

# **CUYAMA COMMUNITY SERVICES DISTRICT**

## **Operating Under Difficult Circumstances**

### **SUMMARY**

For over 20 years the Cuyama Community Services District has managed to provide potable water and to safely dispose of sewage at reasonable cost. This was accomplished even though they were serving a small population in a remote location. In recent years, the Cuyama Community Services District Board of Directors has encountered difficulty in retaining board members and filling vacancies. A number of required functions were not performed by the Board, which made an already difficult situation worse. This report assesses the Cuyama Community Services District's operations and makes several recommendations where improvement is warranted.

A major issue for the community is the impending retirement of the present Manager for Water/Sewer Operations. The district may need to redefine the Manager's position and reevaluate staffing needs in order to ensure water and wastewater service to the community continues without interruption. As many small special districts in California have discovered, finding a qualified successor at an affordable salary level may be challenging.

### **INTRODUCTION**

The 2015-16 Santa Barbara County Grand Jury (Jury) received a request to investigate the Cuyama Community Services District (CCSD) which provides water and sewer services to the town of New Cuyama. The Cuyama River runs along Highway 166 and borders Los Padres National Forest. The Cuyama Valley is an agricultural area, with some cattle grazing and oil drilling nearby. Because the Cuyama Valley is a flood basin for the Cuyama River, the majority of the original town was moved westward to New Cuyama in 1951. It has a sheriff's substation, a fire department, library, community center; everything a small community needs to operate.

Located 47 miles east of Santa Maria on Santa Barbara County's northeast border, New Cuyama is an unincorporated area with a population of about 500 residents. In the 1950s, after oil was discovered, the Atlantic Richfield Company settled and developed the town of New Cuyama. It built the town, funded schools, and provided all utilities except electricity. The CCSD was formed in 1977 by LAFCO Resolution 77-554 and provides service to 226 water connections and 197 sewer connections.<sup>1</sup> This district is under the direction of a five person elected Board of Directors (BOD) who are not compensated for their service. Full time staff includes a Manager for Water/Sewer Operations (Manager), a Controller, and an Assistant Operator. Part time employees include a relief secretary and two maintenance workers who are called in when

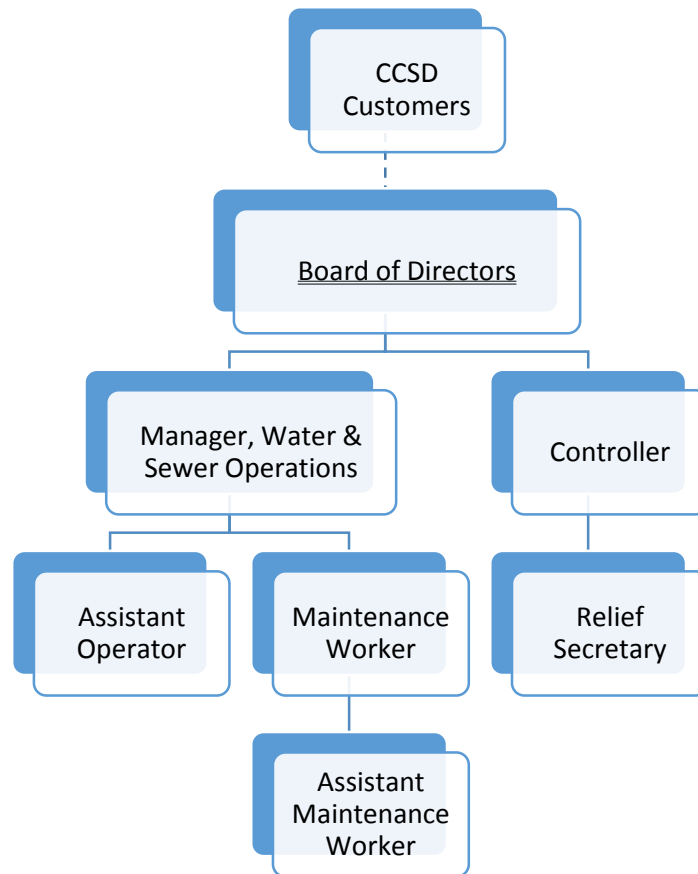
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<sup>1</sup> CCSD Water and Wastewater Rate Study, Rural Community Assistance Corporation (RCAC), October 6, 2015

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needed to complete specific projects.

The current CCSD organizational structure is shown in Figure 1.



**Figure 1. Cuyama Community Services District Structure**

An analysis conducted in 2013 by the US Geological Survey<sup>2</sup> indicates that the Cuyama Aquifer is large (230 sq. mi), but is currently being over drafted and drawn down, as are many other California aquifers. The great majority of the water drawn is for agricultural uses outside of the CCSD service boundaries. Total consumption from the aquifer is about 65,000 acre-feet/per year (1 acre-foot equals 326,000 gallons). The customers of the CCSD use about 600 acre-feet (less than 1%). For all intents and purposes, no actions taken by the CCSD to limit water usage would have a measureable effect on the rate at which the Cuyama Aquifer is being over drafted.

The local high school and public library operate their own wells. The water from those wells is untreated, and used only for landscaping purposes. Treated drinking water is provided by the CCSD. The refurbished Joseph Centeno Cuyama Aquatic Center is expected to be returned to use in 2016. Water and sewage treatment for this facility will be provided by the CCSD.

Water quality became an issue in January 2006 when new federal standards for arsenic

<sup>2</sup>USGS, Geology, Water-Quality, Hydrology, and Geomechanics of the Cuyama Valley Groundwater Basin, California, 2008–12, Scientific Investigations Report 2013–5108

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concentrations in drinking water went into effect. The CCSD was required to upgrade its treatment process to reduce arsenic concentrations to the new federal standard. As of September 2014, the Arsenic Exceedance Remediation Project was completed. The arsenic removal plant is operating and arsenic concentrations are below the new 10 ppb water quality standard. Potential problems with the water system are disclosed promptly and communications with the State Department of Water Resources are regular and cooperative.

