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Recommendation Status Summary

Senate Budget & Fiscal Review Subcommittee 2 on Resources, Environmental Protection, Energy and Transportation

Report Number 2017-113

South Orange County Wastewater Authority: It Should Continue to Improve Its Accounting of Member Agencies' Funds and Determine Whether Members Are Responsible for Its Unfunded Liabilities (March 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. The Legislature should require new joint powers authority (JPA) agreements to hold the members responsible for the JPA's unfunded pension and other postemployment benefits obligations and to specify the manner of apportioning those liabilities.	Legislature	Legislation Enacted
2. In addition, the Legislature should require all existing JPAs to disclose annually as part of any regularly scheduled communication to their pension and other postemployment benefits plan participants whether the JPA's members are liable for the JPA's unfunded retirement obligations.	Legislature	No Action Taken
3. South Orange County Wastewater Authority (SOCWA) should finish investigating the difference in available cash balances per its audited financial statements and its accounting records, and then develop a methodology that is agreeable to its members for allocating any additional cash it identifies to the credit of its members. For example, it could allocate this money to members based on each member's existing proportion of available cash per SOCWA's accounting records.	South Orange County Wastewater Authority	Fully Implemented
4. To prevent future discrepancies in available cash balances, SOCWA should implement its improved procedures to better account for members' cash contributions and provide monthly reports of available cash balances to members.	South Orange County Wastewater Authority	Fully Implemented
5. SOCWA and its members should amend the current JPA agreement to expressly state whether members will be responsible for SOCWA's retirement benefits liabilities in the event it is not able to meet those obligations and then it should inform plan participants of that provision.	South Orange County Wastewater Authority	Fully Implemented
6. To better ensure the timely release of future financial statements, SOCWA should enhance its new procedures for preparing its financial statements by developing and following a timeline with specific deadlines for completing each of its planned year-end tasks.	South Orange County Wastewater Authority	Fully Implemented
7. To better ensure the reliability of its financial reporting, the effectiveness and efficiency of its operations, and its compliance with laws and regulations, SOCWA should establish a policy requiring it to correct within six months any future internal control deficiencies that its external auditor may identify.	South Orange County Wastewater Authority	Fully Implemented
8. To enable staff who may be unfamiliar with SOCWA's various accounting procedures to effectively complete their assigned tasks, SOCWA should further develop its accounting procedures by including step-by-step instructions.	South Orange County Wastewater Authority	Fully Implemented
9. To reduce future audit costs, SOCWA should amend its policy on professional service procurements to specify that it should enter into agreements of at least five years with its competitively procured external audit firms. It should also develop a policy to rotate its external auditor when state law requires.	South Orange County Wastewater Authority	Resolved
10. To ensure that it fully complies with the Public Records Act, SOCWA should do the following: <ul style="list-style-type: none"> Update its policy on the Public Records Act at least annually to ensure that it keeps pace with any changes in the law. Develop more detailed procedures to ensure that it responds to requests for records in full compliance with the Public Records Act. Establish a policy to retain accurate records and supporting documentation to demonstrate that it fully complies with all requirements of the Public Records Act. 	South Orange County Wastewater Authority	Fully Implemented

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Report Number 2017-118**State and Regional Water Boards: They Must Do More to Ensure That Local Jurisdictions' Costs to Reduce Storm Water Pollution Are Necessary and Appropriate (March 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To promote the establishment of appropriate pollutant limits, the Legislature should amend state law to direct the California Water Resources Control Board (State Water Board) to assess whether a study of a specific water body is justified and, if so, to require the appropriate regional water quality control board (regional board) to ensure that the study is conducted by the regional board or the applicable local jurisdictions. For example, a study could be justified if the water body's condition might warrant modifying a maximum pollutant level, if the study could be performed cost-effectively, and if the study's benefits are likely to reduce local jurisdictions' costs or improve protection of the water body's uses. The State Water Board should seek additional funding for local jurisdictions to conduct studies if it believes additional resources are needed.	Legislature	No Action Taken
2. The State Water Board should develop guidance by August 2018 for regional boards to document estimates of the costs local jurisdictions will incur in order to comply with pollutant control plans. These procedures should also address the need to use appropriate methods to develop those estimates, to document the sources they use to develop the estimates, and to document consideration of the overall cost of storm water management to local jurisdictions when completing an economic analysis as part of developing pollutant control plans. Additionally, the documentation of cost estimates should include, where applicable, the impact other pollutant control plans will have on the costs local jurisdictions are expected to incur.	Water Resources Control Board	Fully Implemented
3. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.	Central Valley Regional Water Quality Control Board	Fully Implemented
4. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.	Los Angeles Regional Water Quality Control Board	Fully Implemented
5. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.	San Francisco Bay Regional Water Quality Control Board	Fully Implemented
6. To ensure that the regional boards obtain adequate and consistent information on the storm water management costs local jurisdictions incur, the State Water Board should develop statewide guidance by August 2018 for local jurisdictions on methods for tracking the cost of storm water management. If the State Water Board believes it does not have the expertise to develop such guidance, it should hire or contract with an expert in municipal finance who can assist in developing that guidance.	Water Resources Control Board	Fully Implemented
7. If the State Water Board believes regulations are necessary to ensure that the regional boards and local jurisdictions follow its guidance regarding adequate and consistent information pertaining to their costs for storm water management, the State Water Board should adopt such regulations.	Water Resources Control Board	Pending
8. Once it has distributed its guidance, the State Water Board should work with the regional boards to develop an annual review process of the information the regional boards receive to help ensure its consistency with the guidance.	Water Resources Control Board	Fully Implemented
9. Until the Legislature amends state law, the State Water Board should provide guidance to the regional boards on when studies of specific water bodies should be conducted and assist the regional boards in obtaining funding for those studies.	Water Resources Control Board	Fully Implemented
10. The State Water Board should direct its staff and those of the regional boards to revise their storm water management requirements when staff become aware of changing circumstances that would make certain monitoring by local jurisdictions unnecessary.	Water Resources Control Board	Fully Implemented
11. The State Water Board should revise its trash policy to focus it on local jurisdictions that have water bodies that are harmed by trash, as identified by the polluted waters list. In addition, the State Water Board should review the polluted waters list at least biannually to identify any additional water bodies recently determined to be harmed by trash and impose its trash policy on the applicable jurisdictions.	Water Resources Control Board	Will Not Implement

12. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	Water Resources Control Board	Fully Implemented
13. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	Central Valley Regional Water Quality Control Board	Fully Implemented
14. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	Los Angeles Regional Water Quality Control Board	Fully Implemented
15. To ensure that information regarding funding options available to local jurisdictions is consistent and current, the State Water Board and regional boards should work together to provide accurate information on their websites that is readily accessible, and the State Water Board and regional boards should remove outdated information by May 2018.	San Francisco Bay Regional Water Quality Control Board	Fully Implemented
16. To better provide comprehensive information on funding sources and storm water financial management for local jurisdictions, the State Water Board should create a committee by August 2018 to identify the informational needs of jurisdictions and create best practices for storm water financial management and financial approaches. This committee should include representatives from the State Water Board's Division of Financial Assistance, the regional boards, and various local jurisdictions.	Water Resources Control Board	Fully Implemented
17. San Francisco Bay Regional Water Quality Board should comply with federal regulations and require local jurisdictions to report annually the projected and actual costs of complying with their permits.	San Francisco Bay Regional Water Quality Control Board	Fully Implemented
18. Los Angeles Regional Water Quality Board should correct its pollutant control plan where it miscalculated two pollutant limits.	Los Angeles Regional Water Quality Control Board	Pending

Report Number 2017-126

Penalty Assessment Funds: California's Traffic Penalties and Fees Provide Inconsistent Funding for State and County Programs and Have a Significant Financial Impact on Drivers (April 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To ensure consistent funding streams for state and county programs, the Legislature should consider whether, and to what extent, to fund the programs that currently receive penalty and fee revenue from criminal and traffic violations. The Legislature could adjust or eliminate individual penalties and fees by considering the following factors identified in our report:</p> <ul style="list-style-type: none"> • Revenue trends and the reliability of penalties and fees as funding sources • The significant financial impact of penalties and fees on low-income individuals • How well aligned the uses of the penalty and fee revenues are with the offenses that give rise to the penalty or fee • The seemingly arbitrary amount of the penalty or fee <p>To accomplish this, over the next two-year period the Legislature should review the penalties and fees and the programs that receive the penalty and fee revenue to determine the programs' needs. If the Legislature determines that a particular penalty or fee is not appropriate for generating revenue for a particular program, it should consider requiring the affected department to identify other funding sources or reduce the program's scope of services.</p>	Legislature	No Action Taken
<p>2. The Legislature should consider revising state law to direct all or part of the penalty revenue to the State Penalty Fund and using the budget process to allocate funds to align with legislative priorities.</p>	Legislature	No Action Taken

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Report Number I2018-1**Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property (July 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
9. Take appropriate disciplinary action against the employee for sleeping on the job for hours each day and failing to adequately perform her duties.	Department of Motor Vehicles	Resolved
10. Take appropriate corrective or disciplinary actions against the supervisors for failing to adequately address the employee's consistent pattern of sleeping during work hours and failing to perform her duties.	Department of Motor Vehicles	Resolved
25. Take appropriate disciplinary action against the assistant chief.	Department of Forestry and Fire Protection	Fully Implemented
26. Modify its standard rental agreement with tenants to limit the State's potential liability by providing more specificity with regard to making improvements or alterations to its rental properties, ensuring that tenants maintain renter's insurance, clarifying that the Department of Forestry and Fire Protection is not responsible for any personal property damage or loss, and ensuring the tenants and their guests do not interfere with the convenience of other residents of rental properties.	Department of Forestry and Fire Protection	Fully Implemented

