

Your Special Districts What You Should Know

2019-2020 Nevada County Grand Jury

Report Date March 3, 2020

Public Release Date: May 22, 2020

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Summary

The Nevada County Grand Jury has the authority to investigate the functions of special districts within Nevada County. The 2018-2019 Nevada County Grand Jury investigated the management of 24 Nevada County independent special districts and issued a report titled [*Special Districts What the Public Should Know*](#). Two other related reports were the 2018-2019 report titled [*A Path to Transparency for Special Districts*](#) and a 2018-2019 report titled [*Special Districts' Compliance with Brown Act and Ethics Laws*](#). This report is a follow-up to those reports to evaluate whether those districts took action to improve their compliance with legal requirements and to improve their transparency to the public.

Special districts are forms of local government designed to provide services and infrastructure to their communities and are governed by boards selected by the residents they serve. Special districts benefit from the community knowing about them and participating in them so that the district can better provide their services to those citizens.

This report describes the various types of special districts and some of the implications of the differences. It describes the duties of the governing boards and their statutory requirements. Responsibilities of the citizens that reside within those districts are also described.

The 2019-2020 Nevada County Grand Jury (Jury) prepared follow-up surveys to evaluate special district performance relative to deficiencies identified in the 2018-2019 surveys. The self-reported data contained in this report was received in October and November of 2019. Although the survey data was self-reported the Jury validated selected information provided by reviewing websites, reviewing public records, and conducting interviews. The financial data was verified through the Auditor-Controller website in January 2020.

This report contains an individual analysis of each special district and when available provides:

- the district mission
- when formed
- board composition and term limits
- board compliance with training and conflict of interest reporting requirements
- district policies
- financial budget and audit filing status
- availability and content of a website
- code of conduct
- reimbursement policy

As a result of this investigation, the Jury identified 30 deficiencies from 13 of the special districts. The areas of concern were: 1) compliance by members of boards with requirements for ethics

training under California Govt. Code § 53234 (AB 1234), filing of Statement of Economic Interests (Form 700), and compliance with the Ralph M. Brown Act (Gov. Code §54950 et. seq.) (Brown Act) training; 2) meeting the requirement that special districts have a written reimbursement policy; 3) meeting the requirement that special districts have a written conflict of interest policy; 4) meeting the requirement that special districts have a written code of conduct; 5) meeting the recent requirement that special districts have a website or an exemption; and 6) meeting the requirement for timely submission of certified financial audits to the Nevada County Auditor- Controller’s Office. Details are contained in the body of the report.

Glossary

AB 1234	California Govt. Code § 53234
Brown Act	Ralph M. Brown Act (Gov. Code § 54950 et seq.)
BOD	Board of Directors
CSD	Community Services District
FPD	Fire Protection District
FY	Fiscal Year
Jury	2019-2020 Nevada County Grand Jury
LAFCo	Local Agency Formation Commission
NID	Nevada Irrigation District

Background

The Nevada County Grand Jury has the authority to investigate the functions of special districts within Nevada County. The 2018-2019 Nevada County Grand Jury investigated the management of 24 Nevada County independent special districts and issued a report titled [*Special Districts What the Public Should Know*](#). Two other related reports were the 2018-2019 report titled [*A Path to Transparency for Special Districts*](#) and a 2018-2019 report titled [*Special Districts’ Compliance with Brown Act and Ethics Laws*](#). This report is a follow-up to those reports to evaluate whether those districts took action to improve their compliance with legal requirements and to improve their transparency to the public.

Approach

The Jury prepared follow-up surveys to evaluate special district performance relative to deficiencies identified in the 2018-2019 surveys. The self-reported data contained in this report is based on data received in October and November of 2019. The financial data was verified through the Auditor-Controller website using January 2020 data. Although the survey data was self-reported the Jury validated selected information provided by reviewing websites, reviewing public records, and conducting interviews.

Discussion

This report has been prepared for and directed to the citizens living within the boundaries of Nevada County independent special districts and the directors of those special districts.

Special Districts

Special districts are forms of local government designed to provide services and infrastructure to their communities. They are governed by boards normally elected by the residents they serve. They often supply essential services such as water or road maintenance. The United States Census Bureau defines special districts as providing, “specific services that are not being supplied by existing general purpose governments. Most perform a single function, but in some instances, their enabling legislation allows them to provide several, usually related, types of services. The services provided by these districts range from such basic social needs as hospitals and fire protection, to the less conspicuous tasks of mosquito abatement and upkeep of cemeteries.” Special districts have defined service boundaries specific to the services they provide and the citizens they serve. There are 24 principal independent special districts within Nevada County. (See Appendix A). Some special districts may cross county boundaries. A county principal district is one that has the majority of its property value in that county. An independent special district is a form of government, governed by a board.

Special districts benefit from the community knowing about them and participating in them so the district can better provide their services to those citizens. Some districts recognize this benefit by having a citizen oversight committee representing the public. Residents fill positions as board members and sometimes as volunteer staff. Special districts have substantial autonomy, what the United States Census Bureau describes as “substantial administrative and fiscal independence from general purpose local governments.” As such, they benefit from community oversight. Residents fund special districts through property taxes and service fees. Special districts can also receive funding from grants and other sources.

Types of Districts and the Resulting Implications

Community Service Districts (CSDs)

CSDs can provide road maintenance or other services to a small community or development. If approved by the residents, a parcel charge can be placed on tax bills to fund maintenance costs. This can also allow the payment of those maintenance costs to be performed by the county. CSDs with small populations involved may find there is less need for formal outreach efforts, websites, or other documentation.

