COUNTY SERVICES AND SPECIAL DISTRICTS COMMITTEE

MISSION STATEMENT

The County Services and Special Districts Committee of the Kern County Grand Jury has the authority to review the management, performance and fiscal policies of all County Services and Special Districts in Kern County. The Committee seeks to ensure effective use of taxpayer funds and compliance with current laws and regulations.

Gordon Patterson*, Ray Mortimer*, Judith Waters, Warren Jones
*Co-chairmen
COUNTY SERVICES AND SPECIAL DISTRICTS COMMITTEE

SUMMARY OF ACTIVITIES

The County Services and Special Districts Committee investigated and wrote final reports on three mosquito districts, and a report proposing the consolidation of the three:

- Westside
- Kern
- Delano*

Investigated and wrote final reports on three water districts:

- West Kern
- Kern Delta*
- Rand Communities*

Investigated and wrote final reports on two cemetery districts:

- South Kern*
- Kern Cemetery District #1

Investigated and wrote a final report (in conjunction with HESS) on Kern Valley Healthcare District*

Investigated and wrote a final report on Kern County Animal Control*

Several of the above reports were generated by citizen complaints sent to the Grand Jury (* complaints). The Committee has answered 16 complaints so far this year. The Committee is investigating two additional complaints each of which may result in a final report which will be completed and approved after the cutoff date to be included in this document. They will be available on line.
CONSOLIDATION OF MOSQUITO ABATEMENT DISTRICTS IN KERN COUNTY

PREFACE:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury (Grand Jury) completed investigations of three contiguous mosquito abatement districts in Kern County and the Grand Jury issued reports on the districts. A recommendation common to all three reports is, “…the District should explore consolidation with other mosquito abatement districts…” This report addresses the subject of consolidation.

PURPOSE OF INQUIRY:

An ongoing function of the Grand Jury is to identify means of increasing the effective use of tax funds.

PROCESS:

In course of the investigations, the Committee noted the many commonalities among the three districts and found repetitions in administration, equipment, services and supplies.

BACKGROUND:

The three districts came into being at different times and, originally, in separate, noncontiguous areas to meet local needs. Each district subsequently grew by annexation and the three are now contiguous. Each district had (and continues to have) certain unique needs and characteristics but the overwhelming majority of their mission and actions are identical. The economic principle of “The Economies of Scale” is potentially applicable to the three districts.

FACTS:

A. Each district maintains an office staff performing similar services.
B. Each district maintains an equipment maintenance staff.
C. Each district uses similar equipment and materials.
D. Each district retains legal counsel.
E. Each district has a general manager.
F. Each district has a physical site.
G. Each district has some items of equipment not found in the other districts.

H. Board members of each district are appointed by the Board of Supervisors or city councils.

FINDINGS:

F1. Consolidation of the three districts could eliminate repetitive staff positions and services, reducing costs to the taxpayer.

F2. Consolidation of purchasing might result in lower unit prices on supplies and equipment.

F3. Consolidation would permit “pooling” of equipment and personnel.

F4. No city would lose representation.

COMMENTS:

The Grand Jury does not suggest that any of the three districts have failed accomplishing their mission.

The Grand Jury suggests that savings in personnel costs be accomplished through attrition. The Grand Jury recognizes the probable need to retain the three district physical sites as staging areas.

RECOMMENDATIONS:

R1. The Board of Supervisors of Kern and Tulare Counties and the cities within the three districts should conduct a study of the taxpayer benefits resulting from the consolidation of the three districts. The study might need to include Kern COG and LAFCO.

The Kern County Board of Supervisors, the Tulare County Board of Supervisors and the Cities of Arvin, Bakersfield, Delano, Maricopa, McFarland, Shafter, Taft and Wasco should post a copy of this report where it will be available for public review.

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

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RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
Kern County Grand Jury  
1415 Truxtun Avenue, Suite 600  
Bakersfield, California 93301  

Re: Kern County 2010-2011 Grand Jury Report re Proposed Consolidation of Mosquito Abatement Districts in Kern County  

On May 3, 2011, the Kern County Grand Jury issued a report recommending a study should be conducted to explore the consolidation of three mosquito abatement districts into one. The districts identified were the Delano Mosquito Abatement District, Kern Mosquito and Vector Control District, and West Side Mosquito and Vector Control District. These districts provide services in both Kern and Tulare counties and to the cities of Arvin, Bakersfield, Delano, Maricopa, McFarland, Shafter, Taft and Wasco. The Grand Jury recommended a joint study by the two counties and the affected cities be conducted to determine if any benefits could result from a consolidation.

The Kern County Board of Supervisors responded to the report on July 5, 2011, and directed staff to contact the affected entities to determine if there was interest in pursuing a study of this issue. The attached letter was sent and this office received responses from the cities of Delano, Maricopa, and McFarland, and the West Side Mosquito and Vector Control District. None of these agencies were interested in pursuing a study of a consolidated district.

The County Administrative Office appreciates the Grand Jury’s interest in this issue, but due to the response from the affected entities, this office will not pursue a study on consolidation.

Sincerely,

[Signature]

John Nilon  
County Administrative Officer

Attachment

cc: Members, Kern County Board of Supervisors  
Tulare County Board of Supervisors  
Arvin City Council  
Bakersfield City Council  
Delano City Council  
Maricopa City Council  
McFarland City Council  
Shafter City Council  
Taft City Council  
Wasco City Council  
Delano Mosquito Abatement District  
Kern Mosquito and Vector Control District  
West Side Mosquito and Vector Control District  
Kern County Counsel
Distribution

Re: Kern County Grand Jury Report re Proposed Consolidation of Mosquito Abatement Districts in Kern County

The Kern County Grand Jury issued the attached report recommending a study should be conducted to explore the consolidation of three mosquito abatement districts into one. The districts are Delano Mosquito Abatement District, Kern Mosquito and Vector Control District, and West Side Mosquito and Vector Control District. These districts provide services in both Kern and Tulare counties and to the cities of Arvin, Bakersfield, Delano, Maricopa, McFarland, Shafter, Taft and Wasco. The Grand Jury recommended a joint study by the two counties and the affected cities be conducted to determine if any benefits could result from a consolidation.

The Kern County Board of Supervisors responded to the report (copy attached) and directed staff to contact the affected entities to determine if there is an interest in pursuing a study of this issue. It is requested that your agency determine if it is interested in pursuing a review of this proposal and provide a response to the Kern County Administrative Office. Your correspondence should be directed to Elissa Ladd, Assistant County Administrative Officer, at the above address. You may also email her at eladd@co.kern.ca.us or contact her by phone at 661.868.3172.

Thank you in advance for your attention to this matter.

Sincerely,

John Nilon  
County Administrative Officer

Distribution:

Tulare County Board of Supervisors  
Arvin City Council  
Bakersfield City Council  
Delano City Council  
Maricopa City Council  
McFarland City Council  
Shafter City Council  
Taft City Council  
Wasco City Council

Attachments

cc: Members, Board of Supervisors  
Delano Mosquito Abatement District  
Kern Mosquito and Vector Control District  
West Side Mosquito and Vector Control District  
Kern County Grand Jury  
Kern County Counsel
October 5, 2011

Kern County Administrative Office
Elissa Ladd, Assistant County Administrative Officer
1115 Truxtun Avenue, Fifth Floor
Bakersfield, CA 93301-4639

Re: Determination of city’s interest to pursue a study of Consolidation of Abatement Districts in Kern County

The City Council at its regular meeting held October 3, 2011, reviewed and discussed the proposed request to consolidate three districts in Kern County. Council expressed their opposition to pursuing a study of this issue and would like for the three districts to remain separate.

Should you have any questions or wish to discuss this matter further with council or myself, you may reach me at 661-720-2269.

Sincerely,

[Signature]
Maribel Reyna
City Manager

Cc: Kern County Grand Jury
Ricardo Chavez, Mayor
Grace Vallejo, Mayor Pro Tem
Council Members
DELANO MOSQUITO ABATEMENT DISTRICT

PREFACE:

The County Services and Special Districts Committee of the 2009-2010 Kern County Grand Jury began an investigation of the Delano Mosquito Abatement District (District) pursuant to Penal Code §933.5. Concurrently, a citizen complaint was investigated. The investigation was not completed by the end of the term of the 2009-2010 Kern County Grand Jury and was bound over to the 2010-2011 Kern County Grand Jury.

PURPOSE OF INQUIRY:

The County Services and Special District Committee (Committee) of the 2010-2011 Kern County Grand Jury completed the investigation of the District.

PROCESS:

The Committee reviewed the minutes of the District’s Board of Trustees meetings, the District’s financial statements for the last three years and the Employee Handbook. The Committee interviewed each Trustee individually, the District Secretary and the General Manager. California Codes relating to the District were researched. The Committee did extensive research in the life cycle of mosquitoes and abatement methods. County Counsel was also consulted.

BACKGROUND:

The transmission of disease occurs in many ways. One means is through insects as in bubonic plague by fleas, Lyme disease by ticks and West Nile virus by mosquitoes; the insects carrying the disease are called vectors. Worldwide, mosquito borne diseases (malaria, dengue, etc.) are the leading cause of death and debilitation. Locally, West Nile virus and Equine Encephalitis (sleeping sickness) are now endemic but controlled. Control generally takes two forms: elimination of breeding habitat and eradication of mosquitoes. The two forms may be combined. No method proves to be 100% effective and overuse of some chemicals has detrimental effects on the environment. Mosquito abatement districts have been formed to provide the specialized services needed to protect citizens. Kern County Environmental Health Services also makes valuable contributions of public information and education.

