

LAGUNA BEACH COUNTY WATER DISTRICT

BOARD OF DIRECTORS:

JANE EGLY, President
KELLY H. BOYD, Vice President
TONI ISEMAN
ELIZABETH PEARSON
VERNA ROLLINGER

GENERAL MANAGER:

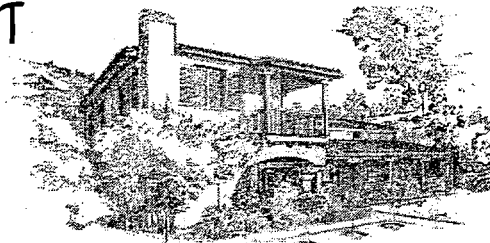
RENAE M. HINCHEY

MANAGEMENT:

CHRISTOPHER J. REGAN, Assistant General Manager
RICHARD B. MATHIS, Manager of Operations
ROBERT L. WESTPHAL, Manager of Finance

LEGAL COUNSEL:

PAULA E. MEYER, ESQ.



INCORPORATED 1925

September 2, 2011

Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Orange County Grand Jury:

The Laguna Beach County Water District commends the Orange County Grand Jury for recognizing the need to increase public confidence in local government. The recommendations that came from the review of compensation and benefit practices for the boards of directors and general managers of water and sanitation districts within Orange County are positive steps to achieve transparency and make financial information readily available.

In accordance with the California Penal Code sections 933, the following represents the District's response to the Grand Jury's Findings and Recommendations.

Response to findings:

F-1 District websites often do not provide easy public access to compensation and financial data of the district, if available at all.

District Response: The District agrees with the finding.

F-2 District websites were sometimes not updated to reflect public meeting changes or cancellations.

District Response: The District agrees with the finding.

Response to recommendations:

R-1 Provide in an easily accessible format on the district's website, data on compensation for the board of directors and general manager, as well as current budget and financial reports.

District Response: The District launched its website in 2007 and has recently received proposals to update the website to improve transparency and communication and provide the latest Web technology for easy integration of social media. At its May 24, 2011 meeting, the Board of

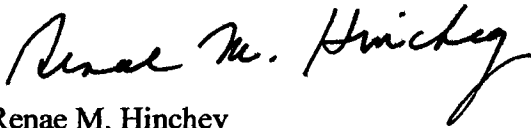
Directors accepted a proposal and awarded a contract to Vision Internet. Vision Internet is currently updating the District website and organizing it in a manner that allows the public to easily find and access information. The company is incorporating additional components on the website that will include compensation and benefits of the Board of Directors, the Water Commission, and the General Manager, in addition to the classification and salary range for all employees. This recommendation will be implemented by the end of 2011.

R-2 Maintain and update agendas, minutes, meeting schedules and location on the district's website.

District Response: The District currently provides and maintains the Commission and Board agendas on its website, as well as the meeting location and schedules. However, as part of Vision Internet's contract with the District, it will add the minutes of both the Board and the Commission to the website. This recommendation has been partially implemented with meeting agendas, location, and schedules already on the website. The addition of Board and Commission meetings to the website will be implemented by the end of 2011.

If you have questions or need further information on any of the District's responses, please do not hesitate to call me at 949-494-1041.

Sincerely,



Renae M. Hinchey
General Manager

C: Honorable Thomas J. Borris
Presiding Judge of the Superior Court