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TEMPLETON COMMUNITY SERVICES DISTRICT

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August 12, 2013

Presiding Judge Barry T. LaBarbera
Superior Court of California
1050 Monterey Street
San Luis Obispo, CA 93408

Re: General Manager's Response to 2012/13 Grand Jury Report Regarding the Templeton Community Services District

Dear Judge LaBarbera:

The Grand Jury Report on the Templeton Community Services District titled "Trouble in Templeton's Community Service District" was issued in June 2013. The Report required that both the Board of Directors (Board) and the General Manager submit responses to the Presiding Judge and Grand Jury. The Board of the Templeton Community Services District submitted its response to the Grand Jury Report in a letter to the Presiding Judge dated June 18, 2013.

This letter shall serve as the required response from the General Manager.

As you may know, I have only recently begun my service as the General Manager of the Templeton Community Services District (District); my first day as an employee of the District was June 19, 2013. As such, I was not an employee last fall and winter and have no firsthand knowledge of the challenges that the District, its Board, or staff were dealing with, and that the Grand Jury investigated.

The intent of this response to reiterate the responses of the Board concerning the Grand Jury's Findings and Recommendations, to update the Grand Jury on any progress made since the Board filed its response, and to provide clarity, and a commitment of transparency from my perspective as General Manager, regarding the responses.

FINDINGS

1. *The 2012 Board of Directors of the Templeton Community Services District has behaved as a dysfunctional group to the detriment of the community.*

Board Response: While we agree that there was some dysfunction with a prior Board, we respectfully Disagree that the dysfunction continues to persist. While we agree that unprofessional behavior has been exhibited by Board members on limited occasions during the course of public meetings prior to the seating of the new Board, the new Board overall has been successful in developing and implementing numerous policies and programs that fulfill the needs of the community. Indeed, unanimous votes have been taken on such important community items as: Solid Waste & Recycling Franchise Agreement (March 6, 2012); Adoption of Ordinance No. 2012-2, Water & Sewer Code (May 1, 2012); Adoption of the 2012/2013 Fiscal Year Budget (June 19, 2012); District Investment Policy (February 5, 2013); Fire Service Study (May 21, 2013); Ordinance No. 2013-1, Repealing Ordinance Nos. 89-1 & 93-11, Concerning Board Meetings and Governance (March 19, 2013); and Resolution No. 2-2013, Adopting Policy Handbooks & Bylaws (March 19, 2013). The last two items were unanimous votes with four members present at the meeting. The Board has been able to work together on these and many other important items.

In addition, included within the new Policy Handbook/Bylaws adopted by the current Board, is Policy No. 4005, entitled, "Operating Principles of the Board (Norms)." Policy No. 4005 provides communication norms, process norms, relationship norms and capacity norms aimed at providing professional and quality service to the staff of the District and the Board's constituents served by the District.

The Board is committed to complying with these standards of professional conduct that it unanimously passed.

General Manager Response: I was not employed or present during any of the Board Meetings that occurred in the period of the Grand Jury's investigation. Since June 4, 2013, I have been present at all of the Board Meetings, and have witnessed the Board's conduct, and would describe it as effective, if not typical, of a local elected body. Board Members may, and sometimes do, disagree on items before them. The Board has made a commitment to learn how to disagree without being disagreeable and in my limited observations to date, I am pleased to report that this commitment has been maintained. I will continue to use my best efforts to ensure the Board consistently lives up this commitment.

2. *The TCSD Board of Directors has not allowed adequate time on their agendas for public input.*

Board Response: Respectfully, we Partially Disagree. The Board has at all times complied with the Brown Act. The Board of Directors provides numerous opportunities for public comment on the District's agenda. Members of the public may speak with regard to any item listed on the agenda as well as under the public comment portion of the meeting. Members of the public are given an opportunity to speak on closed session items prior to the Board convening to closed session. The District has had a long standing policy of allowing members of the public to speak for at least three minutes.

The Board may have on occasion cut debate short on a particular topic during certain public meetings. However, this is certainly not the norm and with very few exceptions this has only occurred when speakers were exceeding their allotted three minutes. The meetings have to be managed to allow all present an opportunity to speak. Allowing speakers to make multiple comments on the same subject does not benefit the public as many District meetings have gone late into the night to allow the public and the Board to address and comment on the agendized issues.