Report Number 2018-104**Toll Bridge Seismic Retrofit Program: The State Could Save Millions of Dollars Annually by Implementing Lessons Learned (August 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that large transportation infrastructure projects throughout the State benefit from appropriate oversight, the Legislature should require that all publicly funded major transportation infrastructure construction projects estimated to cost \$500 million or more have oversight committees subject to open meeting laws. When practical, each oversight committee should include individuals from at least three major agencies involved in the project, with roles that reflect financial interests as well as project execution and oversight. Further, when possible, each committee should include at least five members to support its ability to conduct day-to-day business without violating open meeting law requirements. The oversight committees should act as the authorities for critical decisions and have sufficient staff to support their decision-making roles.	Legislature	Legislation Introduced
2. To ensure that oversight committees perform their duties in a manner commensurate with the demands of large transportation infrastructure projects, the Legislature should require that the oversight committees have duties similar to those of the Toll Bridge Program Oversight Committee, including the following: providing project direction; reviewing project status, costs, schedules, and staffing levels; resolving project issues and evaluating project changes; and developing and regularly updating cost estimates, risk assessments, and cash-flow requirements.	Legislature	Legislation Introduced
3. To ensure that oversight committees effectively address both the fiscal and project management elements of large transportation infrastructure projects, the Legislature should require consolidated reporting at least annually detailing cost savings, cost overruns, and updates on project completion.	Legislature	Legislation Introduced
4. To ensure that oversight committees and the agencies involved in large transportation infrastructure projects engage in sufficient and appropriate risk management, the Legislature should require all publicly funded transportation infrastructure projects with a total estimated cost of \$500 million or more to develop risk management plans that use both qualitative and quantitative risk analyses throughout the course of the projects.	Legislature	Legislation Introduced
5. To ensure that future projects have adequate risk management, the Metropolitan Transportation Commission should formalize a scalable risk management policy by June 2019 so that the projects it directs benefit from sufficient and ongoing risk management.	Metropolitan Transportation Commission	Pending

Report Number 2018-107

California Department of Resources Recycling and Recovery: It Has Not Provided the Oversight Necessary to Ensure That the Mattress Recycling Program Fulfills Its Purpose (August 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. The Legislature should amend the Used Mattress Recovery and Recycling Act (recycling act) to require the California Department of Resources Recycling and Recovery (CalRecycle) to establish goals for the mattress recycling program (mattress program) that relate to increasing consumer convenience, encouraging source reduction, and reducing illegal mattress dumping, as well as for any other areas that CalRecycle identifies as critical to the mattress program achieving the intent of the recycling act. It should require CalRecycle to establish goals in the first three specified areas by July 2020.</p>	Legislature	Partially Implemented
<p>2. The Legislature should amend the recycling act to limit the time period for which the recycling plan is valid and to require the Mattress Recycling Council (Mattress Council) to regularly submit new plans to CalRecycle that are subject to its review and approval.</p>	Legislature	Partially Implemented
<p>3. The Legislature should amend the recycling act to require the Mattress Council to submit with its annual budget any additional details that CalRecycle determines are reasonable for its effective oversight of the mattress program. The Legislature should amend the recycling act to prohibit the Mattress Council from spending the recycling charges it collects in a year for which CalRecycle has not approved the mattress program's budget. Further, the Legislature should clarify that the Mattress Council's operating without an approved budget is a violation of the recycling act.</p>	Legislature	Legislation Enacted
<p>4. By January 1, 2020, CalRecycle should update the baseline and goals for mattress recycling to reflect the most current available information it has related to the number of mattresses disposed of statewide. In addition, it should ensure that its recycling goals are statewide in scope by including information about recycling and renovation from entities that do not contract with the Mattress Council.</p>	Department of Resources Recycling and Recovery	Pending
<p>5. In order to bring violators of the recycling act into compliance and to ensure that its enforcement activities are timely, CalRecycle should do the following:</p> <ul style="list-style-type: none"> • Assess penalties for noncompliance with the recycling act. • Publicize any penalties it assesses against violators of the recycling act as a deterrent to potential violators. • Monitor inspection cases to ensure that it does not complete them before the retailers in question have remedied any instances of noncompliance. • Execute a plan to verify compliance for all inspections in which it did not obtain evidence of compliance. • Develop and implement a timeline for the penalty phase of the enforcement process. • Regularly review the timeliness of its enforcement process and prioritize any overdue enforcement actions based on its enforcement timelines. 	Department of Resources Recycling and Recovery	Partially Implemented
<p>6. The Legislature should amend the recycling act to require the Mattress Council to maintain a reserve equal to no more than six months of the mattress program's budgeted expenses. Further, the Legislature should amend the recycling act to provide CalRecycle the ability through its budget approval process to direct the spending of any amount of funding that the Mattress Council accumulates in excess of this amount or to adjust the mattress recycling charge.</p>	Legislature	Legislation Enacted
<p>7. The Legislature should amend the recycling act to require the Mattress Council to include in its recycling plan measurable goals in the areas of consumer awareness and research on new technology. Further, the Legislature should require that the Mattress Council's annual report include information about the mattress program's progress toward meeting those goals.</p>	Legislature	Partially Implemented

Report Number 2018-108**California High-Speed Rail Authority: Its Flawed Decision Making and Poor Contract Management Have Contributed to Billions in Cost Overruns and Delays in the System's Construction (November 2018)**

