

STAFF REPORT

SUBJECT: REVIEW AND APPROVE DISTRICT'S RESPONSE TO THE SAN MATEO COUNTY GRAND JURY REPORT: CAN WE SEE YOU NOW? SAN MATEO COUNTY'S INDEPENDENT SPECIAL DISTRICTS WEBSITE TRANSPARENCY UPDATE

Board of Directors of Coastside Fire Protection District:

Recommendation:

It is recommended that the Board review the draft response to the Grand Jury Report which have been prepared by staff and provide direction as needed to finalize the response. Staff will then complete the response and submit it.

Background and Discussion:

On June 19, 2017, the San Mateo County Grand Jury issued a report entitled *CAN WE SEE YOU NOW? San Mateo County's Independent Special Districts Website Transparency Update* (Attachment A). The Report includes a series of findings and recommendations addressed to Special Districts in San Mateo County.

As noted in the Report:

In 2014, the San Mateo County Civil Grand Jury issued a report concerning the lack of transparency in the websites of the 23 independent special districts operating within San Mateo County (County). The jury at that time offered seven recommendations designed to improve transparency and achieve adherence to standards set forth by the California Special Districts Association (CSDA) and the Special District Leadership Foundation (SDLF).

The 2016-17 San Mateo County Civil Grand Jury (Grand Jury) reinvestigated the transparency of the County's 22 independent special district websites and determined that many districts have made overall, substantial improvement.

The Report indicates that:

The Grand Jury believes the transparency of a district's website influences the perception of the work performed by board members and employees of the County's independent special districts. Taxpayers are best served when they know who administers their independent special districts, from where the districts derive their funding, how the money is spent, how the actual work of the districts is conducted, and ultimately, how the districts impact them as citizens.

The Report indicates that since issuing its 2013-2014 report, Coastside Fire Protection District was only one (1) of six (6) special districts awarded the District Transparency Certificate of Excellence.

The SDLF also awards independent special districts the District of Distinction Accreditation for those districts that demonstrate prudent fiscal practices along with other areas important to effectively operate and govern a special district. The 2013-14 Grand Jury found that no district had achieved, applied for or been awarded the District of Distinction Certificate. The Report indicates that during the past three (3) years Coastside Fire Protection District, along with two (2) other independent special districts in San Mateo County, applied for and received this distinction.

Proposed Response to Recommendations

The Grand Jury Report contains five (5) Findings and three (3) Recommendations. Because Coastside Fire Protection District has obtained both the District Transparency Certificate of Excellence and the District of Distinction Certificate, it has been directed to respond to only Recommendation 2.

With this direction in mind, staff proposes the following response to Recommendation 2:

- R2.** All independent special districts shall take the necessary steps to maintain their websites using the current standards set by the Special District Leadership Foundation so as to provide pertinent information to their constituents and to continue to qualify for the *District Transparency Certificate of Excellence*

Response: Respondent Coastside Fire Protection District agrees with this recommendation.

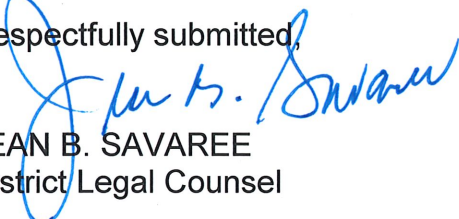
Conclusion

With Board direction staff will complete the District's response, obtain the President's signature and submit the response to the Grand Jury report.

Attachments:

1. Grand Jury Report.
2. Proposed Response.

Respectfully submitted,



JEAN B. SAVAREE
District Legal Counsel

ATTACHMENT 1
GRAND JURY REPORT



CAN WE SEE YOU NOW? San Mateo County's Independent Special Districts Website Transparency Update

**Issue | Summary | Background | Methodology | Discussion | Findings
Recommendations | Requests for Responses | Appendixes | Responses**

ISSUE

In 2014, the San Mateo County Civil Grand Jury issued a report concerning the lack of transparency in the websites of the 23 independent special districts operating within San Mateo County (County).¹ The jury at that time offered seven recommendations designed to improve transparency and achieve adherence to standards set forth by the California Special Districts Association (CSDA) and the Special District Leadership Foundation (SDLF). This report will discuss the progress made since 2014 by the County's independent special districts and serve as an update to the initial report.