The District was formed in 1944 under the provisions of the Health and Safety Code. The primary objective of the District is the progressive elimination of mosquito-breeding places by educating the general public on control measures and establishing projects of source reduction. Additionally, the District performs services of temporary relief control using abatement procedure methods when necessary. The District is one of three contiguous mosquito abatement districts located in Kern County.

The District office is located at 11281 Garzoli Avenue, Delano, CA and services the northern part of Kern County including Delano, McFarland, Pond and Richgrove and extends into
southern Tulare County. The District employs a General Manager, a secretary and two full-time
abatement technicians. The District also employs four temporary seasonal technicians during the
mosquito-breeding season each year.

The Board of Trustees has five appointed members representing jurisdictions within the
District’s boundaries; one member is appointed by the Tulare County Board of Supervisors; two
members are appointed by the Kern County Board of Supervisors; and one member each by the
City of Delano and the City of McFarland. As provided for in California law, the representatives
of Delano and McFarland are members of the respective City Councils. The Board meets the
second Thursday of each month at 9:00 a.m. at the District office.

The District’s operating funds are generated from property tax money collected from residents of
both Kern and Tulare counties.

FACTS:

A. Members of the Board of Trustees state they are familiar with the Brown Act and
follow the Act’s provisions. The Board members complete mandatory ethics training
every two years and file Form 700 annually.

B. Food at monthly safety meetings and employee gift cards are paid for with taxpayers’
money.

C. Until recently the General Manager had use of three District credit cards and many
purchases were questionable as no receipts were available.

D. With Board approval, the General Manager attends conferences at taxpayer expense in
foreign countries such as Spain, Turkey and Czechoslovakia. Comparable training is
available locally and in the United States.

E. California Health and Safety Code §2046 and Government Code §54201 (et seq)
require the District to have a written purchasing policy.

F. At the time of the investigation, the District had no written purchasing policy.

G. The District uses the Kern County Office of County Counsel for legal services but has
not engaged counsel for the past several years.

H. As the District has an appointed Board, voters have no recourse in the direct selection
of the Board.
**FINDINGS:**

F1. The Board members rely on oral statements of the General Manager rather than on written reports, analyses and guidelines.

F2. The Board reacts to and ratifies the actions of the General Manager rather than setting the direction and making policy for the District.

F3. Board oversight is lacking.

F4. Lack of a written purchasing policy exposes the District to civil liability.

F5. The timing of District meetings limits the ability of the public to participate.

F6. The use of taxpayer funds cited in Fact B is inappropriate.

F7. The use of taxpayer funds cited in Fact D is inappropriate.

**COMMENTS:**

The General Manager gave verbal explanations to the issues and questions raised by the Committee but did not provide documentation for the responses. The General Manager justifies paying for the food served at the monthly safety meetings and paying for the gift cards to employees as an appropriate use of taxpayers’ money. Several Directors have been on the Board for over 25 years.

The District does not contain ground water recharge basins nor wildlife refuges. As a result, the District does not have to perform expensive aerial spraying.

The Committee found no evidence that the district has failed to complete its mission.

**RECOMMENDATIONS:**

R1. The Delano Mosquito Abatement District should explore consolidation with other mosquito abatement districts.

R2. The Board of Trustees should inspect and review purchases and expenses closely before approving payments.

R3. There should be a “paper trail” with a “request for payment” form and receipts attached for all purchases.

R4. To insure that the taxpayers’ money is being used judiciously, the Board should stop funding foreign travel of the General Manager.
R5. The District should develop a written purchasing policy in accordance with the codes cited in Fact E.

R6. The District should hold the Board meetings in the evening to be more convenient for public participation.

R7. The District should cease inappropriate use of taxpayer dollars for food and employee gift cards.

R8. The appointing Boards of Supervisors and City Councils should review the actions of the appointees and solicit new District Board candidates.

The District, the Kern County Board of Supervisors, the Tulare County Board of Supervisors, the City of McFarland and the City of Delano should post a copy of this report where it will be available for public review.

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RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
December 24, 2010

Richard D. Frank, Foreman
2010-2011 Kern County Grand Jury
1415 Truxtun Ave., Suite 600
Bakersfield, CA  93301


We disagree in general with the findings which is reflected in the responses R1- R8. The exception being F4 for which corrective measures have been taken as reflected in R5.

R1. The District was established by the vote of the people to provide the optimum of mosquito abatement service, which we feel it continues to do. There would not be any substantive benefit to consolidation and a very good chance of a reduction in the levels of service.

R2. The Trustees do inspect and review purchases and expenses at the monthly meeting before approving payments.

R3. There is an invoice or billing for each payment. This is being re-organized with Quick Books to make it easier to track or "snapshot" any individual payment on demand.

R4. We will continue to evaluate each conference or workshop and present for prior approval to the board based on the comparative cost and value and not the destination. There has been a new travel policy reviewed by County Council 11-12-10 and adopted by the Board 11-16-10

R5. A Budget, Finance Management (Purchasing) and Disposal of Surplus Properties Policy was reviewed by County Council 10-13-10 and adopted by the Board 10-14-10.

R6. This was reviewed and determined by the Board that the current meeting date and time serves the interests of all and that there is a mechanism for public participation.

R7. The gift card was suspended but it was discussed and concluded that the monthly safety meeting bbq (February - October) is not only the most cost effective means of disseminating required information and training but provides a tremendous amount of interaction between employees, management and trustees.
R8. This is their prerogative. However we feel that the Board of Trustees has been involved and effective

Regards,

[Signature]

Gary M. Johnson

District Manager
PURPOSE OF INQUIRY:

The 2010-2011 Kern County Grand Jury received a complaint concerning the adoption policies of the Kern County Animal Control Shelter (Shelter) and assigned it to the County Services and Special Districts Committee (Committee). The investigation was conducted pursuant to Penal Code §925.

PROCESS:

The Committee interviewed the director and the marketing and promotions associate in the Shelter office building. The building also houses offices and the Shelter communications center. The Committee reviewed the budget and inquired about the adoption policies and the way the Shelter was organized. The Committee was given a long, thorough tour.

BACKGROUND:

The Shelter is part of the Kern County Public Health Services Department and is located at 201 South Mount Vernon, Bakersfield, CA 93307. It appears to be well run, is clean, kennels are in good repair and health of the animals is a top priority.

FACTS:

A. The Shelter receives an average of 100 animals per day.

B. Animals are each given a tracking number and a color coded chart that will follow the animal through the system.

C. Shoe sanitizers are in place before entering each kennel to protect the animals from outside contamination.

D. The field officers are trained in first aid, have a first aid kit in their truck and carry a hand held radio for communication.

E. The field officers are not permitted to carry a hand gun for their protection; however, there is a shotgun in each vehicle.

F. The Shelter has facilities and corrals for large animals.

G. The kennels are clean and in good repair.

H. Before an animal is adopted, it must be spayed/neutered, a micro chip implanted, be in good health and tested for suitable temperament.
I. Kern County Animal Control conducts low-cost rabies clinics regularly throughout the county. Licenses are available for purchase at the clinics.

J. To relinquish an animal, the owner must fill out an owner relinquishment and release form with owner’s and animal’s information (proof of identity, animal’s history, behavior, reason for turning the animal in and aggressiveness). People returning an adopted animal that proves to be unsuitable use the relinquishment process.

K. Animals not suitable for adoption must be kept for a minimum of five working days prior to euthanization.

L. The room where the euthanizations are done is clean and non-threatening for animals. Euthanization is conducted with two staff members present.

M. The animals are euthanized using a shot that puts them under in a few seconds without pain.

N. Most spay/neuter operations are done in the mobile hospital van located at the Shelter.

O. The Shelter has 46 permanent employees and 45 volunteers who rotate days.

P. A full-time veterinarian and a certified vet tech are on duty at the Shelter.

Q. With each adoption, the new owner is given an adoption kit containing food, information, coupons, medical records, a training DVD and a free pet exam voucher redeemable at a veterinarian of their own choice.

R. The pets are shown at Petco for adoption on the first and third Saturday of each month except on holiday weekends.

S. In the year 2009, 3776 dogs were adopted out and at the time of interview in 2010 YTD 2558 have been adopted out.

FINDINGS:

F1. People with interest in a particular animal or type of animal will be put on a list and notified in order of sign-up when the animal is ready for adoption. Without a sign-up list the animal is adopted out on a first come first served basis.

F2. The volunteers help with many jobs throughout the shelter including cleaning the kennels, walking and socializing dogs, grooming and many other necessary jobs.
F3. There is a fenced-in exercise/play yard for use by the volunteers and prospective new owners to acquaint themselves with the dog.

COMMENTS:

The Committee was greeted cordially and openly. The staff was willing to stay with the Committee as long as was needed. The tour was not rushed; the Committee was allowed to see anything requested. The tour was long, very informative and interesting.

RECOMMENDATIONS:

R1. The field officers should be trained in the use of, qualified to use and authorized to carry a side arm for their own and citizens’ protection.

R2. When the budget permits, the Shelter should do several large promotional events in order spread the word, “The public needs to spay/neuter their pets and license their dogs.”

The Shelter should post a copy of this report where the public can read it.