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that the change orders it approves are necessary and that their costs are appropriate, the California High-Speed Rail Authority (Authority) should adhere to the guidance and estimates the oversight firms provide to it. If the Authority chooses to deviate from the oversight firms' recommendations, it should clearly document why it made those deviations.	California High-Speed Rail Authority	Partially Implemented
2. Before executing its next construction contract, the Authority should establish formal prerequisites for beginning construction to prevent avoidable cost overruns and project delays. At a minimum, these prerequisites should identify specific benchmarks related to land acquisition, utility agreements and relocations, and agreements with external stakeholders, including impacted local governments and other railroad operators.	California High-Speed Rail Authority	Partially Implemented
3. To better position itself to complete the three Central Valley projects by the December 2022 federal grant deadline, the Authority should improve its monitoring and evaluation of the oversight firms' risk assessment processes and should take steps to ensure that these processes are consistent across the three projects by May 2019.	California High-Speed Rail Authority	Partially Implemented
4. To enable policymakers and the public to track the Authority's progress toward meeting the federal grant deadline of December 2022, the Authority should, by January 2019, begin providing quarterly updates to the Legislature detailing the progress of the three Central Valley construction projects using an earned value model that compares construction progress to the projected total completion cost and date. The Authority should base these updates on the most current estimates available.	California High-Speed Rail Authority	Partially Implemented
5. To ensure that it is adequately prepared if it is unable to meet the federal grant deadline of December 2022, the Authority should, by May 2019, develop a contingency plan for responding to such a scenario.	California High-Speed Rail Authority	Pending
6. To improve its contract management, increase accountability, and justify the significant amount it pays for contracted services, the Authority should, by May 2019, prioritize contract management efforts and reduce the frequency with which contract management responsibilities shift among Authority staff by establishing a formal process for hiring and assigning full-time, experienced contract managers. These contract managers should have duty statements reflecting their contract oversight responsibilities, and they should report to supervisors who understand those responsibilities and have extensive knowledge about the contracts' deliverables. In addition, those supervisors' duty statements should clearly lay out their responsibility for addressing any contract manager noncompliance with the Authority's contract management policies and procedures, whether reported by the Contract Management Support Unit (CMSU) or identified by another means.	California High-Speed Rail Authority	Fully Implemented
7. To improve its contract management, increase accountability, and justify the significant amount it pays for contracted services, the Authority should, by May 2019, require CMSU to establish a schedule to monitor individual contract manager compliance and report annually the results of this monitoring to Authority executive leadership. To help ensure the integrity of its oversight role, CMSU should be composed of state staff in place of rail delivery partner (RDP) consultants.	California High-Speed Rail Authority	Fully Implemented
8. To improve its contract management, increase accountability, and justify the significant amount it pays for contracted services, the Authority should, by May 2019, hold contract managers accountable for performing the duties that the Authority's policies assign to them. Specifically, CMSU and, to the extent necessary, contract managers' supervisors should require and review evidence from contract managers demonstrating their approval of deliverables, detection and resolution of contractor performance issues, and assessment of contract amendments for merit. The Authority should not accept observations and reports from its contractors or the RDP consultants in place of this evidence.	California High-Speed Rail Authority	Fully Implemented

9. To prevent the inappropriate use of contractors to perform state functions, the Authority should develop procedures by May 2019 for evaluating whether new and existing administrative duties should be assigned to contractors or to state employees.	California High-Speed Rail Authority	Fully Implemented
10. To ensure that contract managers' invoice reviews are complete and that invoiced costs are allowable under contract terms, the Authority should amend its applicable procedures by May 2019 to require contract managers to document their review of invoiced rates and expenses.	California High-Speed Rail Authority	Fully Implemented
11. To ensure the consistency and effectiveness of its efforts to monitor the performance of the oversight firms with which it contracts, the Authority should develop a formal methodology by May 2019 for using the performance evaluation tool it has implemented. This methodology should include procedures for assessing the sufficiency of the oversight firms' review and approval of invoices for construction contracts.	California High-Speed Rail Authority	Fully Implemented
12. To ensure that the oversight firms' spending is reasonable, the Authority should develop a formal process by May 2019 for tracking any out-of-scope work that the oversight firms perform. To reduce the likelihood that its contracts with the oversight firms run out of funds prematurely as a result of this additional work, the Authority should also develop a formal process for amending the oversight firms' contracts contemporaneously to change orders that significantly extend the timelines or increase the scope of work of the construction contracts that oversight firms oversee.	California High-Speed Rail Authority	Fully Implemented
13. To help improve the effectiveness of its sustainability policy, the Authority should revise the policy by May 2019 to more clearly differentiate between the construction and operation phases of the high-speed rail system. Further, it should ensure that each objective in each section of the policy is associated with quantifiable metrics for evaluating implementation.	California High-Speed Rail Authority	Fully Implemented
14. To allow it to evaluate the sustainability of the high-speed rail system's construction, the Authority should, by May 2019, perform and document a review of its compliance with its existing quality controls related to ensuring the validity and completeness of contractor-reported data. The Authority should also establish a formal process to perform such reviews periodically.	California High-Speed Rail Authority	Fully Implemented
15. To help ensure that it meets its sustainability goals, the Authority should comprehensively compare the three construction projects' performances to their construction contractors' original baseline estimates on a quarterly basis. It should perform the first of these comparisons no later than May 2019.	California High-Speed Rail Authority	Fully Implemented
16. To help ensure that its contractors' proposed environmental impacts are reasonable and to measure the progress of its sustainable construction efforts over time, the Authority should, by November 2019, identify and track standardized measures—such as project miles—that will allow it to compare construction impacts across the high-speed rail system's different construction projects.	California High-Speed Rail Authority	Fully Implemented
17. To increase the transparency of its reporting, the Authority should, by May 2019, expand its quarterly small business, Disabled Veteran Business Enterprise, and Disadvantaged Business Enterprise utilization reporting to account for the total value of all its contracts and to identify the reasons it has exempted specific contracts.	California High-Speed Rail Authority	Fully Implemented

