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Table 1
Recommendation Status Summary

Assembly Budget Subcommittee 3 on Resources and Transportation

Report Number 2013-115

Disabled Veteran Business Enterprise Program: Meaningful Performance Standards and Better Guidance by the California Departments of General Services and Veterans Affairs Would Strengthen the Program (February 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure it has maximized the effectiveness of the Disabled Veterans Business Enterprise (DVBE) incentive, Caltrans should implement measures to help ensure that it applies the DVBE incentive to all applicable contracts and procurements and that these measures include documented policies and procedures and/or training to procurement staff on properly applying the DVBE incentive.	Fully Implemented	Department of Transportation
8. To help ensure that Caltrans does not incorrectly report businesses that are not certified DVBEs, it should verify, at least on a sample basis for high-value contracts, the certification status of the DVBE firms before submitting their DVBE activity reports to General Services	Fully Implemented	Department of Transportation

Report Number 2013-501

Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun: It Continues to Lack Sufficient Controls Over Certain Travel Reimbursements (March 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its expenditures are appropriate, the board should do the following: <ul style="list-style-type: none"> Develop and implement a policy that requires the Bar Pilots to submit documentation demonstrating that they booked the most economical refundable airfare and made travel arrangements in the best interest of the State before the board reimburses travel costs. To the extent that the Bar Pilots cannot demonstrate that they booked the most economical refundable fare, the board should reimburse the Bar Pilots only the equivalent of the most economical fare. 	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun
2. To ensure that its expenditures are appropriate, the board should do the following: <ul style="list-style-type: none"> Develop and implement a process for reviewing travel reimbursement invoices, such as requiring the Bar Pilots to submit original receipts and disallowing individual costs for extended travel that exceed the costs for required travel. 	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun
3. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should do the following: <ul style="list-style-type: none"> Revise its checklist for processing license renewals to include all requirements specified in state law, including evidence that pilots piloted vessels in the past year, and retain copies of pilots continuing education training evaluations. 	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun
4. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should do the following: <ul style="list-style-type: none"> Develop and use a checklist for issuing original licenses that includes all requirements specified in state law. 	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun

Report Number 2013-126*Antelope Valley Water Rates: Various Factors Contribute to Differences Among Water Utilities (July 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that water customers are able to have an understanding of how rate increases are determined, Quartz Hill Water District should include information in its public notices providing reasonably sufficient details of the basis of its fee methodology.	Not Fully Implemented	Quartz Hill Water District
3. To ensure that Los Angeles County Waterworks, District 40 can demonstrate that it complies with the public notification requirements of Proposition 218, it should retain documentation demonstrating that it mailed required Proposition 218 notifications of pass-through rate increases to water customers during the period that the increased rates are in effect.	Fully Implemented	Los Angeles County Waterworks, District 40
4. To ensure that Quartz Hill Water District can demonstrate that it complies with the public notification requirements of Proposition 218, it should retain documentation demonstrating that it mailed required Proposition 218 notifications of pass-through rate increases to water customers during the period that the increased rates are in effect.	Fully Implemented	Quartz Hill Water District
5. To ensure that water customers are aware of pass-through rate increases, Quartz Hill Water District should adopt a schedule of fees showing how these increases will affect its tiered usage charges before the new rates take effect.	Not Fully Implemented	Quartz Hill Water District
6. To ensure that its water customers have access to Quartz Hill Water District's rate methodology and other factors that help it determine rate increases, the utility should keep all documentation it uses to calculate or otherwise explain the need for rate increases for as long as the rate increases are in effect.	Not Fully Implemented	Quartz Hill Water District
7. To show water customers that they are attempting to keep rates reasonable, the California Water Service Company should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	California Water Service Company
8. To show water customers that they are attempting to keep rates reasonable, Los Angeles County Waterworks, District 40 should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Los Angeles County Waterworks, District 40
9. To show water customers that they are attempting to keep rates reasonable, Palmdale Water District should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Palmdale Water District
10. To show water customers that they are attempting to keep rates reasonable, Quartz Hill Water District should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Quartz Hill Water District
11. To assist low-income water customers, Los Angeles County Waterworks, District 40 should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Fully Implemented	Los Angeles County Waterworks, District 40
12. To assist low-income water customers, Palmdale Water District should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Fully Implemented	Palmdale Water District
13. To assist low-income water customers, Quartz Hill water District should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Will Not Implement	Quartz Hill Water District