## **METHODOLOGY**

Per California Penal Code 933.5, “A grand jury may at any time examine the books and records of any special-purpose assessing or taxing district located wholly or partly in the county or the local agency formation commission in the county, and, in addition to any other investigatory powers granted by this chapter, may investigate and report upon the method or system of performing the duties of such district or commission.”

The Jury conducted interviews with all current and several past CCSD Directors, some CCSD employees, and representatives of the California Department of Public Health. In addition, the Jury studied pertinent US Geologic Survey documents, socioeconomic data for the District’s service area, and CCSD documents including job descriptions, personnel manual, meeting minutes, meeting agendas, annual audit reports, water rate studies and water quality reports. Other information considered included opinions expressed in Board of Directors’ resignation letters and an employee complaint alleging abusive conduct.

## **OBSERVATIONS**

### **Board of Directors**

The governing Body of the CCSD is a five person board elected by the citizens of New Cuyama. One director resigned in July 2015 and it took approximately six months to fill the vacancy. The Jury was informed that directors can attend board meetings by phone if they are out of town. However, the existing telephone system is dated and teleconferencing is not easily accomplished. Directors receive no compensation even though CA government code §53232.1 says they may. Of the sixteen water, sewer, and community service districts in Santa Barbara County surveyed by the Jury, from data on the California State Controller’s website<sup>3</sup>, the CCSD is one of only four that does not compensate its board of directors for their service.

All board directors, both past and present, interviewed by the Jury seemed to take their jobs seriously and to care greatly about the proper functioning of the water and sewer systems entrusted to them. During its investigation, however, the Jury found that the board was not fulfilling its responsibilities such as setting policy, enforcing that policy, and giving appropriate direction and supervision to the full time staff. In particular these include:

- Job Descriptions
- Personnel Policy Manual

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<sup>3</sup> [www.publicpay.ca.gov](http://www.publicpay.ca.gov)

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- Policy Enforcement
- Performance Reviews
- Personal Use of District Vehicle
- Staffing Issues
- Work Environment
- Financial Management

### **Job Descriptions**

Four positions have no job description at all. The four are the Assistant Operator, the Maintenance Worker, the Assistant Maintenance Worker, and the Relief Secretary. The lack of a job description for the Assistant Operator position, sometimes called Manager's Helper, is particularly problematic, as it is filled by the Manager's son. The Jury determined that over the years there have been questions as to the responsibilities and work schedule for this position<sup>4</sup>. As early as 2011, a board member resigned over questions involving the proper documentation of timesheets for this position. In February of 2015, the issue was resolved by changing the Assistant Operator position from hourly to salaried, with a 35 hour per week work requirement. However, because no written job description exists for the Assistant Operator position, the Jury could not confirm or deny whether the qualifications, certifications and responsibilities for this position were being met. In order to completely understand their responsibilities, roles and work schedule, all employees need and deserve to have a written job description.

The job descriptions for the two full time staff have not been updated in many years. The job description for the Manager is 24 years old and does not specify important responsibilities such as response time for repairs, professional licenses required by the State, ongoing training and/or continuing education requirements (See Appendix A).

When the Secretary/Bookkeeper position was upgraded in 2009, the job title was changed to Controller. The job description (see Appendix A) was modified to clarify that this position includes financial responsibilities and special projects. It also specified that this position reports directly to the BOD. In practice, the Controller continues to report to the Manager, which has been problematical.

### **Personnel Policy Manual**

Although parts of the Personnel Policy Manual (PPM) have been updated, the Jury found that the BOD has not updated the entire PPM in several years. It does not reflect changes in the law that have occurred since it was first issued. Some topics, such as requiring ethics training for employees, are not included at all.

Because the CCSD BOD members do not accept compensation or expense reimbursement, they are not required, according to Government Codes §53232, and §53234 *et seq* to attend ethics training courses. The training course covers subjects such as conflict of interest and nepotism, both of which are alleged to have occurred in the CCSD.

The BOD has the authority to require such training for key CCSD personnel. CCSD records and

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<sup>4</sup> Board of Directors meeting minutes, June 15, 2011.

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personnel interviews indicate that neither the Manager nor the Controller have ever received such training. The Jury recommends that the ethics training be incorporated in the job descriptions for these personnel. An ethics training course that satisfies the legal requirements is available online, at no cost from the California Fair Political Practices Commission<sup>5</sup>.

### **Policy Enforcement**

The job of elected directors is to set policy for their agency, and give direction to the staff to carry out the district's policy. The staff's job is then to implement the board's policies and priorities. When a breakdown occurs in this operating process, it is the directors' responsibility to address the problem.

The CCSD PPM, in Section XIV, Disciplinary Actions Against Employees 1, (see Appendix B) sets forth District policy regarding employee discipline. The BOD has not enforced this policy. In particular, according to CCSD meeting minutes in 2013 and again in 2014, an employee was instructed to enforce District policy (Enforcement Policy, Article 10 Section 1-1003, (see Appendix E) with regard to denial of water service to delinquent accounts. The Jury was informed that the employee refused to accept the BOD's direction in this matter. Instead, the employee ignored the CCSD policy and BOD directions and attempted to address the problem by working out payment plans with the delinquent account holders. The employee in this case did not have the authority to work out individual payment plans with District water customers. The CCSD averages approximately \$11,000 in overdue monthly accounts receivable.

The BOD did not enforce their PPM policy regarding insubordination. The BOD needs to enforce its written policies and disciplinary procedures.

### **Performance Reviews**

The Jury determined that full time staff members have never received performance reviews either from the Manager or the Board of Directors, as required by the CCSD's PPM, Section XXIII (see Appendix B). In addition, the Jury noted that the PPM does not require annual performance reviews for at least two salaried positions.

The PPM needs to be updated and all annual performance reviews must be given as required.

