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**FINDINGS**

- 1) We have no reason to disagree with the Grand Jury Report – Appendix B, which demonstrates the \$100 per meeting average.
- 2) We agree. Las Gallinas has been holding 2 meetings per month over the past 20+ years.
- 3) We have no reason to disagree with the Grand Jury Report – Appendix B, which demonstrates the 7 out of 34 districts that provide director medical or dental benefits.
- 4) We somewhat disagree. The Grand Jury report chose to cite a high year only. The Las Gallinas travel and conference budget for the 2002-03 budget year is \$20,000 and includes staff travel and conference expenses.
- 5) We somewhat disagree. The Board, as a whole, does not regard itself as a “working board”. The Board is currently meeting with a facilitator (Rauch Communications) in an effort to initially define the differences between a “working board” and a “policy board”. The Board, then, intends to take the appropriate measures, if necessary, to move away from a “working board” to a “policy board”.
- 6) We have no reason to disagree with the Grand Jury Report. However, we do not entirely know the reserve practices of other Special Districts. Las Gallinas Valley Sanitary District likes to define the term “reserves” as deferred maintenance / replacement funds. We make our quarterly financial reports and a yearly budget available for public review. The excel spreadsheet format we utilize is relatively easy to read and follow. Our annual audit is performed by an outside CPA consistent with CPA audit procedures.
- 7) We have no reason to disagree because we have not investigated the relative public awareness of Special District reserves and reserve policies. Our reserves are clearly referenced in our financial documents.
- 8) We disagree. The LGVSD Board recently has developed both a Reserve Policy and a ten year projection of both M&O expenses and Capital Improvement expenses. We have determined that our existing reserves are appropriate to our needs.

**RECOMMENDATIONS**

- 1) We do not disagree. However, LGVSD Director compensation meets the guidelines provided by law. Director compensation was defined by law after discussion and public input at the California legislation level. Board members must prepare for and attend lengthy Board meetings involving complex agenda items.
- 2) We do not disagree. The volume of District business needing action by the Board of Directors dictates the need for the length of and frequency of meetings. Almost all former LGVSD committees have been disbanded in favor of matters being heard by the entire Board. The LGVSD Board continues to hold regular meetings twice a month, due to important issues facing the District.
- 3) We somewhat disagree. Many Special Districts that place a large time commitment obligation on their Directors provide medical and/or dental benefits. The Board is presently considering the possible elimination of Director medical/health benefits.
- 4) We agree. However, the operative phrase is “reasonable amount”. LGVSD is budgeting \$20,000 (0.4 of 1% of the current LGVSD budget) to keep both the Board members and District staff informed and current on activities in the sanitation collection-treatment-disposal field. We believe that CASA conferences or other highly creditable organizations holding conferences are the best sources of information available. Directors can learn of better treatment and maintenance programs and keep abreast of ever changing laws affecting our District. Presently, LGVSD Directors are being asked to scrutinize which conferences they attend and limits have been set for both the number of conferences and the yearly fiscal amount. Staff attends useful conferences as well.
- 5) We agree. The Directors and the District Manager are currently working with Rauch Communication Consultants to both conclude the limit of Director and Board involvement in the daily operations of the District and conclude the level of review to be performed by the Board on District business.

- 6) We agree. The LGVSD Board has adopted both a Reserve Policy and a ten year project of M&O expenses and Capital Improvement expenses. One of the conclusions from this effort is that the LGVSD present reserve level is not too high.
- 7) We agree in principal that Special Districts ought to have a common format in reporting reserves. Whether this format ought to match that of the County Auditor or that of the Special Districts Association needs to be determined. A common format would certainly make comparable studies much easier to understand.

### **SUMMARY STATEMENT**

As the Grand Jury has pointed out, the election of 2001 brought with it an opportunity for change. LGVSD was already underway implementing improvements / changes before the Grand Jury report came out. We believe what is most important to District constituents is the following:

- a) Relative quality of service provided.
- b) Cost of service.
- c) Opinion of the regulatory bodies as to the soundness of District operations and adherences to District permits.
- d) Financial condition of District.
- e) Environmental practices of District.
- f) Dedication of District Board Members and District personnel.
- g) Physical condition of District assets.
- h) Future planning for the District.

LGVSD has a beautiful 383 acre reclamation area consisting of a fresh water marsh, salt water marsh, irrigation storage ponds, irrigation pastures and more then 2&1/2 miles of trails fully assessable to the public seven days a week. The Audubon Society has cataloged over 200 different specie of birds within the reclamation area. In addition, the District staff provides wastewater educational classes to all the 1<sup>st</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> grade students in the schools within the District. These 1000 to 1200 students receive formal training in the treatment of wastewater and the beneficial uses of treated wastewater in the District's classroom attached to the District lab facility.

We believe, had the Grand Jury Report dealt with the above factors, LGVSD would be rated near the top of Special Districts in Marin County. We constantly strive to improve and be an example of an efficiently run District. LGVSD appreciates the time and effort that the Grand Jury put in to complete the Special Districts in Marin Report and we hope the Grand Jury finds our responses to be complete, honest and satisfactory.