



Officers

President
Keith Hadick

Board Secretary
Andy Adam

Directors

Vacant, Div. 1
Andy Adam, Div. 2
Keith Hadick, Div. 3
Gerald Mahoney, Div. 4
Vacant, Div. 5
Casey Conrad, Div. 6
Randy Sharer, Div. 7

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT

P.O. BOX 364
SANTA MARIA, CALIFORNIA 93456
PHONE (805) 925-5212 FAX (805) 739-0763
E-MAIL districtoffice@smvwcd.org

September 21, 2023

Via First Class mail and Email: sbcgj@sbcourts.org

Grand Jury Chambers
Santa Barbara County Courthouse
1100 Anacapa Street
Santa Barbara, CA 93101

Re: June 21, 2023 Grand Jury Report and Responses
Santa Maria Valley Water Conservation District
Aspects of Governance

The Santa Maria Valley Water Conservation District (the "District") welcomes the report of the Grand Jury and their effort to improve the practices of the District. The District responds to each request as follows:

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.

Response to finding No 1: Respondent agrees with finding. In fact, the board has filled a fifth seat with new Director Randy Shear. The board intends to fill the remaining seats by appointment.

Finding 2: The training received by the Directors of the Santa Maria Valley Water Conservation District is insufficient for the requirements of their role.

Response to finding No 2: Respondent agrees with finding. The board will work with District Counsel to ensure that the board receives training as required by AB 1234.

Finding 3: The Santa Maria Valley Water Conservation District is short-staffed and the one employee who works in the District Office is overburdened.

Response to finding No 3: Respondent agrees with finding. The board has directed staff to prepare an RFP for a General Manager. Following retention of a General Manager, the board will work to fill the other suggested positions with the aid of the General Manager.

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.

Response to No. 4a recommendation: Respondent agrees with finding.

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.

Response to No. 4b recommendation: Respondent agrees with finding.

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.

Response to No. 4c recommendation: Respondent agrees with finding.

Sincerely,

Keith Hadick

A handwritten signature in black ink that reads "Keith Hadick". The signature is written in a cursive style with a large, stylized initial "K".



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Grand Jury Chambers
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Re: June 21, 2023 Grand Jury Report and Responses
Lack of Transparency and Due Diligence at the
Santa Maria Valley Water Conservation District

The Santa Maria Valley Water Conservation District welcomes the report of the Grand Jury and their effort to improve the practices of the District.

The District responds to each request as follows:

Finding 1: The Santa Maria Valley Water Conservation District's transparency needs to be improved both in terms of timeliness and adequacy.

Recommendation No. 1: That the Santa Maria Valley Water Conservation District bring its website disclosures up to best practices comparable to those recommended by the Special District Leadership Foundation and those employed by other special districts in northern Santa Barbara County.

Response to Finding No. 1: Respondent agrees with finding. The SMVWCD has indicated that it is currently working to retain a General Manager in response to other recommendations of this Grand Jury. The District will work with the new General Manager to improve the website as suggested.

Finding 2: The Santa Maria Valley Water Conservation District's inadequate disclosure regarding its contract with Mitigation Solutions, LLC resulted in Western Sierra Resource Corporation's inaccurate news releases becoming the only public source of information about ongoing mitigation activities at Twitchell Dam and Reservoir.

Recommendation No. 2: That the Santa Maria Valley Water Conservation District's website report at least quarterly on ongoing mitigation projects.

Response to Finding No. 2: Respondent agrees with finding. The SMVWCD has indicated that it is currently working to retain a General Manager in response to other recommendations of this Grand Jury. The District will work with the new General Manager to improve the website as suggested.

Finding 3: The Santa Maria Valley Water Conservation District failed to exercise financial due diligence in its evaluation of Mitigation Solutions, LLC's ability to meet its contractual obligations, particularly considering Western Sierra Resource Corporation and Mitigation Solutions, LLC's financial condition.

Recommendation No. 3: That within six months, the Santa Maria Valley Water Conservation District establish and follow policies for thoroughly vetting the financial capacity and capabilities of potential parties to all contracts.

Response to Finding No. 3: Respondent agrees with finding. The SMVWCD will work with District Counsel to develop the suggested policies in the time frame suggested.

Sincerely,

Keith Hadick

A handwritten signature in black ink that reads "Keith Hadick". The signature is written in a cursive style with a large, prominent "K" and "H".