### **Personal Use of District Vehicle**

Employees have approval to use the District vehicle whenever on District business. This includes local trips and travel to Bakersfield and/or Taft, as long as District business is being conducted. However, the Jury has been told that instances have occurred when the District vehicle has been used solely for personal business in violation of CCSD Policy 91-1 (see Appendix E). This Policy allows occasional and incidental use of the District vehicle for personal business while on District business, but does not allow personal use of a CCSD vehicle, solely for personal business. This is also a violation of the PPM, Section XIV Disciplinary Actions Against Employees, 6. Dishonesty or misuse of public property (see Appendix B). The BOD failed to enforce its own policy. All employees should understand and follow the specifics of the CCSD Policy 91-1 Regarding the Use of District Vehicles.

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<sup>5</sup> <http://www.localethics.fppc.ca.gov/login.aspx>

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## **Staffing Issues**

The current Controller has worked at CCSD for 20 years and was promoted into this position from secretary/bookkeeper in 2009. The Controller has many diverse responsibilities. These include providing financial functions and preparing meeting minutes and preparing grant applications. The Controller reports to the BOD on paper only. In reality the Controller reports to the Manager. Difficulties may be caused by the conflict in the structure of the district, whereby the job description instructs the Controller to report to the BOD, but the Controller has been told to report to the Manager. Reporting to two different supervisors can lead to uncertainty in job priorities for the employee.

Because of the heavy workload for this position, some important functions have not been kept up to date. For example, minutes from board meetings are not completed and have not been approved by the board in a timely manner. In many instances, they have been several months late. The meeting minutes are far too detailed; which increases workload for the staff and delays their approval. As a result, rather than being a tool the BOD can use as a status reminder during their monthly meetings, minutes approval delays have become a point of continuing controversy. On occasion, the Relief Secretary works in the office so that the Controller can bring the minutes up to date. The Jury recommends that this practice be employed more often.

The Manager's son works as the Assistant Operator although there is no job description for this position. In this capacity he reports to his father. In 2011, a board member resigned over questions involving the proper documentation of time sheets for this position. Hired initially as an hourly worker in 1999, the Assistant Operator was switched to salaried status in 2015 (still without a job description) to address this.

It is unusual within a government agency to have a relative work for and report directly to another relative. Despite an employee's best intentions to serve the community, supervising a relative and the desire to help family members can lead to perceived or actual unethical decisions that may put the agency at financial risk and cause poor employee morale. Concerns of special treatment or perceived special treatment due to nepotism typically preclude such a work arrangement. Most government agencies have policies concerning the issue of relatives working together or supervising each other. The CCSD PPM does not address this issue.

The Jury recommends that the CCSD BOD add a policy addressing conflict of interest / nepotism to its PPM.

## **Work Environment**

A serious board failure discovered by the Jury was that the BOD tolerated a work environment contrary to its own policy to exist. In Section XIV. Disciplinary Actions Against Employees, the CCSD's PPM states:

“A permanent employee may be suspended, demoted, or dismissed for one or more of the following causes: ...

... 2. Offensive, abusive, or persistent discourteous treatment of the public or fellow

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employees.” (See Appendix B)

In the opinion of numerous people interviewed by the Jury, raised voices and abusive and hostile language have been used repeatedly at public board meetings and during the work day. Examples of information on this matter from meeting minutes, tape recordings of board meetings, interviews, and BOD resignation letters (see Appendix C) have indicated that the work environment is disruptive and colleagues are disrespectful to each other. When the discussion gets heated, there is an atmosphere of intimidation, voices are raised, and 9-1-1 has been called. The CCSD PPM, Section XIV, 2., has been violated. Unfortunately, the result of this offensive behavior is that board members have resigned. Appendix D provides more opinions of this behavior.

The CCSD BOD has not done an adequate job in managing employee relations. The working environment and board meetings can best be described as tense. Board members have observed and were made aware of the working conditions, yet did not take disciplinary action. It is unacceptable that the BOD failed to act on this matter for many years. Most recently at the Board meeting on November 19, 2015, a formal complaint was filed by the Controller concerning the working environment (see Appendix C). At the time this report was written, the Jury was unaware of any resolution.

A widely-held belief expressed by Board members was that a strained atmosphere existed between the BOD and an employee. This strained atmosphere has led to the resignation of more than one director (see Appendix C) and may be a contributing factor to CCSD’s difficulty in attracting candidates to fill out the board. This could have a detrimental effect on the smooth operations of a vital community service.

### **Financial Management**

The CCSD has been successful in applying for and receiving capital improvement grants from State and Federal agencies. This success is due, in large part, to Cuyama’s designation as a severely disadvantaged community<sup>6</sup>. The median household income in 2009 was \$32,999/year. The combined sewage collection and water fees are about \$140/month, placing them near the midpoint of fees charged by similar entities countywide. “Similar entities” in this context, are smaller service districts that struggle to provide water or sewer service to a limited customer base. Changes in legislated requirements, certification requirements, and workforce attrition will inevitably affect district finances.

The results of an October 2015 independent Water and Wastewater Study<sup>7</sup> done by the Rural Community Assistance Corporation and funded by the State Water Resources Control Board and Health and Human Services, determined that the CCSD will need to increase both its water and wastewater rates in order to remain fiscally solvent over the next 5 years. Rate increases are needed to ensure that the CCSD has the ability to obtain sufficient funds to develop, construct, operate, maintain, and manage its water and wastewater systems on a continuing basis, in full compliance with federal, state and local requirements. At a minimum, the rate study recommended a 2% annual inflation rate increase for each utility. An additional 29% increase in

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<sup>6</sup> RCAC Median Household Income Survey, March 2009

<sup>7</sup> CCSD Water and Wastewater Rate Study, October 2015

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the base water rate was also recommended. A customer education and information plan needs to be implemented to prepare the customers for the higher bills.

The following items are some of the bullet points made in the rate study:

“ • The ability of the current rate structure to generate adequate revenue will depend on maintaining a vigorous collection and shut-off policy to keep delinquent accounts at a minimum.”

“ • In order to achieve and maintain long term viability, water and wastewater systems should review rates annually or no less than a minimum of every two years. Keeping track of customer seasonal and annual water demands will help determine operational needs, budget forecasts and rate adjustments.”

