19,374
 - 2016 / 2017 - 19,241
 - 2017 / 2018 - 19,834
 - Total throughput in pounds per year:
 - 2015 / 2016 - 1,084,420
 - 2016 / 2017 - 1,083,946
 - 2017 / 2018 - 1,100,813
- F6. Temporary Collection Events are scheduled in Kern County throughout the year to collect HHW. These events are conducted by the Bakersfield SWF team and a third party contractor. The purpose is to discourage illegal dumping along roadways and landfills within the county:
- There are 26 TCE's scheduled for 2019
(See Appendix C)
- F7. A third party contractor charges a mobilization/demobilization fee of \$5,006 plus disposal fees to conduct TCE's at non-disposal sites. The contractor is responsible for collecting, packaging, cleanup and final disposal.
- F8. Special Waste Facilities only accept residential pharmaceuticals for disposal using a 2-person system to maintain the integrity of the handling process. The team removes the pharmaceuticals from their containers and dumps them into a locked security box. Periodically, the contents are removed, weighed and placed in a locked 'poison' drum for disposal by a third party contractor:
- 6,421 pounds of pharmaceuticals were disposed of in 2018.

- There are two security cameras located on the wall opposite the security box to document the process at the Bakersfield facility.
 - A blind spot exists based on the placement of the security cameras.
- F9. The SWF in Bakersfield operates a “Stop and Shop” making products available to the general public. All products are free to Kern County residents. These products consist of paint (latex and oil base), gardening products, insecticides, aerosol paint, antifreeze, lubricants, denatured alcohol as well as swimming pool chemicals (chlorine, acid and de-foamer) and other miscellaneous items:
- Open Thursday - Saturday, 9:00am to 1:00pm.
 - All shoppers are limited to 10 minutes on a first-come first-served basis.
 - A dress code must be observed for the “Stop and Shop”.
‘Shirts, pants, skirts, shorts, dresses and shoes (no high heels)’
 - There is a weight limitation of 50 pounds per vehicle.
- F10. “Stop and Shop” provides a valuable resource to the community, but is not being used to its maximum potential. The demand for its use has remained flat for the past three years both in pounds of products recycled, and its percentage of use compared to the total annual throughput:
- The operation of the “Stop and Shop” facility recycles an average of 253,328 pounds or 23.1% back into the community per year.
 - Without “Stop and Shop” it would cost the taxpayers an additional \$53,500 per year in disposal fees.
- F11. The facility in Bakersfield uses its employees as load checkers at the various landfills to perform spot checks in vehicles, checking for hazardous waste:
- First line of defense to curtail hazardous waste in landfills.
 - Currently, 350 man-hours per month are spent on inspections.
 - Locations include:
 - Bena
 - Shafter
 - Mojave
 - Tehachapi
 - Taft
- F12. The SWF provides new containers to customers for safe collection of sharps and motor oil. All sharps must be brought in an approved container.
- F13. State and Federal hazardous waste laws limit the use of this collection program to small businesses that qualify as Conditionally Exempt Small Quantity Generator (See Appendix D):
- The Facility has ‘posted’ Commercial Rates
(See Appendix E)

- F14. The SWF operates under State and Federal rules and regulations requiring detailed reports. Public Works Department maintains a group responsible for ensuring the three facilities is operating in compliance.
- F15. The Special Waste website is informative but outdated. The hours of operation, “Stop and Shop” and TCE dates are incorrect.

COMMENTS:

The Kern County Grand Jury would like to thank the Public Works Management and Staff for their time, cooperation, information and tour provided to the Special Districts Committee in preparation of this report.

RECOMMENDATIONS:

- R1. The vacant position of Marketing and Promotions Coordinator should be filled by the beginning of fiscal year 2019-2020. (Finding 1)
- R2. Additional options to increase throughputs should be explored. (Findings 4, 5 and 10)
- R3. A security camera above the locked box should be installed to eliminate the blind spot in handling pharmaceuticals. (Finding 8)
- R4. Errors on the website should be corrected by May 31, 2019. (Finding 15)

NOTES:

- The Kern County Public Works Department 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.kerncounty.com/grandjury.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.kerncounty.com/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

Appendix A:

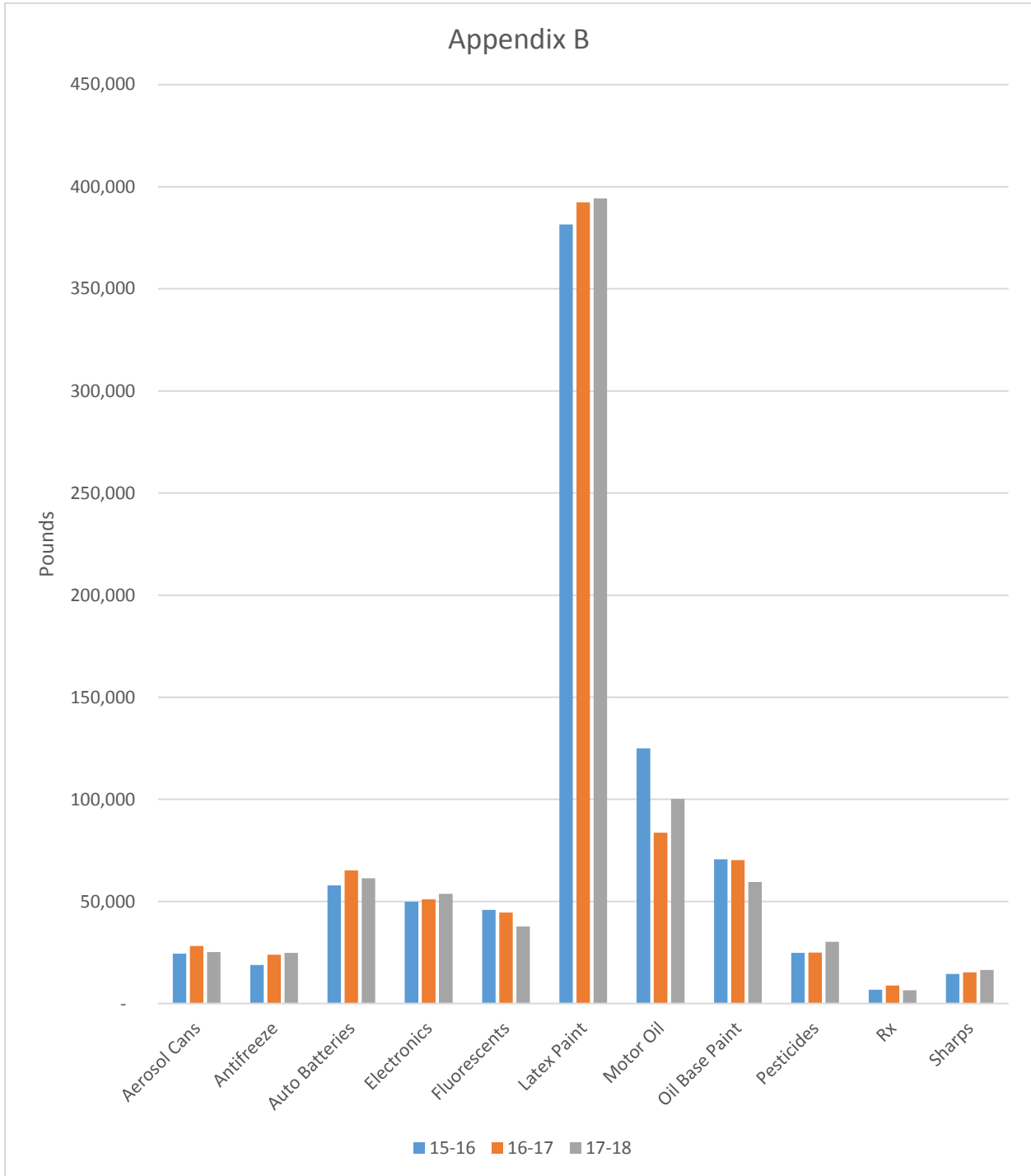
Kern County Public Works
SPECIAL WASTE FACILITIES.