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BAKERSFIELD, CA 93301

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVE, SUITE 600
BAKERSFIELD CA 93301
Kern County Board of Supervisors
Response to Grand Jury Final Report

KERN COUNTY ANIMAL CONTROL

Response to Findings:

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

Response to Recommendation:

The Grand Jury recommended that the field officers be trained in the use and authorized to carry a side arm. The department has taken multiple steps to ensure the safety of its employees. Video cameras and outdoor lighting have recently been installed at the shelter and a call center has been created to improve dispatching capabilities. Animal control officers are equipped with batons, pepper spray, cell phones, and handheld radios. Trained officers also have 24-hour access to shotguns and tranquilizer rifles as needed. The department will continue to evaluate other tools available to help protect its employees.

The Grand Jury recommended, when budgets permit, the department hold several large promotional events to encourage the public to spay/neuter their pets and license their dogs. The department promotes responsible pet ownership at health fairs, rabies clinics, and other public opportunities. When funding becomes available, promotional campaigns will be expanded.
PURPOSE OF INQUIRY:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury visited the Kern County Cemetery District No. 1 (District) to inquire into the operations and management of the District pursuant to Penal Code §933.5.

PROCESS:

The District’s office is located at 18662 Santa Fe Way, Shafter. The Committee met with the District Manager at the District’s office and also researched extensively on the internet.

BACKGROUND:

The Cemetery was started in 1923 under private ownership and became a Special District by citizen vote in 1930.

FACTS:

A. The District has cemeteries in Wasco and Shafter.

B. The District Board of Trustees (Board) is appointed by the Kern County Board of Supervisors from electors residing within the District. The District is composed of two trustees from Shafter and one from Wasco. The Board meets the third Thursday of the month at noon at the office of the District. The trustees serve staggered terms of four years.

C. The General Manager stated Board members receive $100.00 per monthly meeting and do not accept extra income when extra Board meetings are held.

D. The General Manager stated Legal Counsel attends every Board Meeting.

E. The Shafter cemetery has 15 acres developed and 15 more available while the Wasco cemetery has 20 acres developed and 20 more available. The cemeteries can each accommodate 1,200 gravesites per acre or more if the graves are stacked.

F. The average burial rate is approximately 270 per year.
G. The District has eight employees: one part time, one temporary, and six permanent including the General Manager, all of whom have I-9 forms on file in the office.

H. The General Manager stated the basic cost for a burial plot and burial is $1,900 for residents of the District with an additional $250.00 fee for non-residents.

FINDINGS:

F1. The grounds are organized, neat and clean.

RECOMMENDATIONS:

None

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

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NO RESPONSE REQUIRED
KERN DELTA WATER DISTRICT

PURPOSE OF INQUIRY:

The County Services and Special District Committee (Committee) of the 2010-2011 Kern County Grand Jury investigated the management and operations of Kern Delta Water District (District) pursuant to Penal Code §933.5.

PROCESS:

The Committee reviewed the minutes of the District’s Board of Trustees meetings, the District’s financial statements, the District’s website and interviewed the General Manager. California Codes relating to the District were researched.

BACKGROUND:

Kern Delta Water District was formed in December of 1965 under Division 13 of the State Water Code for the purposes of protecting the Kern River Water Rights serving certain lands within the District. Although the District was formed in a relatively recent period of time, the systems of canals that provide services to customers have existed since the late 1800's.

Kern Delta currently distributes State and Kern River Water to approximately 90,000 acres through five different water rights: Kern Island, Buena Vista, Stine, Farmers, and Eastside Canals. The total length of these canals is approximately 126 miles. Kern Delta also contracts with the Kern County Water Agency for State Project Water.

The District office is located at 501 Taft Hwy., Bakersfield, CA. The District employs a General Manager, office staff and field operators for a total of 30 employees.

The District Board of Trustees (Board) consists of nine elected members representing service areas within the District’s boundaries with votes based on property ownership in the District (Water Code §35003 et seq). The Board meets in the District office on the third Tuesday of each month at noon for a closed session followed by an open session at 1:30 p.m..

The District’s income comes from water service fees paid by users and property acreage (zone of benefit) tax money collected from residents of the District owning more than one acre of land in the District.

FACTS:

A. Meetings of the Board are conducted in compliance with the Brown Act. The Board members complete mandatory ethics training every two years and file Form 700 annually.
B. The District has a written, Board approved policy for purchasing. It has a similar policy for disposal of District property.

C. The District annually recharges approximately 40,000 acre feet of water (one acre foot = 325,851 gal.) into the water table of the District.

D. The District distributes water by gravity flow through a series of canals.

E. Many residents of the District pump groundwater for personal, commercial and/or agricultural use.

F. Residents of the District who receive water directly from the District pay a usage fee.

G. The District has a website: www.kerndelta.org.

FINDINGS:

F1. Residents of the District who use only pumped groundwater benefit from the District recharge actions.

F2. The time of the meetings of the Board preclude attendance by many District residents.

F3. The District website does not include Board agendas and minutes.

F4. The District has a thorough, well conceived set of Board adopted policies.

F5. Adherence to the policies mentioned in F4 shields the District and its residents from many forms of civil liability. The policies can be an exemplar to many agencies.

F6. Many residents of the District may be unaware of the function of the District and the benefits to all residents. A program of education might dispel this lack of awareness.

RECOMMENDATIONS:

R1. The Board should consider holding meetings at a time more convenient to all residents of the District.

R2. The District website should include Board agendas and minutes.

The District should post a copy of this report where it will be available for public review.
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the Kern County Law Library and on the Kern County grand jury website: www.co.kern.ca.us/grandjury.

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BAKERSFIELD, CA 93301

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
April 21, 2011

Judge Michael G. Bush
Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA 93301

RE: Kern Delta Water District comments to
County Grand Jury Report

Honorable Judge Michael G. Bush,

Kern Delta Water District (Kern Delta or District) provides this correspondence pursuant to California Penal Code sections 933 and 933.05. As you are aware, such code sections require Kern Delta to provide written comments to both the Findings and the Recommendations within that portion of the Grand Jury Report pertaining to Kern Delta.

As to the Findings and Recommendations of the Grand Jury, Kern Delta provides the following comments:

FINDINGS:

F1. Residents of the District who use only pumped groundwater benefit from the District recharge actions.

Kern Delta agrees with such finding.

F2. The time of the meetings of the Board preclude attendance by many District residents.

Kern Delta partially disagrees with this finding. Kern Delta generally provides surface water supplies for agricultural irrigation purposes to landowners and tenants within the District boundaries. Kern Delta presently schedules its Board meetings to accommodate the time schedules of the majority users of these water supplies, the farmers. The open session portion Kern Delta’s Board meetings typically start in the early afternoon on the third Tuesday of each month, which is a time during which most farming interests can attend such meetings. Having
Board meetings during business hours is typical of most, if not all, of the agricultural water suppliers in Kern County and would likely be considered the industry standard for such entities. Rescheduling the meetings to other than normal business hours may discourage attendance by many of the farming interests within the Distinct, who are typically available during normal business hours.

F3. The District website does not include Board agendas and minutes.

Kern Delta agrees with this finding.

F4. The District has a thorough, well conceived set of Board adopted policies.

Kern Delta agrees with this finding.

F5. Adherence to the policies mentioned in F4 shields the District and its residents from many forms of civil liability. The policies can be an exemplar to many agencies.

Kern Delta agrees with this finding.

F6. Many residents of the District may be unaware of the function of the District and the benefit to all residents. A program of education might dispel this lack of awareness.

Kern Delta partially disagrees with this finding. As indicated above, Kern Delta generally provides surface irrigation water to farming interests within the District and is of the opinion that all of the direct recipients of such water are fully aware of both the District and the services supplied by the District. Kern Delta agrees that to the extent there are those who do not receive direct water service from the District, they may not be fully informed about the District.

**RECOMMENDATIONS:**

R1. The Board should consider holding meetings at a time more convenient to all residents of the District.

This recommendation will require further analysis as to the relative benefits and detriments that may result from changing the meeting time. As indicated in the response to Finding F2, Kern Delta generally provides surface supplies for irrigation purposes and most if not all of the recipients of such water are able to attend District Board meetings at the existing time. Additionally, daytime meetings for agricultural water suppliers is the industry standard for Kern County and allows farming interests to conduct farming business during business hours. This matter will be placed on an upcoming agenda for the full Board’s consideration within the next five months.

R2. The District website should include Board agendas and minutes.

This recommendation will require further analysis as to the costs and expenses associated with the suggested modifications to the District’s website. Presently, the Distric
website. In fact, the entity that provided the internet website services to the District is no longer in business, and the District is now in the process of locating another service provider. This matter will be placed on an upcoming agenda for the full Board’s consideration within the next five months.

Thank you for the opportunity for Kern Delta to comment on the Grand Jury Report.

Sincerely,

L. Mark Mulkay
General Manager

Cc: Kern Delta Water District
    Board of Directors
KERN MOSQUITO AND VECTOR CONTROL DISTRICT

PURPOSE OF INQUIRY:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury inquired into the services provided by the Kern Mosquito and Vector Control District (District) pursuant to California Penal Code §933.5.

PROCESS:

The Committee had a lengthy interview with the District Manager at the District office located at 4705 Allen Rd., Bakersfield, CA prior to a short tour of the grounds. The Committee researched mosquito abatement procedures.

BACKGROUND:

The transmission of disease occurs in many ways. One means is through insects as in bubonic plague by fleas, Lyme disease by ticks and West Nile virus by mosquitoes; the insects carrying the disease are called vectors. Worldwide, mosquito borne diseases (malaria, dengue. etc.) are the leading cause of death and debilitation. Locally, West Nile virus and Equine Encephalitis (sleeping sickness) are now endemic but controlled. Control generally takes two forms; elimination of breeding habitat and eradication of mosquitoes. The two forms may be combined. No method proves to be 100% effective and overuse of some chemicals has detrimental effects on the environment. Mosquito abatement districts have been formed to provide the specialized services needed to protect citizens. Kern County Environmental Health Services also makes valuable contributions of public information and education.