“ • CCSD should begin the process of adjusting rates to the recommended amounts immediately.”

The Jury concurs with the study's recommendations.

### CCSD Succession Planning

The current Manager has worked at CCSD for almost 25 years under a job description written and agreed to in May 1991. He has current Distribution Level 1 and Treatment Level 2 Water Certificates and a Grade 2 Wastewater Treatment Plant Operator's Certificate from the State of California that allow him to manage both the water and sewer operations. The Manager is responsible for all operational aspects of both the water and wastewater treatment facilities. In other words, he is responsible for keeping the water running and making sure all testing and reporting requirements are met. Except for one occasion in Feb/Mar 2011 when the water to the town was shut down due to a valve problem, all of the people interviewed by the jury indicated that the most important function of the CCSD, keeping the water flowing, has been accomplished successfully.

The long-time CCSD Manager has submitted a letter stating his intent to retire February 1, 2016.<sup>8</sup> The elected CCSD BOD will need to address the succession issue. Finding a qualified successor, with the appropriate certifications, at a salary level the CCSD can afford, will create a new set of financial issues. Because the outgoing Manager retired from an oil company with a pension and benefits, he has been willing to work for less than the market rate for a person of his qualifications and experience. The community will need to understand the need for service fees increasing to support a compensation package that will attract competent, qualified, and loyal employees. Helpful, professional guides<sup>9</sup> are available to aid the BOD in its succession planning. State and County government personnel, grant providers, and private water and sewer experts are known to the BOD and should be consulted.

The present Manager has proposed that the Assistant Operator succeed him<sup>10</sup>. This is not considered a solution because the Assistant Operator does not have the requisite licenses. Public employment decisions should be based solely on merit. Qualifications such as education,

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<sup>8</sup> At the Board of Directors Meeting on February 1, 2016, attended by Jury members, it was decided that the Manager will remain on staff from February 1 to February 29, 2016 to assist in the transition to his successor.

<sup>9</sup> <http://www.bcwaternews.com>

<sup>10</sup> Board of Directors meeting minutes, June 15, 2011.



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skills and experience a candidate can bring to the position should be the main criteria for employment. The search for the new manager should be all about finding the best qualified individual to serve the CCSD.

The Grand Jury is pleased to note that the CCSD BOD held special meetings beginning in November 2015 and appears to recognize the seriousness of the succession issue. In addition, the Jury notes that the BOD has interviewed several people and may be close to filling the position of Manager for Water/Sewer Operations.

In the future, the succession plan should include the position of Controller.

Finally, the succession plan should be supported by the current management team to ensure a smooth transition of the District for the good of the community.

### **CONCLUSION**

New Cuyama has evolved from an "oil town" founded in the early 1950s by one company into the sparsely populated "outback" community seen today. Over the past four decades, water and sewer services have been provided efficiently and economically to the residents of the town by the Cuyama Community Services District. New regulations, the reality of serving less than 300 connections, and generally low household incomes have been challenges the district has addressed quite well. This is to be commended.

However, the investigation by the 2015 - 2016 Santa Barbara County Grand Jury found that there are a number of areas in which the district is not performing adequately. Many of the issues which need to be addressed by the Board of Directors of the Cuyama Community Services District involve enforcing policies that already exist in their Personnel Policy Manual and elsewhere. These include the enforcement of their policies on: discontinuance of service, the personal use of district owned vehicles, and the prohibition of offensive, abusive, or persistent discourteous treatment of the public or fellow employees. The Board of Directors must also reevaluate their staffing needs and develop a succession plan to replace key employees. Lastly, the Board of Directors needs to follow the Rural Community Assistance Corporation's recommendations to raise water and wastewater rates as stated in its October 2015 study. To assure the legal and financial viability of the Cuyama Community Services District and its employees, the Board of Directors must address and correct these and all other deficiencies detailed in this report.

### **FINDINGS AND RECOMMENDATIONS**

#### **Finding 1**

The meeting minutes are far too detailed and are not submitted to and approved by the Cuyama Community Services District Board of Directors in a timely manner.

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## **Recommendation 1**

That the Cuyama Community Services District Board of Directors require that the minutes be succinct and submitted for acceptance at the next scheduled meeting.

## **Finding 2**

Neither the Board of Directors nor key employees have ever attended ethics training courses. The Board of Directors has the authority to mandate ethics training for key employees.

## **Recommendation 2**

That the Cuyama Community Services District Board of Directors include biennial ethics training within the job descriptions of key employees including the Manager of Water/Sewer Operations and the Controller.

## **Finding 3**

No job descriptions exist for Assistant Operator, Relief Secretary, Maintenance Worker, and Assistant Maintenance Worker.

## **Recommendation 3**

That the Cuyama Community Services District Board of Directors ensure job descriptions are prepared for all employees.

## **Finding 4**

Job descriptions for Manager for Water/Sewer Operations and Controller have not been updated for several years.

## **Recommendation 4a**

That the Cuyama Community Services District Board of Directors require the existing but obsolete job description for Manager for Water/Sewer Operations be updated to include licensing requirements, professional qualifications, and response time expectations, at a minimum.

## **Recommendation 4b**

That the Cuyama Community Services District Board of Directors require the existing but obsolete job description for the Controller be updated.

## **Finding 5**

The Cuyama Community Services District Personnel Policy Manual has no policy addressing conflicts of interest such as nepotism.

## **Recommendation 5**

That the Cuyama Community Services District Board of Directors add a policy on conflicts of interest such as nepotism to its Personnel Practices Manual.

## **Finding 6**

The Board of Directors has failed to follow its policy set forth in the Personnel Policy Manual Section XIV, Part 2 and allowed "Offensive, abusive, or persistent discourteous treatment of the public or fellow employees".

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### **Recommendation 6**

That the Cuyama Community Services District Board of Directors enforce Section XIV (Disciplinary Actions Against Employees) Part 2 of its Personnel Policy Manual.