| | | |
|---|--|--|
| <p>Bakersfield 4951 Standard St. Wednesday – Saturday 8 AM – 4 PM</p> <p>Mojave 17035 Finnin St. 1st Saturday of January, March, May, July, September & November 9 AM – 12 PM</p> <p>Ridgecrest 3301 W. Bowman Rd. 2nd & 4th Saturday of Each Month 10 AM – 1 PM</p> |  | <p>Automotive Products Batteries (Home & Auto) Cleaning Products Medications Fluorescent Bulbs <u>HOME</u> Generated Sharps Paint & Paint Products Pesticides & Weed Killers Pool Chemicals & more</p> <p><u>NO</u> Leaking Containers Label <u>ALL</u> Containers Do <u>NOT</u> Mix Wastes</p> <p>Businesses Must Be Eligible (see rules online) & Call To Make An Appointment.</p> |
|---|--|--|

Transport no more than 15 gallons or 125 lbs. of waste per trip. (no containers over 5 gallons)

For more information call (661) 862-8900 or visit us on the web at www.kernpublicworks.com

Appendix B:



Appendix C:

2018-2019 Outlying Household Hazardous Waste Schedule Temporary Collection Events (TCE) Special Waste Facilities Eastern Region & Ridgecrest (HHW)

| Program | Month | Date | Time | City (Location) | Address |
|-----------------|--------------|-----------|----------------|---------------------------------|---------------------------------|
| JANUARY | | | | | |
| HHW | 1st Saturday | 5-Jan-19 | 9 am - 12 noon | Mojave (Permanent Facility) | 17035 Finnin Street Building #2 |
| TCE | 1st Saturday | 5-Jan-19 | 9 am - 12 noon | Tehachapi (Landfill) | 12001 Tehachapi Blvd. |
| HHW | 2nd Saturday | 12-Jan-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| | 3rd Saturday | 19-Jan-19 | | | |
| HHW | 4th Saturday | 26-Jan-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| FEBRUARY | | | | | |
| TCE | 1st Saturday | 2-Feb-19 | 9 am - 12 noon | Tehachapi (Landfill) | 12001 Tehachapi Blvd. |
| HHW | 2nd Saturday | 9-Feb-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| | 3rd Saturday | 16-Feb-19 | | | |
| TCE | 4th Saturday | 23-Feb-19 | 9 am - 12 noon | Kern Valley (Transfer Station) | 6092 Wulstein Avenue |
| HHW | 4th Saturday | 23-Feb-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| MARCH | | | | | |
| HHW | 1st Saturday | 2-Mar-19 | 9 am - 12 noon | Mojave (Permanent Facility) | 17035 Finnin Street Building #2 |
| TCE | 1st Saturday | 2-Mar-19 | 9 am - 12 noon | Tehachapi (Landfill) | 12001 Tehachapi Blvd. |
| HHW | 2nd Saturday | 9-Mar-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| TCE | 3rd Saturday | 16-Mar-19 | 9 am - 12 noon | Delano (Transfer Station) | 11249 Stradley Ave |
| TCE | 4th Saturday | 23-Mar-19 | 9 am - 12 noon | Lebec (Transfer Station) | 300 Landfill Rd |
| HHW | 4th Saturday | 23-Mar-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| APRIL | | | | | |
| TCE | 1st Saturday | 6-Apr-19 | 9 am - 12 noon | Tehachapi (Landfill) | 12001 Tehachapi Blvd. |
| HHW | 2nd Saturday | 13-Apr-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| TCE | 3rd Saturday | 20-Apr-19 | 9 am - 12 noon | Taft (Landfill) | 13351 Elk Hills Rd |
| TCE | 4th Saturday | 27-Apr-19 | 9 am - 12 noon | California City | 22636 Airport Way |
| HHW | 4th Saturday | 27-Apr-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| MAY | | | | | |
| HHW | 1st Saturday | 4-May-19 | 9 am - 12 noon | Mojave (Permanent Facility) | 17035 Finnin Street Building #2 |
| TCE | 1st Saturday | 4-May-19 | 9 am - 12 noon | Tehachapi (Landfill) | 12001 Tehachapi Blvd. |
| HHW | 2nd Saturday | 11-May-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| TCE | 3rd Saturday | 18-May-19 | 9 am - 12 noon | Kern Valley (Transfer Station) | 6092 Wulstein Avenue |
| TCE | 4th Saturday | 25-May-19 | 9 am - 12 noon | Lebec (Transfer Station) | 300 Landfill Rd |
| HHW | 4th Saturday | 25-May-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| JUNE | | | | | |
| TCE | 1st Saturday | 1-Jun-19 | 9 am - 12 noon | Tehachapi (Landfill) | 12001 Tehachapi Blvd. |
| HHW | 2nd Saturday | 8-Jun-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |
| | 3rd Saturday | 15-Jun-19 | | | |
| HHW | 4th Saturday | 22-Jun-19 | 10 am - 1 pm | Ridgecrest (Permanent Facility) | 3301 Bowman Road |

**KERN COUNTY
SPECIAL WASTE FACILITY
BUSINESS HAZARDOUS
WASTE PROGRAM**

The Kern County Special Waste Facility serves the hazardous waste disposal needs of Kern County residents and businesses. The Conditionally Exempt Small Quantity Generator (CESQG) Program allows eligible businesses to bring hazardous waste to the County's Special Waste Facility.

This program is sponsored by the Kern County Waste Management Department and grants received from the California Integrated Waste Management Board.

BUSINESS ELIGIBILITY

State and Federal hazardous waste laws limit the use of this collection program to businesses that qualify as *Conditionally Exempt Small Quantity Generators (CESQGs)*. To qualify as a CESQG, a business must generate less than 27 gallons or 220 pounds of hazardous waste per month. This includes a maximum of 1 quart or 2.2 pounds of acutely hazardous waste. Businesses that generate more than these amounts are required to use a licensed hazardous waste hauler to manifest and transport their waste.

Businesses are required to verify they qualify for the CESQG program.

BUSINESS APPOINTMENTS

All businesses must register and set an appointment to use the Facility. To register for an appointment please call Waste Management at **(661) 862-8922**.

Waste will not be accepted without an appointment!

GATE FEES

Gate fees for disposal are based upon the weight and category of waste the business generates. The method for calculating the amount to be charged to a CESQG shall be based on the actual weight of the hazardous waste (including container) as measured by a scale at the time of disposal. Businesses will be billed within 30 days.

QUANTITY LIMITATIONS

The Facility will accept a monthly maximum of 220 pounds of hazardous or 2.2 pounds of extremely hazardous waste from each participating CESQG.

Note** Historical accumulations may require the use of a private hazardous waste disposal firm.

TRANSPORTATION & LABELING

State laws limit the amount of hazardous waste that may be transported by a CESQG. Prior to the appointment, the business will be issued packaging and labeling information and a variance allowing transport of the waste to the Facility.

Please use caution when transporting hazardous waste to the Facility. Bring the products in original containers when available. If contents are different than listed, please label container clearly. Containers should have a secure fitting lid and be packed upright, in a leak-proof box.