Recreation and Park Districts

Recreation and park districts are generally funded directly by parcel charges approved by the constituents of the district. In addition, many districts charge small user fees for use of the facilities and have no restrictions as to who may use them, as they are open to use by the general

public. The benefit is that the districts provide services that add to the overall value of properties in the area.

Fire Protection Districts (FPDs)

FPDs provide fire protection and emergency medical services within their districts and are available on a continuous basis to anyone in the area. Citizens consider the provision of those services to be a necessity. Within Nevada County, these units provide overlapping support and vital backup. In dispatching fire protection resources the policy is to dispatch the closest available unit regardless of its home district. Depending on the emergency, other units will be dispatched from any district to provide coverage.

Fee for Service Districts

Utility, water, sanitation, and cemetery districts generally derive their revenues by charging specified rates for the services that they provide. The constituents approve the fees to be charged and the districts operate in a non-profit manner to provide the services to the district residents as they are used.

Special District Boards

Special district boards are formed with citizens of the special district primarily through election. In the event of mid-term vacancies or an inability to identify candidates, special district board members may be appointed by the county board of supervisors. Terms of service and compensation are dictated by the special district board bylaws or policies. Board members are required by statute to complete AB 1234 ethics training, file Statement of Economic Interests (Form 700), and have a full understanding of the Brown Act.

The duties of the board include:

- Financial Management. Manage the finances of the district including but not limited to strategic planning, budget preparation, financial tracking, identification of reserves, preparation of required financial reports to state and county agencies, arranging for preparation and submission of required audits, reviewing and approving of expenditures, and managing any contracts awarded by the district.
- Strategic Direction. Determine the future direction to be taken by the board and the district to effectively and efficiently achieve the objectives of the district and needs of its citizens.
- Policies and Procedures. Develop, review, and update the policies and procedures that govern the actions of the board and district. These should include, but are not limited to, bylaws, code of conduct, financial planning tools and processes, employment policies, and complaint processes.
- Transparency. Make information available to its citizens including the objectives, tasks, plans, activities, issues, and results achieved by the board and the district. Methods include: posting meeting agendas; conducting open meetings in accordance with the Brown act; using the district website to make meeting minutes, financial data, and contact

information available; and responding to requests for public records in accordance with the Public Records Act (California Government Code § 6250).

- Meeting Statutory Requirements. Comply with California legislation regarding special districts. The California Government Code (§ 16271) defines special districts as existing, “for the local performance of governmental or proprietary functions within limited boundaries. ‘Special district’ includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area formed for the purpose of designating an area within which a property tax rate will be levied to pay for a service or improvement benefitting that area.” Special districts must comply with a number of state laws that help protect or aid consumers.
 - The Public Records Act (California Government Code § 6250) requires that all public records maintained by state and local agencies be made available, upon request, to members of the public.
 - The special district audit requirement (California Government Code § 26909) allows residents to access audits of every special district within the county.
 - The special district website requirement (California Government Code § 53087.8) specifies that special districts have a website with contact information as of January 2020. However, an independent special district shall be exempt if, pursuant to a majority vote of its governing body at a regular meeting, the district adopts a resolution declaring its determination that a hardship exists that prevents the district from establishing or maintaining a web site.
 - AB 1234 describes California requirements that guide elected officials and agency staff to ethically serve their communities.
 - The Brown Act guarantees residents’ rights to attend and participate in special district meetings. The act delineates many rights including the rights to be given notice of meeting topics and to record meetings.
 - California Government Code § 53232.2 requires that if a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.
 - The Fair Political Practices Commission has adopted a regulation that can be incorporated by reference in special district policies to meet the Conflict of Interest requirement (Government Code § 81000 and California Code of Regulations [title 2, § 18730] in their policies).
- Accountability. Board members are accountable to their citizens for proper performance of the duties described above.
- Outreach. Public outreach is a best practice for a special district to keep its constituents informed as to its purpose, practices, and performance. For example, a special district may want to perform outreach with local schools by awarding an annual scholarship, conducting outreach events at schools, or offering an internship program. Additional outreach might come in the form of events, open houses, public workshops, website postings, e-mail alerts, direct mail, brochures, flyers, factsheets, newsletters, an

information center or kiosk, newspaper advertising and articles, billboards, or radio appearances.

Citizen Responsibilities

Special districts are governed by elected or appointed boards and primarily funded by the public they serve. The oversight of the public is essential to ensuring effective and responsive management. This oversight can be categorized, in increasing order of personal commitment, awareness, understanding, and participation. Actions associated with each of these levels of involvement are outlined in the following paragraphs.

Awareness. Nevada County residents should be familiar with the special districts that provide their services, whether it be knowing who provides their drinking water or who will come if there is a fire, just to name two examples. A minimum set of resident responsibilities includes:

- Learn what special districts serve their residences and businesses.
- Know how to contact their special districts.
- Know how to get basic information on the special district, such as;
 - Contact information
 - Website address and content
 - Know who governs the special district, i.e., the board members
 - Voting knowledgeably in elections for new board members.

Understanding. Beyond the above cursory knowledge, civic-minded residents will want to understand more about the quality and level of support they are receiving from their special districts and the issues the districts confront. This understanding can and should be obtained by:

- Taking time to read newspaper articles discussing special district affairs, and possibly responding with their own ideas;
- Voting on fees and taxes proposed by the board;
- Reviewing website information, including;
 - Financial well-being,
 - Becoming aware of schedules and agendas for board meetings, all of which are open to the public, and
 - Review of board meeting minutes.