### **Finding 7**

The Cuyama Community Services District Board of Directors has no succession plan for the positions of Manager for Water/Sewer Operations or Controller.

### **Recommendation 7**

That the Cuyama Community Services District Board of Directors establish an orderly succession plan for the positions of Manager for Water/Sewer Operations and Controller.

### **Finding 8**

Required annual personnel performance reviews have not been conducted in accordance with Section XXIII of the Cuyama Community Services District's Personnel Policy Manual.

### **Recommendation 8**

That the Cuyama Community Services District Board of Directors and Manager for Water/Sewer Operations conduct annual performance reviews of all employees.

### **Finding 9**

The Cuyama Community Services District Board of Directors has not enforced its delinquent account enforcement policy, CCSD Water Policy, Article 10 - Discontinuance of Service, 1-1003, Non-payment of Bills.

### **Recommendation 9**

That the Cuyama Community Services District Board of Directors enforce its delinquent accounts collection policy.

### **Finding 10**

That the Cuyama Community Services District will need to increase its revenues to remain financially viable.

### **Recommendation 10**

That the Cuyama Community Services District Board of Directors implement the rate increases recommended in the October 2015 CCSD Water and Wastewater Rate Study by the Rural Community Assistance Corporation.

### **Finding 11**

The public needs to be informed of the need for and implementation of future water and wastewater rate increases.

### **Recommendation 11**

That the Cuyama Community Services District Board of Directors initiate a public education program regarding the need for water and wastewater rate increases.

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### **Finding 12**

That the existing telephone system does not adequately support teleconferencing.

### **Recommendation 12**

That the Cuyama Community Services District Board of Directors ensure an adequate teleconferencing system is available.

### **Finding 13**

The Cuyama Community Services District Board of Directors has not enforced CCSD Policy 91-1 regarding the personal use of District owned vehicles.

### **Recommendation 13**

That the Cuyama Community Services District Board of Directors enforce its existing policy regarding the personal use of District owned vehicles.

### **Finding 14**

The Cuyama Community Services District Board of Directors does not receive any compensation.

### **Recommendation 14**

That the Cuyama Community Services District Board of Directors consider compensating board members.

### **Finding 15**

The heavy workload for the Controller position impacts the timely completion of some required functions.

### **Recommendation 15**

That the Cuyama Community Services District Board of Directors make more frequent use of the Relief Secretary to reduce the workload of the Controller.

## **REQUEST FOR RESPONSE**

Pursuant to *California Penal Code Section 933 and 933.05*, the Jury requests each entity or individual named below to respond to the enumerated findings and recommendations within the specified statutory time limit:

### **Cuyama Community Services District Board of Directors– 90 days**

Findings 1 through 15

Recommendations 1 through 15

### **The Santa Barbara County Board of Supervisors – No Response Required**

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## **APPENDICES**

### **APPENDIX A**

Job Descriptions

### **APPENDIX B**

Personnel Policy Manual

### **APPENDIX C**

Resignation Letters of Board Members and Formal Complaint

### **APPENDIX D**

Work Environment Data

### **APPENDIX E**

CCSD Policies

# CUYAMA COMMUNITY SERVICES DISTRICT

## APPENDIX A Job Descriptions

### CUYAMA COMMUNITY SERVICE DISTRICT

#### JOB DESCRIPTION

#### MANAGER FOR WATER/SEWER OPERATIONS

1. Operate water and sewer facility in a safe manner.
2. Check pumps daily to insure proper operation and lubrication.
3. Check tanks and reservoirs daily for proper levels.
4. Perform tests as required by Board and/or government agencies.
5. Abide by all government regulations and policies required by County, State and Federal Governments.
6. Keep all records required by Board and/or governmental agencies.
7. Keep accurate records and receipts of all business transactions.
8. Maintain good public relations with customers.
9. Any purchases over an allowable amount are to receive approval by the Board prior to purchase.
10. All work performed must be of a high standard of quality, and when necessary, according to designated codes.
11. All problems that arise are to be taken care of as soon as possible.
12. All governmental regulatory reports shall be filed in a timely manner.
13. Keep all facilities clean and in excellent running condition.
14. Abide by all appropriate laws in the United States.
15. Keep Board and /or its representative appraised of all operations.
16. Follow all local Board Policy Regulations and all Federal, State and County Manuals from the Water Quality Control Board, the Health Services and the Environmental Protection Agency.
17. Determine the most efficient manner of operating the systems.
18. Perform all business and/or work requested by Board.
19. See that water meters are read and that billings are distributed in a timely manner.
20. Perform water service turn-ons and turn-offs after appropriate conditions have been met.
21. Insure that the District's Transportation needs are met.

I have read and understand this job description.

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## **CUYAMA COMMUNITY SERVICES DISTRICT JOB DESCRIPTION**

Job Title: Controller  
Department: Accounting  
Status: Exempt  
Pay Schedule: Salary, paid monthly  
Reports to: Board of Directors  
Revision Date: November 10, 2009

### **Summary:**

Responsible for the complex general accounting and financial reporting functions of the District.

### **Primary Duties and Responsibilities:**

1. Oversee daily operations of the accounting department.
2. Process all phases of accounts receivable, including monthly billing. Prepare bank deposits and generate computer reports of payments.
3. Maintain accurate record of customer deposits. Monitor customer account activity and prepare notices for collection on delinquent accounts.
4. Process all phases of accounts payable, including classification of expenses. Prepare payments to vendors for Board approval at monthly board meeting. Process 1099-MISC forms for contractors.
5. Prepare monthly payroll and maintain employee payroll records. Prepare federal and state payroll tax deposits, quarterly and annual payroll reports for federal and state. Process W-2 forms.
6. Prepare monthly financial reports for Board of Directors meeting, which include check listings, schedules of deposits, and activity for all bank accounts.
7. Perform bank reconciliations of accounts.
8. Prepare monthly sales report for entry in general ledger.
9. Track operating expenses and revenues and prepare accurate monthly budget reports.