Report Number 2014-501*State Lands Commission—Follow-Up Review (July 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the State Lands Commission is performing rent reviews in a timely manner, it should review its database and correct the "Next Rent Review" date so that rent reviews are scheduled to take place every five years.	Fully Implemented	State Lands Commission

Report Number 2013-122

California Department of Toxic Substances Control: Its Lack of Diligence in Cost Recovery Has Contributed to Millions in Unbilled and Uncollected Costs (August 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it maximizes opportunities to recover its costs, by January 2015, the department should develop a reporting function in its project management database to track and monitor the statute of limitations expiration dates for its projects.	Fully Implemented	Department of Toxic Substances Control
2. To improve the accuracy of the outstanding costs in its billing system, by January 2015, the department should establish a process to track its settlement agreements to ensure that department staff can verify they have updated information for outstanding costs that reflects all adjustments made for settlements paid and reduced in the billing system.	Fully Implemented	Department of Toxic Substances Control
3. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should do the following: <ul style="list-style-type: none"> Establish processes to monitor and verify that responsible party searches are properly reviewed and approved according to its procedures. 	Fully Implemented	Department of Toxic Substances Control
4. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should do the following: <ul style="list-style-type: none"> Develop written procedures for updating and monitoring its collection letter log. 	Fully Implemented	Department of Toxic Substances Control
5. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should do the following: <ul style="list-style-type: none"> Continue its plan to update policies and procedures for using liens whenever appropriate. 	Fully Implemented	Department of Toxic Substances Control
8. To ensure it loads only accurate billing data into FISCal, the department should continue evaluating projects with outstanding costs in its billing system to meet the July 2015 implementation date.	Not Fully Implemented	Department of Toxic Substances Control
9. To improve the accuracy of its outstanding costs related to the CLEAN loan program and federal grants, the department should do the following: <ul style="list-style-type: none"> Follow through with its plan to update its written procedures to include the changes in billing procedures for the CLEAN loan program. 	Fully Implemented	Department of Toxic Substances Control
10. To improve the accuracy of its outstanding costs related to the CLEAN loan program and federal grants, the department should do the following: <ul style="list-style-type: none"> Continue to identify and remove outstanding costs for the federal grants when it determines it has already received funding. 	Fully Implemented	Department of Toxic Substances Control
11. The department should continue to resolve its questions about its authority to write off outstanding costs under \$5,000. To the extent that it determines it cannot write off outstanding costs, it should pursue collecting the costs.	Fully Implemented	Department of Toxic Substances Control

Report Number 2014-110

California Department of Resources Recycling and Recovery: The Beverage Container Recycling Program Continues to Face Deficits and Requires Changes to Become Financially Sustainable (November 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To ensure it can demonstrate that its fraud prevention efforts are maximizing financial recoveries for the beverage program, CalRecycle should both modify and annually update its fraud management plan to include the following: <ul style="list-style-type: none"> By December 31, 2014, formally establish a systematic process for analyzing, monitoring, and responding to the risk of fraudulent recycling of out-of-state beverage containers. Develop fraud estimates—by type of fraudulent activity—that quantify the potential financial losses to the beverage program and the methodology CalRecycle uses to develop these estimates. Identify the amount of actual fraud in the prior year by type of fraudulent activity, such as the financial losses resulting from the redemption of out-of-state beverage containers or the falsification of reports used to substantiate program payments. Identify the amount actually recovered for the beverage program in the form of cash for restitution and penalties resulting from fraud. 	Not Fully Implemented	Department of Resources Recycling and Recovery