Participation. As residents learn more about the services their special districts provide, the costs of those services, and the obstacles standing in the way of maintaining or improving those services, it will be natural to begin participating in special district affairs by:

- Monitoring district performance;
- Filing complaints if there are problems;
- Attending board meetings and participating in the board decision process;
- Participating in the election of new board members, ensuring that the composition of the board has the appropriate skills, culture, and focus; and
- Working for a special district, or seeking election to its governing board.

Nevada County Special Districts' Performance

The 2018-2019 Nevada County Grand Jury investigated independent special districts which provide essential services, have substantial fiscal and administrative responsibilities, and are often not well understood or engaged with by the public. The 2019-2020 Jury created a survey focused on special district management, which was sent to the 24 special districts that were both independent (governed by an elected or appointed board) and subject to Nevada County Local Agency Formation Commission (LAFCo). This survey excluded dependent special districts, which are run by officers of a local agency or their appointees, and excluded special districts that operate in Nevada County but have boundary oversight by the LAFCo of a different county in which they also operate. Some special districts that operate in Nevada County also operate in Placer, Sierra, Yuba, and El Dorado counties. This survey also excluded school districts, which are not considered special districts under the law.

The Jury prepared similar follow-up surveys to evaluate performance relative to deficiencies identified in the 2018-2019 survey. The survey questions were tailored to simplify and reduce the effort necessary for the districts to respond. The self-reported data contained in this report is based on data received in October and November of 2019. The financial data was verified through the Auditor-Controller website for January 2020 data. Although the survey data was self-reported the Jury validated selected information provided by reviewing websites, reviewing public records, and conducting interviews.

Analysis of the 2019-2020 survey

To facilitate the writing of this report and in evaluating data the Jury divided districts into the following categories.

Small Districts. Small districts are defined as those with budgets of under \$100,000.

Byers Lane CSD

The Board of Directors (BOD) is not compensated and the term limits are 2 years. The District does not provide ethics or Brown Act training to its BOD members. Not all BOD members had completed AB1234 ethics training. All had Statement of Economic Interests (Form 700) on file.

Customer complaints are handled by the BOD.

The fiscal year (FY) 2018 budget was \$17,928 and the last filed audit was FY 2018.

The District did not have a written reimbursement policy, did not have a conflict of interest policy, and did not have a documented code of conduct. The District is working on the development of bylaws.

The District did not have a website.

Kingsbury Greens CSD

The Kingsbury Greens CSD operates for a 45-unit condominium complex built in 1977. The District was formed in 1995 by the Nevada County Board of Supervisors. The District is administered by a BOD that acts as the authoritative and legislative body of the entity. The BOD is comprised of five members. The BOD members have term limits. BOD members are appointed by the Nevada County Board of Supervisors. No BOD members are compensated for their services on the BOD. Not all BOD members had completed AB 1234 ethics training and the District does not provide Brown Act training. All had Statement of Economic Interests (Form 700) on file.

Customer complaints are handled by the BOD.

The District's primary source of revenue is from established fees for the condominium owners which are collected by Nevada County as property taxes. The District has a FY 2018 budget of \$26,180. The last filed audit was for FY 2017.

The District did not have a written reimbursement policy. The District did have a conflict of interest policy and a documented code of conduct.

The District did not have a website.

Lake of the Pines Ranchos CSD

Lake of the Pines Ranchos CSD is located near Combie Road and Highway 49 in Auburn, CA. It is comprised of 170 parcels and was formed in 1983. The owners each pay a \$200 per year special assessment designated for road maintenance and related costs. This fee is identified on Nevada County property tax bills.

The BOD consists of five members who are not compensated. BOD member term limits are four years and can be repeated once. One BOD member has served for more than ten years. Not all BOD members had completed AB 1234 ethics training. All BOD members had Statement of Economic Interests (Form 700) on file. Brown Act training consists of giving a copy of the Brown Act to the BOD.

Customer complaints are handled by the BOD.

Historically, an audit has been done each year by an independent CPA firm. However, as of January 8, 2018, the BOD, with the goal of saving on the cost of audits, adopted Resolution 17-18-02 which requested that the Nevada County Board of Supervisors replace the annual audit with (a) an annual financial review for two consecutive years and (b) a financial audit every third year. The Nevada County Auditor-Controller supported this request, which went into effect as of the fiscal year ending June 30, 2017. The most recent filed audit was for FY 2018. The FY 2019 budget is \$56,186.

The District did not have a written reimbursement policy. The District did not report having a conflict of interest policy. The District did have a code of conduct policy.

The District did have a website (sites.google.com/site/loprcsd) with agendas, minutes and financial information posted. It did contain a listing of the BOD members and the code of conduct.

Mystic Mines CSD

Mystic Mines CSD consists of 97 parcels and was formed in 1981.

BOD members are not compensated. The BOD members have term limits. One BOD member has served for more than ten years. At the time data was received, all but one BOD member had completed AB1234 ethics training. All had Statement of Economic Interests (Form 700) on file. The BOD members attend Nevada County ethics and Brown Act training.

Customer complaints are discussed and resolved during BOD meetings.

The District generates revenue of \$19,400 from a parcel tax of \$200 per parcel for the FY 2020 budget. The last filed audit was FY 2018.

The District did have a written reimbursement policy, a conflict of interest policy, and a documented code of conduct. The District policy and procedures manual is being updated.

The District did not have a website.

Oak Tree Park and Recreation District

The Oak Tree Park and Recreation District was formed in 1997.

