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Yorba Linda Water District

September 11, 2012

The Honorable Thomas J. Borris  
Presiding Judge  
Orange County Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

Dear Judge Borris,

The Municipal Water District of Orange County (MWDOC) hereby submits its required responses to the findings and recommendations in the Orange County Grand Jury report, "**Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?**"

MWDOC prides itself in providing high quality drinking water at an affordable price. In order to do that, MWDOC works to improve overall effectiveness and efficiencies providing maximum value to the ratepayer. This strategy implements Best Management Practices and metrics throughout the agency in all aspect of program management as well as day to day operations.

MWDOC is committed to transparency and operating in an open government manner. This commitment is evident in the information provided and posted on [www.mwdoc.com](http://www.mwdoc.com). The structure and functionality of the website was developed following the Best Management Practices of website design, navigation and content management. As a regional wholesale water provider, the focus of the website is to provide information, education and resources to the business community, MWDOC member agencies, policymakers and the general public.

Although the Orange County Grand Jury's report highlighted one area of concern, compensation, there are many more facets of local government that should be made available and accessible in a common format. Recently, the MWDOC Board of Directors initiated a plan to modify and enhance the MWDOC website to incorporate the Open Government Best Management Practices as defined by the California League of Cities. A copy of the checklist is provided for your review and consideration.

#### **FINDINGS**

***F1. Accessibility Ratings for Cities, Special Districts and JPAs***  
*Accessibility to Compensation Costs for Orange County cities web-sites experienced 92% improvement this year, but there is still room for improvement at some cities. Accessibility to Compensation Costs on Orange County websites for districts and joint power authority has room for improvement, even though 70% were rated excellent.*

*MWDOC's Grade: D*

**RESPONSE:** MWDOC disagrees. The information is highly visible and easily accessible from the website's home page. There is a large, discernible "Transparency Button" on MWDOC's home page that links to all compensation information including Board, General Manager and employees. Board member compensation is described in a brief narrative as well as listed in a matrix format. The General Manager's information is clearly stated on the landing page of "General Manager's Compensation and Contract." In addition, salary information for employees is provided in a table format by position as is the practice of other agencies on your list and was deemed acceptable.

***F2. Content & Clarity Ratings for EXECUTIVE Compensation Cost***

*Content and Clarity for the OC cities elected officials and executive over \$100,000 in base salary is improving in the 2<sup>nd</sup> year of ratings. On the other hand, there is understandably even more potential improvement possible for the Special District and joint power authority, which are in their 1<sup>st</sup> year of ratings.*

**RESPONSE:** MWDOC disagrees. The "Transparency Button" on the MWDOC's home page links to all compensation information including a separate link for the General Manager's compensation. The General Manager's compensation information includes salary, benefits as well as the current contract. It is clearly laid out and identified in an easy accessible manner. In addition, the compensation range provided for each position and employment level identifies those positions that would tip the \$100,000 indicator. Total compensation liabilities for the agency as a whole are included in the monthly financial packets and posted on the website. The Best Management Practices implementation will enable MWDOC to provide this information apart from financial packets in a searchable manner.

***F3. Content and Clarity for EMPLOYEE Compensation Cost Ratings***

*There is most opportunity for more transparent reporting in the Content and Clarity of Employee Compensation Cost reporting on local government websites.*

*MWDOC's Grade: D*

**RESPONSE:** MWDOC disagrees. The understood intent of this report was to provide compensation liability information to the general public; it was not to identify individual compensation information by employee. For larger agencies, listing position and compensation does not disclose individual compensation. MWDOC is a small agency of 27 full time employees. There are not duplicate positions within the organization. As a result, listing compensation ranges by position meets the intent of the report. Total compensation liabilities for the agency as a whole are included in the monthly financial packets and posted on the website. The Best Management Practices implementation will enable MWDOC to provide this information apart from financial packets in a searchable manner.

***F4. Transparency of Employer Pension Contribution Rates***

*Many Orange County local government web sites do not generally post their employer pension annual contribution rates prominently to their web sites as part of their compensation cost disclosure for public disclosure.*



**RESPONSE:** MWDOC agrees. MWDOC provides the overall pension benefit in its Employee Benefits section, 2%@55 but does not currently indicate the pension rate which is 17.4%, or the employee contribution rate which is 1%. As part of the planned Best Management Practices implementation, MWDOC will provide total pension liability encumbered and other related financial information including but not limited to reserves, investments and employee contributions.


***F5. Inclusion of Overtime and On-Call Pay in Employee Compensation Costs***

*The Orange County “de facto” standard for CCT in the county, cities, districts and JPA now contain all employees, including a page for executive and all elected officials. **Two key categories are missing from compensation cost reporting. They are overtime pay and on-call pay.** They have become important as the new “de fact” compensation cost reporting standard which now includes all employees.*

**RESPONSE:** MWDOC disagrees. MWDOC is a planning and facilitation agency and as such, does not operate facilities or provide staffing that would regularly require overtime or on-call response. The exception to that is Water Emergency Response of Orange County (WEROC) that responds to emergencies such as wildfire, earthquakes, floods and other disasters as required. As part of regular financial reporting to the MWDOC Board of Directors, staff provides overtime compensation information. Implementing Best Management Practices will enable MWDOC to provide this information in a searchable manner.

This concludes MWDOC’s response to the Orange County Grand Jury report. Please do not hesitate to contact MWDOC General Manager Kevin Hunt at 714-593-5026 if you have any questions.