SUMMARY

In FY 2014-15, the 22 independent special districts² that currently serve San Mateo County provided various services for approximately 747,000 residents and received over \$107,000,000³ in tax dollars. Special districts provide many essential services but, according to Howard Jarvis Taxpayers Association,⁴ residents often do not know who manages their districts, how funds are provided and allocated, or the full extent of the services provided by a district.⁵

Each of the 22 independent special districts in San Mateo County operates a website designed to provide pertinent information to its constituents.⁶ Californians value the importance of transparency in government at all levels. Transparency in a governance context demands honesty, openness, and accountability for all functions and responsibilities. Designing and maintaining transparency on websites serves to inform the public as well as document effective use of their tax dollars.

The 2016-17 San Mateo County Civil Grand Jury (Grand Jury) reinvestigated the transparency of the County's 22 independent special district websites and determined that many districts have made overall, substantial improvement. About one-third of the County's independent special districts, however, still do not meet the minimum standards for transparency.

¹, 2013-14 San Mateo County Grand Jury. *Partly Cloudy With A Chance of Information: Investigating the Transparency of Independent Special District's Websites*. www.sanmateocourt.org, Final Reports.

² Los Trancos Water District was dissolved in 2015, reducing the number of independent special districts from 23 to 22

³ www.sanmateocountytreasurer.org/PropTaxHighlights/PropertyTaxHighlights14-15.pdf, 2017 Accessed 3/15/17

⁴ www.hjta.org, "California Special Districts: Hiding in Plain Site", 2016 Accessed 3/20/17

⁵ www.hjta.org/california-commentary/california-special-districts-hiding-in-plain-sight/ Accessed 3/20/17

⁶ Appendix A

BACKGROUND

Special districts have been a part of California's landscape for over 130 years. They are a form of local government created by a community to meet a specific local need. A special district is a local governmental agency authorized by state law to provide governmental services such as sewer, water, fire protection, recreation, healthcare, police protection, mosquito and vector control, and other services. There are three main types of special districts: (1) county-governed special districts which are governed by a Board of Supervisors and operated by counties; (2) city-governed special districts that are governed by their respective city councils and operated by such cities; and (3) "independent special districts" that have their own governing boards which are either elected by the district's voters or appointed by the various city councils. Special districts are defined as "any agency of the state for the local performance of governmental or proprietary functions within limited boundaries."⁷ Legislation has provided special districts with some of the basic powers afforded to counties and cities, including the power to impose certain taxes, issue revenue bonds, and levy fees and assessments.⁸

Currently, there are approximately 2,109 independent special districts in California.⁹ San Mateo County has 22 independent special districts, which provide a variety of services to the residents of the county.¹⁰

The Special District Leadership Foundation (SDLF) is a nonprofit 501(3)(c) organization and an affiliate of the California Special Districts Association (CSDA). The SDLF's mission is "to promote and recognize excellence in the governance and management of special districts."¹¹

The SDLF Board is made up of nine members: three directors appointed by the CSDA, three directors appointed by the Special District Risk Management Authority (SDRMA)¹² and three public members selected by majority vote of the designated directors. CSDA and SDRMA appoint their designated representatives to the SDLF Board every four years.¹³

The CSDA is also a nonprofit 501(3)(6) organization which brands itself "the voice for all special districts, providing members with the resources necessary to best serve their communities."¹⁴

Both SDLF and CSDA provide advocacy, personal development, and training programs in special district governance, transparency, and excellence to the staffs of special districts throughout the state.

⁷ California Government Code Section 16271(d), <http://law.onecle.com/california/government/16271.html> Accessed 5/16/17

⁸ California Special Districts Association, www.CSDA.org. Accessed 3/20/17

⁹ Ibid.

