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VANCONAS & ZIRBEL LLP

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AUG 14 2018

Ventura County  
Grand Jury

Writer's Email  
rkwong@atozlaw.com

August 10, 2018

*Via E-Mail and U.S. Postal Service*  
*([Andrew.Ludlum@ventura.org](mailto:Andrew.Ludlum@ventura.org))*

Ventura County Grand Jury  
800 South Victoria Avenue  
Ventura, CA 93009

Subject: Ventura County Grand Jury 2017-2018 Final Report on Independent Special  
Districts (April 26, 2018)

Dear Ventura County Grand Jury Foreman:

This law firm has been retained by the Ojai Water Conservation District ("OWCD") to represent them in this matter and this letter, along with the completed "Response to Grand Jury Report Form," which is attached and incorporated herein by reference, constitute OWCD's formal response to the above-referenced Final Report on Independent Districts ("Final Report").

OWCD STATEMENT ON FINDINGS / CONCLUSIONS:

Final Report Fact FA-01 is the first instance where OWCD is specified for not having held public competitive elections since at least 1970. Fact FA-01 is directly related to Conclusion C-01, which concludes that Fact FA-01 leads to a lack of governmental transparency and accountability. The Grand Jury should know that as a statutorily-authorized water conservation district, OWCD's board of director elections are governed by Water Code §§74019 and 74090 to 74209. These state law election provisions have been and are in effect. We are unaware of any changes to these state laws either by the State Legislature or by governing case law. Please also know that Water Code §74200.5 and Government Code §1780 govern how vacancies on the OWCD Board of Directors are to be handled. OWCD therefore appreciates the fact that Final Report Conclusion C-01 recognizes this legal reality (i.e., "these [election] practices, [are] legal under present election codes . . . ."). OWCD endeavors to comply with the law as it exists today and will continue to do so.

GARY D. ARNOLD | JOHN M. MATHEWS | KENDALL A. VANCONAS\* | ROBERT N. KWONG  
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#### SUMMARY OF OWCD IMPLEMENTED ACTIONS:

In accordance with the R-04 list of eight recommended items that should be added to the existing OWCD internet website, the information identified in Recommendations R-04.1 [name, location, contact information and services provided] and R-04.6 [geographic area service] are already on OWCD's website and have been for several years.

#### RECOMMENDATIONS YET TO BE IMPLEMENTED BY OWCD:

Recommendations R-01 [public outreach regarding possible OWCD board service], R-02 [discontinue practice, if any, appointing new board members a few months prior to a scheduled election], R-03 [publish compensation details], R-04.2 [governance structure, including governing board election information and the process for running for a board seat], R-04.3 [compensation details], R-04.7 [most recent Municipal Service Review and annual financial report supplied to State Controller or alternatively a link to the State Controller's website] and R-04.8 [link to the Ventura County Local Agency Formation Commission] will be implemented within the next 90-120 days because they involve additional consideration and action by the OWCD Board and staff.

Regarding Recommendations R-04.4 and R-04.5, please know that OWCD is a water conservation district formed and authorized pursuant Water Code §§74000 to 76501. OWCD thus has the statutory authority to generate revenue through groundwater charges, to raise revenue through bonds and assessments and to accumulate such funds in reserve for district programs and activities consistent with its statutory charter. OWCD, however, has not and does not undertake any large-scale surface water or groundwater projects or initiatives that would necessitate raising large amounts of working revenue and capital. Instead, OWCD mainly focuses its attention on ensuring that any surface water flows are properly diverted into the settling ponds along San Antonio Creek for Ojai Valley Groundwater Basin recharge. Therefore, OWCD does not maintain a reserve fund which would necessitate a detailed reserve fund policies and procedure as advocated by the Final Report.

OWCD's main source of revenue is a nominal annual charge on the County Property Tax Bill for those parcel owners in the OWCD jurisdiction. This revenue or income amount is reported to the OWCD Board of Directors monthly. As of July 13, 2018, the OWCD balance of funds equaled \$30,477.75. OWCD Board of Directors will consider asking the Grand Jury if there is a *de minimis* exception to these two Recommendations given OWCD's particular position.

OWCD reserves the right to return to the Grand Jury if it finds that one or more of these recommendations should not be implemented because they are not warranted or not reasonable.

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August 10, 2018  
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If you should have any questions on this response, please contact me.

Sincerely,

ARNOLD LAROCHELLE MATHEWS  
VANCONAS & ZIRBEL LLP

A handwritten signature in black ink, appearing to read "Robert N. Kwong". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Robert N. Kwong

RNK:em  
Enclosure

## Response to Grand Jury Report Form

Report Title: Independent Special Districts

Report Date: April 26, 2018

Response by: Jim Finch Title: OWDC Board Chairperson

### FINDINGS / CONCLUSIONS

- I (we) agree with the findings / conclusions numbered: C-04
- I (we) disagree wholly or partially with the Findings / Conclusions numbered:  
C-01  
(Attach a statement specifying any portions of the Findings / Conclusions that are disputed; include an explanation of the reasons.)

### RECOMMENDATIONS

- Recommendations numbered R-04.1, R-04.6 have been implemented.  
(Attach a summary describing the implemented actions and date completed.)  
R-04.2, R-04.7 and R-04.8
- Recommendations number R-01, R-02, R-03, have not yet been implemented, but will be implemented in the future.  
(Attach a time frame for the implementation.)
- Recommendations numbered R-04.4, R-04.5 require further analysis.
- Recommendations numbered \_\_\_\_\_ will not be implemented because they are not warranted or are not reasonable.

Date: 8/10/18

Signed: 

Number of pages attached: \_\_\_\_\_