Report Number 2018-118

California Public Utilities Commission: It Could Improve the Transparency of Water Rate Increases by Disclosing Its Review Process and Ensuring That Utilities Notify Customers as Required (December 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that water utility customers can access understandable information regarding why and by how much their water rates are changing as a result of general rate case proceedings, by May 2019 the California Public Utilities Commission (CPUC) should create a webpage specifically for water customers that includes a summary of water rate changes for each general rate case for Class A water utilities.	California Public Utilities Commission	Fully Implemented

2. To ensure that water utility customers can access understandable information regarding why and by how much their water rates are changing as a result of general rate case proceedings, by May 2019 the CPUC should create a webpage specifically for water customers that includes a summary of any resolutions and decisions that give all water utilities the authority to change their rates for reasons external to the general rate case process, such as increases in the fees the CPUC charges utilities for regulating them.	California Public Utilities Commission	Fully Implemented
3. To ensure transparency and promote public understanding of its processes, by July 2019 the CPUC should create and publish information for customers regarding its general rate case and advice letter processes, including how and when water utilities are required to notify customers of increased rates and how customers can participate in both processes.	California Public Utilities Commission	Fully Implemented
4. To ensure that it informs customers that they have an opportunity to provide their input regarding general rate cases, by May 2019 the CPUC should implement a process to verify and maintain records that demonstrate that water utilities are submitting notifications to their customers of Public participation hearings in accordance with the time frames set out in regulations, any additional notification requirements the administrative law judges may impose, and any general rate case application filings in accordance with the time frames set out in regulations. To the extent that it identifies noncompliance with notification requirements, the CPUC should evaluate whether to impose a fine on the water utility.	California Public Utilities Commission	Fully Implemented
5. To ensure that all customers receive timely notification from water utilities of potential and actual rate increases, the CPUC should implement a process by May 2019 that requires water utilities to submit proof of customer notification to its Water Division, which should then review these notifications to ensure that the utilities are meeting the requirements. If the water utilities do not comply with the requirements, the CPUC should consider whether to impose a fine on the water utility.	California Public Utilities Commission	Fully Implemented
6. To ensure that the CPUC fulfills its statutory requirement for auditing all water utilities, it should immediately begin to follow its Standard Practice when auditing Class A water utilities, or develop policies and procedures by May 2019 to ensure that the reviews Public Advocates conducts of general rate cases demonstrate compliance with the legal requirement for audits of these utilities.	California Public Utilities Commission	Partially Implemented
7. To ensure that the CPUC fulfills its statutory requirement for auditing all water utilities, it should immediately develop a plan to complete audits of Class A water utilities and small water utilities in a timely manner.	California Public Utilities Commission	Partially Implemented
8. To ensure that the public can access advice letters on the CPUC's website and because it is unknown when the system it is developing will be complete, the CPUC should immediately begin developing another process to make advice letters easily available by July 2019, such as by scanning them and posting copies on the Water Division's webpage.	California Public Utilities Commission	Fully Implemented

Report Number 2018-114

Disabled Veteran Business Enterprise Program: The Departments of General Services and Veterans Affairs Have Failed to Maximize Participation and to Accurately Measure Program Success (February 2019)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
23. To ensure that disabled veteran business enterprise (DVBE) participation data are reported accurately and consistently, the California Department of Transportation (Caltrans) should implement or strengthen a review process to ensure that DVBE participation amounts entered into its data systems or Financial Information System for California (FI\$Cal) are accurate. This review process should include verification, on a sample basis, of the amounts awarded to, and the certification status of, the DVBE contractor or subcontractor for high-value contracts that include DVBE participation.	Department of Transportation	Fully Implemented
25. To ensure that DVBE participation data are reported accurately and consistently, the Department of Motor Vehicles (DMV) should implement or strengthen a review process to ensure that DVBE participation amounts entered into its data systems or FI\$Cal are accurate. This review process should include verification, on a sample basis, of the amounts awarded to, and the certification status of, the DVBE contractor or subcontractor for high-value contracts that include DVBE participation.	Department of Motor Vehicles	Fully Implemented

Report Number I2019-2

Investigations of Improper Activities by State Agencies and Employees: Inefficient Management of State Resources, Misuse of State Time and Inaccurate Attendance Records, and Inadequate Supervision (April 2019)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
11. The State Water Board should take appropriate disciplinary actions against Engineers A, B, and C for their misuse of state time and dishonesty during their interviews.	Water Resources Control Board	Pending
12. The State Water Board should determine the amount of time it can charge Engineers A, B, and C to account for their missed hours, reduce their leave balances accordingly, and if applicable, seek to recover from them any wages paid for time they did not work.	Water Resources Control Board	Partially Implemented
13. The State Water Board should take appropriate corrective or disciplinary actions against the three engineers' supervisor, which should include providing supervisory training to ensure that he holds the three engineers accountable for their missed work time.	Water Resources Control Board	Partially Implemented
14. The State Water Board should require this supervisor to implement policies and procedures to ensure that his subordinates account for all of their missed work hours.	Water Resources Control Board	Fully Implemented
15. The State Water Board should require Employee A's supervisor to continue to monitor and examine weekly time reports for Employee A and other subordinate employees to ensure that they account properly for all of the time worked and the leave taken.	Water Resources Control Board	Fully Implemented
16. Caltrans should ensure that it recoups all overpayments that it made to the associate.	Department of Transportation	Fully Implemented
17. Caltrans should notify all Caltrans employees of the limitations of bereavement leave and where bargaining agreements can be located for additional information specific to bereavement leave.	Department of Transportation	Fully Implemented
18. Caltrans should remind supervisors of their responsibility to ensure that employees properly charge leave, including bereavement leave, and to not exceed the allowable limits that the bargaining agreements outline.	Department of Transportation	Fully Implemented
19. Caltrans should consider revising its policy to require supervisors to request employees to submit substantiation, such as a funeral announcement, for each claim of bereavement leave.	Department of Transportation	Partially Implemented
20. Caltrans should consider conducting leave audits of the other subordinate staff that the supervisor formerly oversaw.	Department of Transportation	Fully Implemented