Oak Tree Park and Recreation District is governed by a five-member BOD. BOD members are not compensated. All BOD members have completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file. The District provides ethics and Brown Act training for the BOD members.

Customer complaints are handled by the BOD.

The District budget for FY 2019 was \$51,427. The most recent financial audit was for FY 2019.

The District had a written reimbursement policy, a written check signing policy, a written conflict of interest policy, a written code of conduct, and bylaws.

The District has a website (www.oaktreepark.org) that includes meeting minutes, meeting agendas and the audited financial report. The website is the District's outreach tool.

San Juan Ridge County Water District

The stated purpose of this District is to supply irrigation water to its customers. A BOD of five members, two of whom receive a stipend not to exceed \$180 per month, governs the District. Three of those BOD members have served more than ten years. The District has no term limits for BOD members. All had Statement of Economic Interests (Form 700) on file. The District relies on outside sources for the conduct of ethics and Brown Act training and did not answer as to whether or not BOD members had received training.

Complaints are discussed at BOD meetings, then either the complainant will be called or there will be a written follow-up.

The current budget for FY 2020 was \$27,157. The required audit for FY 2018 is pending.

There are bylaws addressing the purpose of the District, BOD members/officers, meetings, water delivery and billing, and emergency reserve. The District indicated it had a written reimbursement policy, and a written code of conduct. The District did not report if it had a written conflict of interest policy.

The district did not have a website but stated that it is working to develop one. There was no reported public outreach program

Medium Districts. Medium districts are defined as those with budgets from \$100,000 up to \$200,000.

Bear River Recreation and Park District

The Bear River Recreation and Park District's mission is to provide a wide variety of year-round recreation programs, facilities, and park areas which respond to the needs and desires of all residents of the Bear River Recreation and Park district. The district was formed in 1995.

The district is governed by a BOD of six uncompensated members. The BOD members do not have term limits. One BOD member has served for more than ten years. All BOD members have completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file. The district provides Brown Act and ethics training.

Customer complaints are handled by the general manager. If not resolved they are forwarded to the BOD for resolution.

The FY 2019 budget was \$188,541. Its last filed audit was FY 2018. The district had a written credit card policy and a written check signing policy. It did not have a written reimbursement policy.

The district had a written code of conduct and a conflict of interest policy. The District was working on preparation of bylaws.

The district has a website (www.brrpd.org) that includes meeting agendas and minutes and lists the district BOD members.

Truckee Cemetery District

The District's mission is to provide interment services and to protect, preserve, and maintain cemetery grounds and burial records through responsible use of public resources. The District maintains both the Sierra Mountain Cemetery and the Old Truckee Cemetery known as the Catholic Cemetery.

The District was formed in 1946.

BOD members have no term limits and receive compensation of \$100 for each BOD meeting attended. BOD members have completed AB 1234 Ethics training, and all had Statement of Economic Interests (Form 700) on file. The District does not provide Brown Act training for its BOD members.

Complaints are handled on a case-by-case basis.

The FY 2019 budget was \$189,798. The most recent audit was FY 2017.

The District has no written credit card policy, reimbursement policy, check writing policy, conflict of interest policy, code of conduct, or formal customer complaint policy. The District indicated it does not have current bylaws, but the District does have Standard Operating Policies and Procedures.

The District has a website (www.truckeecemeterydistrict.com) on which agendas, meeting minutes, and links to audits are posted.

Washington County Water District

The Washington County Water District provides water service and fire protection services to the town of Washington. The town has a population of approximately 200 residents.

The District is governed by a BOD of five members who do not receive compensation. In December of 2019 the BOD had one vacancy. BOD members are appointed by a vote of the BOD members. BOD members have a term of four years. Not all members of the BOD had completed AB 1234 ethics training or had Statement of Economic Interests (Form 700) on file. Brown Act training is accomplished by the BOD members viewing a YouTube video.

The FY 2019 budget on file with the Auditor-Controller Office reported total revenue of \$143,305.

Most financial questions were not answered as the bookkeeper had recently resigned and a replacement has not been obtained. The District reported that it was current with audit filings

with the county, however the most recent audit on file with the Auditor-Controller was for FY 2015.

Customer complaints are handled directly by personal contact or by letter or e-mail.

The bylaws contained information on BOD member selection and terms; a code of ethics; a conflict of interest policy; and a code of conduct. The District did not have a written reimbursement policy.

The District has a website (washingtonwater.specialdistrict.org) that appeared to be under construction. The site did contain important information including: a listing of BOD members and staff; meeting agendas and minutes; policy and procedures; and bylaws. It was reported that the website served as the District's community outreach vehicle.

Western Gateway Recreation and Park District

The District was formed in the early 1970s.

Western Gateway Recreation & Park District's revenue is generated through rental activity at the park and a parcel fee of \$12.94 approved by District voters. Additional funding is provided through the support of The Western Gateway Park Foundation whose mission is to build a better Western Gateway Recreation & Park District through fundraising and contributions to the Foundation.

The District is governed by five uncompensated BOD members who serve four-year terms and have no term limits. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and all had completed Brown Act training. The District also has four part-time paid employee positions; two maintenance, one office, and one custodial.

Customer complaints are handled by the District secretary and if the complainant is not satisfied, the complaint is moved up to the BOD Chair and then to the BOD.

The budget for the District for FY 2019 was \$162,925. Approximately \$51,000 of that is raised through rental of the picnic areas and other park venues, the selling of downed trees cut into firewood, and rental of the Buttermaker's Cottage, various picnic areas, and baseball fields. Another \$106,000 is paid by District residents in the form of a \$12.94 per parcel fee. The District does not have a financial reserve policy. The last audit on file was for FY 2017.

