

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT

ASPECTS OF GOVERNANCE

SUMMARY

The 2022-23 Santa Barbara County Grand Jury (Jury) investigated a complaint about governance at the Santa Maria Valley Water Conservation District (District). Twitchell Reservoir is under the jurisdiction of the District and is essential to the water supply and flood protection of the Santa Maria Valley.

The complaint alleges violations of the California Water Code but also expresses frustration that:

- The District is poorly run because there is a lack of strong leadership;
- Directors are not properly trained in open meeting laws and parliamentary procedures;
- Staffing is inadequate;
- Conflicts of interest exist;
- There is questionable appropriation of resources at Twitchell Reservoir; and
- There is questionable use of District-owned vehicles and equipment.

The Jury did not find sufficient factual support for the allegations expressed in the complaint regarding California Water Code violations. Nor was there sufficient evidence to substantiate any misappropriation of resources at Twitchell Reservoir. However, the Jury recommends that the District improve its management, professionalism, accountability, and transparency.

INTRODUCTION

The Jury investigated alleged abuses that were supposed to have been occurring at the District over the past five years.

The complaint alleged: (i) violations of the California Water Code due to the failure of three District Directors to reside in and be an elector of the division for which they were elected; (ii) inappropriate hiring and personnel evaluation practices; (iii) refusal of one District Director to take required training; (iv) one District Director running an illegal wood cutting business operation at Twitchell Reservoir; and, (v) said District Director's personal use of vehicles and equipment owned by the District.

A letter sent to the Fair Political Practices Commission (FPPC) in 2018 had not eliminated such alleged abuses; and the complainant sought assistance from the Jury through a full and fair investigation.

METHODOLOGY

The Jury interviewed the complainant, the author of the letter to the FPPC, two members of the District's Board of Directors, and the District's legal counsel. The Jury also reviewed agendas, meeting minutes, financial statements, and other District documents that were in the public domain. The Jury noted that the dearth of these documents hampered its investigation, undercut the transparency that one expects from a governing body, and contributed to an overall lack of public awareness of what is happening in the District.

OBSERVATIONS

Alleged California Water Code Violations

The complaint alleged three District Directors were not electors of the division for which they were elected because they did not reside in the division. During its investigation, the

Jury learned that two of the three District Directors referenced in the complaint were no longer serving on the District's Board. In addition, the third District Director was only temporarily displaced from his primary residence. Therefore, these allegations of California Water Code ¹ violations cannot be upheld.

Hiring and Personnel Evaluation Practices

The Jury learned that the District has one paid administrative office person working part-time at its headquarters. This same person is also employed as a part-time Dam Tender at Twitchell Reservoir and is married to a District Director. While the Jury was assured that this person was hired as a Dam Tender before her husband became a District Director, her additional work as office secretary became necessary due to recent staff turnover and staff shortages the Board of Directors has been unable to fill. Nonetheless, the fact that this employee's husband is Board Treasurer, Chair of the Finance Committee, and Chair of the Twitchell Operations Committee was noted in the complaint.

The District does not prohibit family members of District Directors from working for the District. However, the circumstances are such that a person with knowledge of these facts might question the District Director's impartiality in managing said employee. The District should have policies in place to ensure that no one can supervise, discipline, work with, or influence a close relative's recruitment, salary, or promotion.

Board Shortages, Staff Shortages, and Lack of Training

¹ Water Code - Division 21. Water Conservation Districts (74000-76501) Added by Stats. 1965, Ch. 75

74200 - The Board of Directors shall consist of three, five, or seven members, depending on the number of divisions in the District. Each Director shall be an elector of the division for which he is elected.

74091 - One Director, who shall be an elector of the division, shall be elected from each division by vote of the electors of the division in which such Director resides.

The District has seven divisions, but there are only four Directors, so the Board is often deadlocked and motions fail to pass. To fill this void there needs to be more public outreach to connect with, inform, and generate community interest in serving on the District Board of Directors. The existing District Directors should also take advantage of the County Board of Supervisors' authority to fill vacant District Director seats by appointment.

The Jury learned that three or more staff are necessary to support District operations. Currently, there is one part-time staff member who also works part-time as the Dam Tender at Twitchell Reservoir. Therefore, agendas are often distributed late, meetings are sometimes conducted without proper public notice, and the District had two years' worth of meeting minutes that were never approved and subsequently never posted to its website. It should be noted that during the Jury's investigation, minutes have been sporadically approved and added to the website.

In short, administrative support needs to be improved for a District of this size and scope. At present, District Directors lack sufficient and timely information and are pulling double duty performing administrative work in addition to their legislative work. The District Directors need to add qualified staff to improve District operations.