Report Number I2019-3

Investigations of Improper Activities by State Agencies and Employees: Wasteful and Improper Travel Payments, Improper Promotion and Hiring Practices, and Misuse of State Resources (May 2019)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. Within 30 days, Caltrans should provide a detailed training memorandum to managers and supervisors informing them of who is authorized to approve employees' travel expense claims and airline, train, and rental car reservations.	Department of Transportation	Fully Implemented
2. Within 60 days, Caltrans should provide detailed and comprehensive instructions to managers and supervisors to ensure that they understand the definition of an employee's headquarters and the state law prohibition of paying expenses related to travel from one's residence to headquarters.	Department of Transportation	Fully Implemented
3. Within 60 days, Caltrans should document the findings of this investigation in the manager's official personnel file.	Department of Transportation	Fully Implemented
4. Within 60 days, Caltrans should consult with the State Controller's Office to determine whether the manager's reimbursements should have been reported as taxable fringe benefits and, if so, amend any relevant tax documents.	Department of Transportation	Resolved

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5. Within 90 days, Caltrans should provide training to human resources staff to ensure that they follow proper procedures for changing an employee's headquarters and retaining the appropriate documentation.	Department of Transportation	Fully Implemented
6. Within 90 days, Caltrans should provide training to travel branch staff to ensure that they verify an employee's headquarters when reviewing expense claims and comply with state law when approving the claims.	Department of Transportation	Fully Implemented
7. Within 90 days, Caltrans should take appropriate corrective action against the former supervisor for approving the manager's travel to Sacramento without notifying the division chief.	Department of Transportation	Fully Implemented
8. Within 90 days, Caltrans should determine if any of the \$41,695 can be collected from the manager and, if so, attempt collection of the improper travel reimbursements.	Department of Transportation	Fully Implemented
13. The Department of Fish and Wildlife (Fish and Wildlife) should take corrective or disciplinary action against the branch chief who misrepresented his past supervisory experience for his dishonest activities.	Department of Fish and Wildlife	Fully Implemented
14. Fish and Wildlife should void any improper appointments and collect compensation received as a result of the improper appointment as allowed by state law.	Department of Fish and Wildlife	Partially Implemented
15. Fish and Wildlife should require executive management and the current HR chief to undergo CalHR training on the proper use of promotions in place and on California's merit system.	Department of Fish and Wildlife	Fully Implemented

Report Number 2018-120

San Francisco Bay Conservation and Development Commission: Its Failure to Perform Key Responsibilities Has Allowed Ongoing Harm to the San Francisco Bay (May 2019)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To improve the efficiency of the San Francisco Bay Conservation and Development Commission's (Bay Conservation Commission) current enforcement process, the Legislature should require the commission to create and implement by fiscal year 2020–21 a procedure to ensure that managers perform documented review of staff decisions in enforcement cases.	Legislature	No Action Taken
2. To improve the efficiency of the Bay Conservation Commission's current enforcement process, the Legislature should require the Bay Conservation Commission to create and implement by fiscal year 2020–21 timelines for resolving enforcement cases.	Legislature	No Action Taken
3. To improve the efficiency of the Bay Conservation Commission's current enforcement process, the Legislature should require the Bay Conservation Commission to create and implement by fiscal year 2020–21 a penalty matrix for applying fines and civil penalties.	Legislature	No Action Taken
4. Further, the Legislature should direct the Bay Conservation Commission to begin developing regulations by fiscal year 2020–21 to define single violations and create a method of resolving minor violations through fines.	Legislature	No Action Taken
5. To ensure that the Bay Conservation Commission performs its duties under state law related to the Suisun Marsh (marsh program), the Legislature should require a report from the Bay Conservation Commission upon completion of its comprehensive review of the marsh program every five years, beginning with a review in fiscal year 2020–21.	Legislature	No Action Taken
6. To ensure that the Bay Conservation Commission uses the Bay Fill Clean-Up and Abatement Fund (abatment fund) appropriately, the Legislature should clarify that the fund's intended use is for the physical cleanup of the Bay, rather than enforcement staff salaries. The Legislature should consider fully funding enforcement staff through the General Fund to align revenue sources with the Bay Conservation Commission's responsibilities.	Legislature	No Action Taken
7. After the Bay Conservation Commission implements the changes noted below, the Legislature should provide the Bay Conservation Commission with an additional tool to address violations by amending state law to allow the Bay Conservation Commission to record notices of violations on the titles of properties that have been subject to enforcement action.	Legislature	No Action Taken