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To allow for public input and to prevent any legal challenges claiming that its policies and procedures regarding prepayment holds constitute unenforceable underground regulations, CalRecycle should adopt these policies and procedures as regulations in accordance with the Administrative Procedure Act.	Not Fully Implemented	Department of Resources Recycling and Recovery
4. To ensure that all appropriate redemption payments are identified and made to the beverage program, CalRecycle should do the following: <ul style="list-style-type: none"> Contract with the California Board of Equalization (Equalization) to determine the feasibility and cost of transferring its revenue collections duties and audit reviews to Equalization. Should CalRecycle find that it is feasible and cost effective, it should pursue legislative changes that enable Equalization to collect revenues for the beverage program at the point-of-sale and remit the money to the beverage program. 	Not Fully Implemented	Department of Resources Recycling and Recovery
5. To ensure it effectively uses resources, CalRecycle should renegotiate its agreement with the California Department of Justice (Justice) to pay based on the cases CalRecycle refers, limiting costs to investigations over a predefined period of time. CalRecycle could agree to increase the budget for a particular investigation if Justice demonstrates that it has developed promising leads.	Pending	Department of Resources Recycling and Recovery
6. To ensure that CalRecycle has consistent evidence of the results of completed prosecutions and the amounts ordered in restitution, it should develop a status report to be issued quarterly by the Attorney General's Office (attorney general) that summarizes, among other things, the status of pending cases, recently closed cases, and amounts of restitution that are due to the beverage program as a result of the attorney general's prosecutions.	Fully Implemented	Department of Resources Recycling and Recovery

Report Number I2014-1*Investigations of Improper Activities by State Agencies and Employees (December 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. Seek reimbursement of \$415 from the transportation engineer for his misuse of the state vehicle.	Fully Implemented	Department of Transportation
13. Make reasonable efforts to recover the outstanding \$994 from the manager.	Fully Implemented	Water Resources Control Board
14. Contact the state agency that currently employs the manager to coordinate appropriate disciplinary action, to make certain the manager is not in a position to misuse or embezzle additional state funds, and to ensure that the manager's personnel file includes appropriate documentation of her misconduct.	Fully Implemented	Water Resources Control Board
15. Refer the matter to the district attorney in the jurisdiction where the embezzlement occurred for potential prosecution.	Fully Implemented	Water Resources Control Board

Report Number 2014-136*Coastal Improvement Fund (January 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the public is informed of Los Angeles county's (county) plans for using the improvement fund, the county needs to more clearly communicate its intentions and then update such communications as its plans change. The county's communications could be as simple as a public notice and a posting to its website that include the following: <ul style="list-style-type: none"> Information on the specific projects and parcels in Marina del Rey where it intends to spend money from the improvement fund for the development of open space (or a time frame for making such a decision). The time frame for the expected start and completion of such projects. 	Partially Implemented	Los Angeles County Department of Regional Planning

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to Public Works. Specifically, such policies should include a protocol for how Regional Planning communicates the amount due to Beaches and Harbors.	Fully Implemented	Los Angeles County Department of Regional Planning
3. To better ensure that developers do not obtain building permits before they pay the fee to the improvement fund, the county needs to finalize its improvement fund management procedures regarding the collection of the fee and the reporting of that collection to Public Works. Specifically, such policies should include a protocol for how Beaches and Harbors informs Public Works that the developer has paid the fee to the improvement fund.	Fully Implemented	Los Angeles County Department of Beaches and Harbors
4. To ensure that developers do not receive project credits to which they are not entitled, the county should develop a mechanism that will allow its enforcement unit to verify that the developer actually earned the credits it received.	Fully Implemented	Los Angeles County Department of Regional Planning

Report Number 2014-124*California's Alternative Energy and Efficiency Initiatives: Two Programs Are Meeting Some Goals, but Several Improvements Are Needed (February 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make certain that the research program contributes to the goals of the solar initiative, the commission should conduct a program evaluation before the remaining grant projects are completed.	Partially Implemented	Public Utilities Commission
3. To show how air pollution emissions reductions related to the solar initiative benefit the State, the commission should include in future reports the measurable benefits of those reductions.	No Action Taken	Public Utilities Commission
5. To ensure that the decal fee is sufficient to reimburse program costs, Motor Vehicles should periodically perform a full cost analysis of the decal program and update the fee accordingly	Partially Implemented	Department of Motor Vehicles