The District began operations in August of 1917 under the name of the Doctor Morris Mosquito Abatement District. The District was 48 square miles and was started to control mosquitoes. In 1945, Arvin, Lamont and the Old River areas were annexed. In 1947, the District’s name was changed to Kern Mosquito Abatement District for a “more geographical connotation.” The area of Shafter was annexed in 1947 and of Wasco in 1951. The Semi-Tropic and Buttonwillow areas were annexed in 1956 which brought the District’s size to 1,657 square miles making it the sixth largest in the State. The District’s name was changed in 1991 to the Kern Mosquito and Vector Control District when the District started the control of roof rats as part of its operation.

FACTS:

A. The mosquito season usually runs from April through October depending on weather factors.

B. The District has 19 permanent abatement employees with 16 assigned to mosquitoes and three for control of roof rats.
C. Seasonal employees (usually about 40) are hired to work the mosquito season.

D. The seasonal employees are supervised by full-time foremen who are certified in mosquito control by the California Department of Public Health.

E. The District has I-9 cards on file in the office for all employees.

F. The current General Manager began employment with the District as a seasonal worker.

G. The District is a member of the Mosquito and Vector Control Association of California for their information and training.

H. Ground rig operations are used to control smaller mosquito sources such as storm drain sumps, catch basins and curb water in residential areas, agricultural sumps, dairy wastewater holding lagoons, etc.

I. Some spraying requires multiple applications at 10 to 14 day intervals.

J. Larger sources are treated by air using the District’s Thrush aircraft and hiring helicopter service as necessary. During the rainy season of 1995 the District treated over 40,000 acres by air. The average number of acres treated by air yearly is 8,000 to 12,000.

K. Treatments of privately owned pools within the District’s budget have gone from 542 in 2004 to 3,206 pools treated in 2010.

L. The District has an entomologist on staff full time.

M. The District has a written policy for purchases and for disposal of District property.

N. The District Board of Directors (Board) is made up of eight directors, one each appointed by the four Cities of Arvin, Bakersfield, Shafter and Wasco and four by the Kern County Board of Supervisors. The Board meets on the second Wednesday of each month at 11:30 am at the district office. District Counsel (County Counsel) is present at all Board meetings.

O. The District provides educational material and programs at local schools and many service clubs.
FINDINGS:

F1. The District is one of three contiguous mosquito abatement districts in the valley floor portion of the county.

F2. The District does not have a website.

COMMENTS:

The principal methods of controlling mosquitoes: Bacillus thuringiensis israelensis (BTI), Altosid, and mosquito fish harm only the mosquitoes and not beneficial insects. Oil is used selectively to control mosquito larvae in aquatic breeding sources that have a high organic content where BTI or Altosid would not perform well (e.g. Sewage Treatment Plant effluent) but may harm beneficial insects. Source reduction (of breeding areas) information needs to be easily available to the general public. The General Manager expressed a desire for a public relations employee to disseminate information. The facility was clean and orderly. The General Manager was very cordial and cooperative.

RECOMMENDATIONS:

R1. To take advantage of the economies of scale, the District should examine consolidation with contiguous districts.

R2. The District should examine establishing a website (a website can be a means of disseminating information).

The Kern Mosquito and Vector Control District should post a copy of this report where it will be available for public review.

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

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

RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
May 10, 2011

Michael B. Lewis, Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue, 2nd Floor
Bakersfield, California 93301

Re: Response to Grand Jury Report Concerning the Kern Mosquito and Vector Control District.

Honorable Judge Lewis:

The Kern Mosquito and Vector Control District ("District") submits the following response (as per Penal Code section 933.05) to the Grand Jury Report which was released on March 30, 2011.

FINDINGS, RECOMMENDATIONS AND RESPONSES:

FINDING AND RECOMMENDATION - 1

F1. The District is one of three contiguous mosquito abatement districts in the valley floor portion of the county.

R1. To take advantage of the economies of scale, the District should examine consolidation with contiguous districts.

Response: The District agrees with the finding that the District is one of three contiguous mosquito abatement districts in the valley floor portion of the county (Kern Mosquito and Vector Control District, Westside Mosquito and Vector Control District and Delano Mosquito Abatement District). In regard to the recommendation that the District should examine consolidation with contiguous districts in order to take advantage of economies of scale, this recommendation will not be implemented because this action is currently not warranted. Any economies of scale due to consolidation would be minimal.

The Kern MVCD, the Westside MVCD and the Delano MAD participate in a “regional” joint chemical purchase program which allows vendors to provide “bids” for mosquito control pesticides. This program insures that districts can purchase larvicide or adulticide products at competitive prices.
The Kern MVCD, Westside MVCD and the Delano MAD are members of the Mosquito and Vector Control Association of California (MVCAC). The MVCAC provides continuing education which is required in order to maintain the certification (license) of employees by the California Department of Public Health. The MVCAC also provides legal counsel regarding state and federal pesticide matters and legislative issues affecting mosquito control agencies.

It has been mentioned that the aircraft owned and operated by the Kern MVCD could be utilized by Westside MVCD or the Delano MAD if districts consolidated. Kern MVCD’s pilot is a seasonal employee who is paid by the hour. In years of normal rainfall, the pilot will make aerial applications three days per week. The District’s Ayer’s Thrush aircraft was purchased in 1980. It is well-maintained and economical to operate.

The Westside MVCD requires aerial applications only in years of above normal rainfall when groundwater recharge operations are conducted by various water agencies or districts within Westside’s boundaries. In those “wet” years, Kern MVCD’s aircraft has a full workload handling groundwater recharge operations within its own boundaries - the plane would not be available to make applications in other areas. Contractors would have to be used to make aerial applications to Westside MVCD’s mosquito breeding sources which is the situation currently.

In regard to practicality, if the Kern MVCD, Westside MVCD and the Delano MAD were consolidated that would create the third largest (in terms of area) mosquito control district in California. The largest is San Bernardino County MVCD which covers large areas of desert which require little mosquito control activities. Consolidation would create a district that would be difficult to manage effectively or efficiently. It is doubtful that residents in Taft or Delano would look favorably upon a (once) local agency that is now headquartered in Bakersfield.

**FINDING AND RECOMMENDATION - 2**

F2. The District does not have a website.

R2. The District should examine establishing a website (a website can be a means of disseminating information).

The District agrees with the finding that the District does not have a website. In regard to the recommendation that the District should examine establishing a website, the District agrees that a website can be an effective means of disseminating information to residents. The recommendation has not yet been fully implemented but the District’s staff has been investigating various website designs and is in the process of evaluating (user-friendly) computer software that would enable District staff to routinely update information on the website without having to rely on outside sources.

Sincerely,

Rob Quiring
District Manager
PURPOSE OF INQUIRY:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury received and investigated a complaint about the operation and management of the Rand Communities Water District (District). The investigation was conducted pursuant to Penal Code §933.5.

PROCESS:

Telephone interviews and examination of District agendas/minutes were a large part of the investigation. The Committee conferred with the District General Manager by telephone to verify the answers to points raised in the complaint and also conferred with the California Department of Public Health. Online research was also of importance.

BACKGROUND:

The District was formed in 1969 to provide potable water to the residents of portions of Kern and San Bernardino Counties including the communities of Randsburg, Johannesburg and Red Mountain. In January 2009, the District was found to be out of compliance with the new standards for arsenic content. The District continues to work with the California Department of Public Health to achieve compliance.

FACTS:

A. The District has an elected five member Board of Directors.

B. The District recently purchased a backhoe without following a bid process.

FINDINGS:

F1. Most items cited in the complaint were baseless.

F2. The purchase in Fact B exposes the District and Board members to liability.

RECOMMENDATIONS:

R1. The District should continue to work to achieve compliance with water purity standards.

R2. The District should follow proper procedure in acquisition of equipment and supplies.
The District should post a copy of this report where it will be available for public review.

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

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

RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
July 13, 2011

2010-2011 Kern County Grand Jury
1415 Truxtun Ave Suite 600
Bakersfield, CA 93301

RE: Response to Kern County Grand Jury Findings and Recommendations report dated Feb 9, 2011

Dear Sir:

I apologize for the late response; somehow the requirement to respond to the Findings and Recommendations of the Grand Jury was mislaid and the reminder notice you sent found me in Iowa attending my father’s memorial service. Upon my return, I saw the reminder and proceeded to draft this response immediately. I hope that this will be adequate.

As to the first Finding that most allegations were baseless, I am not certain what in particular was alleged in the complaint and can only assume that we have nothing to worry about in this regard.

As to the backhoe procurement, there is no documentation to show that a bid process was followed, and therefore the acquisition was improper and did expose the Board and District to liability. Unfortunately, the Board has changed 3 of the 5 members that were involved in the procurement, and I myself was appointed to the General Manager’s position after the backhoe had already been delivered. I have no firsthand knowledge as to the procedure that was followed, and the two Board Directors that were involved have no notes on the matter indicating what was actually done at that time.

