

# CHESTER PUBLIC UTILITIES DISTRICT

## INFORMATIONAL STATEMENT

CPUD offers this information in an attempt to dispel some of the many rumors and misunderstandings that are currently being circulated throughout the community. Any and all questions are welcome and every effort will be made to answer with any documentation legally available to the public. Please direct inquiries to Board Chair Kim Green (cell: (530) 310-0342, email: [kimlynnngreen@outlook.com](mailto:kimlynnngreen@outlook.com)) or leave a message with the CPUD office at (530) 258-2171.

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**RUMOR:** CPUD Financials are murky, suspect and incomplete

**FACT:** Financials are prepared monthly by a Certified Public Accountant and reports are prepared to give the district and board a monthly overview of the financial transactions and current account status.

**RUMOR:** CPA includes with financials a letter that states: "Management has elected to omit substantially all the disclosures required by accounting principals generally accepted in the United States of America" which indicates that management is hiding the true financial conditions from the public.

**FACT:** This disclaimer is standard wording that makes it clear to readers that the information provided in the reports is not an audit, but compiled from data provided by the client. This is different from the annual audit performed by a qualified, independent auditor, wherein the auditor has access to every financial file to ascertain the validity of all information. CPUD complies yearly with the legal requirements for financial accountability, and all audits are posted on the website for public access. The letter also states: "Accordingly, the financial statements are not designed for those who are not informed about such matters."

**RUMOR:** A new GM would rectify the inaccurate financial situation.

**FACT:** There is nothing to rectify. All independent audits performed are available on the website.

**RUMOR:** CPUD said no one wrote letters of protest regarding the proposed water rate changes.

**FACT:** CPUD received several letters however only two met the requirements to be counted as protest votes. A minimum of 50%+1 (approximately 704) valid protest votes would have needed to have been turned in to prevent the water rate increase. Water and sewer rates generally cannot be higher than the actual cost of providing the service, so without rate increases there would have to be cost cuts and/or layoffs.

**RUMOR:** Adam Cox has fired many employees.

**FACT:** Only one employee has been terminated since GM Cox began in early 2022. Every single other employee separation was the decision of that employee.

**RUMOR:** CPUD denies receiving any applications for General Manager.

**FACT:** There was one applicant who submitted an application. This was received after the position had been offered to and accepted by Adam Cox.

**RUMOR:** Adam Cox was not vetted before hiring.

**FACT:** Mr. Cox was thoroughly vetted through universally accepted procedures, including checking references, speaking with current clients and prior employers, experience background, and face to face interviews

**RUMOR:** GM Cox has been against having a volunteer fire department from the beginning.

**FACT:** It has always been the goal of this board and the GM to rebuild the volunteer component of the department. GM Cox worked with Chief Balzarini extensively to develop a viable recruitment plan which was met with resistance due to the “culture” of the previous staff and management, insurance issues, and general misinformation. Rebuilding this critical aspect of Chester remains a top priority of this district. It is true however that much focus over the past two years has been on maintaining a functioning full-time fire department and ambulance service.

**RUMOR:** Adam Cox does not do his job.

**FACT:** Internal complaints for any employees are investigated and dealt with appropriately. There is a complete complaint procedure set forth for outside complaints which are taken into consideration. However, as this is a personnel issue, the board cannot discuss any details of such procedures. It is unclear how anyone who does not interact with staff on a continuing basis can make this determination or complaint.

**RUMOR:** Adam Cox should be fired. Adam Cox has acted criminally.

**FACT:** There have been no substantiated or documented complaints provided to warrant that action.

**RUMOR:** The CPUD Board refused to hear suggestions, recommendations, and complaints from the self-formed advisory group, and refused to put them on the agenda for board meetings.

**FACT:** CPUD Board cannot acknowledge an advisory group that has not been assembled according to legal procedures. The request for placement on the agenda could not be “CPUD Citizens Advisory Group” as that would indicate or confer legitimacy and legal implications. However, leaders of the group were asked to bring forth their information on several occasions during public comment times, even scheduling an entire special meeting for a workshop dedicated to their concerns and suggestions, at which they refused to speak. It was stated by Annika Peacock “If you want to know what we have to say you have to put me on the agenda”.

**RUMOR:** GM Cox is firm on his position to close down the fire department.

**FACT:** Contrary to these statements, both GM Cox and the board have worked diligently to find solutions to enable keeping the fire department and EMS at full operating capacity. The drastic loss of revenue that has occurred over the past 5 years has drained funds to the point it is impossible to continue operations.

