

---

# RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT



P.O. BOX 400 • 730 L STREET  
RIO LINDA, CALIFORNIA 95673  
Phone: (916) 991-1000 • Fax: (916) 991-6616  
[www.rlecwd.com](http://www.rlecwd.com)

---

July 18, 2011

Hon. Steve White, Presiding Judge

720 9<sup>th</sup> St. Dept 47

Sacramento, Ca. 95814

Honorable Judge Whiting ,

Please find below the Rio Linda/Elverta Community Water District response to the 2010-11 Grand Jury report

Finding #1.1 The Board of Directors is receiving training from the California Rural Water Assoc. There are two classes titled How to be a Board member and Board roles and responsibilities which are being scheduled at this time.

Finding 1.2 The new General Manager has met with the Lafco Board and requested 6 months to get things in order before a peer review is done if needed. Lafco has agreed.

Finding 1.3 The District has a policy guide in effect it is being updated by 2 board members 1 public member and the new General Manager. The new policy guide will be reviewed by the entire Board and approved before it is put into effect.

Finding 2.1 The backlog of minutes has been put on the highest priority for the office staff to complete. There are only a few left to bring the minutes up to current day.

Finding 2.2 Minutes and Resolutions are now posted as soon as they are approved by the Board of Directors.

Finding 3.1 The Board will create a supportive climate for the Manager to perform effectively. The District has hired a General Manager with many years of experience in all phases of the water industry including 18 years of management experience at another services district.

Finding 4.1 The General Manager has completed a wage and benefit survey of similar agencies in the area. She is currently trying to determine appropriate staffing for our agency.

Finding 4.2 The District has been and will continue to discuss the labor negotiations at every meeting until they are finalized. The current version of the labor negotiation is almost complete and it is hoped that this will be the last version necessary for the dispute to be resolved.

Finding 4.3 The first thing the Manager did when accepting the position was review current job descriptions versus duties with staff and is in the process of updating the job descriptions.

Finding 4.4 The General Manager will perform annual performance evaluations before the annual wage review is done to determine if staff has performed their duties as described and is eligible for a wage increase.

Finding 5.1 The Board , staff and General Manager are trying very hard to restore mutual respect, trust and confidence.

Finding 5.2 Micro-management was a problem in the past the new Board has hired a new General Manager who is eliminating all micro-management.

Finding 6.1 Our new bookkeeper has a 4 yr bachelors degree concentrating in accounting, has worked 19 yrs for the Federal Government as a financial analyst, been the controller of 2 private businesses and worked for 1 ½ yrs as junior accountant in a CPA firm. She is also a certified fraud examiner.

Finding 6.2 Our 2009-10 audit is almost complete per our auditor and our new bookkeeper is currently updating all of the accounting records.

Finding 7.1 The new Manager has already prepared a preliminary budget for the current fiscal year it will be finalized at a public hearing before our August board meeting. It will be reviewed monthly and revised if necessary quarterly.

Finding 7.2 The District does provide monthly budgeted versus annual figures for the Board's review beginning 7/1/11 the beginning of the new fiscal year.

Find 7.3 Since the new manager has been here she reviews accounts payable aging schedules weekly.

Finding 7.4 The District is preparing Comprehensive Annual Financial Reports for the fiscal year ending 2010-11. We will be scheduling the audit for 2010-11 as soon as the audit for fiscal year 2009-10 is complete.

Finding 8.1 The District Bookkeeper will be compiling a district accounting policies and procedures manual as soon as she completes updating the accounting records.

Finding 9.1 Our accounting firm Richardson & Co. has already been assigned to do a forensic audit of our bank accounts for the last 5 years.

Finding 9.2 The District Attorney is currently in the middle of investigating the personal use of the district's credit card.

Finding 11.1 The District feels that the above noted remedies to the Grand Jury's findings will be implemented and that there will be no need for the District to be put into receivership.

We hope that these answers to the Grand Jury's findings are sufficient. Please feel free to contact me if you need any additional information on the responses presented above.

Sincerely,

Mary Henrici

General Manager

Rio Linda/Elverta

Community Water District

Courtney Caron

Board President

Rio Linda/Elverta

Community Water District