The District had a written credit card policy, reimbursement policy, conflict of interest policy, and code of conduct

The District has a website (www.westerngatewaypark.com) that includes names of BOD members and District staff, BOD minutes and agendas, and a map of the District.

Large Districts. Large districts are defined as those with budgets from \$200,000 up to \$1 million.

Nevada County Resource Conservation District

The Nevada County Resource Conservation District's mission is to promote responsible resource management within its jurisdiction through education, leadership, technical assistance, and project facilitation. The District was formed in 1944 and has two full time employees and a BOD appointed by the Nevada County Board of Supervisors.

The BOD members have four-year term limits and members can reapply for additional terms. The BOD members are not compensated. One member has served for more than ten years. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file. No Brown Act training was reported.

If the District receives a complaint, District staff takes a written report of the complaint and gets the contact information of the complainant. The report and contact information are passed on to either the immediate supervisor or to the Personnel Committee (if the complaint is about the supervisor). The complainant is given the Supervisor's contact information.

The District budget for FY 2019 was \$243,100. Its most recent audit on file was FY 2018.

The District has an employee handbook, a formal complaint process, reimbursement policy, conflict of interest policy, code of conduct and policy and procedures manual. It has no written credit card policy, check signing policy, financial reserve policy, or bylaws.

The District offers conservation seminars and workshops throughout the year on conservation issues important to Nevada County and western Sierra County landowners. It sponsors educational and outreach events, spearheaded the Ag in the Classroom Farm Day event, have an Advisory Visit Program and a Manure Exchange Program, participate in 'Ag-Sperience' at the Nevada County Fair, sponsor local students to attend Range Camp, and partner with a wide variety of organizations on natural resource conservation.

The District has a website (www.ncrcd.org) on which agendas, minutes, annual reports, financial statements, and audits are posted.

Nevada Cemetery District

The mission of the District is to provide distinctive places of interment for residents of Nevada County; to expand and preserve the cemeteries in western Nevada County; to maintain the historic significance and character of the cemeteries; and to ensure that a physical connection to the past is available for all citizens to experience, enjoy, and reflect upon.

The Nevada Cemetery District was formed in 1942 and operates 27 public cemeteries in western Nevada County.

The District is governed by a board of trustees consisting of four members who serve a term of four years with no limit to the number of terms. One member has served for longer than ten years. Each board of trustees member is paid \$100.00 per meeting, up to \$200.00 per month. All board of trustees members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and all had Brown Act training.

Customer complaints are dealt with by the Operations Manager.

The budget for FY 2020 was \$540,021. The last audit was for FY 2018.

The District had bylaws, a reimbursement policy, a code of conduct policy, and a conflict of interest policy.

The District has a website (www.nevadacemeterydistrict.com) which contains information on the board of trustees, staff, budget, meeting agenda, and meeting minutes.

North San Juan FPD

The North San Juan FPD began serving the town of North San Juan in 1862, and was incorporated as a FPD in 1986. The District's mission statement says in part that its committed volunteers are dedicated to serving and protecting their community through the delivery of professional firefighting and emergency medical services.

It is a volunteer fire department. Its firefighters, BOD, auxiliary members and several District residents who help with office tasks all donate their time. The Chief is paid a small stipend and the District managers are paid part-time positions. The District has three stations.

The District covers some 87 square miles of the San Juan Ridge, including the historic communities of French Corral, North Columbia, and North San Juan. It includes all territory between the South and Middle Yuba Rivers, from Bridgeport in the west to east of Malakoff Diggins. Emergency protection during summer months is also provided by CAL FIRE from its station above North Columbia.

Five directors each serve terms of four years. Three members have served greater than ten years. All members have completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and all have Brown Act training.

Customer complaints are handled by the Chief or District managers.

The budget for FY 2018 was \$320,910. The last filed audit was FY 2018.

The District has employee, operations, and policy procedures manuals, and a code of conduct. The District was in the process of creating a conflict of interest and reimbursement policy.

The District's website (www.nsjfire.org) includes a listing of BOD members and a roster of volunteers. Agendas, minutes and budgets are also included.

Ophir Hill FPD

The mission of the Ophir Hill FPD is to protect life and property from fire and other hazardous situations in a cost-effective manner as provided by statute, policy, and operational guidelines. This consists of fire suppression, emergency medical service, hazardous materials incident response, and fire prevention information. Ophir Hill FPD has been located in Cedar Ridge since 1956. The District covers a nine square mile area.

The District had six full time and one part time employees. It is governed by a five-member uncompensated BOD. The BOD members have no term limits and four members have served for more than ten years. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and all had Brown Act training.

No answer was provided about customer complaints.

The FY 2020 budget was \$660,023. The last audit was FY 2018.

The District did not have an employee handbook however a policy manual is being updated and is expected to include a conflict of interest policy. The District did have a code of conduct. The District did not respond with regard to a written reimbursement policy.

The District has a website (www.ophirhillfire.org) that includes agendas, meeting minutes, and a listing of BOD members and paid staff.

Peardale-Chicago Park FPD

The mission of the Peardale-Chicago Park FPD is to provide professional and efficient emergency services in the protection of life, property, and environment.

The Peardale-Chicago Park FPD was formed in 1964 and had two full-time and eleven part-time employees.

A five-member BOD, three of whom have served for more than ten years, governs the District. BOD members are not compensated. All BOD members had completed AB 1234 ethics training and Brown Act Training. All had Statement of Economic Interests (Form 700) on file.