Regulations for packaging and labeling can be found in the Department of Transportation Code of Federal Regulations, Title 49, Transportation, Parts 100-199.

To Dispose:

- Call the Kern County Waste Management Department at **(661) 862-8922**.
- Contact private waste disposal firm if business doesn't qualify for the CESQG program.

REMINDERS

To Quality:

- Generate less than 220 pounds of hazardous waste or 2.2 pounds of extremely hazardous waste.
- Business must be located & waste generated in Kern County.

To Transport:

- Properly label and seal each container.
- Pack in an upright position.
- Protect from breaking, leaking, and mixing with other waste.
- Variance must accompany waste being delivered the day of appointment.

Excluded:

The Special Waste Facility is not permitted to accept the following waste:

- Asbestos
- Explosives
- Radioactive waste
- Biohazardous waste
- Unknown chemicals
- Containers larger than 5 gallons

Appendix E:

**Kern County Special Waste Facility
Conditionally Exempt Small Quantity Generator (CESQG) Program
Registration Packet - Schedule of Gate Fees**

**Kern County Ordinance No. G-8058 (8.52.110) Schedule of CESQG Gate Fees
For the following identifiable materials (per pound, including container)
Effective August 1, 2010**

| Gate Fees - Hazardous Waste | |
|-----------------------------|--------|
| Acids | \$1.52 |
| Antifreeze | \$0.20 |
| Bases | \$1.52 |
| Fire Extinguishers | \$0.83 |
| Flammable Liquid | \$0.48 |
| Flammable Liquid - Resins | \$1.52 |
| Flammable Solid | \$1.50 |
| Fusees | \$7.00 |
| Motor Oil | \$0.00 |
| Non RCRA, Liquid | \$0.28 |
| Non RCRA, Solid | \$0.88 |
| Oil Filters | \$0.46 |
| Organic Peroxides | \$7.60 |
| Oxidizers | \$2.74 |
| Paint - Latex | \$0.00 |
| Paint - Oil Base | \$0.00 |
| PCB Ballasts | \$1.49 |
| Poison Liquids | \$1.80 |
| Poison Solids | \$2.30 |
| Spontaneously Combustible | \$7.20 |
| Water Reactive | \$7.20 |

| Gate Fees - Universal Waste | |
|-----------------------------|-------------|
| Aerosol Spray Cans | \$2.36 |
| Batteries - Alkaline | \$1.45 |
| Batteries - Auto | \$0.00 |
| Batteries - Gel Cell | \$0.00 |
| Batteries - Lithium | \$10.00 |
| Batteries - Nicad | \$1.60 |
| Cathode Ray Tubes | \$0.00 |
| Electronic Waste | \$0.04 |
| Fluorescent Tubes | \$1.73 |
| Mercury - Articles | \$10.00 |
| Mercury - Compounds | \$15.00 |
| Mercury - Elemental | \$10.00 |
| Mercury Vapor Bulbs & HID | \$7.00/each |
| Sodium Vapor Bulbs | \$9.46/each |

| Gate Fees - Additional | |
|-----------------------------|------------------|
| Special Handling | \$75/hr. |
| Overload Charge (> 220 lbs) | \$200.00 |
| Compressed Cylinders | Call for Pricing |

Kern County Board of Supervisors
Response to Grand Jury Final Report
Kern County Public Works,
Household Hazardous Waste

Response to Findings:

The Board of Supervisors notes that the Grand Jury's findings are substantially correct.

Response to Recommendation:

R1: The Grand Jury recommends the vacant position of Marketing and Promotions Coordinator should be filled by the beginning of fiscal year 2019-2020.

We concur with the Grand Jury's recommendation and have already filled the Marketing and Promotions Coordinator position.

R2: The Grand Jury recommends that additional options to increase throughputs should be explored.

We concur with the Grand Jury's recommendation to explore additional options to increase throughputs at the special waste facility. Staff is reviewing the household hazardous waste element for operational improvements and educational outreach components that encourage greater public participation.

R3: The Grand Jury recommends a security camera above the locked box should be installed to eliminate the blind spot in handling pharmaceuticals.

We concur with the Grand Jury's recommendation to eliminate the security camera blind spot. The department is exploring options to utilize the same type of camera system used for the cashier and safe room.

R4: The Grand Jury recommends errors on the website should be corrected by May 31, 2019.

We concur with the Grand Jury's recommendation to correct the errors on the website. Staff is currently working to update the website.

RAND COMMUNITIES WATER DISTRICT

Award Winning Water Right Down The ‘Proverbial’ Drain

PURPOSE OF INQUIRY:

A citizen’s Complaint forwarded to the 2018-2019 Kern County Grand Jury (Grand Jury) from the District Attorney’s office, and a recent article published by a local newspaper, suggested urgent issues within the Rand Communities Water District (RCWD) that warranted a closer investigation. Additionally, the Grand Jury received complaints, both verbal and written, from residents of Randsburg, Red Mountain and Johannesburg alleging cronyism, nepotism, inept business practices and policies throughout the RCWD.

Under the provisions of California Penal Code §933.5, the Grand Jury Special Districts Committee (Committee) reviewed the RCWD. The RCWD was last reviewed by the Grand Jury in 2013.

PROCESS:

The Kern County Grand Jury’s Special Districts Committee (Committee) visited the town of Randsburg on three separate occasions during its investigation of the RCWD. The Committee interviewed residents, business owners, CPA’s, auditors, Board Members and employees (current and past), a representative of the State Water Resources Control Board Division of Drinking Water, and members of the Kern County Fire Department, (Station 75). The Committee briefly attended an evening District Board Meeting that was so contentious, two Sheriff’s deputies were positioned outside the boardroom to assure the safety of the attendees.

The Committee reviewed newspaper articles, past Grand Jury Reports, on-line materials, Board of Director’s Minutes and all financial records available to the Committee.

BACKGROUND AND FACTS:

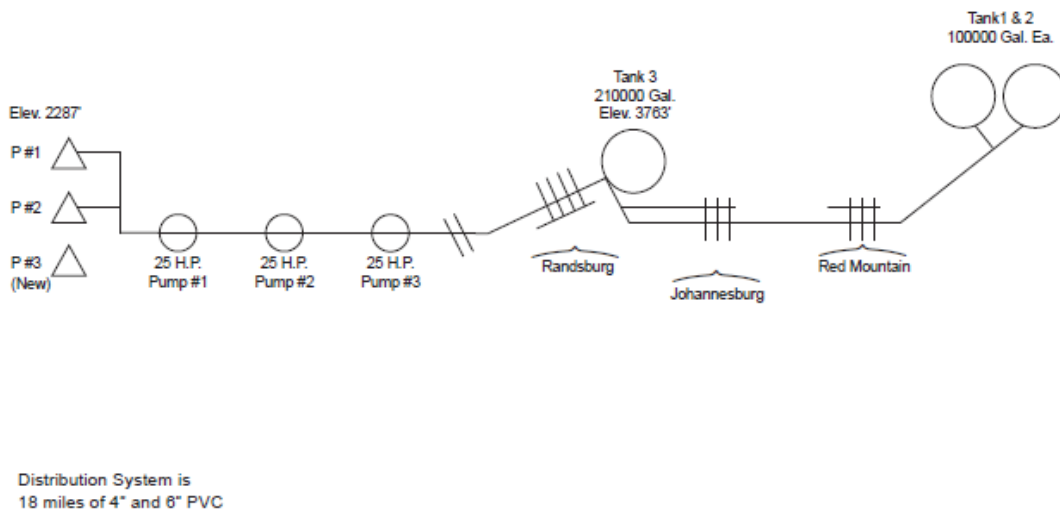
The Rand Communities Water District is located in Randsburg, CA, nestled in the foothills of the Rand Mountains, northeast of the city of Tehachapi. According to business owners, the local economy depends mainly on holiday visitors to the area, gold mining, motorcycle runs, antiquing and hiking.