General Manager Response: I have worked for local public agencies for more than 20 years and have a broad working knowledge of the Brown Act. I will consistently advise the Board to follow the Brown Act at all times as Board Meetings are conducted. I will also ensure that all agendas are timely prepared and posted in accordance with the Brown Act, and provide opportunities for public comment as mandated by the Brown Act. At the Board Meetings I have attended, the Board followed its established procedure and allowed up to three minutes for public comment from any member of the public who wished to speak on any agenda item or during the public comment period. While I have attended Board Meetings, no one was denied the ability to speak during the public comment period. If inadequate time for public input at Board Meetings was a problem in the past, that problem and any complaints relating to it have been resolved based on my observations at the meetings I have attended.

3. *The TCSD Board of Directors cancels far too many regularly scheduled meetings, and replaces them with "special" meetings, thus depriving many members of the public the opportunity to be present at the meetings.*

Board Response: Respectfully, we Partially Disagree. The Board recognizes that a number of meetings were cancelled in 2012 and that this situation should be avoided whenever possible. However, all cancellations were done for valid reasons such as lack of pending items for discussion/action, scheduling conflicts with directors and/or staff, and vacations or holidays. One of the reasons for special meetings was District Ordinance No. 93-11 which required all closed sessions to be noticed as a special meeting if they took place prior to a regular meeting. This problem has been corrected by adoption of Ordinance No. 2013-1 on April 2, 2013, which allows the district to hold closed sessions prior to the open session component of regular meetings. As the Grand Jury duly noted all cancelations of regular meetings and the calling of special meetings were properly noticed in accordance with the Brown Act as the Board takes very seriously the notice deadlines set forth in the Brown Act.

In addition, the previous procedure of noticing special meetings in order to allow for closed sessions prior to the regular meeting did not generally result in a cancellation of the regular meeting.

General Manager Response: Regular Board Meetings are held on the first and third Tuesday of each month. I will recommend cancelling a meeting only if the meeting interferes with a District Holiday, if there is a lack of business anticipated to be conducted, or if a majority of the Board is unable to attend. The Brown Act permits the calling of Special Meetings, which may be required if the Board needs to be informed or take actions on items prior to the next Regular Meeting. Special Meetings, when necessary, will be properly posted at least 24 hours in advance, and the public will always be encouraged to attend and participate in both Special and Regular Meetings.

4. *Some members of the Board circumvent the "chain of command" with the GM by going directly to employees.*

Board Response: Respectfully, we Partially Disagree. The Board recognizes that at times Board Members, prior to the seating of the new Board, have on limited occasion circumvented the chain of command by going directly to District staff on issues that should have been directed to the General Manager. However, with regard to events occurring after the resignation of the former General Manager in December of 2012, the District was in a transitional period. For a few months the District Engineer and the Assistant to the General Manager served as Interim General Manager. In February of 2013, an Interim General Manager was hired by the District. As such, during this transitional period members of the Board had no choice but to rely on direct interaction with various staff members rather than the General Manager.

Now that the District has hired a new General Manager and during the term with the Interim General Manager, the Board has resumed proper procedures for the communication of information between the members of the Board and the General Manager. In addition, the Board adopted Policy No. 4050.6 to address proper procedures for communicating with the General Manager.

General Manager Response: Since I have served as General Manager, I am unaware of any instances of members of the Board circumventing me by directly seeking information from or giving direction to staff members. Board Members have an open line of communication with me, and are encouraged to contact me directly (and they have done so) should any questions arise, or if they need information from me or from staff. I will attempt to continue to maintain an atmosphere in which staff members feel comfortable contacting me directly, especially if they believe Board Members are attempting to circumvent the established "chain of command" so that I can work to address those issues with the individual Board Member or with the Board as a whole.

5. *The public is concerned that business matters are being discussed during "closed sessions" and not being properly reported to the public.*

Board Response: We respectfully Disagree. All closed sessions requiring it are held with an attorney on phone conference or physically present. No discussions take place that are outside the requirements of the Brown Act. In the rare event where conversations have arguably started to drift in this direction, legal counsel advises that the items cannot properly be discussed and that conversation ends.

The Brown Act requires that only certain items coming out of a closed session are reportable in open session. For example, legal strategy of a case under litigation is not reportable in open session. Likewise, ongoing contract negotiations are not reportable. They are only reportable once the contract becomes final and the contract is made available to the public. As a result, in compliance with the Brown Act, many items cannot be and are properly and legally not publicly reported until a final action is taken.