<p>8. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 develop and implement procedures to ensure that its management adequately reviews staff enforcement decisions. These procedures should include requirements detailing how staff should document and substantiate violations, case resolutions, and their rationale for imposing fines. Further, the procedures should require staff to conduct proactive enforcement, such as site visits, as resources allow.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>9. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 develop and implement procedures to ensure that staff open, investigate, and close cases in a manner that is consistent with state law and that encourages the responsible use of staff time.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Will Not Implement</p>
<p>10. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 develop guidance that enumerates the violation types that the Bay Conservation Commissioners deem worthy of swift enforcement action, those that staff can defer for a specified amount of time, and those that do not warrant enforcement action or that can be resolved through fines.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>11. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 simplify its system for prioritizing enforcement cases, to help it focus its enforcement efforts on cases with the greatest potential for harming the Bay.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>12. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 create a penalty calculation worksheet. The Bay Conservation Commission should require the worksheet's use for all enforcement actions that will result in fines or penalties, and it should create formal policies, procedures, and criteria to provide staff with guidance on applying the worksheet.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>13. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 develop a procedure to identify stale cases. After applying this procedure, the Bay Conservation Commission should seek appropriate settlements for such cases that preserve or exercise the State's legal rights to resolve violations and levy penalties.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>14. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 evaluate and update permit fees every five years in accordance with its regulations.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>15. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 conduct a comprehensive review of local agency compliance with the marsh program and issue recommendations as necessary to implement the protections outlined in the Suisun Marsh Preservation Act.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>16. To ensure that it maximizes the efficiency and effectiveness of its enforcement and permitting programs, the Bay Conservation Commission should by January 2020 appoint a new citizens' advisory committee as required by law and determine a schedule for the committee to conduct regular meetings.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>17. To ensure that it uses the abatement fund for the physical cleanup of the Bay, the Bay Conservation Commission should create a policy by January 2020 identifying the minimum amounts it will disburse and prioritizing the projects that it will support through disbursements to the appropriate entities.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>Pending</p>
<p>18. To build on prior recommendations and ensure that it maximizes the effectiveness of its enforcement program, the Bay Conservation Commission should by January 2021 conduct a workforce study of all its permit and regulatory activities and determine whether it requires additional staff, including supervisors, to support its mission.</p>	<p>San Francisco Bay Conservation and Development Commission</p>	<p>No Action Taken</p>

19. To build on prior recommendations and ensure that it maximizes the effectiveness of its enforcement program, the Bay Conservation Commission should by January 2021 implement a permit compliance position to support the efforts of enforcement staff and the implementation of process changes. If necessary, it should seek additional funding for such a position.	San Francisco Bay Conservation and Development Commission	No Action Taken
20. To build on prior recommendations and ensure that it maximizes the effectiveness of its enforcement program, the Bay Conservation Commission should by January 2021 update its existing database or create a new database to ensure that it can identify and track individual violations within each case, including the date staff initiate the standardized fines process for each violation. As part of this process, the Bay Conservation Commission should review its database and update it as necessary to ensure that it includes all necessary and accurate information, specifically whether staff initiated the standardized fines process for open case files and for those case files closed within the past five years.	San Francisco Bay Conservation and Development Commission	Pending
21. To ensure consistency in its enforcement program, the Bay Conservation Commission should by January 2021 create and implement regulations that identify required milestones and time frames for enforcement.	San Francisco Bay Conservation and Development Commission	Pending
22. To ensure consistency in its enforcement program, the Bay Conservation Commission should by January 2021 create and implement regulations that define substantial harm, provide explicit criteria for calculating the number of violations present in individual enforcement cases, and specify a process to handle any necessary exceptions to the criteria.	San Francisco Bay Conservation and Development Commission	Pending
23. To ensure consistency in its enforcement program, the Bay Conservation Commission should by January 2021 create and implement regulations to allow it to use limited monetary fines to resolve selected minor violations that do not involve substantial harm to the Bay.	San Francisco Bay Conservation and Development Commission	Pending
24. To ensure consistency in its enforcement program, the Bay Conservation Commission should by January 2021 update its regulations on permit issuance to offer greater clarity on the types of projects for which staff may issue permits without Bay Conservation Commissioners' hearings.	San Francisco Bay Conservation and Development Commission	No Action Taken

Report Number 2018-119

California Department of Fish and Wildlife: It Is Not Fulfilling Its Responsibilities Under the California Environmental Quality Act (June 2019)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To ensure that it consistently prioritizes and reviews projects with potentially significant impacts on the environment, Fish and Wildlife should establish a departmentwide policy for prioritizing California Environmental Quality Act (CEQA) documents for review and comment by December 2019 and require regional offices to adopt region-specific procedures by March 2020.	Department of Fish and Wildlife	†
2. To ensure that it consistently prioritizes and reviews projects with potentially significant impacts on the environment, Fish and Wildlife should develop policies and procedures outlining departmentwide expectations for CEQA review and comment by December 2019 and require regional offices to develop region-specific policies and procedures for CEQA review by March 2020.	Department of Fish and Wildlife	†
3. To ensure that it consistently prioritizes and reviews projects with potentially significant impacts on the environment, Fish and Wildlife should develop ongoing training for environmental scientists that covers subjects including the complexities and technical aspects of CEQA review by June 2020.	Department of Fish and Wildlife	†
4. To ensure that it consistently prioritizes and reviews projects with potentially significant impacts on the environment, Fish and Wildlife should incorporate the policies and procedures into regulations in full compliance with the Administrative Procedure Act, should it determine that the new policies and procedures create rules of general application.	Department of Fish and Wildlife	†