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10. Prepare quarterly financial statements, including balance sheet, all operating statements, and notes. Calculate adjusting journal entries.
11. Maintain record of assets, calculate depreciation and prepare depreciation schedule.
12. Prepare all financial data and confirmation letters for annual audit.

### **Other Duties:**

1. Serve as receptionist.
2. Perform various secretarial duties, compose correspondence.
3. Maintain office in an efficient manner.
4. Maintain organized filing system.
5. Prepare and post agenda for board meetings. Record and transcribe minutes of meetings.
6. Compose resolutions of the Board of Directors
7. Complete monthly meter reading report by the 20<sup>th</sup> of the month.
8. Prepare monthly water volume report.
9. Prepare electronic self-monitoring reports for Wastewater Treatment Plant and transmit to State Water Board.
10. Prepare Annual Water Report to customers and California Department of Public Health.
11. Prepare backflow prevention assembly test and maintenance reports for testers and inventory for California Department of Public Health.
12. Complete special projects as needed.

**I have read and understand this job description.**



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## APPENDIX B Personnel Policy Manual

### CUYAMA COMMUNITY SERVICES DISTRICT PERSONAL POLICY MANUAL

#### X. BEREAVEMENT LEAVE (Continued)

Members of the immediate family shall be defined as the parents, grandparents, spouse, children, grandchildren, brothers, sisters and in-laws or any other relative living in the immediate household of the employee.

#### XI. SICK LEAVE

Full time employees shall be entitled to five (5) paid sick leave days per year six (6) calendar months of employment.

Unused sick leave will not accrue; however, unused sick leave will be paid to the employee at the end of the year.

#### XII. RETIREMENT BENEFITS

Will be reviewed from time to time.

#### XIII. MEDICAL BENEFITS

Will be reviewed from time to time.

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#### XIV. DISCIPLINARY ACTIONS AGAINST EMPLOYEES

##### DEFINITIONS:

Suspension means either temporary removal of an employee from his/her position with loss of pay preliminary to investigation of charges pending demotion or dismissal.

# CUYAMA COMMUNITY SERVICES DISTRICT

## CUYAMA COMMUNITY SERVICES DISTRICT PERSONAL POLICY MANUAL

### XIV. DISCIPLINARY ACTIONS AGAINST EMPLOYEES (Continued)

Demotion of an involuntary nature for disciplinary purposes means reduction of an employee from a given position and/or classification to a lower position or classification.

Dismissal means separation, discharge, or permanent removal of an employee from his/her position for cause in accordance with provisions of the laws of the State of California and/or policies, rules and regulations of the Board.

A probationary, substitute, short term or temporary employee may be demoted, suspended, or dismissed at any time, and such action shall not entitle the employee to a hearing before the Board.

A permanent employee may be suspended, demoted, or dismissed for one or more of the following causes:

1. Incompetency, inefficiency, insubordination, inattention to or dereliction of duty, or failure to perform assigned duties in a satisfactory manner.
2. Offensive, abusive, or persistent discourteous treatment of the public or fellow employees.
3. Fraud in securing employment with the District, including but not limited to, failure to disclose material facts regarding criminal records, or other false or misleading information on application forms or examination and employment records concerning material matters.

# CUYAMA COMMUNITY SERVICES DISTRICT

## CUYAMA COMMUNITY SERVICES DISTRICT PERSONAL POLICY MANUAL

### XIV. DISCIPLINARY ACTIONS AGAINST EMPLOYEES (Continued)

4. Habitual drunkenness or drunkenness on duty, addition to the use of narcotics, immoral conduct or sex offense as defined by the Board.
5. Conviction of any felony, or crime involving moral turpitude.
6. Dishonesty, or misuse of public property.
7. Physical or mental incapacity.
8. Failure, after due notice, to report for health examinations required by State Law or Board Policy.
- ~~9. Frequent or persistent failure to pay or to make reasonable provisions for the payment of just debts.~~
10. Repeated and unexcused absence or tardiness, or abuse of illness leave privileges.
- ~~11. Any loss of time caused from accident or injuries received while working another job for compensation.~~
12. Political activity during the assigned hours of duty.
- ~~13. Membership in the Communist Party.~~
14. Advocacy of the overthrow of the Government of the United States; or the State of California by force, violence, or other unlawful means.

# CUYAMA COMMUNITY SERVICES DISTRICT

## CUYAMA COMMUNITY SERVICES DISTRICT

### PERSONAL POLICY MANUAL

#### XIV. DISCIPLINARY ACTIONS AGAINST EMPLOYEES (Continued)

15. Any willful and persistent violation of the provisions of the rules, regulations, or policies adopted by the Board.

16. Abandonment of position.

17. Such other reasons as are deemed to be inimical to the interest of the District.

The permanent employee against whom disciplinary action is taken, or dismissal procedures are initiated, shall be informed by written notice of the employee's right to a hearing on such charges; the time within which such hearing may be requested (which shall not be less than five (5) days after service of the notice to said employee); and a card of paper, the signing and filing of which shall constitute a demand for hearing and a denial of all charges.

The burden of proof of the charges shall remain with the Board, but the Board's determination of the sufficiency of the cause for disciplinary action shall be conclusive.

No disciplinary action shall be taken for any cause which arose prior to the employee becoming permanent. Nor shall any disciplinary action be taken for any cause which arose more than two (2) years preceding the date of the filing of the notice of cause unless such cause was concealed or not disclosed by such employee when it could be reasonably assumed that the employee should have disclosed the facts to the Board or its designated representative dealing with personnel administration.

# CUYAMA COMMUNITY SERVICES DISTRICT

## CUYAMA COMMUNITY SERVICES DISTRICT

### PERSONAL POLICY MANUAL

#### XXII. JURY DUTY

All full time employees shall be granted leave for jury duty, with no loss of salary for such duty. The compensation the employee receives for jury duty will be subtracted from his/her salary received from the District.

Employee shall return to work as soon as possible after release from jury duty.