¹⁰ Appendix A

¹¹ info@sdlf.org Accessed 3/20/17

¹² <http://www.sdrma.org> Accessed 3/20/17

¹³ <http://www.sdlf.org/board-and-staff> Accessed 3/20/17

¹⁴ California Special Districts Association, www.CSDA.org Accessed 3/20/17

The SDLF awards the District Transparency Certificate of Excellence to those independent special districts whose websites comply with a specific set of criteria. The Certificate is awarded for a two-year period after which a district must apply for recertification.

METHODOLOGY

To maintain continuity, the Grand Jury reapplied the website transparency checklist created by the SDLF which was utilized by the 2013-14 Grand Jury in their evaluation. That checklist is divided into two tiers. To achieve the SDLF District Transparency Certificate of Excellence all of the following twelve items in Tier 1 must be easily accessible on the website as well as at least four of the items in Tier 2:

Tier 1

- Names of board members and their terms of office
- Name of general manager and key staff along with contact information
- Election procedure and deadlines
- Board meeting schedule
- District's mission statement
- Description of district's services/functions and service area
- Authorizing statute
- Current district budget
- Most recent financial audit
- Archive of board meeting minutes for at least the past six months
- List of compensation of board members and staff and/or link to California state controller's webpage with the data

Tier 2:

- Post board members' ethics training certificates
- Picture, biography and email address of board members
- Last three years' audits
- Reimbursement and compensation policy
- Financial reserves policy
- On line/downloadable Public Records Act Request form
- Audio or video recordings of board meetings
- Map of district boundaries/service area
- Link to California Special Districts Association mapping program
- Most recent Municipal Service Review and Sphere of Influence studies

Upon completion of the review of the websites in March 2017, the Grand Jury sent follow-up letters to those special districts whose sites lacked required Tier 1 components or whose websites lacked at least four components of Tier 2. All of these districts responded.

DISCUSSION

The Grand Jury believes the transparency of a district's website influences the perception of the work performed by board members and employees of the County's independent special districts. Taxpayers are best served when they know who administers their independent special districts, from where the districts derive their funding, how the money is spent, how the actual work of the districts is conducted, and ultimately, how the districts impact them as citizens.

The 2013-14 Grand Jury found that no independent special district in the County had received the District Transparency Certificate of Excellence (DTCE).

The review by the 2016-17 Grand Jury of the County's independent special districts' websites reveals that the majority of independent special districts in the County have markedly improved their websites. As a result, the following six independent special districts have applied for and been awarded the DTCE since 2014:

Highlands Recreation District	2014-2016
North Coast County Water District	2014-2016
Peninsula Healthcare District	2015-2017
Coastside Fire Protection District	2016-2018
San Mateo County Mosquito and Vector Control District	2016-2018
Westborough Water District	2016-2018

Additionally, the Grand Jury's review of independent special district websites revealed that eight additional special districts have websites that would qualify for the DTCE but appear not to have applied for the certificate.¹⁵ Those districts are:

- Coastside County Water District
- Granada Community Services District
- Menlo Park Fire District
- Mid-Peninsula Regional Open Space
- Montara Water and Sanitary District
- Sequoia Healthcare District
- SMC Resource Conservation District
- West Bay Sanitary District

¹⁵ www.sdlf.org, 4/19/17

In addition to the 14 special districts listed above, one other special district's website, Woodside Fire Protection District, fulfilled all of the first tier required components, bringing to 15 the number of independent special districts in the County that have fulfilled all of the first-tier required components.

The SDFL also awards independent special districts the District of Distinction Accreditation for those districts that demonstrate prudent fiscal practices along with other areas important to effectively operate and govern a special district. The 2013-14 Grand Jury found that no district had achieved, applied for or been awarded the District of Distinction Certificate. However, during the past three years three independent special districts in San Mateo County applied for and received this distinction: Coastside Fire Protection District, North Coast County Water District, and San Mateo County Mosquito and Vector Control District.¹⁶

All of these districts deserve positive recognition for their hard work achieving much needed transparency for their constituents through district websites.

Seven independent special districts, however, currently have not met an acceptable level of transparency.

