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**SANTA MARIA VALLEY  
WATER CONSERVATION DISTRICT**

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May 31, 2024

**Via First Class mail and Email: [sbcgj@sbcourts.org](mailto:sbcgj@sbcourts.org)**

Ms. Eva Macias, Foreman  
Grand Jury Chambers  
Santa Barbara County Courthouse  
1100 Anacapa Street  
Santa Barbara, CA 93101

Re: May 16, 2024 Request re Grand Jury Report and Responses  
Santa Maria Valley Water Conservation District

Dear Ms. Macias:

The Santa Maria Valley Water Conservation District welcomes the follow-up inquiry from the Grand Jury and your effort to improve the practices of the District.

**Transparency Findings**

**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.

**Original 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.

**Updated Response to Finding No. 1:** The District has revised the website to adopt best practices comparable to those recommended by the Special District Leadership Foundation and those employed by other special districts in northern Santa Barbara County.

**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.

**Updated Response to Finding No. 2:** The District has revised the website to include the requested information as it becomes available.

**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.

**Updated Response to Finding No. 3:** On November 29, 2023, the District adopted a written procurement policy intended to address this issue. It is attached hereto for reference.

### **Governance Findings**

**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.

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

**Updated Response to finding No 1:** The District continues to seek candidates to fill the two remaining vacant seats and plans to agendaize this item at its upcoming meeting to address recruitment options.

**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.

**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.

**Updated Response to finding No 2:** All Directors are up to date in receiving biennial ethics training. The District remains committed to ensuring that the Directors receive adequate and appropriate training.

**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.

**Response to finding No 3a:** 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.

**Updated Response to finding No 3a:** On December 21, 2023, the District board took action to hire an interim General Manager.

**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.

**Response to finding No 3b:** 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 revise the organizational chart with the aid of the General Manager.

**Updated Response to finding No 3b:** The District currently has two contract employees, the General Manager and the District Counsel. The General Manager is currently working with the Board to develop a

staffing plan to accompany the District's proposed budget for FY 2024-25. Additional administrative services are available to the District through the General Manager's contract. The General Manager is also working to recruit and hire a full-time dam tender and an office staff member. Once a staffing plan has been determined, the organization chart will be prepared. An administrative handbook has also been drafted and will be adopted in the coming months as part of a larger administrative code.

**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 audit 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. District will work to complete audits in timely fashion.

**Updated Response to finding No 4a:** The District's audit is nearly complete and will be published and available upon presentation to the Board. The District remains committed to the recommendations for transparency and fiscal accountability.

**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. The District will promptly work with the District Counsel to implement this recommendation.

**Updated Response to finding No 4b:** The District requires that receipts and supporting documents accompany District credit card expenditures, which are made on a very limited basis. A policy has been included in the District's draft employee handbook, and a general policy that pertains to all District personnel will be included a comprehensive Administrative Code, currently under development with District counsel.

**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. The District will promptly work with the District Counsel to implement this recommendation.

**Updated Response to No. 4c recommendation:** The District's draft employee handbook contains policies prohibiting personal use of District vehicles and equipment; this handbook is currently under revision based

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on the District's organizational changes and will be finalized and adopted in the coming months, along with a comprehensive Administrative Code. Additionally, on April 18, 2024, the District adopted a policy regarding prohibition and disposal of private property left at District facilities.

Sincerely,

A handwritten signature in black ink that reads "Carol Thomas-Keefer". The signature is written in a cursive, flowing style.

Carol Thomas-Keefer  
Interim General Manager  
Santa Maria Valley Water Conservation District