



WOODBIDGE SANITARY DISTRICT

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September 2, 2011

Hon. Robin Appel, Presiding Judge
San Joaquin County Superior Court
222 E. Weber Street, Room 303
Stockton, CA 95202

Via U.S. Mail and e-mail to grandjury@courts.san-joaquin.ca.us

Re: Grand Jury Report of June 1, 2011

Honorable Judge Appel:

The Woodbridge Sanitary District submits this response to the recommendations and findings covered in the referenced report by the Grand Jury:

SECTION 1

Finding 1.1 *"A check in the amount of \$1,260 issued to an employee for 36 hours he did not work, with the understanding that the money would be turned over to another employee so that his eligibility and disability benefits would not be impacted."*

In discussions with the District General Manager, the employee at issue performed the installation of two pumps at the headworks that included pipe modifications for a total of 36 hours. He was paid for this time, and no check was issued improperly.

Finding 1.2 *"There is no an equipment inventory system. Every employee had access to the central storage trailer. Employees are frequently allowed by the GM (General Manager) to use District property for personal use off site."*

Since the commencement of the Grand Jury investigation, the District has completed an inventory of District property, including tools and equipment. All employees who use District equipment to execute their job duties, such as the OITs (Operators in Training), laborer, and operator/manager, have access to the central storage trailer/shop area. Use of District equipment is frequently

required off of the Wastewater Treatment Plant site (e.g. any work on District sewer lines or lift stations), however removal of District equipment for personal use is prohibited. Other staff, such as the secretary, and general public do not have access to the central storage trailers. Incidents regarding the finding that District equipment was used off-site for personal use primarily involved an employee who is no longer with the District. Such use of District property was not authorized by the District. The Board has adopted written policies that prohibit the use of District property including tools and equipment for personal use.

Finding 1.3 “*After review of last year’s credit card statements and warrants, suspicious charges were found. . .*”

The District and its auditor are reviewing credit cards charges and warrants for last year and will be noting any suspicious charges. The District has enacted a formal policy prohibiting the hiring of or contracting with relatives of employees.

Recommendation 1.1 “*Develop written policies and procedures and strengthen and assure financial accountability.*”

The District has adopted written policies to further strengthen and assure financial accountability. Such policies govern areas including the annual budget, audit, payroll, personnel manual, expenses, revenue, contracts and inventory.

Recommendation 1.2 “. . . *[i]mmediately develop performance standards for the evaluation of the GM including disciplinary actions in the event of SWRCB violation and schedule regular reviews of the GM.*”

Performance standards for the GM have been developed and adopted by the Board, disciplinary action is covered in the District’s personnel manual. Regular, periodic reviews of the GM will be scheduled as approved by the Board.

Recommendation 1.2A “. . . *[i]mplement an inventory control system.*”

The District has completed an inventory of all tools and equipment, and the Board has approved a policy to conduct annual inventory reviews by staff and an assigned Board member. Inventory reviews may be more frequent as situations may warrant.

Recommendation 1.2B “. . . *[d]evelop strict policies forbidding employees/contractors personal use of District property, including tools and equipment.*”

The Board has developed and adopted a written policy that prohibits the personal use of District tools and equipment by employees, contractors and board members.

Recommendation 1.3 “. . . *[d]evelop procedures for the prior authorization of expenditures to appropriate industry vendors via purchase orders/warrants.*”

The board has approved a policy requiring the GM to approve all employee purchases with a purchase order form. This continues an ongoing policy established by the GM.

Recommendation 1.3A “ . . . [d]efine parameters of District credit card use, including no personal use and limit the number of cards in the District.”

The Board has approved a credit card usage policy that outlines required credit card authorizations, procedures, and restrictions on use. Credit card possession by a District employee requires prior Board approval, personal use is prohibited, and disciplinary procedures are in place in the event of any policy violation(s) by employees.

Recommendation 1.3B “. . .systematically verify and reviews all fiscal expenditures including itemized documentation.”

The Board has approved a policy for the review and verification of all expenditures and supporting invoices/documentation prior to Board approval of the warrants. This continues the current ongoing policy.

Recommendation 1.3C “. . .subject credit card purchases to the same approval process as expenses paid warrants.”

The Board has approved a policy for the review and verification of all expenditures and supporting invoices/documentation prior to Board approval of the warrants. This includes credit all card purchases.

SECTION 2

Finding 2 “Original readings taken for the SWRCB on water quality were revised when the readings were not within the legal limit.”