The San Mateo County Harbor District's website lacks only one component to complete Tier 1, a description of their election process. The district's website currently provides a link to the San Mateo County Elections website, but the District's website lacks any detail regarding the District's internal procedure for elections.¹⁷

The following independent special districts require components in both tier 1 and/or tier 2 to achieve the SDFL's District Transparency Certificate of Excellence:¹⁸

- Bayshore Sanitary District
- Broadmoor Police Protection District
- Colma Fire Protection District
- East Palo Alto Sanitary District
- Ladera Recreation District
- Mid-Peninsula Water District
- San Mateo County Harbor District
- Woodside Fire Protection District

¹⁶ www.sdlf.org, 4/19/17

¹⁷ www.smharbor.com, 5/16/17

¹⁸ See Appendix C

FINDINGS

- F1. Six independent special districts have completed the requirements and been awarded the *District Transparency Certificate of Excellence* designation from the Special District Leadership Foundation over the past three years.
- . Coastside Fire Protection District
 - . Highlands Recreation District
 - . North Coast County Water District
 - . Peninsula Healthcare District
 - . San Mateo County Mosquito and Vector Control District
 - . Westborough Water District
- F2. Eight additional independent special districts have completed the requirements and been awarded the *District Transparency Certificate of Excellence*.
- . Coastside County Water District
 - . Granada Community Services District
 - . Menlo Park Fire District
 - . Mid-Peninsula Regional Open Space District
 - . Montara Water and Sanitary District
 - . San Mateo Resource Conservation District
 - . Sequoia Healthcare District
 - . West Bay Sanitary District
- F3. Three independent special districts have achieved the *District of Distinction Designation* from the Special District Leadership Foundation over the past three years.
- . Coastside Fire Protection District
 - . North Coast County Water District
 - . San Mateo County Mosquito and Vector Control District
- F4. Fifteen independent special districts have websites meeting the first tier of required components.
- . Coastside County Water District
 - . Coastside Fire Protection District
 - . Granada Community Services District
 - . Highlands Recreation District
 - . Menlo Park Fire District
 - . Mid-Peninsula Regional Open Space District

- . Montara Water and Sanitary District
- . Northcoast County Water District
- . Peninsula Healthcare District
- . San Mateo County Mosquito and Vector Control District
- . San Mateo County Resource Conservation District
- . Sequoia Healthcare District
- . West Bay Sanitary District
- . Westborough Water District
- . Woodside Fire Protection District

F5. Eight independent special districts websites have not met the Special District Leadership Foundation's minimum requirements.

- . Bayshore Sanitary District
- . Broadmoor Police Protection District
- . Colma Fire Protection District
- . East Palo Alto Sanitary District
- . Ladera Recreation District
- . Mid-Peninsula Water District
- . San Mateo County Harbor District
- . Woodside Fire Protection District

RECOMMENDATIONS

- R1. The eight independent special districts' websites that do not conform to the current standards set by the Special District Leadership Foundation's transparency checklist shall conform to the accepted criteria on or before December 31, 2017.
- R2. All independent special districts shall take the necessary steps to maintain their websites using the current standards set by the Special District Leadership Foundation so as to provide pertinent information to their constituents and to continue to qualify for the *District Transparency Certificate of Excellence*.
- R3. The eight independent special districts that qualify for the *District Transparency Certificate of Excellence* are strongly encouraged to apply for it to be recognized for their efforts.

REQUEST FOR RESPONSES

From the following governing bodies:

Recommendation 1

Bayshore Sanitary District
Broadmoor Police Protection District
Colma Fire Protection District
East Palo Alto Sanitary District
Ladera Recreation District
Mid-Peninsula Water District
San Mateo County Harbor District
Woodside Fire Protection District

Recommendation 2

All independent special districts in San Mateo County

Recommendation 3

Coastside County Water District
Granada Community Services District
Menlo Park Fire District
Mid-Peninsula Regional Open Space
Montara Water and Sanitary District
Sequoia Healthcare District
SMC Resource Conservation District
West Bay Sanitary District