Report Number 2014-105*Los Angeles Department of Water and Power—Consequences Linked to Its Premature Launch of Its Customer Information System May Push Total Costs Beyond \$200 Million (March 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the Los Angeles Board of Water and Power Commissioners (board) can more effectively exercise oversight for the department's significant information technology projects, the board should establish a standing committee comprised of board members to oversee and critically evaluate the status of the department's various information technology projects. Given the limited tenure of board members and the potential for multiyear and high-cost information technology projects, the board president should consider appointing as many committee members as practicable in order to promote continuity of oversight.	Partially Implemented	Los Angeles Department of Water and Power
2. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop reporting standards for the department's management to follow when discussing the status of information technology projects with the standing committee or the board. Such reporting standards should, at a minimum, specify the frequency with which the department's management makes such reports and require the following disclosures about each information technology project: <ul style="list-style-type: none"> The amount of project growth, in terms of both budget and scope of work, from initial project estimates through current projections. The results from system testing and a listing of the critical defects that exist and must be fixed prior to system use. The concerns the quality assurance contractor has raised and how the department is addressing them. 	Partially Implemented	Los Angeles Department of Water and Power

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that the board can more effectively exercise oversight for the department's significant information technology projects, the board should develop a process for the board to designate certain information technology projects as having a potentially significant effect on business operations or customer relations, and require that department managers first obtain the board's approval before launching such critical new systems.	Partially Implemented	Los Angeles Department of Water and Power
4. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a centralized listing of all employees participating in each stage of the contracting process (proposal development, bid evaluation, and contract award), and who are required to submit conflict-of-interest disclosure forms per the board's policy.	Fully Implemented	Los Angeles Department of Water and Power
5. To ensure that the department can demonstrate compliance with the board's conflict-of-interest policy, the department should develop and implement a process by June 30, 2015, that results in a central depository of the conflict-of-interest certifications submitted by each employee.	Fully Implemented	Los Angeles Department of Water and Power

Report Number 2014-132*Apple Valley Area Water Rates: Differences in Costs Affect Water Utilities' Rates, and One Utility May Have Spent Millions of Ratepayer Funds Inappropriately (April 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To assist low-income water customers, Hesperia should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement a rate assistance program.	Will Not Implement	Hesperia Water District
2. To assist low-income water customers, Victorville should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement a rate assistance program.	Will Not Implement	Victorville Water District
3. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Partially Implemented	Apple Valley Ranchos Water Company
4. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Pending	Golden State Water Company
5. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Partially Implemented	Hesperia Water District
6. To demonstrate to water customers how they are working to keep rates reasonable, the four water utilities should document their cost-saving efforts and quantify, to the extent possible, any specific cost savings achieved from their respective efforts.	Will Not Implement	Victorville Water District
7. To ensure that it does not use revenues from ratepayers for inappropriate purposes, by October 2015, Victorville should revise its policies to prohibit transfers or loans of water fee revenue for nonwater district purposes. Victorville should also revise its investment policy that specifies the circumstances under which it can invest water revenues—setting prudent limits on its investment in assets that the Victorville city council manages.	Will Not Implement	Victorville Water District
8. To address the excess interest expense resulting from loans to the city of Victorville and the building of the wastewater plant, Victorville should seek reimbursement from the city for its unrecovered costs. Victorville should work with the city to prepare and submit to the water district board and the Victorville city council by October 2015 a formal repayment plan including specific dates and payments to be made to ensure that the water district and its ratepayers are made whole. When the water district board approves such a plan, it should take steps to ensure compliance with the repayment plan.	Will Not Implement	Victorville Water District