- A. The RCWD was established in 1969, and supplies domestic water to 250 water hookups, serving both residential and commercial properties in Randsburg, Red Mountain and Johannesburg.
- B. The RCWD is a communities public water system as defined in the California Health and Safety Code §116275. The office is located at 501 Comstock Avenue, Johannesburg, CA 93528.

- C. The “Best Tasting Water in California” award went to Rand Communities Water District at the California Rural Water Association (CRWA)’s 2017 Expo held in South Lake Tahoe, April 24 to April 27, 2017.
- D. RCWD has three wells called Prather’s 1, 2 and 3 located approximately thirteen miles west of Randsburg. (See below)



- E. Three booster pumping stations are located along the thirteen mile section of the pipeline, lifting the pumped water a total of 2,000 feet from Prather 2 to the storage tank in Randsburg. (See Grand Jury schematic below)



- F. The RCWD employs a General Manager, Office Manager, part-time Meter Reader and a Distribution Operator. The current Interim General Manager holds a D2 State Classification that certifies him to oversee a water district with less than 1,000 hookups.
- G. The RCWD Board of Directors consists of five members who are elected for a four-year staggered term. Five candidates were on the ballot for the four Board positions which expired on November 6th, 2018. To be a Board member, one must reside in the District and be registered to vote.
- H. Each Director is compensated \$40 per Board Meeting with an allowable maximum of two meetings (\$80) per month. Special or additional Board Meetings are not to be further compensated.

FINDINGS:

RCWD Infrastructure:

- F1. A Leak Detection Survey was performed by the CRWA from April 26-29, 2018. The Survey encompassed 13 miles of pipelines, 41 hydrants, and 250 water meters. The results of the Survey documented water losses in excess of 43% due to poor maintenance practices and an aging system.
- The lifting expense for pumping water from Prather 2 to the RCWD storage tank in 2017-2018 was \$56,336. This 43% loss equated to \$24,224 in lost revenue.

- F2. The Committee's inspection of the RCWD found the system's infrastructure to be in serious need of repair:
- Lack of established preventative maintenance procedures as provided in the manufacturers manuals
 - Safety grating was missing from a metering vault and the booster pump stations
 - Unsupported vent piping at the booster stations
 - Inoperative radio frequency automation system
 - Leaking fire hydrants and defective residential water meters
- F3. All pumping stations are manually operated daily. In case of a break or leak, the General Manager or Distribution Operator must physically go to the field to address the problem, potentially causing a large amount of water loss.
- F4. A pipeline failure on December 5th, 2017, resulted in a loss of 130,000 gallons of water from the storage tank, leaving the District without water for eighteen hours. This resulted in Station 75, having to rely on a 3,000 gallon water tanker from Inyokern in the event of a fire.
- F5. The State Board issued updated Compliance Order No. 03-19-15R-004 on March 9, 2015 for the ongoing arsenic Maximum Containment Level (MCL) violation for Prather's 1 & 2. Per the Compliance Order, the District was required to be in compliance by March 9, 2018 and failed to meet this compliance date. District will need to explain their failure to meet this deadline and to ask the State Board for an extension to continue to operate.
- F6. Prather 1 is in standby mode due to the high level of arsenic in the water (0.021mg/liter) exceeding the (MCL) of 0.010 mg/liter.
- F7. Prather 2 is presently being used to supply water to the RCWD. Information provided by the State Water Resources Control Board (SWRCB) indicates the arsenic level in Prather 2 fails to consistently meet the 0.010 mg/liter requirement. Based on this reading, RCWD must test the arsenic level and turn in a quarterly report to the SWRCB.
- F8. SWRCB memorandum, dated March 9, 2018 entitled '*Rand Communities Water District (Water System No. 1510016) Compliance Order for Violation of Arsenic MCL*', which reads in part, "*The District shall develop and implement a plan to resolve the arsenic MCL violation and ensure that the water served to consumers meet all drinking water standards*".
- F9. A State Grant was written, under Proposition 84, to provide RCWD with funding for the Arsenic Mitigation Project in two phases:
- a. Phase 1 was written for \$550,000 to cover planning and drilling of a new water well, Prather 3. The new well was completed on December 22, 2014 at a cost of \$498,724.

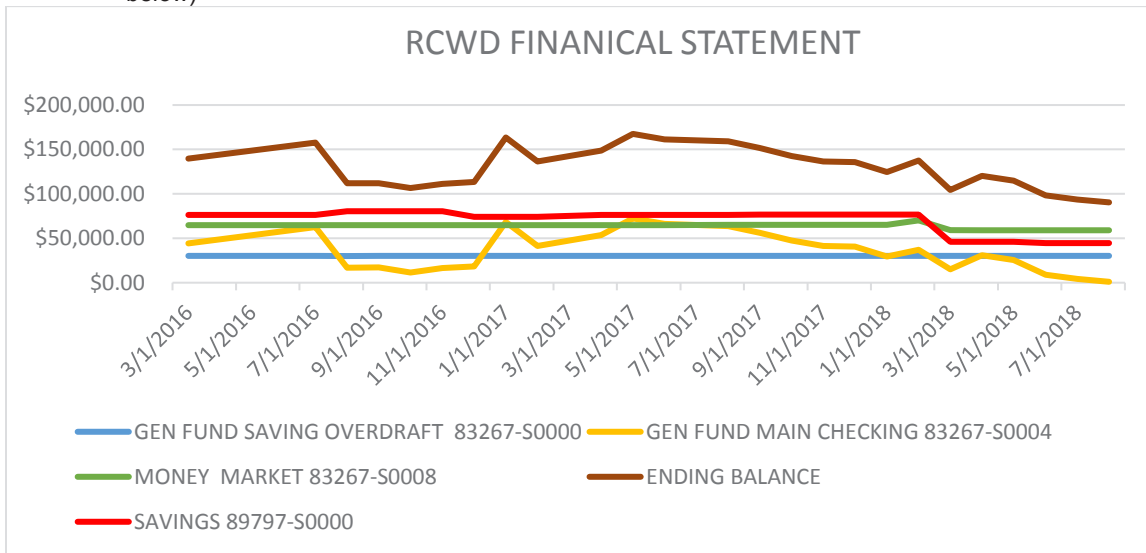
- b. Phase 2 is budgeted for \$3,218,000 to cover the following:
- Final completion of Prather 3
 - Fabrication and installation of a blending station
 - Retrofitting and automation of the existing water system
 - Replacement of sections of the defective pipeline

F10. The SWRCB is holding the \$3.2 million which is not being utilized because no one at the RCWD has followed up on the available Grant.