General Manager Response: I have participated in only one closed session item with the Board since I have been employed by the District. During discussion on that item, no part of the discussion veered off topic, and the action taken was properly reported to the public immediately following the closed session.

6. *The TCSD does not have a current set of personnel rules and regulations for employees.*

Board Response: We respectfully Disagree. The Board of Directors adopted a Personnel Manual prepared in conjunction with outside legal counsel on June 21, 2005. A copy of the Personnel Manual is available upon request. While the District is in the process of updating this document the current provisions are still valid and usable.

General Manager Response: Work continues on the update of the existing Personnel Manual, and I am confident that a final draft of the update will be complete and ready for the Board's consideration for adoption this fall.

7. *The GM did not adequately involve employees in the change process.*

Board Response: Respectfully, we Partially Disagree. While this may be true in some instances with certain employees who may have misunderstood the purpose of the efforts to collaborate, most policy changes that the prior General Manager sought to implement involved multiple meetings with the affected employees before implementation.

The new General Manager, Jeff Briltz, has been selected, in part, based on his strong background in human resources management. Specifically, Mr. Briltz has significant expertise in collaborating and consensus building. The Board's expectation is that the new Board will work collaboratively with staff and they are committed to the District's policy to work as a team.

General Manager Response: My personal leadership style is to be as inclusive of others in the decision making process as is practical. During my short tenure at the District, I have routinely collaborated with staff members when formulating recommendations and tackling issues. It is important to note, however, that the role of the General Manager and how decisions are made are predicated on the circumstances presented. On occasion, decisions will need to be made that do not include other employees because of urgency, confidentiality or privacy rights or other factors that may exist or arise.

8. *The GM did not appear to support employees when they were verbally attacked at public meetings by Board members.*

Board Response: Respectfully, we Partially Disagree. While this may have been the impression on limited circumstances, it should be remembered that the former General Manager was also under criticism by certain members of the Board. While we cannot speak for the prior General Manager who the Grand Jury interviewed, we can only opine that it becomes a delicate balance for the General Manager at a public meeting to intervene while a critical Board member is speaking and risk further escalating the staff member criticism.

The Board has been and is committed to upholding professional communication and process norms as is evidenced by policy No. 4005. Specifically, Policy No. 4005.2, unanimously adopted by the current Board in March of 2013, states that the Board will "actively listen when communicated with." Further, Policy No. 4005.3 states that the District will "[c]reate an environment that promotes respect and appreciation among the Board, Staff, Consultants, and customers."

General Manager Response: In the Board Meetings where I have been in attendance, I have not witnessed any Board Members being inappropriately critical or combative with any staff member. Should that occur at future public meetings, I will do my best to intervene, if and when appropriate.

9. *The Grand Jury finds that the Board has not had adequate training in management techniques as evidenced by their dealing with District employees, their responsibilities to the public as it relates to public meetings, and their responsibility to adequately evaluate the performance of the GM.*

Board Response: Respectfully, we Partially Disagree. All Board members receive California Special District Association (CSDA) training as new Board members and periodically thereafter. Such training attended by current Board members includes but is not limited to the following: Ethics Training per

Assembly Bill 1234 and Brown Act Training are provided according to law. Brown Act Training was presented by the law firm of Bartkiewicz, Kronick & Shanahan on July 16, 2011 and by the law firm of Carmel & Naccasha, LLP on January 3, 2013. Additional classes have included California Special District's Association Workshops including "How to be an Effective Board Member" (attended by 4 of the 5 current Board members). The Board recognizes the need to continually update skills and keep current on the roles and responsibilities of a special district director and is committed to continue to do so.

General Manager Response: As General Manager, I will look for and advise the Board on appropriate training opportunities as they become available. Furthermore, should the need arise, I will arrange for training to be brought on site for the Board.

10. *The Board does not hold the GM accountable for evaluating the employees of the District on a regular basis.*

Board Response: We Agree. The Board has become aware that past General Managers have not conducted employee performance evaluations on a regular basis as required under the District's personnel policies. The Board has not previously accounted for this in the General Manager's performance evaluation process but will absolutely do so in the future.

General Manager Response: After reviewing the Personnel Files of employees of the District, it is clear that not all employees have been evaluated annually. We are now in the process of developing a new performance evaluation form for use at least once a year for all employees. I fully expect the Board to hold me accountable for regularly evaluating employees, and will be prepared to report on status of employee evaluations to the Board as they evaluate my performance.