**RUMOR:** The liability insurance for the Chester Fire Department lapsed due to non-payment.

**FACT:** The policy premiums were paid on time. The insurance company would not renew the policy due to the lawsuits and other litigation facing the district, and a new policy was not obtained prior to the previous one ending. Management at the department continued operating for almost 5 months at full service without liability, automobile, casualty, and first responder insurance coverage against contractual obligations with our local Emergency Services Authority (NorCal EMS), district policy and state laws. During his first week as General Manager the situation was discovered by GM Cox and all appropriate parties were notified that we were out of service until the situation could be brought back into compliance. Because of this lapse in coverage, replacement insurance was even more expensive, costing roughly five times what the previous policy cost.

**RUMOR:** CPUD administration is selling assets of fire and EMS departments.

**FACT:** There has been NO discussion of selling off any assets. There was direction from the board to staff to identify any surplus equipment that should be disposed of, however, after discussion of two items identified as possibilities, there was nothing that was recommended for disposal.

**RUMOR:** CPUD is closing down the fire department.

**FACT:** CPUD is transitioning to a volunteer fire department to meet current income limitations, while pursuing avenues to restore full service as possible.

**RUMOR:** Adam Cox did not apply for the position of General Manager of CPUD, which is illegal.

**FACT:** The CPUD Board actively pursued candidates for the General Manager position, and contacted Mr. Cox. During the vetting process, they requested a proposal for his services as interim manager. After several months of working with Mr. Cox the board offered him the permanent position based on his performance and knowledge, all completely within legal parameters.

**RUMOR:** The CPUD Board did not discuss the general manager's contract before accepting.

**FACT:** Any discussion of negotiations for contract employees is confidential until finalized, and would not be part of the open meeting during that negotiation period. The GM's contract was approved in an open board meeting and is a public document.

**RUMOR:** Adam Cox was hired to amend the policies and procedures manual of CPUD.

**FACT:** Mr. Cox was hired to be General Manager. He learned that a complete policy manual was not available as a previous GM had erased them from the office computers upon leaving his post. Years have been spent trying to locate and reassemble. Currently, an Ad Hoc committee has been appointed to completely review, revise and update a new policy manual by June of 2024.

**RUMOR:** Board meeting minutes are incomplete and/or incorrect.

**FACT:** Meeting minutes are prepared according to mandates of the Brown Act. No information has been provided to show any incorrect or missing information. It is important to note that board meeting minutes are summary action minutes (they record the actions the board takes) and are not meant to be verbatim transcripts of everything said at meetings.

**RUMOR:** Recalling the entire CPUD Board will fix the problems currently being encountered.

**FACT:** The problems have existed for many years. This board has exposed and corrected many of the issues plaguing the District, and continues to do so. This is a “kill the messenger” tactic, without full understanding of the complete picture.

**RUMOR:** The CPUD Board and administration does not care about the community and its needs.

**FACT:** All Board members reside in this community and are subject to the same issues as all other residents. These members are volunteers, not politicians, who care deeply about this community’s future and the results of decisions made by them. This board has worked diligently to 1) keep a fire department, 2) find funding for a fire department, 3) give the community a voice as to what they want to have for a fire department, and 4) how to fund that fire department.

**RUMOR:** Current GM is exorbitantly expensive and costing the District too much.

**FACT:** The last GM worked approximately 2 days per week, cost the District over \$175,000 per year (including benefits), and was provided a vehicle with gas and insurance paid by the District. A former GM is also now collecting CPUD-paid health benefits for life at a cost of approximately \$18,000/year. Mr. Cox provides 24/7 telephone coverage, provides up to 30 hours per week of direct work, provides ancillary services such as website/agenda program maintenance and upgrade services as part of his contract, has no benefits or paid time off, and costs the District \$96,000 per year.

**RUMOR:** The CPUD Board has not been keeping up with needs of the Water and Sanitation departments.

**FACT:** The Water and Sanitation departments are solvent and the board is kept current on all issues with operations. The District received a grant for major sewer system improvements, which has been working through the State system for about 5 years. Phase 1 is in the finalization process for all planning and approvals. The construction takes place in Phase 2, which the state has postponed due to funding shortages, and is expected to start in the coming years. The water system continues to be evaluated for issues and data for grants is being compiled to update all systems. This fund also is solvent.