Grand Jury Recommendation 1

The 2012/2013 Plumas County Civil Grand Jury recommends, above all else, that the CPUD arranges for governance and Brown Act training for all of the current directors of the district and for the clerk of the board and that the district creates an in-depth orientation program for every new director coming on the Board.

Response:

The CPUD Board of Directors agrees with this recommendation and has taken the following steps:

The Board and the clerk of the board have received Brown Act trainings via an on-line webinar, PowerPoint presentations and by reading copies of the current Brown Act through self-study.

A regular training schedule has been implemented and board members have received training in Governance, AB 54, Ethics, and the Brown Act. Future courses to be delivered prior to Dec. 31st 2013 include Fiscal responsibilities and Budgeting, Finance, Emergency Response Planning, Rate Setting, Capitol Improvement Plans and the Safe Water Act. Our goal is to have all board members current in required trainings by December 31st of 2013 (the sources for these trainings taken so far have been the California Small Districts Association (CSDA), Rural Community Assistance Corporation (RCAC), and research and study of various law sections that apply to the operations of CPUD.)

The Board recognizes the need for an orientation program for new board members as 3 of the 5 members are new and have had to pursue orientation with staff and performed research on their own. An orientation program is one of the objectives that the board intends to accomplish. By the signing of this response the board agrees that all members of the board will have completed all of the aforementioned trainings within six months and that newly elected/appointed board members will have six months to complete this orientation program.

Grand Jury Recommendation 2:

The Grand Jury recommends that the CPUD board of directors review all District Financial processes in order to create and implement, to the extent possible, appropriate fiscal procedures per Generally Accepted Accounting Principles (GAAP).

Response:

The Board agrees with the Grand Jury recommendation and has implemented controls and accountability with fiscal processes to provide clarity and responsible fiscal management. This is a result of existing board members identifying the fiscal problems exasperated by previous management lack of oversight. The board publicly reviews and inquires about purchasing and income statements to monitor the effectiveness of existing processes.

Better oversight has been enacted to provide accountability with timekeeping and adherence to Statute and District policies and procedures. We have publicly presented our recent audit of fiscal year 2012-13 and were encouraged to find that many of the controls and changes in process that we have implemented thus far were in concert with the changes recommended by the audit.

The District employs the services of an outside accountant for payroll, income and disbursement accounting and for the preparation of fiscal statements. The accountant's resultant tasks have been audited by a third party GAAP certified accounting/auditing firm and found to be in compliance.

As we move forward and hire a General Manager the board will be working closely with that individual to ensure that we will have appropriate checks and balances in place and that the financial workings of the District are transparent.

Grand Jury Recommendation 3

To help ensure transparency, the Grand Jury recommends the following:

- ***The Board requires a brief financial summary to be presented by the District Manager aloud at each public board meeting.***

Response:

The CPUD Board of Directors currently is acting in lieu of the District Manager. At each meeting (all "meetings" of the board as defined by the Brown Act must be public by definition) a fiscal accounting report is delivered verbally and in written format is made available to the public in the form of a "packet". Changes in reporting have been implemented to provide a "snapshot" of the District's up to date financials as of the date of the Board meeting. This has enabled the board to more intelligently assess the fiscal health of the District and to make better decisions for the future of the district.

- ***The CPUD posts meeting agenda, at a minimum at the Chester Post Office as well as the District Office***

Response:

The recommended additional postings were implemented prior to the release of the Grand Jury's report. All agendas are posted at the District Office, Chester Post Office, faxed to the local media, and are available by request to the public following the procedures contained within the Brown Act. With the completion of a District website the agendas will also be available on-line.

- ***The District develops a District website and that it includes upcoming and past meeting agenda, minutes and any information which would be useful to the public. The website should include contact information for each member of the Board of Directors and District management.***

Response:

The CPUD Board of Directors acknowledges this recommendation and agrees with its intent. It is therefore the intent of the Board to implement the following actions:

- During the Board of Directors meeting of August 13, 2013 the CPUD Board of Directors voted unanimously to develop a Request For Proposal (RFP) in order to hire a web-master who will then create a website for a consolidated district presence on the internet. Currently Chester Fire maintains a website and this would be incorporated with the rest of the District web-presence.

- The Board is also working with a credit card vendor to establish a process where-by the public will be able to pay their water and sewer bills on line. Once the District has its webpage up and running the vendor will attach a link to our webpage to facilitate this process.

- As per the Grand Jury recommendation the District website will include past and current agendas, minutes, financials and contact information for Board members as well as District managers and relevant staff in order to assist the public.

- ***The Board publishes board packets including agenda, draft minutes and the draft financial report for the public to be handed out at the beginning of each meeting.***

Response:

The board agrees with this recommendation and has for the last 6 months been providing "Board Packets" to the public at each meeting. These packets include (but are not limited to) draft-meeting minutes, the current meeting agenda and the monthly financial "snap-shot" report.

- ***Grand Jury Recommendation 4***

The Grand Jury recommends that the Board Chairperson and any other Director or staff member responding to questions from the public ensures that they remain respectful in their manner of response. It is certainly appropriate for the Chairman of the Board to refrain from debating with someone during the public comment period, to simply thank the speaker for their input and if the Board is unable to give a brief, accurate response, commit to responding in writing before the next scheduled Board meeting.

Response:

The newly assembled Board is committed to maintain a professional demeanor during all of its meetings. As an example we have acquired both State and US Flags and begin each meeting with the Pledge of Allegiance.

Our Board packet outlines when it is appropriate for the public to address the Board but we (the Board) are willing to answer any questions that we can even if they are asked when the public comment period has passed. The Board is committed not to be drawn down the path of past practices and will strive to remain professional and respectful in all of it's dealings with our constituents, the public.

Grand Jury Recommendation 5

The Grand Jury recommends that the Board establish By-laws, which among other things define the role of management and the role of the Board as well as those requirements of The California Government Code (Ralph M. Brown Act), 54954. This can appropriately be accomplished by investigating best practices for Special Districts.

Response:

The CPUD Board of Directors concurs with Grand Jury recommendation #5 and will begin to draft and adopt appropriate by-laws which will make it clear what everyone's role is within the District. In an effort to accomplish this task CPUD has received an example of Special District by-laws from the Special District Risk Management Authority (S.D.R.M.A.). Using this example as a template the District will strive to construct a series of policies, procedures and by-laws appropriate for our District. Once this task has been completed it is anticipated that this document will guide the direction of the District in the future.

Grand Jury Recommendation 6

The Grand Jury recommends that the Board routinely networks with other districts to share best practices regarding by-laws, policies, procedures and

issues affecting production and distribution of water, sewer and street lighting services and the provision of fire protection.

Response:

The Board agrees with this recommendation and as has been outlined in many of the responses outlined above we (the Board) stand committed to learn and practice best practices in every function that the District oversees.

This can be demonstrated in the training that we have received and have committed to complete as well as working with other districts in order to develop new by-laws and policies and procedures. This will be an on-going process and our success will be measured by future performance of the District as a whole.

Conclusion:

We the Board wish to thank the Grand Jury for its work on their 2012-13 report. It is obvious to all of us that many hours were spent in examining and analyzing the operations of CPUD and the resultant recommendations will assist us in moving forward to create a more effective and transparent operation.

Thank you

Chairman Joe Waterman

Vice Chair Ben Thompson

Secretary Wes Scott

Treasurer John Knopp

Director Barbara Montandon