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POTTER VALLEY IRRIGATION DISTRICT

The Potter Valley Irrigation District (PVID) was formed in 1952. A five-member elected board of directors, which meets monthly, on the third Wednesday at the PVID office, governs the district. The PVID has an appointed Secretary/Treasurer and is acting as Tax Collector for the district. The Secretary/Treasurer/Tax Collector is salaried. The permanent employees of the district include the Superintendent, Assistant Superintendent, and Secretary/Treasurer/Tax Collector. There are seasonal employees, usually four, and they are employed during the summer, depending on the work schedule. The district waterways consist of sixteen miles of canal, with 85 main control gates and 700 service gates to private properties. There had been no overview by a Grand Jury since 1990.

Reason for Investigation

The Grand Jury received a citizen's complaint.

Method of Investigation

The Grand Jury interviewed complainant, members of the PVID Board of Directors, and the District Superintendent. An on-site visit was made to the PVID office. Grand Jury reviewed ten years of board meeting minutes, irrigation delivery records, bookkeeping and accounting records, full-time and part-time employee salary structure and the by-laws.

Findings

1. A conflict of by-laws Section 9 and 16 existed. Section 9 states; "All complaints must be filed within five (5) days upon receipt of bill, or water delivery." Section 16 states; "All complaints must be filed within ten (10) days upon receipt of bill, or water delivery."

Response (Potter Valley Irrigation District): The 2000 Final Draft of the District By-Laws was reviewed by the Board of Directors at the June 21st Regular Meeting. The Bylaws were edited and reworked to eliminate the conflict of ByLaws that existed in the old version in use at this time. Also the statement in By-Law Section 16 regarding a customer losing the right to complain was deleted.

The final Draft was approved to go to an attorney for review of the terminology and legality of the rules contained in the new District By-Law document. When returned the District By-Laws will be sent out to every customer of the Potter Valley Irrigation District.

2. By-law Section 16, also states, "A customer loses his/her right to complain after ten days."

Response (Potter Valley Irrigation District): Customers were contacted and preferred that the Water Bills be sent at the end of the water season as in the past. However, when the updated By-Laws are sent out to the District customers, they will be notified that the District will provide them a up to date water bill at any time of the water season upon request.

Recommendation

By-laws be edited for consistency and brought up to date.

Findings

3. No written receipts are given to customers upon delivery of water.

Response (Potter Valley Irrigation District): At the July 19th regular meeting, on a motion by Dir. Bob Hess, seconded by Dir. Oberfeld, the Board approved taping all future Board meetings and retaining the tapes for one year. Supt. Elliott was authorized to purchase a tape recorder for this purpose.

4. Customers are billed annually in October.

Response (Potter Valley Irrigation District): Supt. Elliott has set up an on-going training program for all employees scheduled for the 1st Monday of each month at which the water tender record keeping as well as other aspects of the water tenders' job will be reviewed, and signed off by the employees present.

Recommendation

Water usage bill should be sent on a monthly or quarterly basis.

Findings

5. The Secretary/Treasurer is currently filling the position of acting Tax Collector.

Response (Potter Valley Irrigation District): Willits Attorney, Christopher Neary, was scheduled to meet with the Board at the July 19th meeting but was unable to attend. He is interested in serving as the legal counsel for the Potter Valley Irrigation District on an on-call basis. He is scheduled to be at the August 16th meeting to meet the Board of Directors to discuss the position.

6. It was determined after interview of board members, that nepotism no longer exists within the PVID.

Response (Potter Valley Irrigation District): The Board of Directors will give serious consideration to increasing the Superintendent's salary in January 2001 when the District Budget is set up for the year and the District Salary Schedule is established.

7. District record keeping was sloppy, and for some customers the water rates were incorrect.
8. Sloppy handwritten record keeping and financial bookkeeping data have been upgraded from handwritten to computer record keeping.

Recommendations

1. A taping of all board meetings should be considered, and tapes retained for one year.
2. PVID is encouraged to have an on-going training program for all employees, which emphasizes the need for accurate record keeping.
3. The Board of Directors consider having legal counsel on an on-call basis for their board meetings.

Finding

9. The Superintendent's salary was not commensurate with occupations in Potter Valley, with the same or lesser responsibilities.

Recommendation

PVID give serious consideration to increasing the Superintendent's salary.

Comment

The PVID was found to be financially sound. The governing board interviewees were knowledgeable, forthright and candid in their assessment of operations of the district. There was no evidence of corruption or favoritism. It appeared that efforts were being made to treat customers of the district fairly. The PVID is currently in the process of updating its by-laws. Citizens' complaints reviewed in the board meeting minutes for the past year appear to have been resolved. The district is making efforts to improve the irrigation system. The Superintendent is to be commended for his hands-on knowledge and dedication to the district.

Response (Auditor-Controller): As a special district with an independently elected/appointed board of directors, the financial management of the affairs of the district rest solely with the district directors and not the County of Mendocino. For the past number of

years, the district has been independently audited by outside auditors who also have the responsibility for reviewing the internal control procedures in place in safeguarding the fiscal assets of the district. The County of Mendocino nor my Office have any responsibility in that regard. However, we do act in a fiduciary capacity to insure that compliance reporting of annual financial transactions is timely submitted to the State Controllers Office on an annual basis.

Response Required

Mendocino County Auditor Controller
Potter Valley Irrigation District Board of Directors