Lastly, to achieve effective leadership, all District Directors need training in and a thorough understanding of the Brown Act² and basic parliamentary procedures as in

² The Brown Act was enacted in 1953 to guarantee the public's right to attend and participate in meetings of local legislative bodies and as a response to growing concerns about local government officials' practice of holding secret meetings that did not comply with advance public notice requirements. Robert's Rules of Order is a tool used by representative bodies of all kinds to bring order to meetings and allow the group to take care of business efficiently and predictably. Robert's Rules of Order and other parliamentary types of procedures are proven ways of conducting meetings.

Robert's Rules of Order. The District Directors would also benefit from Ethics, Leadership, and Best Practices Training offered by the State of California and the California Special Districts Association.

Financial Reporting

The Jury learned that the District's annual budget is approximately \$1 million. Detailed financial statements are prepared on a routine basis by the District's Certified Public Accountant (CPA); however, the annual audit by an outside independent accountant (typically completed within 180 days) is consistently behind. For example, the annual audit for the fiscal year ending June 30, 2021, was not issued until more than a year later. The audit for the fiscal year ending June 30, 2022, still needs to be completed. This lack of timeliness diminishes the usefulness of the audit.

Use of District Resources

The Jury learned there are no policies or procedures in place for using District-owned vehicles, equipment, and other resources.

CONCLUSION

The 2022-2023 Santa Barbara County Grand Jury conducted an in-depth examination of several aspects of governance at the Santa Maria Valley Water Conservation District. The Jury found that the District Directors are overwhelmed by the complexities of running a special district. The Santa Maria Valley Water Conservation District needs improvement in its management, training, stewardship of public resources, and overall transparency. The District Directors also need to hire an adequate number of staff to support District operations.

FINDINGS AND RECOMMENDATIONS

Finding 1

The vacancies on the Santa Maria Valley Water Conservation District Board of Directors reduce the efficacy of the Board and impede good governance by limiting procedural actions. Since the Board has only four District Directors for the seven total divisions, the Board is often deadlocked, so motions fail to pass.

Recommendation 1

That the Santa Maria Valley Water Conservation District move to fill the vacant seats on its Board of Directors within three months (with aid from the Santa Barbara County Board of Supervisors if necessary), or by general election, whichever occurs first.

Finding 2

The training received by the Directors of the Santa Maria Valley Water Conservation District is insufficient for the requirements of their role.

Recommendation 2

That all Santa Maria Valley Water Conservation District Directors receive training annually in the following topics:

- The Brown Act;
- Basic parliamentary procedures in Robert's Rules of Order;
- Ethics Training as required by Assembly Bill 1234, Chapter 700; and
- Leadership and Best Practices Training offered by the State of California and the California Special Districts Association.

Finding 3

The Santa Maria Valley Water Conservation District is short-staffed and the one employee who works in the District Office is overburdened.

Recommendation 3a

That, at a minimum, the Directors of the Santa Maria Valley Water Conservation District hire a General Manager and one or more Administrative Assistants within three months, and full-time Dam Tender(s) within six months.

Recommendation 3b

That, concurrent with the hiring of additional staff, the Directors of the Santa Maria Valley Water Conservation District create an organizational chart and adopt an administrative operating manual.

Finding 4

The Santa Maria Valley Water Conservation District's financial management practices do not satisfy public expectations for transparency and fiscal accountability from a governing body, where information is created and freely available to the public in a timely manner, in open data formats, and without restrictions on use and reuse.

Recommendation 4a

That the Santa Maria Valley Water Conservation District's independent audits of financial reports, including opinions on internal controls, be completed no later than 180 days after the fiscal year's end.

Recommendation 4b

That the Directors of the Santa Maria Valley Water Conservation District establish written policies and procedures for expenditures made by District Directors and employees using District credit cards, which include the requirement that a receipt and other supporting documents be submitted monthly.

Recommendation 4c

That the Directors of the Santa Maria Valley Water Conservation District establish written policies and protocols within three months for the use of District-owned vehicles and equipment, including that personal use of District-owned vehicles and equipment be strictly prohibited.

REQUEST FOR RESPONSE

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

Responses to Findings shall be either:

- Agree
- Disagree wholly
- Disagree partially with an explanation

Responses to Recommendations shall be one of the following:

- Has been implemented with a summary of implementation actions taken
- Will be implemented, with an implementation schedule
- Requires further analysis, with an analysis completion date of no more than six months after the issuance of the report
- Will not be implemented, with an explanation of why

Santa Maria Valley Water Conservation District – 90 days

Findings 1, 2, 3, and 4

Recommendations 1, 2, 3a, 3b, 4a, 4b, and 4c