#### XXIII. PERFORMANCE REVIEW

The purpose of review is to clear up any dissatisfactions or misunderstandings, and to insure that the employee's talents are fully utilized.

The schedule for performance reviews will be as follows:

1. Once in each calendar year the Manager will evaluate the job performance of the hourly workers.
2. The Board will evaluate the job performance of the Manager on a yearly basis.

# **CUYAMA COMMUNITY SERVICES DISTRICT**

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## **APPENDIX C**

Resignation Letters of Board Members and Formal Complaint

# **CUYAMA COMMUNITY SERVICES DISTRICT**

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June 16, 2011

Cuyama Community Services District  
Cuyama Community Services District Board Members  
4853 Primero Street  
P.O. Box 368  
New Cuyama, California 93254

Re: Resignation of [REDACTED]

All Board Members of the Cuyama Community Services District  
U.S. Wilson, Manager  
Vivian Vickery, Controller

This letter serves as written notification of my resignation as Treasurer and Board Member of the Cuyama Community Services District ("CCSD"). My resignation is effective Thursday, June 16, 2011 and is a direct result of the comments made by [REDACTED] during the tape recorded June 15, 2011, Regular Board Meeting.

It is extremely unfortunate that events which have transpired over the last several months have created an environment which no longer allows me to carry out my duties as Treasurer and Board Member.

I am requesting that I be immediately removed as an authorized signier from any and all accounts held by the Cuyama Community Services District.

I sincerely hope the remaining CCSD Board Members are able to make progress with the strategic planning for the District and work through several personnel issues, which are equally important.

[REDACTED]

New Cuyama, California 93254

# CUYAMA COMMUNITY SERVICES DISTRICT

This is a document within the meaning of a Public Record

To Malcolm Ricci, Chairman and  
To the Board of Directors of the Cuyama Community Services District

Whereas I have served my community as a member of the CCSD Board for twelve years and intended to serve the Cuyama Community Services District at least through my current term, I now feel effectively prevented from performing my role in a way that honors the best interests of the community which the District serves and which I, as a member of the board, have sought to serve.

I do not wish to implicitly endorse patterns of behavior that continue between [REDACTED] and the board, nor continue to polarize into shouting matches with [REDACTED] during meetings, nor further endure his tactics to secure his purposes, nor witness his unpleasant behavior directed at staff and others, nor his repeated refusal to follow District payment enforcement policy at the persistent urging of the Board to do so on the necessary enforcement of delinquent accounts collection.

As the rules of order are only nominally adhered to during meetings, this permits [REDACTED] to consistently interrupt board discussions that may run counter to his objectives and hijack the board's rightful deliberation process. I have no confidence that [REDACTED] can balance his perception of his own needs and his hopes for [REDACTED] he wishes will succeed him, with the best interests of the District and the community - despite [REDACTED] demonstrated experience and competence in the field.

The District is at a perpetually critical financial juncture, and the governing body - the Board - is frequently blocked by long-standing ineffectiveness through majority acquiescence to the [REDACTED] whims which no individual board member can counter. Presently [REDACTED] wants the District to buy a new truck when this is not a current priority or need. He has further stated publicly in board meetings and again on June 18, 2015 that he challenges the Board to fire him. He has stated off the record that he wants a severance package in addition to his current retirement fund in order to agree to retire, and that he has consulted with an attorney regarding his rights. These are examples of poor or conflicted judgment and a covert threat.

I no longer believe these conditions can be corrected or improved within the District under the present circumstances because of deeply entrenched patterns. It has been my long-held intention to assist the Board in overcoming this divisive atmosphere. However, as a matter of personal ethics and exposure to personal risk, I will no longer serve on the CCSD Board of Directors as long as [REDACTED]. After protracted frustration and considerable thought, and because of the present circumstances, I therefore and with sincere regret hereby tender my resignation as vice-chairman of the Cuyama Community Services District. This letter is further intended to be part of the permanent record of District business.

Regrettably, [REDACTED]

Date: July 9, 2015



# CUYAMA COMMUNITY SERVICES DISTRICT

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November 19, 2015

Board of Directors  
Cuyama Community Services District  
4853 Primero Street  
New Cuyama, CA 93254

Dear CCSD Board Members:

I present this letter to you as a written record of my complaint against [REDACTED] of Cuyama Community Services District, [REDACTED]

The Board of Directors held a special board meeting on Thursday, November 5<sup>th</sup>. At that meeting I presented an e-mail message from Cindy Cook, SRF Program Coordinator from California Rural Water Association. I received her message the morning of the meeting and issued copies to Board Members and [REDACTED] at the meeting. The message contained information regarding Drinking Water Treatment Operator and Wastewater Treatment Operator certification requirements.

The next morning on Friday, November 6<sup>th</sup>, [REDACTED] confronted me regarding the special board meeting and the e-mail message. First, he instructed me to provide any information to him before Board Members. He stated that he did not know what was going on with all of this and all he hears about is licenses. I told him that the rules are that operators need to have licenses and that is what the rules have been. [REDACTED] replied to me, "You're full of shit." I told him, "No, I'm not," and he responded, "Yes, you are."

Then I was again instructed by [REDACTED] that until he gets out of here, he wants to see everything before it goes to the Board because he is in charge. I told him that I have always given him any information that the Board receives and he received that e-mail message at the same time as the Board.

[REDACTED] instructed me not to answer any of the questions from the Board, and I told him that I answer the questions asked to me. He replied, "You answer the questions because the Board is going to you. I'm going to find out, and the next board meeting is going to be something else."

From there he proceeded to tell me that I am doing all of it and I am not the one with the licenses hanging on the wall; they are his until he gets his ass out of here. Then he asked me, "What are you going to do, are you going to go out there and do the work?" I replied that I have never tried to do his job; I have just tried to do my job the best I can.

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## CUYAMA COMMUNITY SERVICES DISTRICT

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During this episode, [REDACTED] language was offensive, and his voice was raised. It was not a discussion. His behavior was harassing, and the situation was very stressful for me. His badgering continued on for nearly half an hour, and he slammed the door as he left the office.