11. *At the time of the Grand Jury's investigation, the District's website had not shown approved minutes of Board meetings in a timely manner, and had not provided current and relevant budget information for the public.*

Board Response: We Agree. During the time of the Grand Jury investigation, the District website was under re-design and the approved minutes and current budget information was not available to the public. They have however, always been available at the District's offices.

General Manager Response: The District's website, www.templetoncsd.org, now contains the approved budget for the 2013/14 fiscal year, as well as approved minutes for all Board Meetings and has included this information since March 5, 2013. I will regularly monitor the website to ensure that this information stays updated.

12. *According to documentation provided to the Grand Jury, the TCSD does not have a General Master Plan.*

Board Response: We respectfully Disagree. The District is not required to prepare a "General Master Plan." Government Code Section 65300 requires each planning agency to prepare and each legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city. As the District is not a city or county with land use planning authority, the District is not required nor qualified to adopt a general plan.

The District, however, currently has a valid capital facilities master plan it adopted in 2005. It is regrettable that the Grand Jury did not receive this information for their report. A copy of the capital facilities master plan is available upon request. The District is currently in the process of updating this master plan.

General Manager Response: On June 18, 2013, the District engaged the Jim Crowley Group, Inc. to complete the District's Water and Wastewater Master Plan. The Master Plan is now scheduled to be completed in September, 2013.

RECOMMENDATIONS

1. *The TCSD should hold a team-building workshop for Board members. The workshop should be conducted by an outside facilitator and include business conduct, decorum on the Board, working with the staff and employees, and dealing with the public. There should be particular emphasis on collegiality among the Directors.*

Board Response: We appreciate this recommendation and are pleased to report that this precise suggestion has been discussed in open session at several meetings. The recommendation has not yet been implemented, but will be implemented in the near future. During the April 2, 2013 Board meeting, the Board instructed staff to arrange for a Board of Directors workshop with an outside facilitator. The Board of Directors determined that it would be best to wait until the new General Manager had been hired so that he or she could participate in the workshop. A team building workshop will be held by or before October 31, 2013. In addition, a workshop on team-building and change in the workplace will be held with District employees by or before November 30, 2013.

General Manager Response: Consistent with the Board's commitments to the Grand Jury, on July 15, 2013 the District staff released a Request for Proposals (RFP) for facilitating team building and strategic planning session(s). Four facilitators responded to the RFP by providing proposals. On August 6, the District Board selected David Aranda as the facilitator, and decided to hold the workshops on November 22 and 23, 2013. Additionally, the Board authorized a staff workshop be held with the facilitator on the morning of November 22, 2013.

2. *Members of the Board should receive specific training on the Brown Act and related state mandates governing the conduct of CSD's.*

Board Response: We appreciate this recommendation and are pleased to report that it has been implemented. A Brown Act seminar was presented to the Board of Directors by the law firm or Carmel & Naccasha, LLP on January 3, 2013. Individual Board members have also received CSDA training on these topics during the 2011 - 2013 time period.

The District and its Board place a high important on continuing education and will continue to routinely schedule and attend educational training(s) and workshops.

General Manager Response: Consistent with the Board's commitments to the Grand Jury, staff has advised the Board of the opportunity to attend the CSDA Annual Conference, held from September 16 to 19, which will have many workshops and sessions on topics related to governing Community Services Districts.

3. *The TCSD Board of Directors should allow adequate time at meetings for public comment.*

Board Response: We appreciate this recommendation and are pleased to report that it has been implemented. The District has adopted Resolution No. 2-2013, Adopting District Policy Handbook/Bylaws. Policy No. 5030.4 specifically applies to this issue. Subsection 5030.4.1 states that three minutes may be allotted to each speaker for each subject matter. The District agenda now reflects this commitment to allowing adequate time for public comment. A copy of the June 18, 2013 Agenda is attached for reference.

General Manager Response: Agendas for all Regular Meetings continue to include the time for Public Comment. Additionally, the Board has accepted public comment consistent with the Brown Act and District Policy at every Board Meeting that I have attended. In my limited observation, no one that wanted to speak during public comment has been denied the right to do so. I will do my best to ensure that process continues.

4. *The TCSD Board of Directors should minimize the number of cancelled meetings and "special" meetings.*

Board Response: We appreciate this recommendation and are pleased to report that it has been implemented. The District has adopted Ordinance No. 2013-1, repealed Ordinance No.s 89-1 and 93-11, Concerning Board Meetings and

Governance; and Adopted District Policy Handbook/Bylaws. Policy No. 5010 specifically applies to this issue. In compliance with the Brown Act, the District will provide advanced notice of meeting cancelations and the stated need for special meetings and workshops.