Operations

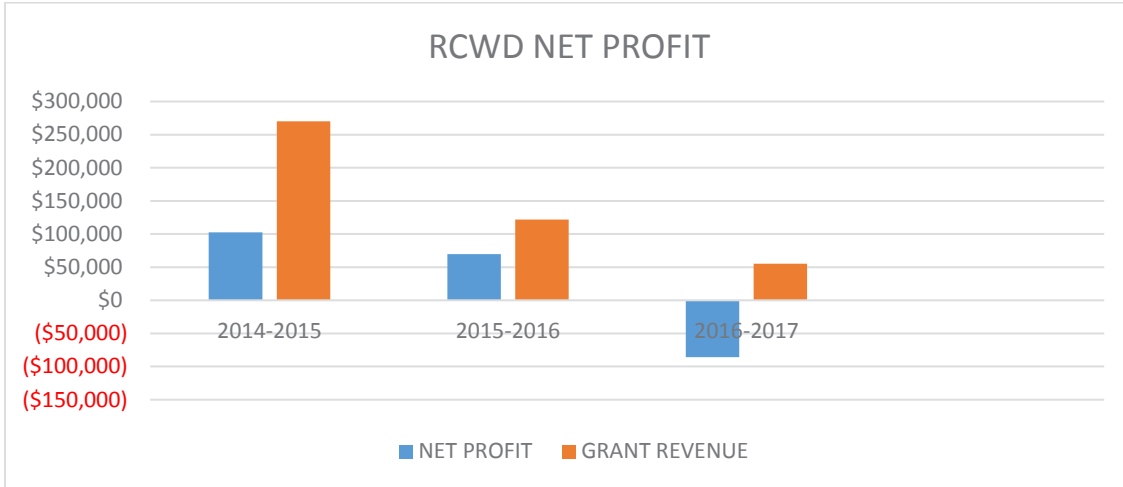
F11. Finances and Accounting:

- a. Bank statements from 2016-2018 show a continual decline in revenue. (See below)



- b. RCWD was unable to supply a 2017-2018 budget showing income and expenditures. The 2017-2018 Profit and Loss Statements were provided to the Committee from the Kern County Auditor’s office.
- c. Kern County supports RCWD with an annual payment of \$45,403 in property taxes.

d. The District has relied on Grants to stay solvent. (see below)



- e. The CPA failed to receive financial data in a timely manner to comply with government mandated reporting.
- f. Incorrect billing and the absence of an acceptable accounting system contributed to the inaccuracy of records.
- g. Check register data was maintained on a monthly basis instead of a running total.
- h. Personal vehicles are being used for work purposes. Undocumented mileage is being reimbursed.
- i. Bulk water sales connections, located outside the office, lack metering facilities and camera surveillance to support correct usage and payment.
- j. On November 2, 2018, \$7,602.82 in RCWD checks, which had been missing for up to one year were cashed by a single source.

F12. Practices under the previous Office Manager were lacking in standard business and accounting procedures:

- Changed the computer password, locked all file cabinets, and took the keys home
 - This prevented the new Office Manager and the Board of Director's Secretary from performing audits, gathering information for the Grand Jury and blocked access to the District's finances
- Gas expenses for employees were undocumented and reimbursed in cash
- Comparisons between cancelled checks and computer data showed a number of missing checks (52) and sequencing errors within a two year period (2016-2018) preventing reconciliation

F13. The written findings of the Secretary of the Board recorded in the September 12th, 2018 Board meeting minutes as follows:

- Cash received was not documented
 - No cash log
 - No recordings of cash received or deposited

- No documentation for disbursed cash
 - Records were sparse, improperly filed and not available for quick access
 - Numerous amounts of computer financial documents were duplicated
 - Personnel financial information was left out in plain sight for the public to see
 - Discovered a large amount of unfiled documents, unopened mail and un-mailed documents
 - Documents between 2016 and 2018 had been removed
 - Scanned documents exist but cannot be matched with check registers and invoices
- F14. “Hand shake deals” for outside water sales were routinely entered into by the prior General Manager:
- No record exists for tracking revenue or water sold
 - Only the Board President is authorized to sign contracts
- F15. The District lacks detailed record keeping for tracking the production and sale of water. This is necessary to comply with the State of California’s Electronic Annual Report (EAR). The data for the past year had been estimated in order to meet the State’s deadline.
- F16. In March of 2018, the RCWD commissioned a water consultant to conduct a review of the District’s overall operational efficiency. The Committee interviewed the Consultant, who said he “found the District to be a circus”. After investing a couple of weeks he quit, saying, “I wanted NO part of it”. He did not charge for his time.
- F17. RCWD is responsible for the maintenance and upkeep of Johannesburg Park and has a line item #15400 in the budget but no expenses are being recorded.
- F18. A company truck (2007 Ford, License #5YSS186) is registered to RCWD and co-registered to the past General Manager.
- F19. Pre-employment drug testing is required. However, no random drug testing requirement exists.
- F20. Job descriptions are outdated.
- F21. Only a partial supply and parts inventory list exists, slowing major repairs.
- F22. No plot map exists indicating each water meter location with corresponding serial number.

- F23. Many residents of the communities have expressed concern over the Districts billing practices:
- The residents questioned the accuracy of the meter readings, resulting in high water bills
 - The old billing system is not customer friendly and hard to understand

Board of Directors

- F24. Board Members were unaware of the \$3.2 million Grant's existence to renovate and automate the RCWD system.
- F25. Board Members displayed a lack of knowledge about RCWD operations and the financial requirements necessary to conduct business on a day to day basis.
- F26. During the September 12, 2018 RCWD Board Meeting, the Committee witnessed hostilities between Board Members and the general public which escalated into chaotic confrontations and threats.
- F27. A current Board Member proudly informed the Committee, "I don't have a meter and never receive a water bill because I take water from friends and neighbors". The absence of this Board Member's name and address in the customer billing records support this.
- F28. The Board granted performance bonuses, arbitrary salary increases, and offered benefit packages to employees without reviewing the District's financial records:
- The 2017-2018 Profit and Loss Statement reported a total labor expenditure of \$160,785 or 68% of the reported \$301,506 expense
- F29. Board Members are not currently bonded as required by the Bylaws.
- F30. Newly appointed and elected Board Members assume duties and do not receive any formal training or orientation for RCWD operations, finances, Bylaws, Brown Act and Roberts Rules of Order.
- F31. Board Members were conducting RCWD business outside of the public Board Meeting, in violation of the Brown Act.
- F32. RCWD lacks transparency and does not have a website available to the general public.

RECOMMENDATIONS:

- R1. The Kern County Auditor should perform a detailed audit into questionable accounting practices within the RCWD. (Findings F11, F12, F13, F14, F17, F28)
- R2. RCWD should develop a cohesive working relationship within 60 days following the publication of this report. Conduct a Team Building Training Session with the Board of Directors, General Manager and Office Manager using CRWA Training resources. (Findings F25, F26, F30, F31)
- R3. RCWD should contract with a qualified outside project manager to oversee Phase 2 of the Arsenic Mitigation Project to maintain cost control and to oversee the construction of the new facilities ensuring completion in a timely manner. The Project Manager should coordinate the construction phase of the project with the General Manager to avoid unnecessary shutdowns of the water system. (Findings F1, F2, F3, F4, F5, F6, F7, F8, F9, F10)
- R4. RCWD should create an orientation packet prior to the Orientation for new Board Members. Materials should include the handling of invoices, billing procedures, rules related to the Brown Act, usage of Robert's Rules of Order, copy of the Bylaws, handling of resident complaints, banking procedures, and an understanding of the annual budget. (Finding F30)
- R5. RCWD Bylaws should be amended to require all Board Members live within the District, be a registered voter, and a RCWD customer. (Finding F27)
- R6. Board Members should be bonded as per the Bylaws. (Finding F29)
- R7. The General Manager should require at least (1) unannounced drug test annually to all operation employees. (Finding F19)
- R8. The General Manager should prepare updated job descriptions with qualifications and salary ranges. (Finding F20)
- R9. Employees should use company vehicles when available to minimize the use of personal vehicles and subsequent mileage reimbursement. (Finding F11)
- R10. Employees should be required to submit a receipt for fuel reimbursements, and be paid by check. If petty cash is needed, accurate records should be kept. (Finding F12)
- R11. RCWD should be self-sufficient and not dependent upon grants to supplement the operating budget. (Finding F11d)