"Abusive conduct" as defined by California state law, means conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests. Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance. A single act shall not constitute abusive conduct, unless especially severe and egregious. (California Government Code section 12950.1(g)(2).)

There have been many incidents of abusive conduct by [REDACTED] towards me in the workplace over the course of years, although this is the first written complaint that I have presented to the Board. [REDACTED] once told me that he would find a way to get rid of me one way or another, whether he was here or not. I allowed his intimidation to prevent me from addressing the Board. Even now, it is difficult to overcome the fear of retaliation.

Although CCSD Personnel Policy does not specifically address abusive conduct of an employer or employee or workplace bullying, I do not believe that it is your intention to allow it to exist within the CCSD business office. CCSD Personnel Policy Section XIV Disciplinary Action Against Employees does state that a permanent employee may be suspended, demoted, or dismissed for the cause of offensive, abusive, or persistent discourteous treatment of the public or fellow employees.

The CCSD Board of Directors is the executive power of the District. I realize that the Board is facing many important decisions that will impact the future of the District. I respectfully request that the Board consider its authority for the sake of a healthy and productive work environment for me to perform my duties as Controller.

Sincerely,

[REDACTED]

Cuyama Community Services District

# **CUYAMA COMMUNITY SERVICES DISTRICT**

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## **APPENDIX D**

### Work Environment Data

The following are excerpts from meeting minutes and opinions from interviews conducted by the Jury:

- a. ... becomes disrespectful and disruptive when the discussion does not go their way.
- b. ...no employee should be subjected to the hostile work environment and verbal abuse...
- c. ...that part of the manual dealing with verbal abuse [Section XIV. Disciplinary Actions 2.] has been violated
- d. Board members have observed verbal abuse.
- e. Some board members have resigned due to the hostile environment at board meetings.
- f. ... an atmosphere of intimidation exists in the office and staff will not call 911 when necessary...
- g. ...a community services district crippled by intimidation....
- h. ...became utterly and completely irrational...
- i. ...the board is an inconvenience...
- j. ...a former board member interrupts board meetings and yells...
- k. The minutes from the November 19, 2015 Board meeting, when a formal complaint was filed, include the following: "At this time, [REDACTED] addressed the Board and gave her reason for attending the board meeting. She reported that she came to hear the Board's plan in response to the employee complaint. [REDACTED] informed the current Board Members and guests that she had previously served on the Board of Directors and was aware of the [REDACTED] prior conduct. She stated that she left the Board because of her own personal experiences with [REDACTED]. [REDACTED] proceeded to encourage the Board to do the right thing in response to the complaint, and she expressed the need for accountability."

# **CUYAMA COMMUNITY SERVICES DISTRICT**

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## **APPENDIX E** CCSD Policies

### CUYAMA COMMUNITY SERVICES DISTRICT

#### ARTICLE 10 - DISCONTINUANCE OF SERVICE

##### 1-1003. Non-payment of Bills

Service will be discontinued for non-payment of bills after the twentieth (20th) day of the third (3rd) month when the aggregate balance has not been paid in full. At least five (5) days prior to such discontinuance, the customer will be sent a final notice informing him that discontinuance will be enforced if payment is not made within the time specified in said notice. The failure of the District to send, or any such person to receive, said notice shall not affect the District's power hereunder.

# CUYAMA COMMUNITY SERVICES DISTRICT

## CUYAMA COMMUNITY SERVICES DISTRICT

### Policy No. 91-1.1

#### A POLICY OF THE BOARD OF DIRECTORS OF CCSD

#### REGARDING USE OF DISTRICT-OWNED VEHICLES

WHEREAS, the CUYAMA COMMUNITY SERVICES DISTRICT is a public agency formed under section 30,000 of the later Code of the State of California; and

WHEREAS, the Board of Directors may establish, from time to time, policies and procedures for the conduct of the District's business; and

WHEREAS, the Cuyama Community Services District provides, or plans to provide, vehicles for the use of certain employees, rather than reimburse use of personal vehicles for District business; and,

WHEREAS, an appropriate policy must be adopted to manage the use of all District vehicles for any employee;

NOW, THEREFORE, it is the policy of the Board of Directors of the Cuyama Community Services District, until such policy shall have been amended or rescinded;

1. That as to District vehicles provided for the use of any employee(s), said vehicles are provided for use in conducting District business; and may be used for commuting from employee's residence to and/or from his/her worksite(s), but shall not be used for any personal purposes.
2. Each driver of a District owned vehicle shall have a valid California driver's license (a driver new to California will be permitted a 30-day period in which to obtain a California license, provided such driver holds a valid license from another state); and
3. Each driver shall provide the District with a copy of the driver's current license.
4. Each driver shall be a verified employee of the District or a member of the Board of Directors.
5. Each driver shall refrain from driving if they have partaken of alcohol, drugs or medication which in any way may impair their driving skills.
6. Each driver shall adhere to any and all traffic regulations applying to the State of California or any subdivision thereof.
7. Each driver receiving any ticket for a traffic violation shall be personally responsible for the cost and consequences of said ticket.

# CUYAMA COMMUNITY SERVICES DISTRICT

Policy No. 91-1 cont.

2.

8. Each driver shall restrict their passengers to a member of their family, a member of the CUSD Board of Directors, or other authorized personnel.
9. Each driver and all passengers will wear seat belts at all times.

We, the undersigned, being the duly qualified Chairman and Vice Chairman, respectively, of the Board of Directors of the Cuyama Community Services District, do hereby certify that the above and foregoing resolution was adopted and passed by resolution of the Board of Directors of said District at a meeting thereof held on the 14th day of August, 1991, by the following vote:

Yea, and in favor of thereof, Directors:

Malvin Kirschmann  
Harry Steinberg  
Bob Rawson  
Don Cox

No, Directors:

Absent, Directors:

Rick Gillian

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Vice Chairman

Recorded by the Recording Secretary,

  
\_\_\_\_\_  
Secretary