General Manager Response: Regular Board Meetings are held on the first and third Tuesday of each month. I will recommend cancelling a meeting only if the meeting interferes with a District Holiday, if there is a lack of business anticipated to be conducted, or if a majority of the Board is unable to attend. The Brown Act permits the calling of Special Meetings, which may be required if the Board needs to be informed or take actions on items prior to the next Regular Meeting. Special Meetings, when necessary, will be properly posted at least 24 hours in advance, and the public will always be encouraged to attend and participate in both Special and Regular Meetings.

5. *The GM should follow through with the development of a comprehensive set of personnel rules and regulations for all employees.*

Board Response: While significant steps have been taken to achieve this recommendation, it has not yet been fully implemented. It will be implemented in the near future. The District is currently in the process of updating its existing personnel policy manual it adopted in 2005. This manual will be updated and a recommendation for adoption is expected to occur before the Board of Directors on, or before November 30, 2013.

General Manager Response: Work continues on the update to the Personnel Manual. I am confident that the staff, working with the Administration and Finance Committee, will have the draft update complete and ready for consideration for adoption by the Board this fall within the timeline proposed by the Board.

6. *The GM should be held accountable to ensure that all employees receive a formal evaluation at least once a year.*

Board Response: While significant steps have been taken to achieve this recommendation, it has not yet been fully implemented. It will be implemented in the near future. The Board will include employee evaluations as an evaluation criteria in the General Manager's performance evaluation.

General Manager Response: The District is in the process of developing a new evaluation instrument that will be used to conduct personnel appraisals for all employees at least annually. The District's previously used instruments were inadequate for the task going forward for several reasons. I fully expect the Board to hold me accountable for regularly evaluating employees, and will be prepared to report on status of employee evaluations to the Board as they evaluate my performance.

7. *The Board should conduct a formal evaluation of the GM at least once a year especially in regard to personnel management.*

Board Response: We appreciate this recommendation and are pleased to report that it has been implemented. The Board has signed an employment agreement with a new General Manager that obligates the Board of Directors to conduct an evaluation at three months, six months and annually thereafter. The Board will do so and include personnel management as an evaluation criteria.

General Manager Response: The Board's 90 day evaluation of my performance as General Manager is slated to be conducted on September 17, 2013. I will provide the Board with suggestions on formats to be used for this and future evaluations and look forward to cooperating with and learning from the Board as it evaluates my performance.

8. *The Board should ensure that minutes of all Board meetings are placed on the website in a timely manner. Additionally, updated information regarding the budget should be readily available on the website for residents and not just an annual budget document appearing at the beginning of the year.*

Board Response: While significant steps have been taken to achieve this recommendation, it has not yet been fully implemented. It will be implemented in the near future. The District consultants and staff will prepare modifications to the website to provide easy access to approved minutes and updates to budget information as approved by the Board. In addition, the District has taken steps to ensure that the website timely includes the approved minutes and current and relevant budget information. These modifications are expected to be completed and implemented by or before October 31, 2013.

General Manager Response: Staff has now been trained on updating the District website, and placing documents that can be viewed or downloaded by anyone who visits the website. Minutes for all Board Meetings held since March 5, 2013 are now on the website, as is the current 2013/14 fiscal year budget. Additionally, all monthly Treasurer's Reports, which include a number of financial reports, are posted to the website. I will regularly monitor the website to ensure that this information stays updated.

9. *The Board should develop a General Master Plan for the TCSD as required by state law.*

Board Response: As a community services district that does not possess land use planning authority, the District is not required to adopt a "General Master Plan."

Presuming the Grand Jury is referring to the District's capital facilities master plan, we are pleased to report that this recommendation has been implemented.

As indicated under the findings section, the District currently has an approved capital facilities master plan that was adopted in 2005. The update to this adopted master plan is expected to be completed on, or before, November 30, 2013.

General Manager Response: On June 18, 2013, the District engaged the Jim Crowley Group, Inc. to complete the District's Water and Wastewater Master Plan. The Master Plan is now scheduled to be completed in September, 2013.

I hope the Grand Jury finds this response to the June 2013 report helpful. Should further information be required, or should you have any questions, please do not hesitate to contact me at (805) 434-4900.

Respectfully Submitted,

Jeff Briltz
General Manager

cc: Board of Directors, Templeton CSD