Customer complaints are handled by the Fire Chief.

The FY 2020 budget is for \$510,850 based on parcel taxes of \$58 for improved lots and \$35 for unimproved lots. The last audit filed was for FY 2018.

The District has bylaws, a written check writing policy, a written reimbursement policy, a policy and procedures manual, a code of conduct, and a conflict of interest policy. It did not have an employee handbook or a written financial reserve policy.

The District has a website (www.pcpfire.org) which contains meeting agendas, meeting minutes, and BOD information.

Rough and Ready FPD

The District's mission is to provide fire protection, rescue and emergency medical services, education in fire safety and emergency standards, and other services to protect lives and property, while maintaining the highest level of safety for firefighter/rescue personnel. Services are provided in a professional manner within the economic and demographic limitations of the community and in recognition of the need for dedicated volunteer involvement, using innovations and flexibility in response to local needs and conditions.

The Rough and Ready FPD was formed in 1963. The District reported it had five full-time and two part-time employees.

The District is governed by an uncompensated BOD. The District does not provide Brown Act training to its BOD members. All members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file. The BOD members have unspecified term limits and two members have served for greater than ten years.

Customer complaints are handled through the chain of command.

The District had an annual budget for FY 2019 of \$643,394. The last filed audit was FY 2018.

The District had a written credit card policy, written reimbursement policy, written check signing policy, a conflict of interest policy, spending limits, a financial reserve policy, bylaws, and a code of conduct.

The District has a website (www.rrvfd.com) which has a District map, meeting agendas, meeting minutes, and a listing of fire department members.

Million Dollar Districts. Million-dollar districts are defined as those with budgets of \$1 million or more.

Higgins FPD

The mission of Higgins FPD is to provide the highest level of service to its community by valuing its members, promoting positive leadership and dedicating itself to excellence.

The Higgins FPD was formed in 1978. It reported that it had eight full time, twelve part time, and 1.5 seasonal employees.

It is governed by a BOD of five uncompensated members with four-year term limits that can be repeated. Two members of the BOD have served for more than ten years. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and all had Brown Act training.

Customer complaints are handled by the Fire Chief.

The budget for FY 2020 was \$1,735,000. The last filed audit was for FY 2015. The District is behind on filings.

The District has an employee handbook, a written credit card policy, a financial reserve policy, bylaws, and a code of conduct. The conflict of interest policy is contained in the bylaws. It did not have a written reimbursement policy. It is currently updating its policy and procedures manual.

The District had a website (www.higginsfire.org) that is being updated. The website included a district map and lists the members of the BOD, meeting agendas and minutes.

Nevada County Consolidated Fire District

The Nevada County Consolidated Fire District mission is to provide the highest level of emergency services to its community by valuing our members, promoting positive leadership, and dedicating itself to excellence. The District was formed in July 1991. It reported it had 38 employees, six seasonal and eight part-time firefighters.

It is governed by a seven-member BOD with no term limits. Two BOD members have served longer than ten years. Allowed BOD member compensation is \$75 per meeting however only four of the seven members accept compensation. All BOD members had completed AB 1234 ethics training and Brown Act training. All had Statement of Economic Interests (Form 700) on file.

Customer complaints are handled by staff management.

The District's last budget for FY 2019 was \$6,619,430. The last filed audit was for FY 2018.

The District had an employee handbook, a written credit card policy, a written spending policy, bylaws, a written reimbursement policy, a financial reserve policy, a conflict of interest policy, and a code of conduct. The District is transitioning to the Lexipol standard policy and procedures manual.

The District website (www.nccfire.com) provides meeting agendas, meeting minutes, financial information, and BOD member information.

Nevada Irrigation District (NID)

NID was formed in 1921. It reported that it had 214 full time employees and one part time employee.

The NID mission is to provide a safe, dependable water supply, to strive to be a good steward of the watersheds, and to conserve available resources.

NID is governed by a five-member BOD, elected to four-year terms by District voters. Two members have served for more than ten years. The BOD is the District's policy-making body. Members of the BOD are elected from within and represent five geographical divisions within the District. Directors are compensated per guidelines set in the California Water Code (§ 21165). All BOD members have completed AB 1234 ethics training and Brown Act training. All had Statement of Economic Interests (Form 700) on file.

Customer complaints are handled by department managers but can be elevated to the General Manager.

The budget for FY 2020 was \$82,036,618. The last audit filed was for FY 2018.

NID has an employee handbook, a written credit card policy, documented spending limits, a written financial reserve policy, a policy and procedures manual, a written reimbursement policy, a conflict of interest policy, a code of conduct, and bylaws that comply with the California Water Code § 20500.

The District has a website (www.nidwater.com) that contains BOD information, meeting agendas, meeting minutes, and financial data.

Penn Valley FPD

The Penn Valley FPD was officially formed in 1974 succeeding the Penn Valley Volunteer Fire Department. The District serves 92 square miles in Western Nevada County, including the Penn Valley, Lake Wildwood, Kentucky Flat, Mooney Flat, and Big Oak areas.

The District is governed by a five-member BOD elected by the citizens of the District. The BOD members have no term limits. One BOD member has served for more than ten years. BOD members are not compensated. The District provides a copy of the Brown Act to each BOD member. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file.

Fire administration consists of a Fire Chief and an office manager. The District employs twelve full-time career fire personnel and relies on part-time firefighters to augment the full-time staff. Penn Valley FPD is the only fire agency in Western Nevada County that provides Advanced Life Support Paramedics and an ambulance service. Each staffed station has one fire engine and one ambulance with the necessary equipment to deliver Advanced Life Service.