Report Number 2014-122

Ross Valley Sanitary District: The Board and Management Have Only Recently Begun to Address Significant Weaknesses in the District's Financial and Administrative Functions (April 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The board should ensure that management continues to develop and strengthen its controls over the Ross Valley Sanitary District's (district) financial and administrative functions. For example, district management should fully implement all of the external auditor's remaining recommendations by June 30, 2015. Management should also ensure that its staff follow these policies and should create and implement a plan for monitoring its system of controls. The board should also consider periodically contracting with qualified professionals to conduct a review of the effectiveness of the district's system of internal controls.	Partially Implemented	Ross Valley Sanitary District
2. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Make it clear that the activities of approving invoices, recording invoices, preparing checks, and reconciling bank statements to the district's records should be performed by separate individuals. 	Pending	Ross Valley Sanitary District
3. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Make it clear who is responsible for reviewing and approving monthly bank reconciliations. 	Pending	Ross Valley Sanitary District
4. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Limit California lodging costs to the rate set by the State for its employees, and limit any out-of-state lodging costs to rates set by the federal government for its employees. In addition, the district should remove from its travel policy the reimbursement for exercise equipment use. 	Pending	Ross Valley Sanitary District
5. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Require periodic reporting of financial information to the board. 	Pending	Ross Valley Sanitary District
6. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Require a periodic review to ensure that only appropriate personnel are included as authorized signers on financial accounts. 	Pending	Ross Valley Sanitary District
7. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Establish an appropriate system for tracking and valuing inventory. 	Pending	Ross Valley Sanitary District
8. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Require employees to obtain their supervisor's approval before working paid overtime. 	Pending	Ross Valley Sanitary District
9. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Require all employees, including managers, to complete timesheets to track time worked and any compensated time off. 	Fully Implemented	Ross Valley Sanitary District
10. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Develop and document a process for reviewing and monitoring designated employees' and board members' filing of Form 700. 	Pending	Ross Valley Sanitary District
11. The district should strengthen its financial and administrative policies to do the following: <ul style="list-style-type: none"> • Develop and document a policy that requires board members and designated employees to attend ethics training biannually and a process for monitoring attendance. 	Fully Implemented	Ross Valley Sanitary District
12. To clarify the roles and responsibilities of board members, the district should create a more comprehensive board member manual that describes all of the board's roles and fiduciary responsibilities. This manual should address the best practices contained in the California Special Districts Association's Special District Board Member/Trustee Handbook. The district should also provide for additional training for board members in the following areas over which they exercise important responsibilities: financial management, contracting, emergency procurement, and human resources.	Pending	Ross Valley Sanitary District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13. The board should reduce the salary ranges for all positions in the district's salary schedules to better align with comparable positions at comparable sanitation agencies. While we are not suggesting that the board cut current salaries of its employees, it is imperative that the board reduce the salary ranges in its salary schedules before more employees reach the top step of their respective salary ranges. The board should also ensure that COLAs are tied to an appropriate cost-of-living index and that any merit raises are based on satisfactory performance that is documented in an appraisal. Further, the board should either justify its need for longevity pay to attract and retain qualified employees or discontinue its practice of offering longevity pay to those employees who are not already receiving this extra pay. In addition, the district should revise its employee retirement contribution policy to require all employees to contribute an appropriate amount to their pensions and should discontinue its practice of reimbursing its represented employees up to \$300 annually for gym memberships. The board should make these changes for unrepresented employees immediately and should seek to make these changes for represented employees by negotiating with the American Federation of State, County, and Municipal Employees Local 2167 when the current MOU expires in July 2015.	Partially Implemented	Ross Valley Sanitary District
14. To ensure that employee compensation remains appropriate after making the changes described in the previous recommendation, the board should develop robust policies that outline how it will establish future compensation for all district positions. This policy should require the district to conduct a salary survey of comparable sanitation agencies to determine what compensation levels are appropriate for the job duties of district positions and to present the results to the board.	Pending	Ross Valley Sanitary District
15. To ensure that it follows state law and its policies for emergency procurement, the board should review and reapprove all emergencies at each board meeting subsequent to the initial emergency declaration and should terminate emergency declarations as soon as possible to ensure that it competitively bids any work that is no longer an emergency.	Fully Implemented	Ross Valley Sanitary District
16. The district should ensure that it hires qualified vendors at a reasonable price by using a competitive process when contracting for professional services. When this is not possible or appropriate given the nature of the services, the district should adequately justify its use of a noncompetitive process. In addition, the district should obtain a written description of services to be provided and a cost estimate from legal counsel before engaging in litigation.	Fully Implemented	Ross Valley Sanitary District
17. The district should ensure that it has access to qualified human resources professionals, whether contracted or in-house, to assist staff when handling human resources issues.	Fully Implemented	Ross Valley Sanitary District
18. The district should implement the remaining recommendations contained in its human resources consultants' work plan by the targeted dates shown in Table 3 on page 18 of our report, including the following: Improve its performance management system to ensure that staff receive required annual performance evaluations.	Pending	Ross Valley Sanitary District
19. The district should implement the remaining recommendations contained in its human resources consultants' work plan by the targeted dates shown in Table 3 on page 18 of our report, including the following: Develop and document a policy that requires board members and supervisors to attend harassment prevention training biannually and a process for monitoring their attendance.	Pending	Ross Valley Sanitary District
20. To ensure that compensation for the general manager remains reasonable, and to prevent the excesses that existed in the former general manager's contract, the district should develop a policy that establishes the criteria to be used when periodically evaluating the general manager's performance and for determining any merit-based compensation increases.	Pending	Ross Valley Sanitary District

