

DA looks at grand jury report on water district

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The Riverside County District Attorney's office is reviewing a report by the county's civil grand jury, following an investigation into the Beaumont-Cherry Valley Water District by the jury.

In its 12-page report issued last week, the grand jury contended that the water district violated the Brown Act, the state's open-meeting law, allowed nepotism, mismanaged the district and misused public funds.

"Our office is reviewing the grand jury report," Riverside County District Attorney Rod Pacheco said Monday. "We take seriously what the grand jury sends us. We appreciate the grand jury and we appreciate the work they do."

Pacheco added that prosecutors routinely review the reports on government agencies by the civil grand jury.

The investigation by the grand jury began last year following complaints by residents. The grand jury report found many of the public allegations to be consistent.

In a written "immediate response" to the investigation, Chuck Butcher, district general manager, said the grand jury has made numerous errors and thus its statements are "unqualified." He disputed the jury's statement related to violation of the Brown Act, where the jury said his salary was increased by 97 percent in a period of two years, during a closed session meeting. He said his pay was increased by 67 percent in a four-year period. "Even with the raises for 2004-08 the BCVWD GM is in the low end of the salary scale when compared to other like-sized water districts," Butcher said in his response.

Along with paying a top employee's son more than \$4,000 to obtain general education courses from a community college toward his civil engineering degree, the district is also paying another top employee's husband to receive his master's degree in public administration, the jury report issued June 25 said. "These courses and the degree are not relevant or applicable to the employee's current position or any current or projected position in the district," the report said.

But Butcher said the grand jury "made a mistake by not understanding job-related courses," and that education agreements can be established by the board on a case-by-case basis.

The grand jury report also showed Butcher was in conflict with his public statements. For example, during a public meeting, Butcher said Tom Lara Landscaping, the company that has had an open-ended contract with the district since 2006, was the low bidder. But according to the grand jury investigation no requests for proposals - a process conducted by public agencies to ensure that public funds are properly handled - was ever issued and no bids were submitted. The company has so far been paid more than \$1.6 million by the district. Tom Lara Landscaping is also owned by the father of Tony Lara, the district's assistant general manager, which leads into what the report calls "a conspicuous presence of nepotism within the organization."

Another example of nepotism is Julie Salinas, district business manager, and her husband Emmanuel, the inventory control specialist, who were paid more than \$4,000 to attend a water conference in Toronto, Canada, the report contended. Julie Salinas is from Quebec. After the

conference, the Salinases visited family in Quebec. Emmanuel is also the employee who's receiving his master's in public administration.

In his statement, Butcher said the district serves a small area and its pool for potential employees is small.

The jury also mentioned the district's housing issue. Since at least 2000, four top district employees, including Butcher, lived in the four district-owned houses without paying rent or utilities. They also did not include the benefits as part of their annual earnings, according to the grand jury report.

Butcher, who has moved to Beaumont, said the housing agreement was a condition of employment for the employees. They're responsible for keeping out trespassers and are available 24/7 to respond in case of an emergency in the Edger Canyon, he said.

The district's process of contract approval by the board for outside services is inconsistent, the jury stated. For example, the district didn't issue requests for proposals for its more than \$3.8 million headquarters, which has been a controversial issue among some district customers. Yet proposals were issued for wells and tanks. This showed inconsistency, the jury said. The report also said that after a review of invoices related to the headquarters the cost is an estimated \$5.4 million.

Butcher also uses district credit card for himself and employees to pay for meals without submitting expense reports or receipts, the report stated. Butcher said the jury never requested receipts.

The grand jury recommended the district establishing a policy for contracts with outside services, credit cards, education and nepotism. The report also recommended Butcher be removed from the position of treasurer and secretary of the board to maintain separation of power.

The district and its board have 90 days to respond to the grand jury's report.