

**Report Title: Special Districts in Marin County**

**Report Date: June 14, 2002**

**Response by: Philip Buchanan Title: General Manager**

## **FINDINGS**

- I (we) agree with the findings numbered: \_\_\_\_\_.
- I (we) disagree wholly or partially with the findings numbered: \_\_\_\_\_.

(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

## **RECOMMENDATIONS**

- Recommendations numbered 2, 3, 4, and 6 have been implemented.  
Summary attached.
- Recommendation numbered 1 has not yet been implemented, but will be implemented in the future.  
Time frame attached.
- Recommendation numbered 7 requires further analysis.  
Explanation attached.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

Number of pages attached   2

## Special Response to Grand Jury Report

### Statement Regarding Findings:

I have not indicated agreement or disagreement with the findings. To do so seems to require a conclusion about the operations of other special districts in Marin County.

### Statement Regarding Recommendations:

- Recommendations numbered 2, 3, 4, 6, have been implemented:

Recommendation 2 – The BCPUD Board meets the 3<sup>rd</sup> Wednesday of each month. Additional meetings are infrequent, and called when there are urgent matters that can't be delayed until the next regular meeting, or there are important issues that require additional time for community discussion and study. Members are paid a flat fee, regardless of the number of meetings attended.

Recommendation 3 - BCPUD Board members have never received medical and/or dental benefits.

Recommendation 4 – BCPUD has one Board member who also serves on the governing board of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). The District's ACWA JPIA representative is required to attend a minimum of one semi-annual meeting. The ACWA JPIA is a statewide organization and meetings take place from Eureka to San Diego, and from Tahoe to Monterey, to avoid showing any geographical favoritism. Over the past 10 years, expenses associated with our representative's attendance at these meetings has averaged less than \$500 per year. The savings on insurance premiums through our membership in this public agency pool are many times greater than the cost of meeting attendance.

Recommendation 6 – For the past 8 to 10 years, BCPUD has mailed a copy of the draft budget proposal to every customer, with a schedule of the meetings in which the budget will be discussed and eventually adopted. In the draft budget, revenue allocated to the District's reserve fund, called the Designated Fund, is clearly marked. The annual allocation is itemized as Equipment Replacement, System Replacement, Groin/Seawall Maintenance, and Contingencies. The fund is interest-bearing and separate from other District funds. As an informational item, there is also a line amount for Bond Principle and Interest, although all bond income and expense is administered from a restricted fund by County of Marin.

The Groin/Seawall Maintenance allocation was required by California Department of Boating and Waterways as a condition of a grant to construct the Shoreline Protection Facility, completed in 1991. Voters approved paying 1% of the project cost each year for maintenance/replacement. Current item balance is \$69,769.43. The Contingencies allocation is a set-aside for the current budget year. Current fund balance is \$419,201.65. \$20,000 is earmarked in the 2002-03 budget to be spent for replacement of filter modules at the Woodrat Water Treatment Plant, and for replacement of the roof on the District's main structure at 270 Elm Road.

The Investment Fund is used to operate and maintain the District during the June-to-December period when there is no realized revenue from fees and charges placed on the Marin County property tax bill. BCPUD begins the fiscal year with the equivalent of about 3 to 4 months expenses in the fund. When the first apportionment from the December 10 tax installment is distributed, we have 5 to 6 weeks of operating expenses left. Current fund balance is \$201,095.11.

BCPUD's annual audit report shows the amount in reserve. Page 2, Balance Sheet, expresses all reserves, other than General Obligation Bond revenue, simply as Cash and Cash Equivalents. At June 30, 2001 they totaled \$693,612.00. General Obligation Bond revenue, shown as Reserve for Bond Redemption, totaled \$12,955.

- Recommendation 1 has not yet been implemented, but will be implemented in the future.

Between October 1 and December 6, 2002 all BCPUD customers will receive the fall issue of *Pipeline*, the District newsletter. An article will be included which seeks to implement Recommendation 1. BCPUD Directors receive \$125 per month, regardless of the number of Board or Committee meetings attended. All Directors serve on multiple committees. There has been no increase in Director compensation in the past 25 years. None is contemplated in the foreseeable future.

- Recommendation 7 requires further analysis.

BCPUD can work with the Marin County Auditor and the special districts to seek implementation of this recommendation. The District's independent audit, the Annual Report of Financial Transactions to the State Controller, the budget process, and County

of Marin's financial reports all state our reserves clearly. We're not sure what else is needed, but we're willing to participate in the process.