The District does not find support for this finding in its records, no such records were requested by the Grand Jury for inspection, and therefore the District is unclear upon what evidence this finding is based. Upon review of the Grand Jury’s report, one staff member and one Board member reviewed the District’s reports/readings from the period between January 2008 and July 2011 (42 months) that were supplied to the SWRCB and compared them to the official office records including FGL lab reports (FGL is an independent California certified laboratory service that performs the District’s water quality testing). There was no evidence that any readings were revised. This review did, however, reveal that the District is inexplicably missing three (3) months’ worth of records regarding the dissolved oxygen levels (“DO”) in the District’s treatment system. Due to the fact that at the time there was a sole custodian of those records, the District surmises they have been unlawfully removed from the premises or destroyed, and a police report has been filed accordingly.

Finding 2.1 “Three spills of sewage were reported by the District to the SWRCB and records with the District office indicated at least a dozen spills had been reported by rate payers.”

The District did not find support for this finding in its records, no such records were requested by the Grand Jury for inspection, and therefore the District is unclear upon what evidence this finding is based. Upon review of the Grand Jury’s report, one staff member and one Board member reviewed the District’s reports for all Sewer System Overflows (SSOs) for the period between September of 2007 and June of 2011. During this period, the District reported a total of four (4) SSOs, with reports being filed electronically with through the California Integrated Water Quality System (“CIWQS”). Records available in the District’s office confirm this number to be

correct. SSOs that are “reportable events” and must be reported to the State are those that result from a failure of the District’s system, e.g., a spill directly from the District’s sewers not private laterals. The District does not have jurisdiction over, nor reporting duties with respect to, general service calls that do not result in SSOs, nor sewer blockages, etc. that occur on private property due to problems with privately-owned sewer lines. It appears there has been some misunderstanding of the difference between reportable SSOs and non-reportable events or service calls in making this finding.

Recommendation 2 “...[c]reate a policy for review of water readings assuring they are reported to the SWRCB accurately and that public safety is not compromised.”

The Board has approved a policy for the review of water readings to assure they are reported to the SWRCB accurately and public safety is not compromised. The operator/manager’s reports prepared for the SWRCB are given to Board members with backup data upon completion. Monitoring requirements are covered in the State Discharge Permit and in the Draft of the Operation and Maintenance Manual. An annual review of the reports is to be completed by a designated Board member.

Recommendation 2.1 “. . . [c]reate a policy for the accurate reporting and review of spills to the SWRCB.”

The Board has approved a policy for the accurate reporting and review of spills to the SWRCB. The SSO reporting requirements are covered in the SWRCB Order No. 2006-DWQ dated 5/2/06 and procedures are set forth in the District’s Sewer System Management Plan (“SSMP”). Management is required to report all SSOs at the next monthly District meeting. An annual review of the service call reports in relation to reported SSOs will be reviewed by a member of the Board.

SECTION 3

Finding 3 “The Grand Jury could not confirm that allegations made by District Secretary [Installation of security cameras in the District office, relinquishment of keys, passwords and other District property] as harassment or retaliation because the measures taken by the District could have been viewed as increasing security.”

Security cameras were installed based on concerns expressed by the District secretary about working alone in the District office after dark. The District Secretary was asked to surrender keys, computer passwords, and other District property when she took leave from her employment with the District for an undeterminable duration, and it was discovered that she was the sole custodian of keys, passwords, and other District property that were necessary to conduct the day-to-day business of the District in her absence.

SECTION 4

Finding 4 “Relatives were hired and paid more per hour than other district laborers.”

The District’s personnel manual does not allow for the hiring of relatives of present employees.

Recommendation 4 *“Create job descriptions, work evaluation standards, and pay scales to avoid favoritism by management.”*

Job descriptions have been created for the Administrative Secretary, Operator in Training, Wastewater Plant Operator I, Maintenance Workers I & II, and General Manager/Wastewater Treatment Plant Operator. Pay scales have been set for the Administrative Secretary, Operator in Training, Wastewater Plant Operator I, and Maintenance Worker I & II. Evaluation standards have been set for the Administrative Secretary, Operator in Training, Laborer, Maintenance Worker I and General Manager/Wastewater Treatment Plant Operator. The Board is presently working toward completion and adoption of job descriptions, pay scales and work evaluation standards for all remaining positions.

Finding 5 *“There is no training manual to guide employees in performing their daily duties. There is no formal policy for employee evaluations.”*

The Draft Operation and Maintenance Manual, Standard Operating Procedures, Lockout/Tagout program, Confined Space program, SSMP, and IIPP (illness, injury and prevention program) are all sources of training material for Operators, Maintenance Workers, and Management. Additional training materials and a formal policy for employee evaluations is in development.