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

APPENDIX A INDEPENDENT SPECIAL DISTRICT WEBSITES

Independent Special District	Website
Bayshore Sanitary District	http://www.bayshoresanitary.org/
Broadmoor Police Protection District	http://www.broadmoorpolice.com/
Coastside County Water District	http://coastsidewater.org/
Coastside Fire Protection District	http://www.coastsidefire.org/
Colma Fire Protection District	http://www.colmafd.org/home.html
East Palo Alto Sanitary District	http://www.epasd.com/
Granada Community Services District	http://www.granada.ca.gov/
Highlands Recreation District	http://www.highlandsrec.ca.gov/
Ladera Recreation District	http://www.lrdrec.com/
Menlo Park Fire Protection District	http://www.menlofire.org
Mid-Peninsula Water District	https://www.midpeninsulawater.org/index.php
Mid-peninsula Regional Open Space District	http://openspace.org/
Montara Water and Sanitary District	http://mwsd.montara.org/
North Coast County Water District	http://www.nccwd.com/
Peninsula Health Care District	http://www.peninsulahealthcaredistrict.org
San Mateo County Harbor District	http://www.smharbor.com/harbordistrict/
SMC Mosquito and Vector Control District	http://www.smcmvcd.org/
San Mateo Resource Conservation District	http://www.sanmateorcd.org/
Sequoia Healthcare District	http://www.sequoiahealthcaredistrict.com/
West Bay Sanitary District	http://westbaysanitary.org/
Westborough Water District	Http://www.westboroughwater.com/
Woodside Fire Protection District	http://www.woodsidefire.org/

APPENDIX B



District Transparency Certificate of Excellence *checklist*

Showcase your district's commitment to transparency

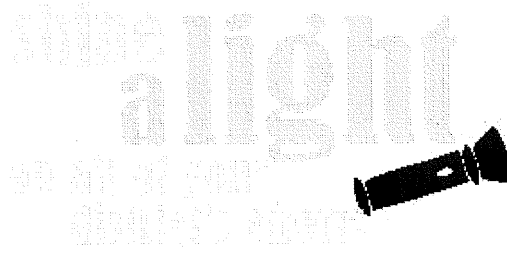
BASIC REQUIREMENTS

- Current Ethics Training for all Board Members** (Government Code Section 53235)
 - Provide copies of training certificates along with date completed
- Compliance with the Ralph M. Brown Act** (Government Code Section 54950 et. al)
 - Provide copy of current policy related to Brown Act compliance
 - Provide copy of a current meeting agenda (including opportunity for public comment)
- Adoption of policy related to handling Public Records Act requests**
 - Provide copy of current policy
- Adoption of Reimbursement Policy, if district provides any reimbursement of actual and necessary expenses** (Government Code Section 53322.2 (b))
 - Provide copy of current policy
- Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products. This information is to be made available for public inspection. "Individual charge" includes, but is not limited to: one meal, lodging for one day, or transportation.** (Government Code Section 53065.5)
 - Provide copy of the most recent document and how it is accessible
- Timely filing of State Controller's Special Districts Financial Transactions Report - includes compensation disclosure.** (Government Code Section 53891)
 - Provide copy of most recent filing
SDLF staff will verify that district is not listed on the State Controller's non-compliance list
- Conduct Annual Audits** (Government Code Section 26909 and 12470.6)
 - Provide copy of most recent audit and management letter and a description of how/where documents were made available to the public
- Other Policies - have current policies addressing the following areas (provide copies of each):**
 - Conflict of Interest
 - Code of Ethics/Values/Norms or Board Conduct
 - Financial Reserves Policy

WEBSITE REQUIREMENTS

- Maintain a district website with the following items** (provide website link; all are required)
 - Names of Board Members and their terms of office
 - Name of general manager and key staff along with contact information
 - Election procedure and deadlines
 - Board meeting schedule (Regular meeting agendas must be posted 72 hours in advance pursuant to Government Code Section 54954.2 (a) (1) and Government Code Section 54956 (a))
 - District's mission statement
 - Description of district's services/functions and service area
 - Authorizing statute/enabling act (Principle Act or Special Act)
 - Current district budget
 - Most recent financial audit
 - Archive of Board meeting minutes for at least the last 6 months
 - List of compensation of Board Members and staff and/or link to State Controller's webpage with the data
- Website also must include at least 4 of the following items:**
 - Post Board Member ethics training certificates
 - Picture, biography and email address of board members
 - Last 3 years of audits
 - Reimbursement and Compensation Policy
 - Financial Reserves Policy
 - Online/downloadable Public Records Act request form
 - Audio or video recordings of board meetings
 - Map of district boundaries/service area
 - Link to California Special Districts Association mapping program
 - Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)