Customer complaints are handled by a Captain or the Chief.

The District budget for FY 2020 was \$2,252,200. The last filed audit was for FY 2018.

The District has an employee handbook, a written credit card policy, documented spending limits, a financial reserve policy, bylaws, a written reimbursement policy, a written check cashing policy, a conflict of interest policy, a code of conduct, and a policy and procedures manual.

The District has a website (www.pennvalleyfire.com) that contains a listing of the BOD, meeting agendas, meeting minutes, the last audited financial report, and a listing of personnel.

Truckee-Donner Public Utility District

The Truckee-Donner Public Utility District was formed in 1927 and reported it had 69 full time employees.

The mission of the District is to provide reliable, high quality water and electrical power services while meeting customer demand, and to manage District resources in a safe, open, responsible, environmentally sound manner at the lowest practical cost.

It is governed by a five-member BOD. The BOD members have four-year terms and are compensated \$400 per month and have medical, dental and vision coverage included. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file. The District provides Brown Act training and ethics training to the BOD members.

Customer complaints are handled by the procedures contained in the District Code.

The District's budget for FY 2019 was \$38,742,000. The last filed audit was FY 2018.

Documented policies are contained in the District Code. The District has a written credit card policy, written spending limits, written conflict of interest policy, written reimbursement policy, and a check signing policy.

The District has a website (www.tdpud.org) that includes meeting agendas, meeting minutes, audited financial statements for the last two years, budget, and a listing of BOD members.

Truckee-Donner Recreation and Park District

The Truckee-Donner Recreation and Park District was formed in 1962 and reported it had 34 full-time employees and a large number of part-time employees. Thirteen part time employees have benefits.

The mission statement for the Truckee-Donner Recreation and Park District is: "Inspiring Creative, Active Lives for a Healthy Mountain Community."

The District is governed by a five-member BOD. The BOD members do not have term limits and one member has served for more than ten years. BOD members are compensated \$100 per meeting up to a maximum of four meetings per month. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and had Brown Act training.

Customer complaints are responded to with verbal and written responses if necessary and requested.

The District had a FY 2019 budget of \$9,363,860. Its most recent audit was for FY 2018.

The District has an employee handbook, a written credit card policy, a spending limit policy, a written reimbursement policy, a written check signing policy, a conflict of interest policy, a code of conduct, a written financial reserve policy, and a policy and procedures manual.

The District has a website (www.tdrpd.org) that includes meeting agenda, meeting minutes, a listing of the BOD, a staff directory, policy manual, and financial information.

Truckee FPD

The Truckee FPD was formed in 1894 and reported that it had 48 full time and five part time employees.

The District's mission is to provide the highest level of public safety services to the District's community. The District protects the lives, property and environment of residents and visitors through fire suppression, emergency medical services, rescue, and fire prevention.

The District is governed by a five-member BOD that have four-year terms with no limits for successive terms. The BOD members are compensated \$100 per BOD meeting up to a maximum of four meetings per month. All BOD members had completed AB 1234 ethics training. All had Statement of Economic Interests (Form 700) on file and had completed Brown Act training.

Customer complaints are handled by the administrative or prevention staff as appropriate.

The District had a FY 2019 budget of \$12,213,268. Its most recent audit was for FY 2018.

The District has an employee handbook, a written credit card policy, written check writing policy, written spending limits, written reimbursement policy, a conflict of interest policy, a code of conduct, bylaws, and an operations manual.

The District has a website (www.truckeefire.org) that includes meeting agenda, meeting minutes, BOD listing, and financial information.

Truckee Sanitary District

The Truckee Sanitary District was formed in 1906 and reported that it had 40 full time employees.

The District's mission is to protect the public health and the environment while providing its customers the highest level of service consistent with the prudent management of public funds.

The District is governed by a five-member BOD. BOD members have no term limits and three have served for more than 10 years. BOD members receive \$255 a day for time served which increases \$5 each year. They also receive \$20 per month paid to a 457(b) deferred compensation plan as well as health insurance premium benefits. All BOD members had completed AB 1234 ethics and Brown Act training. All had Statement of Economic Interests (Form 700) on file.

For customer complaints District management is available to support staff regarding customer inquiries.

The FY 2020 budget is \$9,729,000. The most recent audit was for FY 2017.

Rather than bylaws the District uses the Truckee Sanitary District Code which is available on the District website. The District had an employee handbook which includes a District code of conduct, a purchasing and travel policy that covers credit card use, a written financial reserve policy, a written reimbursement policy, a policy that limits check writing to District managers and BOD members, and a code of conduct.

The District has a website (www.truckeesan.org) that includes meeting agendas, meeting minutes, a list of BOD members, and financial information.

Findings

- F1** Some of the Byers Lane CSD BOD members had not completed AB 1234 ethics training.
- F2** Byers Lane CSD provided no information regarding Brown Act training.
- F3** Byers Lane CSD did not have a written reimbursement policy.
- F4** Byers Lane CSD did not have a written conflict of interest policy.
- F5** Byers lane CSD did not have a written code of conduct.
- F6** The Byers Lane CSD did not have a website.
- F7** Some of the Kingsbury Greens CSD BOD members had not completed AB 1234 ethics training and no information was provided about Brown Act training.
- F8** Kingsbury Greens CSD. did not have a written reimbursement policy.
- F9** Kingsbury Greens CSD was delinquent on filings of audits.
- F10** Kingsbury Greens CSD did not have a website.
- F11** Lake of the Pines Rancho CSD BOD members had not all completed AB 1234 ethics training.