Therefore, I have advised the Board that in any future capital procurements that are contemplated, a request for bids must first be advertised for the particular acquisition item, and this advertisement must reach as many potential bidders as practical, and the advertisement must run for a reasonable length of time. When at least 3 relevant bid proposals have been received by the response deadline, the Board may select the bid that best suits the needs and budget of the District after reviewing the bids’ particulars. Otherwise, a potential bidder could claim after-the-fact that they were not given a fair chance to participate, and possibly entangle the District in a lawsuit to remedy the situation.

Sincerely,

Michael A. Powell
RCWD General Manager

Cc to Honorable Michael G. Bush
1415 Truxtun Ave.
Bakersfield CA 93301
SOUTH KERN CEMETERY DISTRICT

PURPOSE OF INQUIRY:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury visited the South Kern Cemetery District (District) near Arvin on October 19, 2010, to inquire into the operation and management of the District pursuant to Penal Code §933.5.

PROCESS:

Online research prior to the visit was a large part of the investigation. The Committee met with the Manager and two members of the District Board of Trustees for an informal question and answer period at the District office.

BACKGROUND:

The District is located at 15543 South Vineland Road about seven miles west of the City of Arvin. The cemetery is on a 12 acre site in the center of the 450 square mile District. The District was formed in 1958 and had the first internment in 1960. There are now a total of 5,282 internments with two acres recently developed and two more acres available to develop. There is room for approximately 900 plots per acre. Thought is being given to future satellite locations in the district.

FACTS:

A. The agenda for Board of Trustees meetings did not contain an American Disabilities Act (ADA) directive.

B. A fence project surrounding the cemetery is open for bidding.

C. There are four full-time employees with the I-9 documents on file at the office.

D. The members of the Board of Trustees receive no stipend or benefits for their service.

E. The District Board has three Directors at this time. The Kern County Board of Supervisors is currently interviewing applicants for the two new, vacant Director positions.

F. Members of the District Board of Trustees have taken Ethics Training and continue to renew the training as required.
FINDINGS:

F1 The Manager has a copy of the ADA directive and will include it in future agendas.

F2 The grounds are very attractive and well maintained.

F3 The office is well organized. The manager is putting all District files, records and maps on the District computer on a regular basis.

F4 A brochure is available at the office in both English and Spanish with information concerning flowers, decorations and visitation.

RECOMMENDATIONS:

R1 The District should include the ADA directive in every agenda.

R2 The District should follow through and fence the entire cemetery perimeter.

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

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

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

RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
November 19, 2010

Richard D. Frank, Foreman
2010-2010 Kern County Grand Jury
1415 Truxtun Ave., Suite 600
Bakersfield, CA 93301

Dear Honorable Richard D. Frank:

This is to respond to the Findings and Recommendations contained in the 2010-2010 Kern County Grand Jury report on the South Kern Cemetery District – Arvin.

FINDINGS:

F1. “The Manager has a copy of the ADA directive and will include it in future agendas.”
The Manager agrees with this finding.

F2. “The grounds are very attractive and well maintained.”
The Manager agrees with this finding.

F3. “The office is well organized. The manager is putting all District files, records and maps on the District computer on a regular basis.”
The Manager agrees with this finding.

F4. “A brochure is available at the office in both English and Spanish with information concerning flowers, decorations and visitation.”
The Manager agrees with this finding.
RECOMMENDATIONS:

R1. “The district should include the ADA directive in every agenda.”
The Manager has implemented this recommendation. This directive was included on the November 16, 2010 Board Meeting Agenda and is now a part of the agenda outline used each month.

R2. “The District should follow through and fence the entire cemetery perimeter.”
The Board of Trustees at the November 16, 2010 Board Meeting, unanimously approved the bid by Lamont Fence company to begin the installation of fencing around the entire cemetery perimeter.

Respectfully,

Lisa F. Wood, Manager
South Kern Cemetery District
PURPOSE OF INQUIRY:

In response to a complaint, the County Services and Special District Committee (Committee) of the 2010-2011 Kern County Grand Jury investigated the management and operations of Tehachapi Cummings County Water District (District) pursuant to Penal Code §933.5.

PROCESS:

The Committee reviewed the minutes of the District’s Board of Trustees meetings, the District’s financial statements, the District’s website and interviewed the General Manager, the District’s General Counsel and the complainant. County Counsel and the Kern Water Agency were consulted. California Codes relating to the District were researched.

BACKGROUND:

The District was formed in 1965, is located in the Tehachapi Mountains east of the Southern San Joaquin Valley and encompasses approximately 266,000 acres. The District provides an imported water supply, water resource management and flood protection.

The mission of the District is 1) to ensure the most reliable and cost effective water supply within the District by importing State Project Water, 2) to manage groundwater basins and 3) to provide flood protection within specified areas of the District and within the jurisdiction of the District as defined in the State Water Code and pertinent statutes of the State of California.

The groundwater supplies are located in the Brite, Cummings and Tehachapi basins. The District imports supplemental water from the California Aqueduct.

The groundwater basins in the area have a history of being severely overdrafted. In 1966, lawsuits were filed in the Superior Court to address concerns with all three groundwater basins. The resulting Superior Court judgments designated the District as Watermaster to administer water rights and manage groundwater resources within the three groundwater basins.

FACTS:

A. The District is authorized to collect property tax to purchase and transfer State Water Project water plus pay administrative costs. Any surplus funds can only be placed in a special reserve fund.

B. The District used surplus funds from Fact A for general operations thereby subsidizing water cost.
C. With the advent of a new General Manager (GM) in 2009, the policies and practices of the District were subjected to exhaustive review.

D. The GM discovered certain District policies and practices, as stated in Fact B, were in violation of statutory law and the California Constitution. He immediately brought the matter to the attention of the District’s General Counsel who concurred with the GM.

E. Corrective actions were initiated by the Board; the District is now in compliance with statutory law and the California Constitution.

F. The District distributes untreated water to agricultural users, industrial users, purveyors of treated domestic water and groundwater recharge operations.

G. The District has a website: www.tccwd.com.

FINDINGS:

F1. The corrective actions placed financial strain on the District resulting in layoffs of District personnel.

F2. The District General Counsel acts on an “as needed” basis and performs only those services directed by the Board of Trustees.

F3. District financial reserves appear to be inadequate.

F4. Many residents of the District may be unaware of the functions of the District and the benefits to all residents. A program of education might dispel this lack of awareness.

COMMENTS:

The continued existence of the District is crucial to the future of the area. Absent the services and regulatory role of the District, economic activity and quality of life could become chaotic.

RECOMMENDATIONS:

R1. The Board should develop a program to strengthen the financial reserves of the district.

R2. The Board should review policy regarding use of legal counsel with the view of increasing the utilization of legal counsel.

The District should post a copy of this report where it will be available for public review.
Note: Present and past Kern County Grand Jury Final Reports and Responses can be accessed the kern County law Library and on the Kern County grand jury website: www.co.kern.ca.us/grandjury.

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

RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
July 13, 2011

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

Re: May 25, 2011 Grand Jury letter and report

Dear Sir:

This district has received the Grand Jury report and we agree with its findings. As stated in the report, corrective action on this issue was already taken by the Board of Directors and management in 2009 and the district’s practices since that time have been in full compliance with statutory law and the California Constitution. We believe that we have been responsive to the citizen who brought the complaint and to the Grand Jury by providing all information that was requested in a timely manner. We did not conceal any information from anybody.

The Grand Jury makes two recommendations for our Board’s consideration. The first recommendation is that “The Board should develop a program to strengthen the financial reserves of the district.” At its June 15, 2011 meeting the Board adopted a financial reserves policy which is enclosed for your information (management is still researching appropriate reserve levels for the district’s flood control improvement districts). The policy sets forth a reasonable approach to accumulate reserves over time. Progress will be slow at first, as the district still has some debt maturing in 2014 and 2016 after which time progress will improve. Management and the Board will also consider future adjustments to rates to keep the funding plan on track.

The second recommendation is that “The Board should review policy regarding use of legal counsel with the view of increasing the utilization of legal counsel.” The district has no written policy on the use of legal counsel, which is not unusual for local agencies. Within the next ninety days management will recommend a policy for the Board’s consideration, which we will forward to you after the Board’s adoption. Current management has utilized legal counsel more, as our legal bills will attest. Legal counsel reviews all agendas, draft resolutions and Board meeting materials prior to each Board meeting. Legal counsel is often consulted in regards to the district’s watermaster duties for the three adjudicated groundwater basins in the district.

In addition to its recommendations, the Grand Jury makes a finding that “Many residents of the District may be unaware of the functions of the District and the benefits to all residents. A program of education might dispel this lack of awareness.” This is a common problem for special
Presiding Judge
Kern County Superior Court
July 13, 2011
Page 2

districts in California. Understanding this, the district has made efforts to make its services more widely understood in the community. I have enclosed our informational brochure that was developed some years ago. The district is a member of the Greater Tehachapi Chamber of Commerce and the Greater Tehachapi Economic Development Council. I regularly attend those organizations’ meetings as well as the meetings of the Tehachapi Municipal Advisory Council, the Tehachapi Water Availability Preservation Committee and the Common Interest Group. The district was instrumental in the development of the Greater Tehachapi Area Specific and Community Plan recently adopted by the Kern County Board of Supervisors. In June the Tehachapi Regional Urban Water Management Plan was completed. This plan is a cooperative effort between the district and four other local agencies (City of Tehachapi, Golden Hills CSD, Bear Valley CSD and Stallion Springs CSD). I have spoken at several events including the Tehachapi Business Conference, the State of the Community event, Smart Growth Tehachapi Valleys workshops and to the Tehachapi Area Association of Realtors. Our Board President and several of our Directors have also spoken at various community events. The Tehachapi News has assigned a reporter to attend all of our Board meetings and report on the meetings in that newspaper. Finally, on April 29 we escorted 20 local citizens on a tour of our water importation pumping facilities, a tour that we conduct at least once per year. We will be conducting another tour on September 22, 2011 for which we are taking reservations now. Spaces may be reserved by contacting Lori Bunn at the district office.

