



Yorba Linda Water District

*Reliable and Trusted Service
for More Than 100 Years*

August 23, 2012

The Honorable Thomas J. Borris, Presiding Judge
Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Judge Borris:

Thank you the opportunity to review and comment on the "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?" report. The comments provided address the findings and recommendations requiring a response from the Yorba Linda Water District.

Regards,

Phil Hawkins
YLWD Board of Directors

CC: Orange County Grand Jury

Yorba Linda Water District Findings

F.1: *Accessibility Ratings for Cities, Special Districts and JPA's.*

Response: Agrees with Finding

The Yorba Linda Water District (YLWD) agrees that the accessibility of its employee compensation could be improved. Presently the information is available by individual position under the Job Descriptions page.

F.2: *Content & Clarity Ratings for EXECUTIVE Compensation Cost.*

Response: Agrees with Finding

YLWD acknowledges that the content and clarity of its executive compensation costs as detailed on its website are not in meeting with the Grand Jury's grading criteria. Those considered "executive" staff by the Grand Jury, based strictly upon their salary, are currently included in the list of all YLWD employees, rather than on their own page. The monthly salaries of all employees, including the "executive" employees are listed.

F.3: *Content & Clarity for EMPLOYEE Compensation Cost Ratings.*

Response: Agrees with Finding

As with the first two findings of the Grand Jury, YLWD recognizes that there is much room to improve its compensation cost transparency and intends to make further improvements with its new website.

F.4: *Transparency of Employer Pension Contribution Rates.*

Response: Agrees with Finding

F.5: *Inclusion of Overtime and On-Call Pay in Employee Compensation Costs.*

Response: Agrees with Finding

R.1: *Access for Compensation Costs Transparency.*

Response: The recommendation has not yet been implemented, but will be implemented in the future

YLWD has been working for the past several months on redesigning its website, and will ensure that when it launches it will meet the Grand Jury's standards of Accessibility.

R.2: *Content & Clarity of EXECUTIVE Compensation Costs.*

Response: The recommendation will not be implemented because it is not reasonable

YLWD agrees that the information should be listed but disagrees with displaying "executive" information in a separate table, being that it is already displayed in the general employee table. This duplication could prove to be highly confusing, as it would give the impression of a greater number of "executives" than truly exist, and would not serve to further transparency goals. If it is the Grand Jury's intent to highlight the higher salaries of certain employees, simply listing employees in ascending order of salary would serve this purpose.

R.3: *Content & Clarity of EMPLOYEE Compensation Costs.*

Response: The recommendation will not be implemented because it is not warranted, nor is it reasonable.

YLWD believes that the parameters of the recommendation are such that to include fees, bonuses, auto allowances, overtime, and on-call pay for individual employees on an actual costs basis is unreasonable. The amount of work required to produce this information on a regular basis would potentially require additional personnel. YLWD can and will provide on its website salaries and benefits information, as required by law to the State Controller's Office, but does not believe it is reasonable to create additional staff positions to provide more information than what is required by law.

R.4: *Transparency of Employer Pension Contribution Rates.*

Response: The recommendation has not yet been implemented, but will be implemented in the future.

R.5: *Transparency of Overtime Pay and On-Call Pay in Employee Compensation Cost Reporting.*

Response: The recommendation will not be implemented because it is not warranted, nor is it reasonable.

Please see response to R.3.