- F12** Lake of the Pines Rancho CSD did not have a written reimbursement policy.
- F13** Lake of the Pines Rancho CSD did not state that it had a written conflict of interest policy.
- F14** One member of the Mystic Mines CSD had not completed AB 1234 ethics training.
- F15** Mystic Mines CSD did not have a website.
- F16** San Juan Ridge does not provide Brown Act Training for its BOD members.
- F17** Bear River Recreation and Park District did not have a written reimbursement policy.
- F18** Truckee Cemetery District did not have a written conflict of interest policy.
- F19** Truckee Cemetery District did not have a written reimbursement policy.
- F20** Truckee Cemetery District did not provide Brown Act training for its BOD members.
- F21** Truckee Cemetery District did not have a written code of conduct.
- F22** Some of the Washington County Water District BOD members had not completed AB 1234 ethics training and did not have a Statement of Economic Interests (Form 700) on file.
- F23** Washington County Water District was delinquent on filing of audits.
- F24** Washington County Water District did not have a written reimbursement policy.
- F25** Western Gateway Recreation and Park District was delinquent on filing of audits.
- F26** Nevada County Resource Conservation District did not report on Brown Act training.
- F27** Rough and Ready FPD did not provide Brown Act training for its BOD members.
- F28** Ophir Hill FPD did not report on having a written reimbursement policy.
- F29** Higgins FPD was delinquent on filings of audits.
- F30** Higgins FPD did not have a written reimbursement policy.

Recommendations

The Nevada County Grand Jury recommends the following.

- R1** Byers Lane CSD, Kingsbury Greens CSD, Lake of the Pines Rancho CSD, Mystic Mines CSD, San Juan Ridge County Water District, Truckee Cemetery District, Washington County Water District, Nevada County Resource Conservation District and Rough and Ready FPD ensure that all of their BOD members have completed AB 1234 Ethics Training, have current Statements of Economic Interests (Form 700) on file, and have received Brown Act Training.
- R2** Byers Lane CSD, Kingsbury Greens CSD, Lake of the Pines Rancho CSD, Bear River Recreation and Park District, Truckee Cemetery District, Washington County Water District, Ophir Hill FPD and Higgins FPD develop and implement written reimbursement policies.
- R3** Byers Lane CSD, Lake of the Pines Ranchos CSD, and Truckee Cemetery District need to confirm that it has a written conflict of interest policy.
- R4** Byers Lane CSD and Truckee Cemetery need to provide information as to their code of conduct.
- R5** Byers Lane CSD, Kingsbury Greens CSD, and Mystic Mines CSD establish a website in accordance with California Government Code § 53087.8 or establish an exemption as provided in that code.
- R6** Kingsbury Greens CSD, Washington County Water District, Western Gateway Recreation and Park District, and Higgins FPD provide certified audits as required to the Nevada County Auditor-Controller's Office.

Request for Responses

Pursuant to Penal Code § 933.05, the Nevada County Civil Grand Jury requests responses from the following:

- Byers Lane CSD for:
 - Recommendations R1, R2, R3, R4, and R5.
 - Responses are due by July 21, 2020.
- Lake of the Pines Rancho CSD for:
 - Recommendations R1, R2 and R3.
 - Responses are due by July 21, 2020.
- Mystic Mines CSD for:
 - Recommendations R1 and R5.

- Responses are due by July 21, 2020.
- San Juan Ridge County Water District for:
 - Recommendation R1.
 - Responses are due by July 21, 2020.
- Bear River Recreation and Park District for:
 - Recommendation R2.
 - Responses are due by July 21, 2020.
- Washington County Water District for:
 - Recommendations R1, R2 and R6.
 - Responses are due by July 21, 2020.
- Western Gateway Recreation and Park District for:
 - Recommendation R6.
 - Responses are due by July 21, 2020.
- Nevada County Resource Conservation District for:
 - Recommendation R1.
 - Responses are due by July 21, 2020.
- Ophir Hill FPD for:
 - Recommendation R2.
 - Responses are due by July 21, 2020.
- Higgins FPD for:
 - Recommendations R2 and R6.
 - Responses are due by July 21, 2020.
- Rough and Ready FPD for:
 - Recommendation R1.
 - Responses are due by July 21, 2020.
- Kingsbury Greens CSD for:
 - Recommendations R1, R2, R5, and R6.
 - Responses are due by July 21, 2020.
- Truckee Cemetery District for:
 - Recommendations R1, R2, R3 and R4.
 - Responses are due by July 21, 2020.

Appendix A: Surveyed Special Districts

Small Districts

Beyers Lane Community Service District
Kingsbury Greens Community Services District
Lake of the Pines Ranchos Community Services District
Mystic Mines Community Services District
Oak Tree Park and Recreation District
San Juan Ridge County Water District

Medium Districts

Bear River Recreation and Park District
Truckee Cemetery District
Washington County Water District
Western Gateway Recreation and Park District

Large Districts

Nevada County Resource Conservation District
Nevada Cemetery District
North San Juan Fire Protection District
Ophir Hill Fire Protection District
Peardale-Chicago Park Fire Protection District
Rough and Ready Fire Protection District

Million Dollar Districts

Higgins Fire Protection District
Nevada County Consolidated Fire District
Nevada Irrigation District
Penn Valley Fire Protection District
Truckee-Donner Public Utility District
Truckee-Donner Recreation and Park District
Truckee Fire Protection District
Truckee Sanitary District