Even though we are involved in all of these community activities, we can still improve our outreach efforts. Over the next year the district’s web page will be completely revamped. It will be more user-friendly. We will post all of our watermaster documents, governing documents, water rates, meeting schedules, agendas, etc. to keep the community informed of our services and activities.

I appreciate the opportunity to respond to the Grand Jury’s report. If you need any additional information, please contact me at (661) 822-5504.

Sincerely,

John Martin
General Manager

Enclosures

cc: Foreman, Kern County Grand Jury, 1415 Truxtun Avenue, Suite 600, Bakersfield, CA 93301
    James R. Parker, Jr., Kuhs & Parker, P.O. Box 2205, Bakersfield, CA 93303
    Editor, Tehachapi News, 411 N Mill Street, Tehachapi, CA 93561
TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RESERVES POLICY

A. PURPOSE

The purpose of this policy is to establish various reserve targets and funding priorities. Reserves are maintained to protect the district’s creditworthiness and to provide for continuing operations including the maintenance and eventual replacement of existing facilities and infrastructure, the addition of new capital assets, unforeseen and unexpected emergencies, cash flow requirements and to ensure stable services and fees. This reserves policy is to ensure that the district accumulates, manages, maintains and uses certain financial resources only for specified purposes. Working capital (current assets less current liabilities) will be used to determine reserve levels in each of the funds. Working capital is a better measure than either cash or net assets for determining the district’s ability to meet its short-term (1 to 2 years) financial obligations. Long-term needs, such as replacement of large portions of the district’s water importation system, are not addressed by this policy. At this time it is assumed that such projects will be financed with long-term debt with repayment provided by revenues from a future voter-approved tax levy.

B. TYPES OF RESERVES

The district maintains two types of reserves:

1. Designated Reserves. Designated reserves are reserves that are established by the Board of Directors and set aside to be used only for a specific, designated purpose. The source of their money is the general fund; therefore, the purpose of the reserves may be changed at the Board’s pleasure.

2. Restricted Reserves. Restricted reserves are reserves that are restricted by an outside source, such as by statute, court order, contract or bond covenant. These reserves must remain in their respective funds, except for Board-approved short-term borrowing (with full interest repayment). Money in the Emissions Reduction Debt Service Fund cannot be borrowed.

C. DESIGNATED RESERVES

The district maintains a general fund, which is the district’s water enterprise fund. Although it is an enterprise fund, its primary funding source is general property taxes. The fiscal year 2011-12 budget forecasts that 60% of general fund revenues will be from nonoperating sources such as property taxes and 40% will be operating revenues from water sales and services. Costs to perform the
district's watermaster duties under the three judgments are also paid from the general fund.

The Government Finance Officers Association recommends that for enterprise funds "governments should start with a baseline of ninety (90) days worth of working capital and then adjust the target based on the particular characteristics of the enterprise fund in question (using 45 days as the minimum acceptable level)." Because the district's general fund is primarily tax supported and the first installment of property tax revenue is received five months after the start of the fiscal year, the general fund's July 1 beginning working capital will be equal to or greater than 90 days of operating expenses (including transfers out for debt service payments on the Certificates of Participation) and at no point during the year will the working capital fall to less than 45 days of operating expenses.

In addition to this minimum funding level, the district has established four designated reserve funds. Full reserve targets and interim targets (50% of the full targets), are established herein. Money will be accumulated in the reserve funds in the order presented until the interim target is achieved, at which time the next designated reserve will begin to accumulate. Once all four interim reserve targets have been achieved, money will accumulate in each fund in the order presented until the full target for each fund has been reached. All expenditures or transfers from these reserve funds will be replaced as quickly as possible in the manner of priority as described above.

1. **Tax Revenue Liability Fund.** This fund was established to continue normal operations in the aftermath of property tax revenue losses resulting from taxpayer appeals. Its current working capital balance is $31,719. Each year Kern County publishes a tax revenue liability estimate for the district's general fund. Since it is very unlikely that every taxpayer appeal will be granted, the district will fund this reserve at 50% of the County's estimate.

2. **Emergency Fund (formerly the Self-Insurance Quake/Flood Fund).** This fund was established in 1986 in recognition of the fact that the district does not have insurance coverage for earthquake or flood damage. Its purpose is to set aside money for (1) repair, restoration or replacement of district facilities damaged as the result of natural disasters, (2) matching fund payments for cost sharing required under federal or state disaster assistance programs and (3) district personnel overtime costs and supplies used during eligible disaster response and recovery activities, including the cost of administering those activities. In 1986 it was funded in the amount of $50,000 and it currently has a balance of $75,505. Going forward, it shall be the policy of this district to maintain working capital in this fund at 5% of the general fund's operating expenses.

3. **Major Repairs and Overhaul Fund.** This fund is for the purpose of major, unanticipated replacement of the district's water importation system
components. Of particular concern is the need to replace a failed natural gas engine at one of the pump plants; however, the funds may be used for the unexpected replacement other system components as well. This fund’s current balance is $3,686. Going forward, it shall be the policy of this district to maintain working capital in this fund at 5% of the book value of the general fund’s capital assets.

4. **Rate Stabilization Fund.** This reserve is used to normalize fluctuations in revenues so that water rates will be more stable over time. The money is used as a buffer to reduce the frequency of changes to the district’s water rates. The amount is intended to fluctuate between 1% and 5% of the general fund’s operating expenses.

The district plans to attain its goal of 90 days working capital by June 30, 2014. A more rapid accumulation will not be possible because of two overriding financial obligations: (1) debt service on the Emission Reduction Certificates of Participation, the final principal payment of which is due August 1, 2014 and (2) the pension-related debt payments for the CALPers prior service “side fund,” which final payment is due in the fiscal year ending June 30, 2016. After these two debt obligations are fully paid, the district will be able to accelerate its accumulation of reserves. The district intends to have all interim designated reserves funded by June 30, 2021.

D. **RESTRICTED RESERVES**

The district maintains five restricted funds:

1. **State Payment Fund.** This fund is for the purpose of paying the obligations of the district’s contract with the Kern County Water Agency for State Water Project costs. The district levies a special tax sufficient to cover all current costs under its two water supply contracts, and maintain sufficient working capital for a six-month operating reserve and half of its tax revenue liability reserve as determined by the Kern County Auditor-Controller. All unspent monies in this fund remain in the fund.

2. **Emissions Reduction Debt Service Fund.** This fund is for the purpose of making the quarterly installment payments for the 1999 Certificates of Participation. The district has agreed to maintain a reserve account of one-year’s installment payments ($522,000 per the installment sale agreement) at all times until the final year of maturity. In addition, on July 1 of each budget year, the district must have on deposit with Union Bank the full amount of the annual principal payment and semi-annual interest payment due on August 1.

3. **Improvement District No. 2.** This fund is for the purpose of providing flood control within the discrete area known as ID2. Property within ID2 is subject to property taxes which fund this service. All unspent monies in this
fund remain in the fund for future maintenance and replacement of its flood control facilities.

4. Improvement District No. 3. This fund is for the purpose of providing flood control within the discrete area known as ID3. Property within ID3 is subject to property taxes which fund this service. All unspent monies in this fund remain in the fund for future maintenance and replacement of its flood control facilities.

5. Benefit Assessment District No. 1. This fund is for the purpose of providing flood control within the discrete area known as AD1, also known as the Tehachapi Watershed Project. Property within AD1 is subject to a special benefit assessment which funds this service. All unspent monies in this fund remain in the fund for future maintenance and replacement of its flood control facilities.

Reserves in the State Payment Fund and the Emissions Reduction Debt Service Fund are fully funded now. Reserve targets for the three flood control districts have not been developed. Management will research appropriate reserve levels for flood control districts and propose a policy for the Board’s consideration by June 30, 2012.