Continued on reverse



Questions about SDLF or the transparency program? Call us for more information at 916.231.2939

APPENDIX C TRANSPARENCY CHECKLIST

Agency	Ranking												Total											
		1	1A	1B	1C	1D	1E	1F	1G	1H	1I	1J		1K	2	2A	2B	2C	2D	2E	2F	2G	2H	2I
Highlands Recreation District	1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y	Y	Y	Y	Y	Y			Y
Mid-Peninsula Regional Open Space Dist.	1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y		Y	Y	Y	Y	Y		Y	
Peninsula Health Care District	1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y		Y	Y			Y		Y	
Westborough Water District	1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y		Y	Y				Y	
Coastside County Water District	2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y			Y	Y	Y	Y	Y	
SMC Mosquito and Vector Control Dist.	2	Y	Y	Y	n/a	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y	Y	Y	Y	Y			Y	Y
Granada Community Services District	2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y	Y		Y				Y	Y
North Coast County Water District	2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y		Y	Y	Y					Y
Coastside Fire Protection District	2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y	Y	Y	Y		Y	Y	Y	
West Bay Sanitary District	2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	N		Y	Y			Y		Y	
Menlo Park Fire Protection District	3	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y		Y	Y	Y	Y	Y	Y	Y	Y
Montara Water and Sanitary District	3	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y	Y		Y	Y	Y	Y		Y	Y
Mid-Peninsula Water District	4	N	Y	Y		Y	Y	Y		Y	Y	Y	Y	9	Y	Y	Y	Y					Y	
SMC Resource Conservation District	4	Y	Y	Y	n/a	Y	Y	Y	Y	Y	Y	Y	n/a	11	Y		Y	Y	Y				Y	Y
SMC Harbor District	4	N	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	10	Y		Y	Y		Y		Y	Y	Y
Sequoia Healthcare District	5	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	Y		Y		Y	Y			Y	n/a
Bayshore Sanitary District	5	N	Y	Y		Y	Y	Y		Y	Y	Y	Y	9	N	Y		Y					Y	
Broadmoor Police Protection District	6	N	Y	n/a	Y		Y	Y	Y	Y	Y	Y	Y	10	N		Y							
Ladera Recreation district	6	N	Y	Y	Y		Y	Y	Y	Y		Y	Y	9	N						Y			Y
Woodside Fire Protection District	6	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	11	N			Y	Y					
East Palo Alto Sanitary District	7	N	Y			Y	Y			Y	Y	Y		6	Y	Y	Y	Y					Y	
Colma Fire Protection District	8	N					Y	Y						2	N									

Issued: June 19, 2017

ATTACHMENT 2

PROPOSED RESPONSE TO
GRAND JURY REPORT

July ____, 2017

Honorable V. Raymond Swope
Judge of the Superior Court
Hall of Justice
400 County Center, Department 23
Redwood City, CA 94063

Dear Judge Swope:

The Coastside Fire Protection District Board has had an opportunity to review the 2017 Grand Jury report entitled "*CAN WE SEE YOU NOW? San Mateo County's Independent Special Districts Website Transparency Update.*" The District Board after reviewing the report and allowing for public comment at its regular Board meeting on July 26, 2017 offers the following response to Recommendation 2 as directed in the report:

Response to Recommendations

R2. All independent special districts shall take the necessary steps to maintain their websites using the current standards set by the Special District Leadership Foundation so as to provide pertinent information to their constituents and to continue to qualify for the *District Transparency Certificate of Excellence*

Response: Respondent Coastside Fire Protection District agrees with this recommendation.

Respectfully submitted,

Gary Burke
President, Coastside Fire Protection District

Cc: Grand Jury Foreperson
c/o Court Executive Office
400 County Center
Redwood City, CA 94063-1655