Report Number 2015-506

Follow-Up—California Department of Motor Vehicles: It Still Has Not Ensured It Charges and Advertises Fees for Some Special Interest License Plates Consistent With State Law (July 2015)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure it charges fees for special plates that are consistent with state law, Motor Vehicles should begin charging the correct fees for transferring an Olympic Training Center plate and to convert a personalized plate to a personalized Collegiate plate by March 31, 2016.	Pending	Department of Motor Vehicles

Report Number I2015-1*Investigations of Improper Activities by State Agencies and Employees (August 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Train the division chief, maintenance manager, administrative manager, and business services supervisor regarding the proper procedures for disposing of state-owned surplus property and for handling recycling proceeds.	Partially Implemented	Department of Water Resources
2. Establish a policy requiring valuable surplus property that will be recycled to be set apart and separately weighed to maximize the recycling proceeds.	Fully Implemented	Department of Water Resources
3. Develop an internal control process to ensure that each field division properly documents, tracks, safeguards, and promptly deposits all checks received into Water Resources' accounts.	Partially Implemented	Department of Water Resources
4. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should continue its efforts to recover the undercharged rent from the telecommunications companies.	Pending	Department of Transportation
5. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should ensure that accounting records accurately reflect the funds received and owed to Caltrans from the telecommunications companies.		Department of Transportation
6. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should establish a process and train the two District 4 right-of-way agents to ensure that they consistently adjust rental rates in accordance with license provisions. The process should include a method to calculate and notify each telecommunications company of its annual rental rate before the payment is due on July 1 of each year.	Fully Implemented	Department of Transportation
7. To remedy the effects of the improper governmental activity substantiated in this report and to prevent it from recurring, Caltrans should provide sufficient training to the supervisor in District 4 to ensure that he has a necessary understanding of the license provisions and process so he can provide adequate oversight to the program's right-of-way agents.		Department of Transportation
8. Take the appropriate disciplinary action to address Supervisor A's neglect of duty.		Department of Transportation
9. Provide appropriate counseling and training to the district staff management involved so that they are aware of the proper procedures of maintaining daily reports and recording, reviewing, and approving accurate time sheets.		Department of Transportation
23. Take disciplinary action against the senior personnel specialist to ensure that she fully and accurately accounts for her time.	Fully Implemented	Forestry and Fire Protection, Department of
24. Recover \$848 for the 32 hours of leave the senior personnel specialist did not use for being late during the period of investigation.	Fully Implemented	Forestry and Fire Protection, Department of
25. Require the supervisor to provide the senior personnel specialist with a formal annual performance evaluation so that both parties understand office expectations for arriving to work on time and reporting absences and tardiness.	Fully Implemented	Forestry and Fire Protection, Department of
26. Take disciplinary action against the supervisor to ensure that he properly supervises his employees and ensures they are fully and accurately accounting for their time.	Fully Implemented	Forestry and Fire Protection, Department of