Recommendation 5 *“Develop a training manual for district employees.”*

A training manual for the District is in development.

Recommendation 5.1 *“Require the operator to be on site to train and review OITs.”*

The Board has approved a policy to have the GM/chief plant operator on-site five (5) hours per week for the training and review OITs.

Finding 6 *“The Board has received numerous complaints from citizens and employees without taking effective action to resolve the complaints. This lack of written policies and procedures and the non-compliance of the Board have led to serious concerns by the public.”*

The Board has historically made every effort to address citizen and employee complaints in a timely manner. As an additional measure to serve the public efficiently, the District has approved written policies and procedures covering the receipt and tracking of citizen complaints.

Recommendation 6 *“Develop written policies and procedures for the operation of WSD and to address auditors and SWRCB recommendations.”*

The District has updated its Operations and Maintenance Manual. In addition, the District has in place, Standard Operating Procedures, a SSMP and an IIPP. The Board has approved (a) the purchase and use of a time clock (b) credit card policies and procedures handbook (c) policies and procedures to strengthen and assure financial accountability to address the concerns expressed in the most recent audit.

Recommendation 6.1 *“...[a]nnually review policies and procedures and update as necessary.”*

The Board has approved that the GM, Board President, and Administrative Secretary are to complete annual reviews of the District’s policies and procedures and make recommendations to the Board of any changes or additions.

Recommendation 6.2 “...[d]evelop a compliant procedure policy and its enforcement.’

The Board has approved policies and procedures covering citizen complaints.

SECTION 7

Finding 7 “The Board has not adequately reviewed operations or visited WSD site to ensure compliance with current Board policies”

On June 23, 2011, the District Engineer conducted a tour of the wastewater treatment plant with all Board members and the General Manager in attendance. Some Board members visit the WSD site on a weekly basis. The Board has reviewed and approved the draft Operation and Maintenance manual prepared by the District Engineer.

Finding 7.1 “The Board has not educated themselves on sanitary district “Best Practices”.

Board members have been assigned to visit other wastewater facilities and ascertain their best practices for possible use by the District.

Finding 7.2 “WSD does not have an adequate timetable to address deferred maintenance, replacement of aging infrastructure, or raise capital funds to make improvements.”

The General Manager and President have met with the District Engineer to develop a capital improvement program. Engineer is to present a proposal for Board consideration at an upcoming District meeting. On an annual basis, during District budgeting, the General Manager will prepare an update for the capital improvement program in consultation with the District Engineer. The projects in this updated capital improvement plan will be prioritized based on need and potential risk and presented to the Board for funding as a project in the following fiscal year.

Recommendation 7 “. . . [i]nitiate monthly review activities at WSD including onsite visits.”

The Board has initiated monthly review activities including onsite visits.

Recommendation 7.1 “Based on current structure of management and staffing, the Board take an active role in creating a sound business plan and an operational presence to eliminate the fiscal management disarray currently at WSD.”

A Board member has been assigned to develop a sound business plan for Board review and action. Policies and procedures have been developed that direct an operational oversight presence by the Board.

Recommendation 7.2 “. . . [c]ontact other sanitary districts to further familiarize [the Board] with the operational procedures of sanitary districts and general operational best practices. Additionally check with other water and sanitation operators to compare practices at WSD to insure compliance and reliability of current operator.”

Board members have been assigned to visit other wastewater facilities and ascertain their best practices for possible use by the District. Additionally, the District will confer with other water and sanitation operators to compare practices to that of our current operator.

Recommendation 7.3 “...[i]nitiate an adequate timetable for the replacement of aging infrastructure and equipment and for capital funds to pay for these improvements.”

The General Manager and President have met with the District Engineer to develop a capital improvement program. The capital improvement program will list proposed projects to repair or replace aging infrastructure based on an evaluation of condition and potential risk. Projects will be prioritized by the General Manger with input from the District Engineer. The District will also consider general funding of capital depreciation and facilities replacement consistent with generally accepted accounting principles. Each year the capital improvement plan and prioritization will be reviewed and updated. The General Manager and District Engineer will present the proposed capital improvement plan and prioritization for Board review and action during preparation of the District’s budget. Once necessary improvements are indentified, the Board will examine and evaluate the need for obtaining additional capital funds, if any.

I can be contacted by e-mail at woodbridgesd@sbcglobal.net or call (209) 368-0900 if you have any questions regarding this correspondence.

Sincerely,



Douglas Colucci, President
Woodbridge Sanitary District

cc: Neumiller and Beardslee, Stockton, CA
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