

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.5  
(ID # 26181)

MEETING DATE:  
Tuesday, October 22, 2024

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Approval of the Response to the 2023-2024 Grand Jury Report: Riverside County Special Districts: Obscure Local Government and Directive for the Response to be Sent to the Grand Jury, Presiding Judge, and County Clerk-Recorder.; All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve, with or without modification, the attached response to the 2023-2024 Grand Jury Report: Riverside County Special Districts: Obscure Local Government; and
2. Direct the Clerk of the Board to immediately forward the Board's finalized responses to the Grand Jury, the Presiding Judge, and the County Clerk-Recorder.

ACTION:Policy

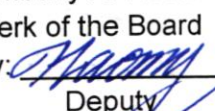
  
Tina Grande 10/16/2024

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: October 22, 2024  
xc: E.O.. Grand Jury, Presiding Judge, Clerk-Recorder

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
COST	N/A	N/A	N/A	N/A
NET COUNTY COST	N/A	N/A	N/A	N/A
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	23/24- 24/25

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Penal Code Section 933(c) requires Board of Supervisors comment on the Grand Jury's recommendations pertaining to matters under the Board's control. In addition, responses must be provided to the Presiding Judge of the Superior Court within 90 days of receipt of the report.

**ATTACHMENTS:**

- ATTACHMENT A. 2023-2024 Grand Jury Report: Riverside County Special Districts: Obscure Local Government**
- ATTACHMENT B. Grand Jury Response: Riverside County Special Districts: Obscure Local Government**
- ATTACHMENT C. Office of The District Attorney County of Riverside Response to 2023-2024 Grand Jury Report: Riverside County Special Districts: Obscure Local Government Dated September 25, 2024.**
- ATTACHMENT D. Riverside Local Area Formation Commission (LAFCO) Response to 2023-2024 Grand Jury Report: Riverside County Special Districts: Obscure Local Government Dated September 25, 2024.**

  
 Aaron Gettis, Chief of Deputy County Counsel      10/16/2024

**2024-2025 Grand Jury Report**  
**Riverside County Special Districts: Obscure Local Government**  
**June 6, 2024**  
**Riverside County Board of Supervisors**

**GRAND JURY FINDINGS:**

**Grand Jury Finding #1:**

F-1 All local governments, including special districts, are required to annually report their financial transactions to the California Controller's Office pursuant to Government Code §12463 et seq.36 These reports are compiled and published by the Controller's Office and are accessible online.

**Response to Grand Jury Finding #1:**

Respondent agrees with finding.

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**Grand Jury Finding #2:**

F-2 Local district attorneys handle most criminal activity complaints. As it relates to special districts, multiple California state laws strictly prohibit misconduct: Government Code §8314, Penal Code §424, Government Code §1090, and Government Code §1097.

**Response to Grand Jury Finding #2:**

Respondent agrees with finding.

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**Grand Jury Finding #3:**

F-3 Riverside County special districts appear to operate in relative obscurity, hidden from the scrutiny of the public they were created to serve. Less than 50% have websites, and of those, a bulk are redirected to the County site for Economic Development.

**Response to Grand Jury Finding #3:**

Respondent disagrees partially with the finding.

Department comments:

The County of Riverside is respectfully partially disagreeing with the finding, as the county does not have purview over independent special districts and is unable to verify the information in the report but trusts the Grand Jury's investigation of the individual websites. The County has no comment concerning the portion of the finding relating to independent special districts and their respective websites, or how having a website or not plays into a lack of governance or operating in "relative obscurity." Independent special districts are local governments with a limited purpose to provide various services and are established under state statutes. Operations of such districts are typically overseen by various commissions, directors, or trustees, and in the case of independent special districts, are accountable directly to the community they serve. As stated in the Grand Jury report, special districts must comply with various laws and regulations, including multiple sections of the California Government Code, such as the Ralph M. Brown Act, California Public Records Act, Conflicts of Interest Code, Elected and Appointed Officials' Statement of Economic Interest (Form 700), Audits, Special Districts Financial Transactions Report, Disclosure of Reimbursements, and Record Retention Requirements. This list is not exhaustive.

Given the number of state regulations that various special districts must adhere to, coupled with the lack of supporting documentation to illustrate such districts are operating "in relative obscurity", the County is at best neutral with Finding F-3.

The Grand Jury in their research references multiple sites that include listings of special districts. The following web address is from the California State Controller's office: [https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/data\\_preview](https://bythenumbers.sco.ca.gov/Special-Districts/Special-Districts-Listing/fv6y-3v29/data_preview), which contains information on special districts.

The County of Riverside Office of Economic Development's (OED) website has information on all dependent special districts supported by OED staff. Visit: <https://rivcoed.org/>, and click on the tab "Special Districts." The Riverside County Board of Supervisors act as the legislative body to these dependent special districts. All revenue information is included in the County of Riverside budget.

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#### **Grand Jury Finding #4:**

F-4 Multiple areas of improvement exist related to best practices: transparency/accountability, community engagement, governance/leadership, financial management, service delivery/efficiency, and environmental/social responsibility.

#### **Response to Grand Jury Finding #4:**

Respondent agrees with finding.

Department comments:

The County of Riverside agrees that all agencies, including JPAs and special districts, should strive to improve in all the listed best practices as an overarching goal.

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**Grand Jury Finding #5:**

F-5 The top ten revenue generating special districts in Riverside County have a total revenue of \$1.45 billion, or 20% of the \$7.31 billion total revenues for Riverside County in 2021.