E. MANAGEMENT OF RESERVE FUNDS

The General Manager will be responsible for managing the accumulation of reserves in the various funds in accordance with Board policy. Only the Board of Directors may authorize the expenditure or transfer of money from any of the district’s reserve funds. The Board annually will review the balances of the reserve funds, work collaboratively with the General Manager to ensure the accuracy of the annual report, and evaluate the goals and purposes of each reserve fund and adopt policy changes as may be necessary or desirable.
<table>
<thead>
<tr>
<th>Reserves</th>
<th>Reserve Formula</th>
<th>Full Reserve Target</th>
<th>Interim Reserve Target</th>
<th>Actual Reserve 8/30/10</th>
<th>Forecast Reserve 8/30/11</th>
<th>Reserve Target Met?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Designated Reserves:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working capital</td>
<td>90 days of operating expenses</td>
<td>$ 1,391,340</td>
<td>$ 1,391,340</td>
<td>$ 867,001</td>
<td>$ 911,000</td>
<td>No</td>
</tr>
<tr>
<td><strong>Tax Revenue Liability Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax revenue liability reserve</td>
<td>50% of Kern County's liability estimate</td>
<td>293,836</td>
<td>146,918</td>
<td>31,482</td>
<td>32,100</td>
<td>No</td>
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<tr>
<td><strong>Emergency Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency reserve</td>
<td>5% of general fund operating expenses</td>
<td>251,768</td>
<td>125,884</td>
<td>74,940</td>
<td>76,000</td>
<td>No</td>
</tr>
<tr>
<td><strong>Major Repairs / Overhaul Fd</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Asset maintenance / replacement reserve</td>
<td>5% of capital assets' book value</td>
<td>1,133,642</td>
<td>566,821</td>
<td>3,658</td>
<td>3,700</td>
<td>No</td>
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<td><strong>Rate Stabilization Fund</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate stabilization reserve</td>
<td>1 to 5% of general fund operating expenses</td>
<td>251,768</td>
<td>125,884</td>
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<td>No</td>
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<tr>
<td><strong>Restricted Reserves:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>State Payment Fund</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Six-month operating reserve</td>
<td>50% of current year expenditure budget</td>
<td>1,472,350</td>
<td>1,472,350</td>
<td>2,341,728</td>
<td>2,396,200</td>
<td>Yes</td>
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<tr>
<td>Tax revenue liability reserve</td>
<td>50% of Kern County's liability estimate</td>
<td>160,297</td>
<td>160,297</td>
<td>156,671</td>
<td>160,300</td>
<td>Yes</td>
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<tr>
<td><strong>Emissions Reduct'n Debt Fd</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>One-year reserve account</td>
<td>$522,000 per installment sale agreement</td>
<td>522,000</td>
<td>522,000</td>
<td>522,011</td>
<td>522,000</td>
<td>Yes</td>
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<td>August 1 payment reserve</td>
<td>Principal and interest payment due 8/1</td>
<td>487,663</td>
<td>487,663</td>
<td>476,802</td>
<td>488,800</td>
<td>Yes</td>
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<td><strong>Improvement District No. 2</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset maintenance / replacement reserve</td>
<td>To be determined</td>
<td>To be determined</td>
<td>To be determined</td>
<td>64,874</td>
<td>69,000</td>
<td>TBD</td>
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<td><strong>Improvement District No. 3</strong></td>
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<td></td>
</tr>
<tr>
<td>Asset maintenance / replacement reserve</td>
<td>To be determined</td>
<td>To be determined</td>
<td>To be determined</td>
<td>164,378</td>
<td>165,800</td>
<td>TBD</td>
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<td><strong>Assessment District No. 1</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset maintenance / replacement reserve</td>
<td>To be determined</td>
<td>To be determined</td>
<td>To be determined</td>
<td>235,167</td>
<td>312,300</td>
<td>TBD</td>
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</table>
WEST KERN WATER DISTRICT

PREFACE:

The County Services and Special Districts Committee of the 2009-2010 Kern County Grand Jury investigated the West Kern Water District (District) pursuant to Penal Code §933.5. Concurrently, a citizen complaint was investigated. The investigation was not completed by the end of the term of the 2009-2010 Kern County Grand Jury and was bound over to the 2010-2011 Kern County Grand Jury.

PURPOSE OF INQUIRY:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury completed the investigation of the District.

PROCESS:

The previous Committee had interviewed the retiring General Manager, Assistant General Manager (Administration)/HR Director, Assistant General Manager (Operations) and several District employees including former employees of the District. The interviews were conducted in the Grand Jury conference room at 1415 Truxtun Avenue at various times. In addition, the previous Committee reviewed the District’s Employee Policy Handbook, Board of Directors Manual and financial statements for the last 10 years; much study was given to the California Government, Health and Safety, and Water Codes. The Committee reviewed the work (including transcripts of testimony) of the previous Committee, conducted additional interviews including ones with the new General Manager and studied newly received information.

BACKGROUND:

West Kern Water District, originally called the Western Water Company, originated in 1910 when water was shipped by railroad tank cars from Bakersfield to Taft and pumped into two 1,200 gallon tanks allowing residents to obtain water with buckets and barrels. There was, and is to this day, no naturally occurring surface water in the area.

In 1959 the West Kern County Water District was constituted when an election was held to form the District under the authority of the California Water Code. In 1963 the West Kern Water District, as it is now known, purchased the Western Water Company and received many miles of various sized pipelines, three pump stations and four water wells. The District’s delivery system now covers an area of 300 square miles.

The District’s groundwater banking area (well field) lies adjacent to the Kern River. Like many water agencies, the District faces major challenges in ensuring adequate supplies of water for the District’s customers.
FACTS:

A. The Board of Directors is composed of five members who meet each month on the fourth Tuesday of the month. The directors are elected to staggered four-year terms. The Board is subject to the California Government Code, Water Code, and Health and Safety Code.

B. The District, headquartered in Taft, California, has the responsibility to provide potable and fire protection water to the surrounding communities as well as to provide large amounts of water for industries including numerous cogeneration plants, oil recovery operations and gas operations in the area.

C. The District has recently developed a written policy regarding the use of company-provided credit cards.

D. The company’s Personnel Policy Manual §5.03 is an “anti-nepotism policy” which provides guidelines whereby members of the same family may be employed by the District.

E. The Human Resource Manager states a personal recusal from an immediate relative’s evaluation.

F. The principal energy source for the District is natural gas (with propane backup). In the past, volatility in the gas market placed severe financial strains on the District depleting reserves.

G. The District has a written policy regarding the need for and use of financial reserves.

H. The financial reserves of the District have grown six fold since 2000 and doubled since 2006 (2000=$3M, 2006=$9M and 2009=$18M). The current operating budget of $20.4M includes an increase of $0.3M to the reserves.

I. The previous General Manager retired in May 2010 after 19 years in the position. The Board has hired an experienced General Manager from outside the District.

J. The District has begun a $35M project to enhance the District’s ability to recover and deliver water. The retired General Manager stated financing of the project will include issuance of Certificates of Participation. Certificates of Participation allow a governmental agency to issue a bond-like instrument without having to seek voter approval. Certificates of Participation are financed out of ordinary income (water rates) rather than from property taxes.

K. The new General Manager states the institution of new practices that promise to be “proactive” in improving the reliability of water service and projections of District costs.

L. For the five most recent years, the legal costs of the District have averaged $8,000 per month for General Counsel and $3,365 per month for Special Counsel.
FINDINGS:

F1. The District financial reserve policy lacks quantitative standards regarding minimum or maximum levels of the reserves.

F2. Despite a District “anti-nepotism policy”, perceptions of nepotism exist among District employees and the community.

F3. District legal costs appear excessive when compared to comparable agencies.

COMMENTS:

West Kern Water District has financial reserves which approximate the annual income of the District. The Committee recognizes the need to have and maintain prudent reserves; at the present time the reserves appear to be adequate.

The District should encourage the new General Manager in the attempts to create a proactive policy.

Resolution of personnel issues is beyond the purview of the Grand Jury; however, the Committee urges both management and employees use the advent of a new General Manager to alter the tenor of the dialogue between the two sides.

RECOMMENDATIONS:

R1. The District should develop a written policy regarding the size of the reserves.

R2. The District should avoid perceived violations of the District “anti-nepotism policy”.

R3. The District should examine legal costs and explore options for obtaining legal counsel.

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

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

Note: Present and past Kern County Grand Jury Final Reports and Responses can be accessed through the Kern County Library system and the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.
RESPONSE REQUIRED WITHIN 60 DAYS TO:

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

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
November 5, 2010

Michael B. Lewis, Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA 93301

Re: Response to Grand Jury Report Titled “West Kern Water District”

Honorable Judge Lewis:

The West Kern Water District ("WKWD") submits the following response to the Grand Jury Report received by the District on September 7, 2010 within the 90 days provided by Penal Code section 933(c).¹

WKWD appreciates the efforts of the Grand Jury and notes that Grand Jury did not identify any violation of California statute, Federal statute, County ordinance, District policy, or public policy in any of the matters which it investigated.

FACTS:

WKWD agrees with the assertion of facts A, B, C, E, F, G, H, I, J, K and L, and has the following comments regarding fact D.

In fact D, the Grand Jury states, “The company’s Personnel Policy Manual §5.03 is an ‘anti-nepotism policy’ which provides guidelines whereby members of the same family may be employed by the District.” In addition to the Personnel Policy Manual, the former General Manager developed written guidelines for handling personnel issues involving related employees. Jerry W. Pearson provided a copy of the additional guidelines to you following his testimony before the Grand Jury.

¹ WKWD notes that the report incorrectly seeks a response within 60 days. WKWD is not an agency of the County of Kern, therefore, the correct response date is 90 days as provided by Penal Code section 933(c). Despite the foregoing, WKWD is submitting its response within the 60 days requested by the Grand Jury.
Michael B. Lewis, Presiding Judge  
Kern County Superior Court  
November 5, 2010  
Page 2

FINDINGS, RECOMMENDATIONS, AND RESPONSES:

FINDING AND RECOMMENDATION 1

F1. The District financial reserve policy lacks quantitative standards regarding minimum or maximum levels of reserves.

R1. The District should develop a written policy regarding the size of the reserves.

Response: WKWD disagrees, in part, with the finding that its financial reserve policy lacks quantitative standards regarding minimum or maximum levels of the reserves. This finding and statements made in other areas of the Grand Jury's report indicates the following:

1) WKWD's Finance Director was not interviewed by the Grand Jury. A fair assessment of the reserve levels and the policy would require such an interview to arrive at any conclusions or observations.

2) The minutes of WKWD's Special Board Meeting, dated April 3, 2006, indicates an extensive discussion of the subject of reserves took place. Reserves were again discussed and revisions to the reserve policy were made and approved at the June 26, 2007 annual budget approval meeting. At that time reserves were less than equal to annual expenses; in other words, they were not “adequate”.