- R12. RCWD should create an accurate inventory record for repair supplies i.e., clamps, pipe fittings, isolation valves, meter parts, etc. (Finding F21)
- R13. RCWD should maintain records for all metered water produced and sold, to comply with the State of California's Electronic Annual Report database. (Findings F1, F15)
- R14. RCWD should stop the past practice of conducting "hand shake deals" for outside water sales. Outside sales should be entered into with a written contract. (Finding F14)
- R15. The bulk water hydrants should have hook-ups with meters that have the capability to incorporate with the Phase 2 automation system:
- This automation system should include a keypad system linked to the mainframe that logs the amount of water used and provides automatic billing information, eliminating the handling of cash (Finding F11i)
- R16. RCWD should develop and implement a website, providing transparency for the District. Information should include Board of Director minutes and agendas, organization chart with salaries, and yearly profit and loss summaries. (Finding F32)
- R17. RCWD should continue to explore adequate billing systems. (Finding F22, F23)
- R18. The past General Manager's name should be removed from the DMV registration of the RCWD replacement vehicle. (Finding F18)
- R19. Board Members of the District should abide by the Bylaws and not personally profit from RCWD contracts. (Finding F11j)
- R20. In light of the severity of this report, if the above recommendations are not met within 120 days of the release of this report, the 2018-2019 Kern County Grand Jury recommends that the RCWD be placed in receivership through the State Water Resources Control Board. (All Findings)

COMMENTS:

The Grand Jury would like to thank the residents who provided information for this report.

The Grand Jury thanks the RCWD and the Randsburg General Store for providing meeting rooms for the Committee to hold their interviews.

NOTES:

- The Rand Communities 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.kerncounty.com/grandjury
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.kerncounty.com/grandjury

RESPONSE REQUIRED WITHIN 90 DAYS

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

RAND COMMUNITIES WATER DISTRICT

501 Comstock Ave
Johannesburg, CA 93528



February 28, 2019

Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue, Suite 212
Bakersfield, CA 93301

Foreperson
Kern County Grand Jury
1415 Truxtun Avenue, Suite 600
Bakersfield, CA 93301

Re: Response to 2018-19 Grand Jury Report, *"RAND COMMUNITIES WATER DISTRICT, Award Winning Water Right Down the 'Proverbial' Drain"*

This letter is the formal response of the Rand Communities Water District to the December 3, 2018 Grand Jury Report entitled *"RAND COMMUNITIES WATER DISTRICT, Award Winning Water Right Down the 'Proverbial' Drain."*

FINDINGS:

F1. Partially disagree. We agree with the findings in the report with the exception of the percentage of water loss indicated. We believe some of it is attributable to water theft.

F2 through F32. We agree with Findings 2 through 32.

RECOMMENDATIONS:

R1. Accounting Practices.

- RCWD has provided financial information to the Kern County Auditor (on same date as this letter) in order for them to perform a detailed audit.
- When the CPA audit of FY 2017/18 books has been completed, the audited FY 2017/18 Financial Statements will be forwarded to Kern County Auditor.
- Current RCWD accounting practices have been reviewed carefully and found to be in good order by an internal audit (please see attached document comparing findings on September 12, 2019 to January 3, 2019).

R2. RCWD will have a team building training session on March 1, 2019 with D. Renee Christensen, PhD, HHP, CEAP. We would like to thank the Grand Jury for their flexibility with the timing of this course. This session will include a focus on conflict resolution.

R3. RCWD has made arrangements with the engineering firm of NV5 to serve as Project Manager in overseeing Phase 2 of the Arsenic Mitigation Project and to oversee the construction of the new facilities ensuring completion in a timely manner. NV5 has been directed to coordinate the construction phase in such a way as to avoid unnecessary shutdowns of the water system.

R4. All current Board members (sworn in on December 12, 2018) have received an orientation packet. Information includes the items listed in the Grand Jury report which are: handling of invoices, billing procedures, rules related to the Brown Act, usage of Robert's Rules of Order, a copy of the Bylaws, handling of resident complaints, banking procedures, and annual budget information. Additionally, Board members have received information about responses to Frequently Asked Questions, information on Special Districts, and a copy of the California State Water Code.

R5. RCWD Bylaws currently require all Board members live within the District and be a registered voter. The Grand Jury's recommendation was to amend the Bylaws to add the requirement of being a RCWD Customer. Since questions have been raised regarding Water Code vs. Bylaws, a draft resolution was prepared to make it a Board policy that members be an RCWD customer; compliance required within ten days of adoption. This resolution was not approved by the Board, with discussion including whether such a requirement was legally possible, and the potential for costly and time-consuming litigation RCWD might face. The resolution language was then revised, and the following was adopted:

1. That it is the policy of the RCWD that all Board members are required to have a water account with RCWD.
2. That an exception may be made if the Board member shares a primary residence with another individual who is the water account holder on the shared primary residence.
3. That current Board members are exempt from this requirement; any members appointed or elected after date of adoption must be in compliance before taking office.

R6. Bonding application forms for all Board members have been submitted with coverage expected to begin approximately 3/1/19.

R7. The job description for General Manager has been updated to include that he/she require at least one unannounced drug test annually to all operation employees.

R8. Job descriptions have been updated to include qualifications and salary ranges.

R9. Employees are using company vehicles when available. The necessity of mileage reimbursement is now extremely limited and full documentation is required.

R10. Receipts are required for fuel reimbursement, and accurate petty cash records are kept daily.

R11. RCWD is currently self-sufficient and is not dependent on grants to supplement the operating budget. Since mid-September, it can be shown that:

- No transfers from savings have been necessary,
- No grant income has been received,
- Bills are all paid (including the biggest expense which is to ACWA),
- Payroll and payroll tax obligations are met,
- There are no outstanding debts.
- All non-residential receivables have been paid to RCWD; and
- There has been a reduction in the amount of delinquent accounts owed.

- An Interim General Manager was employed from 8/9/18 to 12/13/18. Although there has been no General Manager employed between 12/14/18 and the date of this letter, sufficient funds were available to have paid this salary.

R12. Inventory records are ongoing, and employees are required to update to add new items received, and subtract items taken for repair use. The inventory list will be reviewed monthly by the Board.

R13. Records are being kept for all metered water produced and sold, in compliance with State of California's Electronic Annual Report database.

R14. "Hand shake deals" have ceased for outside water sales and are strictly forbidden.

R15. Bulk water sales from the hydrants outside the office are now only available during business hours; a lock is in place. The amount of water used is being monitored and recorded manually. Bulk water hydrants will be metered with the Phase 2 automation system when that occurs.

R16. RCWD website went live in January 2019, www.randwaterdistrict.com. The website includes agendas, minutes, repair notifications, Profit and Loss summaries, employment information, and more.

R17. A new billing system was implemented in September 2018. Bills are accurate and timely, and the system is easy to use. Bills are printed in post-card format resulting in a savings on envelopes and postage. A credit card machine is now available and customers may use this for bill payment.

R18. The past General Manager's name was removed from DMV registration in December 2018.

R19. No Board members are personally profiting from RCWD contracts.

IN CONCLUSION

In addition to the progress reported above, we are pleased to report that at a Board meeting on 2/27/19, interviews were held, and a General Manager was selected to serve the district.

The Board of Directors and employees of RCWD have been working together diligently in addressing the recommendations made by the Grand Jury. We respectfully request a reply to our response letter by the Presiding Judge and the Grand Jury. Thank you for your consideration.

