Hon. Steve White, Presiding Judge  
720 Gth Street, Dept. 47  
Sacramento, CA 95814

Tim Kerr, General Manager  
American River Flood Control District

Re: Survey of Independent Special Districts – Response to Findings and Recommendations

Dear Sir:

Thank you for inviting the American River Flood Control District to participate in the Sacramento County Grand Jury Survey of Independent Special Districts. This letter is to provide our District’s response to the survey findings and recommendations.

Finding 1.0
Recommendation 1.1 – Concur
Recommendation 1.2 – Concur
Recommendation 1.3 – Concur

Finding 2.0
Recommendation 2.1 – Concur
Recommendation 2.2 – Concur

Finding 3.0
Recommendation 3.1 – Concur
Recommendation 3.2 – Do not concur. The proposal to have all Sacramento County Independent Special Districts base their pension awards on base salary earnings over the highest 36 months would put districts in Sacramento County at a disadvantage in comparison to all of the other districts. This proposal would need to be a State wide fix to insure equitable treatment for all counties. The proposal also paints all Special Districts with a single brush due to the questionable practices of a few Special Districts. The American River Flood Control District does not participate in unfair pension boosting but instead provides pensions based on actual base salary. This practice is transparent and open for public review. Award of pensions on actual base salary does not cost our assessment base an
additional financial burden. While we concur with the idea that each district should
develop a policy to prevent unfair pension boosting, we believe each district should
be able to do develop an appropriate policy that fits with their circumstances.

Recommendation 3.3 – Concur
Recommendation 3.4 – Do not concur. The District has established current
pension/OPEB practices to facilitate employee recruitment and retention.
Employee contribution to this benefit would be counter to those objectives.

Finding 4.0
Recommendation 4.1 – Do not concur. The District currently adheres to a policy to
perform open bidding on all purchases greater than $25,000 as required by law unless
comparable products/services are not available. The majority of District expenses other
than salaries and wages are for small purchases that occur at irregular intervals. It
would be cost-prohibitive and an inefficient use of tax payer funding to perform
competitive bidding on these small purchases that are made on an as-needed basis.

Finding 5.0
Recommendation 5.1 – Concur
Recommendation 5.2 – Do not concur. The District currently meets the intent of this
recommendation through participation in the internal controls review in our yearly
financial audit, continuous oversight by District Legal Counsel during Board of Trustees’
meetings, and yearly evaluations of the performance of the General Manager by District
Human Resources Legal Counsel and the Board of Trustees. Through these functions,
review of management performance for the District is ongoing and continuous.