5. To ensure regional staff enter data into the project tracking database accurately and consistently, Fish and Wildlife should, by December 2019, develop, implement, and provide training on departmentwide written policies and procedures that outline the requirements and process for entering data related to CEQA review into Fish and Wildlife's project tracking database.	Department of Fish and Wildlife	†
6. To ensure that it complies with state law requiring it to use CEQA fees only for CEQA activities, Fish and Wildlife should immediately begin tracking and monitoring CEQA revenues and expenditures separately from other program activities within the nondedicated account in the Fish and Game Preservation Fund.	Department of Fish and Wildlife	†
7. To determine more accurately the resources that it needs to review all CEQA documents it receives, Fish and Wildlife should implement a timekeeping mechanism by December 2019 that requires staff to track the hours they spend on CEQA-related activities.	Department of Fish and Wildlife	Pending
8. To determine the costs for its CEQA review and set appropriate fees, Fish and Wildlife should complete its five-year review of program costs and revenues and report the results to the Legislature by March 2020. To provide the Legislature with a more accurate estimate of the costs of CEQA activities, Fish and Wildlife should prepare an update to this review no more than two years after it has modified its time-tracking procedures.	Department of Fish and Wildlife	†
9. To ensure it receives all CEQA revenues to which it is entitled, Fish and Wildlife should immediately begin collecting any unpaid fees it identifies in audits of counties.	Department of Fish and Wildlife	Fully Implemented
10. To reduce the risk of counties not collecting and remitting CEQA filing fees, Fish and Wildlife should begin sharing any findings from internal audits with counties and reminding county officials of their responsibilities related to CEQA fees.	Department of Fish and Wildlife	Fully Implemented
11. To maximize the amount of time that environmental scientists have to review CEQA documents, Fish and Wildlife should establish procedures for the electronic distribution of CEQA documents for review by December 2019. These procedures should include the utilization of the State Clearinghouse's electronic system when it becomes available.	Department of Fish and Wildlife	†

Report Number I2019-4

California Department of Food and Agriculture and a District Agricultural Association: Gross Mismanagement Led to the Misuse of State Resources and Multiple Violations of State Laws (August 2019)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. The California Department of Food and Agriculture (CDFA) should ensure that its audit office conducts biannual compliance audits for all district agricultural associations and that the office prioritizes auditing district agricultural associations on the watch program.	Department of Food and Agriculture	Partially Implemented
2. CDFA should consider exercising its authority to assume any or all rights, duties, and powers of the board of the association. If CDFA agrees to implement this recommendation, it should assume responsibility for implementing our recommendations to the association.	Department of Food and Agriculture	Fully Implemented
3. CDFA should provide district agricultural associations with timely notifications from the Department of Motor Vehicles' Employer Pull Notice Program and follow up to ensure that the district agricultural associations take appropriate action.	Department of Food and Agriculture	Partially Implemented
4. To the extent that its authority allows, the CDFA should oversee implementation of our recommendations to the District Agricultural Association (association).	Department of Food and Agriculture	Partially Implemented
5. The association should take appropriate disciplinary action against the CEO, the maintenance supervisor, and all other permanent and temporary employees who engaged in the improper governmental activities that we identified.	Department of Food and Agriculture	Pending
6. The association should recoup the money from the CEO, the deputy manager, and the maintenance supervisor for their inappropriate purchases.	Department of Food and Agriculture	Partially Implemented
7. The association should recoup the actual costs from the maintenance supervisor for his personal use of a state vehicle.	Department of Food and Agriculture	Pending

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8. The association should recoup all travel expenses from employees and board members who exceeded the allowable travel reimbursement amounts for lodging and meals or who improperly traveled to banned states.	Department of Food and Agriculture	Pending
9. The association should develop appropriate controls for the propane tank, including securing access to the propane tank key. The association should consider installing a meter and creating, maintaining, and auditing a propane usage log.	Department of Food and Agriculture	Resolved
10. The association should train all staff who have purchasing authority on relevant state laws and CDFA and association accounting policies. This training should specifically focus on requiring the submission of itemized receipts and preventing inappropriate or illegal purchases.	Department of Food and Agriculture	Partially Implemented
11. The association should establish an appropriate segregation of duties between credit card holders and those who reconcile the credit card statements.	Department of Food and Agriculture	Partially Implemented
12. The association should formally adopt, train staff on, and follow the Fairs and Expositions branch's accounting procedures manual, as well as CDFA's Controlled Substances and Alcohol and Incompatible Activities policies.	Department of Food and Agriculture	Partially Implemented
13. The association should implement the State Administrative Manual sections pertaining to inventory control and vehicle usage.	Department of Food and Agriculture	Partially Implemented
14. The association should require employees and board members to submit travel expense claims for their travel expenses (except airfare and car rental) and ensure that future travel-related expenses and reimbursements adhere to all applicable state laws and the Governor's Executive Order B-06-11.	Department of Food and Agriculture	Partially Implemented

† As of December 31, 2019, the entity has not provided a response to the State Auditor or the State Auditor has not assessed the entity's response.