Report Number 2015-102*Central Basin Municipal Water District: Its Board of Directors Has Failed to Provide the Leadership Necessary for It to Effectively Fulfill Its Responsibilities (December 2015)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure the stability of the Central Basin Municipal Water District's (district) operations, by June 2016 the district's board should establish a formal policy for hiring for the general manager position. Because the current general manager is on a contract set to expire in May 2017, the board should initiate the hiring process for a new general manager or begin the process of renegotiating the contract with the current general manager in the fall of 2016.	Pending	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2. To better address potential ethical violations, the district should implement by June 2016 a means for investigating board members' and staff's potential violations of the district's code of conduct and conflict-of-interest code that would insulate those investigations from undue influence from either the board or the general manager.	Pending	Central Basin Municipal Water District
3. To evaluate its progress toward its goals and objectives, the district should use its recently adopted strategic plan and issue an annual report that describes the steps it has taken toward achieving the goals and objectives in the strategic plan.	Pending	Central Basin Municipal Water District
4. To ensure its long-term financial sustainability, the board should complete a long-term financial plan no later than December 2016.	Pending	Central Basin Municipal Water District
5. To ensure its water rate structure is appropriate to provide the revenue necessary to cover its legitimate costs, the district should complete its planned water rate study no later than the spring of 2017.	Pending	Central Basin Municipal Water District
6. To strengthen its financial stability against present and future uncertainties, the district should follow its recently adopted reserve policy.	Pending	Central Basin Municipal Water District
7. To ensure that it continues to take steps to improve its financial condition and avoids additional costs due to downgrades of its debt credit ratings, the district should immediately create a formal debt management policy. This policy should clearly define its credit objectives and provide guidelines for suitable debt agreements. This policy should also require the district to periodically monitor its specific financial ratios, such as its debt coverage ratio, that are relevant to its credit rating.	Pending	Central Basin Municipal Water District
8. To help it maintain its current insurance coverage and better position it to negotiate for more cost-effective and appropriate coverage in the future, the board should immediately adopt a policy requiring a four-fifths majority to terminate the district's general manager. Further, the board should review the district's insurance coverage annually and renegotiate costs and coverage amounts as necessary, particularly as the district resolves outstanding legal claims against it.	Pending	Central Basin Municipal Water District
9. To ensure it holds itself accountable to the public, the district should follow the law and operate in an open and transparent manner by, among other things, disclosing to the public the true nature and purpose of all of its expenditures. To ensure its board makes informed decisions on when it is proper to hold discussions and take votes in closed-session meetings, the district should require its board members to attend training—as soon as possible and biennially thereafter—specifically focused on the Brown Act and its closed-meeting requirements.	Pending	Central Basin Municipal Water District
10. To make better use of the funds it spends on services, the district should amend its administrative code by June 2016 to limit its sole-source contracts to emergency circumstances and circumstances in which only one vendor can meet the district's needs. Further, before executing any sole-source contracts, the district should require written justification demonstrating the reasons for not competitively bidding the services. The justification should include the background of the purchase, a description of the vendor's uniqueness, an explanation of the consequences of not purchasing from the vendor, market research to substantiate a lack of competition, and an analysis of pricing and alternatives.	Pending	Central Basin Municipal Water District
11. To ensure that it does not unnecessarily use amendments that limit competitive bidding for its contracts, the district should amend its administrative code by June 2016 to require that it rebid contracts if it significantly changes those contracts' scopes of work, specifically the nature of the services or work products.	Pending	Central Basin Municipal Water District
12. To ensure its contract amendments reflect the authorization of the board, the district should revise its administrative code to require the general manager to submit a quarterly report to the district's board detailing all its contracts, contract amendments, and contract and amendment dollar amounts.	Pending	Central Basin Municipal Water District
13. To ensure it receives the best value from its contracts, the district should do the following by June 2016: <ul style="list-style-type: none"> • Adopt and implement a policy requiring that it include in all its contracts' scopes of work specific, well-defined deliverables, measurable results, timelines or progress reports, and evaluations of the contractors once they complete the work. 	Pending	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>14. To ensure it receives the best value from its contracts, the district should do the following by June 2016:</p> <ul style="list-style-type: none"> • Ensure project managers verify services were rendered before approving invoices for payment. 	Pending	Central Basin Municipal Water District
<p>15. To ensure it receives the best value from its contracts, the district should do the following by June 2016:</p> <ul style="list-style-type: none"> • Create processes for project managers to organize and retain contract files that include important documents such as vendor performance and deliverable verification and acceptance. 	Pending	Central Basin Municipal Water District
<p>16. To ensure its employees are able to properly administer contracts, by September 2016 the district should follow through with its plan to require that staff responsible for project management attend training by a reputable trainer on contract management.</p>	Pending	Central Basin Municipal Water District