3) Reserves never approached a level equal to annual revenues until June 30, 2009. The growth of reserves between 2000 and 2009 was necessary to bring the reserves to an “adequate” level. The terminology and conclusions drawn in the Grand Jury report relative to the size of reserves creates a false perception that reserves have been excessive and have escaped Board scrutiny over time.

4) The California State Auditor made the following statement in its June 24, 2004 report regarding reserve levels at eight specific California water districts they reviewed. “We did not conclude these accumulations (reserves) are excessive.” The auditor found that those eight water districts had reserves sufficient to cover their annual expenses for about 2.2 years. The range of annual expenditure coverage for the eight districts was between 1.6 and 7.3 years.

WKWD does agree that its policy should be reviewed (as it has done annually since 2005) and it should be rewritten to include a number of different characteristics so that reserve levels will be more easily understood by the public. Those statements of policy will include minimum and/or maximum standards where applicable.

The reserve policy will clearly indicate that any measurement of the size of reserves will recognize that WKWD will ultimately use these resources for various purposes, not
all of which will be to cover operating expenses. Such use of reserves is acknowledged by the California State Auditor no less than seven different times in its 41 page report.

This review and rewrite of WKWD's reserve policy will be done on or before March 15, 2011.

**FINDING AND RECOMMENDATION 2**

F2. Despite a District “anti-nepotism policy”, perceptions of nepotism exist among District employees and the community.

R2. The District should avoid perceived violations of the District “anti-nepotism policy”.

**Response:** WKWD appreciates the Grand Jury's finding and recommendation and agrees with the Grand Jury that “perceptions of nepotism exist.” The recommendation will be implemented to the extent possible, but WKWD points out the complexity of trying to manage the perceptions of other people.

California law states that employees cannot be discriminated against on the basis of their marital status, but that employers may develop policies that avoid a supervisory issue. WKWD has three married couples working at WKWD and has done what it can, legally, ethically, and equitably, to avoid conflicts and favoritism.

The current General Manager has made changes in the organizational chart that will eliminate any question of a supervisory issue. In addition, in furtherance of the goal to dispel perceptions of favoritism, management will continue to routinely coach staff in using an abundance-of-caution approach to personnel matters as they relate to the interactions between employed relatives.

**FINDING AND RECOMMENDATION 3**

F3. District legal costs appear excessive when compared to comparable agencies.

R3. The District should examine legal costs and explore options for obtaining legal counsel.

**Response:** WKWD does not agree with the Grand Jury's finding with regard to District legal costs and will not implement its recommendation with the exception noted below.

WKWD has a designated General Counsel and employs special counsel as the need arises.
Michael B. Lewis, Presiding Judge
Kern County Superior Court
November 5, 2010
Page 4

There is only one other California county water district in Kern County. It has current legal costs substantially higher that those incurred by WKWD. The Grand Jury did not identify by name the agencies within Kern County with which it made its comparison. Further, the Grand Jury did not recognize significant District activities requiring legal advice and participation, including both day-to-day legal matters involving contracts, personnel issues, Brown Act compliance and conflict of interest issues, and extraordinary legal matters such as real property acquisition, a new well-field project, inter-district contract negotiations, union negotiations and grievances, the 218 process, bond/CUP issuance, etc.

A valid comparison of legal costs can only be made with agencies that are faced with the same amount and type of legal issues faced by WKWD. Those agencies and water districts in Kern County with less activity than WKWD typically have fewer legal issues and therefore have lower legal costs. Agencies that have more activity and projects have legal costs similar to or much higher than WKWD.

WKWD’s enabling legislation provides that counsel for WKWD serves at the pleasure of the Board. Due to the unique services provided by an attorney, these services are not let to the lowest responsible bidder. Nevertheless, a comparison of the General Counsel’s hourly rate with other attorneys practicing in the same areas of expertise and with similar experience, indicates that WKWD’s General Counsel’s rates are not only competitive, but are substantially lower than all of them.

Although the Grand Jury’s recommendation will not be implemented, WKWD will continue to regularly review all legal costs to make sure that both General Counsel and special counsel are being utilized in a manner that is fiscally responsible and that the costs incurred are both necessary and appropriate.

Sincerely,

[Signature]

Harry O. Starkey
General Manager
West Kern Water District
WEST SIDE MOSQUITO
AND VECTOR CONTROL DISTRICT

PURPOSE OF INQUIRY:

The County Services and Special Districts Committee (Committee) of the 2010-2011 Kern County Grand Jury inquired into the services provided by the West Side Mosquito and Vector Control District (District) pursuant to California Penal Code §933.5.

PROCESS:

The Committee had a lengthy interview with the District Manager at the District office located at 7004 Gas Company Rd., Taft, CA prior to a short tour of the grounds. The Committee researched mosquito abatement procedures.

BACKGROUND:

The transmission of disease occurs in many ways. One means is through insects as in bubonic plague by fleas, Lyme disease by ticks and West Nile virus by mosquitoes; the insects carrying the disease are called vectors. Worldwide, mosquito borne diseases (malaria, dengue, etc.) are the leading cause of death and debilitation. Locally, West Nile virus and Equine Encephalitis (sleeping sickness) are now endemic but controlled. Control generally takes two forms; elimination of breeding habitat and eradication of mosquitoes. The two forms may be combined. No method proves to be 100% effective and overuse of some chemicals has detrimental effects on the environment. Mosquito abatement districts have been formed to provide the specialized services needed to protect citizens. Kern County Environmental Health Services also makes valuable contributions of public information and education.

The District was established as West Side Mosquito Abatement District by the Board of Supervisors Resolution of February 9, 1931, pursuant to Health & Safety Code Section 2240, et seq. The District name changed on March 8, 1991, to West Side Mosquito and Vector Control District.

FACTS:

A. The mosquito season usually runs from April through October depending on weather factors.

B. The District has eight permanent abatement employees.

C. Seasonal employees are hired to work the mosquito season.

D. The seasonal employees are supervised by full-time employees who are certified in mosquito control by the California Department of Public Health.
E. The District has I-9 cards on file in the office for all employees.

F. The current General Manager began employment with the District as an entomologist.

G. The District is a member of the Mosquito and Vector Control Association of California for their information and training.

H. The District is headquartered in the former offices of Southern California Gas Co. and contains ample room for education services.

I. Water sources resulting from oilfield operations present unorthodox abatement issues that the District must and does solve.

J. Ground rig operations are used to control smaller mosquito sources such as storm drain sumps, catch basins and curb water in residential areas, agricultural sumps, dairy wastewater holding lagoons, etc. The District has a variety of unique, specialized vehicles and equipment.

K. Some spraying requires multiple applications at 10 to 14 day intervals.

L. Larger sources are treated by air, hiring helicopter service as necessary.

M. Treatment of privately owned pools within the District’s budget has increased.

N. The District has a written policy for purchases and for disposal of District property.

O. The District Board of Directors (Board) is made up of five directors, one each appointed by the Cities of Maricopa and Taft and three by the Kern County Board of Supervisors. The Board meets on the third Thursday of each month at 7 pm at the district office. District Counsel (County Counsel) is present as needed.
FINDINGS:

F1. The District is one of three contiguous mosquito abatement districts in the valley floor portion of the county.

F2. The District does not have a website.

COMMENTS:

The principal methods of controlling mosquitoes (Bacillus thuringiensis israelensis (BTI), Altosid, and mosquito fish) harm only the mosquitoes and not beneficial insects. Mosquito fish are often effective in oilfield locations. Oil is used selectively to control mosquito larvae in aquatic breeding sources that have a high organic content where BTI or Altosid would not perform well (e.g. Sewage Treatment Plant effluent) but may harm beneficial insects. Source reduction (of breeding areas) information needs to be easily available to the general public. The facility was clean and orderly. The General Manager was very cordial and cooperative.

RECOMMENDATIONS:

R1. To take advantage of the economies of scale, the District should examine consolidation with contiguous districts.

R2. The District should consider establishing a website as a means of disseminating information.

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

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RESPONSE REQUIRED WITHIN 90 DAYS TO:

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

c: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
June 16, 2011

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

Re: Response to the Grand Jury findings report concerning the West Side Mosquito & Vector Control District.

The Kern County Grand Jury County Services and Special Districts Committee visited the West Side Mosquito & Vector Control District on March 22, 2011. The committee, along with other findings, made the following recommendations:

1. The District should consider consolidation with contiguous districts.

2. The District should consider establishing a website as a means of disseminating information.

At their regular meeting on April 21, 2011, the District Board of Trustees discussed the Grand Jury Committee’s recommendations and came to the following conclusions.

Re: Consolidation
The Board of Trustees disagrees with the Committee on the issue of consolidation. One of the District Board’s concerns regarding consolidation is that, more than likely, the headquarters would be in Bakersfield. If that were the case, the entire concept of “local government” is lost. The West Side Mosquito District was created to serve a specific area and it would create an inconvenience to the constituents of the original district to have to travel so far for personal service or to attend board meetings. Also, the management of a consolidated “Super District” of 4,000 square miles would be cumbersome, at best. The new district would be more that 1,000 square miles larger than the next largest independent vector control district.
Re: Website

The Board of Trustees agrees with the Committee on the usefulness of a District Website. It is the hope of the District staff to have an operational website within six months.

Sincerely,

Virgil Bell, President
Board of Trustees

Cc: Foreman
Kern County Grand Jury
1415 Truxtun Avenue, Suite 600
Bakersfield, CA 93301