Sincerely,



Jeffery M. Thomas  
Board President

## **ATTACHMENT 1:**

### **Open Government Website Transparency Best Management Practices Checklist**

- Information on agency decision-making and advisory bodies (governing body, boards and commissions), including:
  - An explanation of the local agency's decision-making process and how to participate in it
  - A brief explanation of how each body fits into the decision-making process
  - The work program for each body or equivalent (for example, the planning commission is updating a historical preservation ordinance, or the recycling and waste reduction commission is crafting a commercial recycling ordinance)
  - The performance measures used to assess the agency's performance in relation to its goals
  - The regular meeting schedule for each body
  - Any meeting rules or protocols adopted by the agency
- Agendas and supporting materials for upcoming meetings
- Meeting notices, agendas, documents and minutes for all upcoming and ongoing agency public engagement activities (translated into other languages as appropriate to the community)
- Minutes and agendas for past meetings
- Archive of video/audio recordings of meetings, if meetings are recorded
- Explanation of how an interested member of the public can participate in meetings<sup>4</sup>
- How to apply to be on a board, commission or committee
- How to receive e-mail notices and agendas for meetings
- Contact information for staff who can answer questions about any of the posted decision-making information and provide additional information

### **Financial and Human Resources Information**

- Current-year budget and explanatory information, including past years' information, budget trends and the governing body's resolution adopting the current budget
- Graphs and charts describing the budget and budget trends
- Explanations of various agency revenue sources, restrictions on how such revenues may be used, and revenue trends
- Comprehensive annual financial reports
- Annual audits for the past three years
- Multiple-year financial forecast
- Treasurer's monthly reports
- Salary and compensation information, including:
  - Elected officials' salary and compensation
  - Salary plan and salaries for agency employees
  - Pension and other post-employment benefit costs
  - Resolutions establishing compensation
- Job descriptions
- Contracts and purchasing
  - Current contracts, including:
    - Consultants
    - Legal counsel
    - Top-earning administrators

- Bargaining units
  - Lobbyists
  - Nonprofits
- Current requests for proposals (RFPs) and requests for qualifications:
  - A list of submitted RFPs
  - The results for submitted RFPs (which firm was selected to do the work)
- Purchasing policies
- Information on doing business with the agency
- Other spending information, including:
  - Check register or equivalent (for example, an annual list generated from accounts payable that shows who was paid and how much)
  - Legal settlements and judgments
- Labor agreements, personnel rules and all non-confidential documents controlling, prescribing or describing rules that govern pay and benefits received by local agency employees
- Financial policies, including those that address:
  - Investment
  - Credit card use
  - Reserves
  - Travel/expense reimbursement
  - Petty cash
  - Internal controls/financial checks and balances
- Contact information for staff who can answer questions about any of the posted financial and human resources information and provide additional information

## Permits and Zoning

- Land-use permitting, including:
  - Permit information and application forms
  - Regulations
  - General Plan, General Plan updates and any Specific Plans
  - Zoning codes
  - Design review standards
  - Staff contact information
  - Hours of operation, including a list of scheduled closures and legal holidays
  - Decision-making body meeting schedules, agendas and minutes
  - How to participate in the planning process<sup>18</sup>
- Building permits, including:
  - Information about building codes and any local deviations
  - Permit information and forms
  - Staff contact information
  - Hours of operation, including a list of scheduled closures and legal holidays
  - How to schedule inspections
- Code enforcement, including:
  - Property maintenance regulations
  - Code enforcement request forms
  - A current case list of properties with code violations
  - Staff directory
  - Hours of operation, including list of scheduled closures and legal holidays
- Contact information for staff who can answer questions about any of the posted permit and zoning information and provide additional information



Note: Providing permitting and code enforcement records by address/parcel number is an additional option. Some agencies also make information available through geographic information systems (GIS)<sup>19</sup> that provide multiple kinds of information about specific places in the jurisdiction.

### **Elected Officials' Information**<sup>20</sup>

- Names
- Biographies
- Terms (including term limitations)
- Represented areas and district boundaries (if applicable)
- Information on the powers, duties and functions of the elected position
- Contact information (phone and e-mail)
- How to run for office/election information
- Voter registration information

### **Disclosure, Public Service Ethics and Transparency**

- Form 700s/Statement of Economic Interests
- Campaign disclosure forms (and/or links to other agency sites where such information is maintained) and links to FPPC explanatory materials<sup>21</sup>
- Other required disclosures, including:
  - Form 801/Gifts to Agency<sup>22</sup>
  - Form 802/Tickets in Connection with Ceremonial Functions<sup>23</sup>
  - Form 803/Fundraising Disclosure<sup>24</sup>
  - Form 806/Agency Report of Public Official Appointments<sup>25</sup>
- Local conflict-of-interest code and explanation<sup>26</sup>
- How to find public records, including:
  - What records are available online
  - How to request a public record, with
    - Contact person and contact information
    - Request form
    - Process explanation<sup>27</sup>
- AB 1234 ethics training compliance information
- Other local ethics regulations/information
- Information about participation in lobbying activities/organizations<sup>28</sup>
- Approved whistle-blower policy
- Approved document retention policy

### **News**

- Sign up for any agency e-bulletins or media releases
- Links to agency official blogs and social media accounts (for example, Facebook and Twitter)
- Links to past and current media releases
- Sign up for emergency information

### **Other**

- Information about key agency positions, including:

- Their powers, functions and roles
  - How to contact those offices by phone and e-mail
- Municipal code and policies (ideally in searchable form)
- Service requests, compliments and complaint submittal information
- General contact information for help in navigating the website