Respectfully submitted,

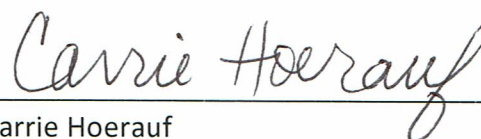


Clifford Kennedy, President
Rand Communities Water District

| | CONDITION OF FINANCIAL RECORDS As of September 12, 2018 | CONDITION OF FINANCIAL RECORDS As of January 3, 2019 |
|----|---|--|
| | CASH | CASH |
| 1 | No cash log existed. | Cash log exists, is updated & monitored daily. |
| 2 | No recording system established of how cash is received and deposited. | Cash receipts entered daily, deposits recorded and filed chronologically. |
| 3 | No Petty Cash file -- records not kept together, there are checks, and there are no receipts with them (though they may exist scanned somewhere). | Petty Cash file created, with hard copy original receipt attached, filed chronologically. |
| 4 | No log, no receipts set up for giving out of petty cash | Receipt system established. Debit card used for business expenses whenever possible. |
| | RECORDS IN GENERAL | RECORDS IN GENERAL |
| 5 | Very few routine places for keeping items | Records kept in routine places. |
| 6 | Lack of any filing system set up for fiscal year 2017/18 | Files set up for fiscal year 2017/18 and 2018/19. |
| 7 | Extremely small amount of documents for 2017/18 fiscal year as compared to 2016/17 | This remains the same. Very few documents from fiscal year 2017/18 exist in the office. |
| 8 | No daily practice of filing information away for the night. | All confidential Information is locked in safe each night. |
| 9 | Very small amount of files with original invoices – very few original documents were found. | Very few files and original documents from approximately Fall 2016 through 9/12/18 exist. Documents post 9/12/18 are in new files. |
| | DOCUMENTS | DOCUMENTS |
| 10 | Many financial documents were created with extra steps / unnecessary work, numerous versions of same. | Recently created documents have one version only. |
| 11 | While many scanned documents exist, they are not well organized, none exist for 2018/19. | Scanned documents have been retained and could be organized (possibly indexed) in the future. |
| 12 | Scanned documents cannot easily be matched up with check registers and invoices. | This fact remains, and matching receipts with checks could be done in the future, after scanned documents are indexed. |
| | CHECKS / BANKING | CHECKS / BANKING |
| 13 | Checks written for board member compensation have been signed by receiving board member. | The new computerized checks provide a stub but not a carbon copy. A review of signatures was not done. Board members will be directed NOT to sign their own Board compensation checks. |
| 14 | Check copies contain a large number of errors in payees and amounts. | Check information is accurate. |
| 15 | Bank statements not located, some on line access. | Bank statements are printed and filed by month. |

| | | |
|----|---|--|
| 16 | Check registers – created monthly. | A continuous check register is being properly kept within Quickbooks. |
| 17 | Examination of check copies – high error rate, improper disbursement of funds reimbursing petty cash. | Checks are accurate. Petty cash being reimbursed properly. |
| | SAFEKEEPING OF DOCUMENTS | SAFEKEEPING OF DOCUMENTS |
| 18 | Both in computerized information and physical files, there was improperly filed personal information | Personal information in physical files has been removed. Computerized records were not examined. |
| 19 | Personal financial information (employee related) was in counter where public visits | The counter is consistently cleared off and free of any personal financial information. |
| 20 | Personal financial information (employee related) was found improperly filed | Employee records were not examined. |
| | BILLING SYSTEM & RECEIVABLES | BILLING SYSTEM & RECEIVABLES |
| 21 | Receivables – only one of \$11,000 --- Northwind. | This invoice was sent and payment received. |
| 22 | Other receivables are from regular metered water accounts | Water account receivables are monitored. A list of delinquent account amounts (no confidential information included) was given to Board members in their Board packets, for review at 1/9/19 meeting. |
| 23 | Complicated system at best, plan in place for new billing system | A new billing software is in place and working well. |
| 24 | Many checks received from customers -- found in many places | A thorough search has been made for checks, all of which have been deposited. |
| | DOCUMENTS IN GENERAL | DOCUMENTS IN GENERAL |
| 25 | Large quantity volume of unfiled documents, unopened mail, unmailed documents. | Documents found within the front office itself have been filed. All mail has been opened and is processed regularly. All unmailed documents were sent. A quantity of unfiled documents from 2016/17 (and prior) were found stashed in file cabinets and need to be reviewed and filed. |
| 26 | Board documents have been removed for 2018, other years unknown. | Agendas and Minutes are being reprinted, but attachments from Board meetings remain absent from files. |
| 27 | Correspondence to Board found in random places in office. | All mail has been given to named recipients. |

Report prepared for 1/9/19 Board meeting by:



Carrie Hoerauf
 Secretary (and Temporary Auditor) to
 Rand Communities Water District Board

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT A “State Of The Art” Water District!

PURPOSE OF INQUIRY:

The Special Districts Committee (Committee) of the 2018-2019 Kern County Grand Jury (Grand Jury) reviewed the Tehachapi-Cummings County Water District (TCCWD) pursuant to California Penal Code §933.5. The Grand Jury last reviewed the TCCWD in 2012-2013.

PROCESS:

The Committee reviewed the TCCWD’s website, Board minutes, agendas, 2017-2018 financial statements; interviewed the General Manager, Operations Manager and the Business Manager. The Committee visited the TCCWD’s Office three times, toured the facilities and attended a Board of Directors meeting.

BACKGROUND AND FACTS:

The TCCWD was formed on March 10, 1965, under the provisions of the County Water District Law (Water Code of the State of California §30000) to provide imported water supply, water resource management and flood control protection to the agricultural, municipal and industrial customers within the TCCWD’s boundaries. Tehachapi-Cummings County Water District is located at 22901 Banducci Road in the Tehachapi Mountains, east of the southern San Joaquin Valley, and encompasses approximately 266,000 acres. The main groundwater (native water) supply is located in three adjudicated basins which are Tehachapi, Cummings and Brite.

- A. The TCCWD has complete control and authority as the Watermaster over three distinct groundwater basins.

- B. The Board of Directors is subject to the Uniform District Election Law, is independent of the Kern County Board of Supervisors and, since its inception, has operated under the Council-Manager for Government.

- C. Has a five-member Board of Directors (Directors):
 - Elected to a four-year staggered term by all registered voters in the five divisions within this Water District
 - Elected Board Members must live in the division they represent
 - Responsible for the policies and decisions governing the operation of this Water District
 - Meet regularly at 3:00P.M. on the third Wednesday of each month

- Receive a stipend of \$100 per day of service up to 10 days of service per month

FINDINGS:

FLOOD CONTROL

- F1. A large portion of the Tehachapi Valley lies in a flood plain.
- F2. In 1932, and again in 1940, the area was devastated by major floods. Three dams were built to retard the runoff. The structures are ID4, Antelope and Blackburn.
- F3. The TCCWD has allocated \$106,000 in the 2018-2019 budget for the operation and maintenance of the three structures.
- F4. The structures were inspected on January 18, 2018 by the California Department of Water Resources, Division of Safety of Dams. This inspection required the Water District to have inundation maps and Emergency Action Plans prior to January 01, 2019. A third party contractor was selected, a report was submitted at a cost of \$50,000. The dams were found without defect, but have been reclassified to level “high”, which is a classification for the potential of flooding downstream in the event of a structural failure.

