

# 2021-22 Civil Grand Jury Report Response

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Finance Committee Meeting

# Overview

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- On March 15, Riverside County Civil Grand Jury submitted final report
- Complaints issued in two general categories
  - Governance
  - Communication
- Western must respond within ninety (90) days





# REPORT FINDINGS

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# Finding 1.1 – Governance

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**Complaint** – *There is a lack of residential customer representation on the Board of Directors*

**Finding** – There is a perceived lack of residential customer representation on WMWD’s Board of Directors

- **Western can neither agree nor disagree with this finding because the Report does not specify the magnitude or sources of the alleged lack of residential customer representation**
- Divisions comply with all requirements of the California Voters Right Act
- Board members are not required to be Western retail water customers, but they must reside within their division
- Three of the five elected Board members represent direct retail customers in Divisions 2, 3, and 5

# Finding 1.2 – Governance

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**Complaint** – *Budget-based billing system is illegal*

**Finding** – Western’s budget-based rate structure complies with California’s Constitution, including Proposition 218, and it is designed to encourage water conservation

- **Western agrees with this finding**
- A recent trial court ruling upheld Western’s rate structure
- Western’s rate structure complies with California’s Proposition 218

# Finding 1.3 – Governance

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**Complaint** – *Budget-based billing is unfair*

**Finding** – WMWD’s water and sewer rates are based on actual and projected costs incurred by WMWD. Whether the rates are fair or not is subjective

- **Western agrees with this finding and asserts its rates are fair**
- A recent trial court ruling upheld Western’s rate structure
- Western’s rate structure complies with California’s Proposition 218
- “Fair” is defined as “free from bias, dishonesty, or injustice.”
  - Western’s rates are fair, as they were determined using industry standards and objective criteria

# Finding 1.4 – Governance

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**Complaint** – *Rate increases were illegally approved*

**Finding** – The procedure followed to increase residential customer water rates on June 2, 2021, is in compliance with an August 2020 California Supreme Court decision

- **Western agrees with this finding**
- A recent trial court ruling upheld Western's rate structure
- Western's rate structure complies with California's Proposition 218

# Finding 1.5 – Governance

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**Complaint** – *Western’s customers pay more for water than Riverside Public Utilities (RPU) and Eastern Municipal Water District EMWD customers*

**Finding** – WMWD’s customers do pay more for water than RPU and EMWD customers due to costs actually incurred by WMWD to obtain and supply water to its customers

- **Western agrees with this finding**
- Every water agency has different costs, including costs of water sources and infrastructure needs

# Finding 1.6 – Governance

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**Complaint** – *Western’s Executive Managers do a poor job of operating Western’s projects and services.*

**Finding** – There is evidence that a few disgruntled residential customers are spreading misleading and inaccurate information about Western’s Executive Managers and Western’s policies on social media. However, WMWD Executive Managers operate Western as required by California law and WMWD policies

- **Western agrees with this finding**
- Everyone at Western, including its executive managers, operate Western in compliance with California law and Western policies

# Finding 2.1 – Communication

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**Complaint** – *Western is hiding information from residential customers.*

**Finding** – There was no evidence found that Western is deliberately hiding information from residential customers

- **Western agrees with this finding.**
- Western does not hide information from the public
- Western provides significant information to the public through various proactive outreach tactics and via Western’s website
- Western complies with California’s Public Records Act

# Finding 2.2 – Communication

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**Complaint** – *Western ignores residential customers*

**Finding** – Several residential customers feel ignored by Board members, especially by the four Board members, with few or no residential customers in their division areas

- **Western can neither agree nor disagree with this finding because the report does not specify the magnitude or sources for the alleged feeling**
- Customer concerns and input provided to Western’s Board receive immediate attention, and any follow-up activities are conducted by Western staff
- Western’s Board members routinely attend community events, meetings, and other customer engagement activities extending beyond divisional boundaries
- The Western Board’s voting track record demonstrates a commitment to set policy for the benefit of all Western customers



# RECOMMENDATIONS

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# Recommendation 1

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By January 1, 2023, the Board of Directors develop, adopt, and implement a policy that requires all Board members to participate together in biennial sessions related to (a) conflict resolution and (b) governance of a special district

- **The recommendation has been implemented**
- Beginning in 2021, Western's Board members initiated leadership development
- Western will continue the practice of providing Board members access to ongoing leadership development resources
- Board members are also encouraged to participate in conflict resolution and governance training through various special district and utility associations in which most of Western's Board members frequently participate

# Recommendation 2

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By January 1, 2023, the Board of Directors develop, adopt, and implement a policy that requires user-friendly versions of highly technical and complex reports be available on its website so that interested customers have a clear understanding of the content of those reports

- **The recommendation has been implemented**
- Western does provide user-friendly versions of its reports and will continue this practice
- Examples include:
  - Budget-in-Brief
  - Consumer Confidence Report
  - New Customer Welcome Packet

# Recommendation 3

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By June 30, 2023, the Board of Directors develops an “open data” portal on its website so residential customers have access to state and local data sets used in WMWD status reports, proposals, and decisions

- **The recommendation is not supported by the findings and requires further analysis**
- Data used to inform Board recommendations and decisions is available on Western’s website and third-party portals
- Several initiatives are underway to perform a customer needs assessment, increase accessibility across digital platforms, connect customers with their water usage data, and enhance support of the Public Records Act

# Recommendation 4

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By June 30, 2023, the Board of Directors (a) develop, adopt, and implement a policy that established a “Customer Water Bill of Rights,” (b) prominently displays the “Customer Water Bill of Rights” on WMWD’s website, and (c) annually mails residential customers a printed copy of the “Customer Water Bill of Rights.”

- **The recommendation is accepted and will be implemented by the requested date**

# Recommendation 5

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By June 30, 2023, the Board of Directors improves access to WMWD's governing regulations, ordinances, and resolutions, including links to relevant laws, on its website, so that accessing that information takes fewer steps and is user-friendly

- **The recommendation has been implemented**
- Visitors to Western's website can access this information from the footer in the "using this site" column

# Recommendation 6

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By January 1, 2023, the Board of Directors develop, adopt, and implement a policy that supports a “customer-centric” management culture and communication strategy

- **The recommendation has been implemented**
- In 2020, Western conducted a customer service assessment using a third-party consultant
- In December 2021, Western adopted “Superior Service” as one of its 2022-2025 Strategic Priorities
- Western initiated a reorganization of the agency in January 2022, establishing a “Communications and Customer Experience Department.”
  - The department brings together customer-focused team members to integrate the customer’s perspective into operational decision-making

# Recommendation 7

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By January 1, 2023, the Board of Directors develop, adopt and implement a policy that requires all members of the Board of Directors, as well as WMWD's Executive Managers, to frequently participate in more public events, such as town hall meetings, where they (a) actively listen to residential customers concerns, (b) assist residential customers' understanding of water-related issues, and (c) actively seek ways to increase residential customers' satisfaction with WMWD

- **The recommendation has been implemented**
- Western's existing annual Community Engagement Plan provides a strategic roadmap for Western-driven and sponsored community engagement opportunities
  - Participating in a minimum of 37 community events/meetings, hosts a minimum of 10 in-person/virtual events, and sponsors a minimum of 17 community events/meetings

# Staff Recommendations

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- Accept staff's response recommendations as presented
- Submit response letter to the Riverside County Grand Jury

# Questions?

     @WesternMWD