

A Public Agency



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Date: December 16, 2020

To: Amador County 2019-2020 Grand Jury, Foreperson Katrina Zapata
P.O. Box 249
Jackson, CA 95642

The Presiding Judge-Amador County Superior Court
500 Argonaut Lane
Jackson, CA 95642

From: Amador Water Agency Board of Directors

The Amador Water Agency Board of Directors wishes to express its gratitude for the work of the 2019 - 2020 Grand Jury in preparing its "Amador Water Agency: A Brief Update Report." The Agency has worked hard the last year to address issues identified in 2018-2019 Grand Jury's report, and we appreciate that our progress was noted.

The AWA Board and staff are always looking for ways to improve. We take our responsibilities to the community and our customers very seriously, and always welcome their critique.

Our specific responses to your report follow below.

FINDINGS

Finding 1. AWA has taken steps to increase transparency, yet still has room for improvement.

AWA agrees with the finding. We recognize that there is always room for improvement. We believe our financial reporting is much more understandable than in the past, but we are currently reviewing our entire financial program to find further improvements. We have engaged highly regarded experts to help perform this review and to help us recruit a new Financial Services Manager. We are also committed to improved open interactions with the public, although like everyone we are currently constrained by the pandemic.

Finding 2. AWA's financial stability remains a great concern.

AWA agrees with the finding. The Board remains focused on this issue as a top priority and has communicated this clearly to our new General Manager. The financial program review described in the response to Finding 1 is also applicable here. We have also engaged an expert rates consultant and have begun a comprehensive review of our rates and rate structure that will be ongoing through the Spring. The Agency's financial stability is also closely tied to the condition of our aging infrastructure, which the Board has also identified as one of its top priorities. We have undertaken a comprehensive water system

master plan study, which we expect to complete this year. The results of that study will feed the ongoing rate study and mark out our path for the future.

Finding 3. Employees have not been sufficiently trained on their use of the Springbrook software.

AWA agrees with the finding. Employee training has occurred, but it is not complete, nor will the need for additional training ever end. We have arranged for training through Springbrook, and are working to get more employees involved in the training. With a staff as small as AWA's this often poses challenges, but we recognize the importance of finding time for training.

Finding 4. During this investigation, the Grand Jury found no retaliatory actions by AWA management to employees.

AWA agrees with the finding. We are proud of this result, and are constantly working to ensure a positive workplace culture.

Finding 5. The interim GM has begun a reorganization of AWA. The outcome and structure of the reorganization is unknown at this time.

AWA agrees with this finding. The reorganization was previously approved by the Board in June, and implementation has continued. The reorganization AWA hired a new General Manager in August. Adjustments are continuing as a result of experience and management turnover. The extent of the changes AWA is currently experiencing creates a challenge because of the loss of experience and the disruption to regular work processes, but it also represents an opportunity to create new business practices and become better. The Board and staff are committed to taking advantage of the opportunity.

RECOMMENDATIONS

Recommendation 1. AWA should continue increasing its transparency. In addition to information being provided and accessible to the public, it should also be presented in a format the average ratepayer can easily interpret and understand.

The Recommendation has not yet been implemented, but will be in the future. As noted above, AWA has taken significant steps to improve transparency, but recognizes more can and should be done. The cost of service and rates study that has been started will be an example of the Agency working to improve its community engagement and openness. We also plan to make improvements to the Agency's website within six months. An important aspect of our commitment to improvement is our intent to address critical feedback from the community. Therefore, our actions to improve transparency cannot be readily defined by AWA, but rather will be an ongoing dialogue with the public about how to improve.

Recommendation 2. Should AWA decide it is necessary to adjust its rates, the reasons for doing so should be clearly documented and explained.

The Recommendation has not yet been implemented, but will be in the future. As described above, AWA has initiated a rate study that will be ongoing through the Spring of 2021. AWA plans to conduct significant public outreach throughout the process, and looks forward to listening to ideas, questions, and concerns of the community.

Recommendation 3. By December 31, 2020, AWA should acquire membership in the Government Finance Officers Association (GFOA) to implement their standards for compiling the Comprehensive Annual Finance Report.

The Recommendation requires further analysis. The Board understands the reason for urging AWA to follow the GFOA standards. However, membership in GFOA entails a cost, and there are alternative industry organizations with similar aims that may be a better fit for AWA, both in terms of cost and the direct applicability of standards to a California water agency. GFOA is a national organization that provides standards for the whole range of public agencies. The California Special Districts Association, on the other hand, also provides standards and certifications for financial reporting and transparency, and AWA is already a member. Evaluating the best approach to reach the goal—with which AWA agrees—is included in the scope of services of AWA's financial consultant team that is just now beginning its work. The Board expects to reach a decision on the best course of action by March 2021.

Recommendation 4. AWA should strive to be awarded the GFOA's "Certificate of Achievement for Excellence in Financial Reporting."

The Recommendation requires further analysis. The response to Recommendation 3 above applies here as well.

Recommendation 5. By December 31, 2020, employees who use the Springbrook software should be thoroughly trained in its use.

The Recommendation has been implemented. Additional training through Springbrook was arranged, and the appropriate Agency staff have received adequate training. As noted above, AWA sees training as an ongoing need, and will continue to provide further training, refresher training, and training to additional staff to the extent practicable.

Recommendation 6. AWA should continue fostering a positive work environment.

The Recommendation has been implemented. The Interim General Manager's reorganization plan was implemented and continues to be updated. The new General Manager has made positive workplace environment a top priority, as it is for the Board. This will be a continuous effort.

Recommendation 7. The position of General Manager should be filled as soon as possible.

The Recommendation has been implemented, as described above, as of August 20, 2020.

On behalf of the Agency, the Board of Directors appreciates the Grand Jury's constructive engagement with the Agency, and we believe the process has helped AWA onto a path for improvement that will benefit everyone involved.

Sincerely,



Susan Peters
President, Amador Water Agency Board of Directors