<p>17. To minimize its risk when contracting with vendors, the district should adhere to its administrative code and execute all contracts only after approval by its general counsel. Further, the district should amend its administrative code to prohibit engaging in a verbal contract. Finally, the district should continue to report to its finance committee all sole-source contracts and contracts entered under the general manager's authority.</p>	Pending	Central Basin Municipal Water District
<p>18. To ensure its expenditures do not constitute gifts of public funds, the district should do the following:</p> <ul style="list-style-type: none"> • Immediately eliminate its allocation of funds to individual board members for community outreach. 	Pending	Central Basin Municipal Water District
<p>19. To ensure its expenditures do not constitute gifts of public funds, the district should do the following:</p> <ul style="list-style-type: none"> • Develop policies that specify limitations on the types of activities it will sponsor in the future to ensure that it funds only those organizations whose activities have a direct link to its authorized purposes. For example, it should eliminate its purchase of holiday turkeys. 	Pending	Central Basin Municipal Water District
<p>20. To ensure its expenditures do not constitute gifts of public funds, the district should do the following:</p> <ul style="list-style-type: none"> • Revise its administrative code by June 2016 to include more specific guidance as to what constitutes a reasonable and necessary use of public funds. The guidance should establish restrictions on the amount spent for board member installation ceremonies. It should also include a process for the district to ensure that expenses are reasonable and necessary before it pays them. 	Pending	Central Basin Municipal Water District
<p>21. To ensure it considers the most qualified candidates for positions, the district should follow its established hiring policies. Specifically, it should use a competitive hiring process and ensure that its board first formally approves all positions for which the district recruits. Further, the district should consider for employment only individuals who meet the established minimum qualifications for the positions for which they have applied. If the district believes certain qualifications are not necessary for a position, it should indicate in the position description that such qualifications are desirable but not required.</p>	Pending	Central Basin Municipal Water District
<p>22. To ensure that it does not inappropriately grant undeserved raises to its staff, the district should follow its policy to provide annual performance evaluations to all employees.</p>	Pending	Central Basin Municipal Water District
<p>23. To ensure it is efficiently using its resources, the district should do the following:</p> <ul style="list-style-type: none"> • Eliminate its board members' automobile or transportation allowances and instead reimburse them based on their business mileage or transit use. 	Pending	Central Basin Municipal Water District
<p>24. To ensure it is efficiently using its resources, the district should do the following:</p> <ul style="list-style-type: none"> • Periodically analyze and, beginning in June 2016, report to the board whether all elements of its board member compensation, including health and related benefits, are appropriate and reflect the common practices of special districts. 	Pending	Central Basin Municipal Water District
<p>25. To ensure it is efficiently using its resources, the district should do the following: Adopt a policy that its general managers will participate in benefits at the same level as district staff and that the board will negotiate the general managers' contracts on the basis of salary and not other benefits, such as retirement.</p>	Pending	Central Basin Municipal Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
26. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for the following: Air travel that is coach or an equivalent class.	Pending	Central Basin Municipal Water District
27. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for the following: Meetings and conferences that have a direct connection to water policy or the district's mission. It should update its list of such preapproved meetings accordingly.	Pending	Central Basin Municipal Water District
28. To ensure that its travel expenses are reasonable and necessary, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure all board members and staff, especially those who process reimbursement claims, are aware of what the district considers to be proper expenses incurred while traveling, including only paying for the following: Lodging expenses that reflect group or government rates, unless there is documentation that such rates are unavailable.	Pending	Central Basin Municipal Water District
29. To ensure it reimburses only reasonable and necessary meal expenses, the district should take steps, such as issuing a clarifying memorandum or providing additional training, to ensure that all board members and staff, especially those who process reimbursement claims, are familiar with its meal reimbursement limits.	Pending	Central Basin Municipal Water District
30. The district should revise its administrative code by June 2016 to prohibit paying for or reimbursing meals that occur within the local area that involve meetings either between only district representatives or between district representatives and the district's contractors.	Pending	Central Basin Municipal Water District
31. The district should revise its administrative code by June 2016 to prohibit paying for the costs of meals provided to third parties.	Pending	Central Basin Municipal Water District
32. To ensure it complies with state law and its own administrative code, the district should require board members to report back to the board on meetings and conferences they attend at the district's expense. The district should record these reports in meeting minutes or document them in expense files before it reimburses the board members for their travel expense claims.	Pending	Central Basin Municipal Water District

* The status of recommendations for audits issued between November and December 2015 is based on the entity's initial response, which is included in the original audit report, available on the California State Auditor's (state auditor) website: www.auditor.ca.gov