**Response to Grand Jury Finding #5:**

Respondent disagrees partially with the finding.

Department comments:

The County of Riverside has not verified the specific values but trusts in the Grand Jury's assessment that those values are accurate. It is important to note that the finding is not referencing the County of Riverside's budget, which would not include revenue of any independent special district or any Joint Power's Authority (JPA). Moreover, a JPA is not a special district. As such, four of the top ten listed special district revenues under Table 2 are not special districts.

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**Grand Jury Finding #6:**

F-6 The top ten expenditures for Riverside County special districts total \$1.42 billion, or 19% of the \$7.67 billion annual budget for Riverside County in 2021, and 11% of the \$13.4 billion total actual expenditures for Riverside County in 2021.

**Response to Grand Jury Finding #6:**

Respondent disagrees partially with the finding.

Department comments:

The County of Riverside is respectfully partially disagreeing with the finding, as the County does not have purview over independent special districts. Therefore, the County is not able to verify the specific values but trusts in the Grand Jury's assessment that those values are accurate. However, as stated under Grand Jury Finding #5, a JPA is not a special district. As such, three of the top ten listed special district expenditures under Table 3 in the report are not special districts.

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## **GRAND JURY RECOMMENDATIONS:**

### **Grand Jury Recommendation #1:**

R-1 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors direct the Executive Office staff to collect the following information, at a minimum, on each special district with which the county government is directly or indirectly involved:

1. Name of the Special District
2. Brief Description of Services Provided
3. Overall Annual Budget
4. Website Location
5. Phone Number
6. Email Address
7. Board Appointees

Based on Findings F-1, F-3, F-4, F-5, F-6  
Financial Impact - Minimal

### **Response to Grand Jury Recommendation #1:**

Recommendation will not be implemented because it is not warranted or reasonable.

Department comments:

The Riverside County Board of Supervisors does not have purview over independent special districts even though the districts have boundaries located within the County area. The County defers to the Local Area Formation Commission (LAFCO) and the State of California to provide a comprehensive listing of these separate entities. It is also incumbent upon the governing bodies of the special districts to inform their electorate. County resources, including public information are directed toward services and programs the County directly provides to the residents and businesses of Riverside County.

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### **Grand Jury Recommendation #2:**

R-2 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors direct the Executive Office staff to include special district information, gathered in R-1, on the County's "Find a Service" website location.

Based on Findings F-1, F-3, F-4, F-5, F-6  
Financial Impact - Minimal

**Response to Grand Jury Recommendation #2:**

Recommendation will not be implemented because it is not warranted or reasonable.

Department comments:

The Riverside County Board of Supervisors does not have purview over independent special districts even though the districts have boundaries located wholly or partially within the county area. The County defers to LAFCO and the State of California to provide a comprehensive listing of these separate entities. It is also incumbent upon the governing bodies of the special districts to inform their electorate. County resources, including public information, are directed toward services and programs that the County directly provides to the residents and businesses of Riverside County.

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**Grand Jury Recommendation #3:**

R-3 By December 1, 2024, the Grand Jury recommends the Riverside County District Attorney's Office include misconduct or malfeasance by special districts within Riverside County in its biennial report to the public.

Based on Finding F-2

Financial Impact – Minimal

**Response to Grand Jury Recommendation #3:**

Recommendation has been implemented.

Department comments:

Please refer to The Office of the District Attorney County of Riverside letter dated September 25, 2024, which provides a response to this recommendation.

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**Grand Jury Recommendation #4:**

R-4 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors require its representatives on special district boards, committees, and/or commissions to provide the Board of Supervisors with an "annual summary" of that special district's purpose, governance, overall financial status, and accomplishments.

Based on Finding F-4

Financial Impact - Minimal

**Response to Grand Jury Recommendation #4:**

Recommendation will not be implemented because it is not warranted or reasonable.

Department comments:

The terms "special district boards, committees, and/or commissions" is not defined by the Grand Jury in this recommendation. The Grand Jury references the 2023-2024 Grand Jury Report: March Joint Powers Authority: Marginally Transparent dated April 10, 2024, in this subject report. Also, the report uses the term "its representatives," so the respondent interprets this as members of the Board of Supervisors. Members of the Board of Supervisors have individual discretion when they serve on a dependent special district, such as the Riverside County Flood Control and Water Conservation District and Joint Powers Authorities (JPAs) such as the March Joint Powers Authority Commission. If the Grand Jury can provide more detail on which "special district boards, committees, and/or commissions" the Board of Supervisors can respond accordingly.

The Riverside County Board of Supervisors does not have purview over independent special districts even though the districts have boundaries located within the county area. The County defers to LAFCO and the State of California to provide a comprehensive listing of these separate entities. It is also incumbent upon the governing bodies of the special districts to inform their electorate.

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**Grand Jury Recommendation #5:**

R-5 By December 1, 2024, the Grand Jury recommends the Riverside County Board of Supervisors include in its annual report a new special districts "annual summary" (refer to R-4).

Based on Findings F-1, F-3, F-4, F-5, F-6

Financial Impact - Minimal

**Response to Grand Jury Recommendation #5:**

Recommendation will not be implemented because it is not warranted or reasonable.

Department comments:

The Grand Jury did not request the Board of Supervisors respond to this recommendation; however, this recommendation narrative refers to the Board of Supervisors and connects this recommendation to Recommendation #4.

This will not be implemented. Please see the previous responses to Recommendations 1, 2, and 3.