WATERMASTER

- F5. The TCCWD is the court-appointed Watermaster for the three adjudicated basins.
- a. Brite Basin with a Native Safe Yield (NSY) of 500 acre feet (a/f) annually, with no injunction against pumping
 - b. Cummings Basin with a NSY of 4,090 a/f annually, with no exporting of native water
 - c. Tehachapi Basin with a NSY of 5,500 a/f annually, with no exporting of native water
- F6. The TCCWD performs all recharge and recovery projects within the three basins.
- F7. As Watermaster, TCCWD:
- Protects the groundwater resources within the basins by administering judgements
 - Acts as the agent for any water right ownership change
 - Provides annual reports to the Kern County Superior Court
- F8. The Tehachapi-Cummings County Water District is a member of the Kern County Water Agency (KCWA). The Water District has limited residential customers and provides imported and native water to agriculture, manufacturing and industry in the valley, and has no water treatment facility. All potable water is produced from groundwater wells.

- F9. The Department of Water Resources (DWR) allocation commitment for this Water District is 19,300 a/f per year.
- F10. The DWR water is lifted 3,425 feet just prior to A.D. Edmonston Pumping Plant (California Aqueduct) 31 miles away to the Brite Basin reservoir, through a 27" and 39" coated steel pipeline. This water is non-potable, and after some customers are served, the remaining water is distributed among four percolation (natural filtration) ponds located in the Cummings and Tehachapi Basins in sufficient quantities to maintain safe groundwater levels when available.

TECHNOLOGY

- F11. The Tehachapi-Cummings County Water District operates 16 natural gas engine/pump packages from four remote sites. The operating capacities for each package are 9,400 gallons per minute or 21 cubic feet per second.
- F12. Each package has extensive computer monitoring via sensors. Each package has an Altronic Control System and interfaces with a Supervisory Control and Data Acquisition (SCADA) software.
- F13. This water district has initiated a pilot vibration analysis program for critical rotating machinery (gas engines/pumps) by an outside vendor to monitor equipment integrity.
- F14. The TCCWD has a Controls/Emissions Specialist responsible for ensuring operational compliance with continuous monitoring. All gas engines are subject to strict Air Pollution Control District emission permits.
- F15. The TCCWD's web site is current and highlights the Water District's transparency. For example, the Board of Directors' agendas and minutes are available.
- F16. The TCCWD has purchased a GPS data location program that allows the mapping of the infrastructure and equipment. This technology will provide the baseline maps and description for in-place equipment. With the retirement of experienced employees having knowledge and whereabouts of critical isolation valves and appurtenances, this software/system will aid the younger workforce to make repairs in a timelier manner.
- F17. A computerized work order and backlog system does not exist. A weekly meeting is held to discuss the past maintenance activities as well as the work for the upcoming week.

OPERATIONS

- F18. The TCCWD is operating under a balanced budget for 2018-2019 and is projected to increase revenue due to increased availability of delivered water. Property tax revenues in the general fund will increase due to a 4.3% increase in assessed valuation.
- F19. The TCCWD has an aging workforce, with several employees approaching retirement. In 2018, there were three new hires and two retirements. Current job descriptions are available for all positions.
- F20. The TCCWD has 20 full time employees and some part time summer employees.
- F21. The TCCWD purchases treated water from the California Correctional Institution and sells it to sod farmers and the golf course in Stallion Springs at break-even costs.
- F22. The Tehachapi-Cummings County Water District fully supports the California Water Fix Project. The success of this project is a key for the future of Tehachapi Valley.
- F23. Until the Federal Emergency Regulatory Commission finalizes its portion of the repair cost of the Oroville Dam Spillway, the TCCWD does not know their shared cost. However, it is estimated to be about \$5 million.
- F24. The TCCWD offers outside/bulk water sales using a portable metering and locking system. Customers are billed on usage and consumption data is recorded for an annual report.
- F25. The TCCWD has established bidding and purchasing procedures for any items purchased.

COMMENTS:

The Grand Jury would like to thank the TCCWD's General Manager, Operations Manager and Business Manager for their time, cooperation, knowledge, expertise and the informative tour of the facilities provided to the Committee.

RECOMMENDATIONS:

- R1. The TCCWD should continue to explore all opportunities to purchase property in the Cummings Basin for increasing the Water District's recharge capacity. (Findings 5b & 6)
- R2. The vibration analysis program for critical rotating machinery should become an integral part of a preventative maintenance program for the TCCWD. (Finding 13)
- R3. Implement a computerized work order and backlog system to include building a database for performing routine repairs and scheduling preventative maintenance activities. (Finding 17)

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.kerncounty.com/grandjury.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.kerncounty.com/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



Tehachapi-Cummings County Water District

Our Water • Our Future

Directors:
Kathy Cassil
Jonathan Hall
James Pack
Robert W. Schultz
Rick Zanutto

Officers:
James Pack, *President*
Robert W. Schultz, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
LaMinda Madenwald, *Treasurer*

March 21, 2019

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

RE: FEBRUARY 4, 2019 GRAND JURY REPORT AND LETTER

Dear Presiding Judge:

We have received the Grand Jury Report referenced above. This response is provided in accordance with Penal Code Section §933. This district is very appreciative of the time the Special Districts Committee spent preparing the report and the time the entire Grand Jury spent reviewing it. We are generally in agreement with the Findings and Recommendations. We would like to provide clarification on several items as described below:

BACKGROUND AND FACTS:

- A. Partially disagree: The District has certain authority to administer the Judgments entered in the groundwater adjudications, with the powers, duties and responsibilities set forth in the Judgments.
- B-C Agree

FINDINGS:

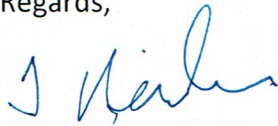
- F1 – F4 Agree
- F5 Partially disagree: TCCWD has conjunctive use agreements with municipal and industrial users under which any groundwater exported by such a user from any basin is replaced with imported, recharged water.
- F6 Agree
- F7 Partially disagree: As Watermaster, TCCWD submits annual reports to the Court for only Tehachapi and Cummings basins, per the conditions of their respective adjudications. No annual reporting is required for Brite basin under its adjudication. TCCWD serves as the record keeper and approval authority for any water right ownership change.
- F8 Agree
- F9 Partially disagree: Under the State Water Project Contracts between KCWA and TCCWD, the Table "A" allocation is 19,300 AFY. DWR determines how much SWP water will be delivered to the State Water contractors annually. DWR is not committed to provided a certain amount. The last year that TCCWD was allocated 100% (19,300 AF) was 2006.
- F10 – F25 Agree

RECOMMENDATIONS:

- R1 This recommendation is ongoing. The District is currently performing due diligence and negotiating the purchase or lease of property for recharge purposes in Cummings Valley. Additionally, the District has applied for a Proposition 1 grant to facilitate this acquisition. The Board of Directors has appointed the General Manager to serve as the Real Property Negotiator for this transaction. Completion of the acquisition, if successful, is estimated to be in 2020.
- R2 This recommendation has been implemented. The District has contracted with a consultant for analysis and reporting on these data that District staff is collecting and providing to the consultant.
- R3 This recommendation has not been implemented but will be in the future. The District envisions that these tasks will be incorporated into the GIS system ((Finding F16). The GIS system is currently being developed and implemented. Full implementation will be possible within 2 – 3 years.

I appreciate the opportunity to respond to the Grand Jury Report. If you desire additional information, please contact me directly at (661) 822-5504 or tneisler@tccwd.com.

Regards,



Thomas P. Neisler
General Manager

cc: Foreperson, Kern County Grand Jury, 1415 Truxtun Avenue, Suite 600, Bakersfield, CA 93301
Bernard C. Barmann, Kuhs & Parker, 1200 Truxtun Avenue, Suite 200, Bakersfield, CA 93301