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Table 1
Recommendation Status Summary

Assembly Budget Subcommittee 3 on Resources and Transportation

Report Number I2017-1

Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments (March 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
6. The California Department of Transportation (Caltrans) should take appropriate corrective or disciplinary action against the analyst for her misuse of state time.	Department of Transportation	Fully Implemented
7. Caltrans should have the analyst review and sign Caltrans' policies and directives related to the misuse of state time and incompatible activities.	Department of Transportation	Fully Implemented

Report Number 2016-121

Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards (April 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To increase Department of Motor Vehicles (DMV) oversight of applications for disabled person parking placards (placards) or plates, the Legislature should modify current law to require DMV to conduct at least quarterly audits of a selection of applications for disabled placards or plates and to seek the health boards' cooperation in doing so.	Legislature	Legislation Enacted
2. To better align the placard program with the needs of Californians with disabilities, the Legislature should amend state law to include podiatrists on the list of medical providers approved in state law to certify applications for disabilities related to their specialty.	Legislature	Legislation Enacted
3. To assist DMV in more accurately identifying deceased individuals with active permanent placards, the Legislature should amend state law to require DMV to use the U.S. Social Security Administration's Death Master File to inform its efforts to identify and cancel deceased individuals' placards.	Legislature	Legislation Enacted
4. To assist DMV in identifying deceased placard holders, the Legislature should require that all individuals with permanent placards reapply every four years.	Legislature	Legislation Enacted
5. To assist DMV in identifying deceased placard holders, the Legislature should require that all who apply for a placard or a plate include their full legal name and date of birth, and provide satisfactory proof of this information at the time of application.	Legislature	Legislation Enacted
6. To reduce the risk of placard misuse, the Legislature should limit to no more than two the number of replacements of permanent placards an individual may obtain during the two-year placard renewal period. The Legislature should require that those desiring replacements beyond that limit reapply and submit new certifications of disability.	Legislature	Legislation Enacted
7. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a review by medical experts of a sample of placard applications each quarter to ensure that the disability certifications meet state requirements. For any application that does not meet state requirements, DMV should require that the applicant and his or her provider submit the information needed so that the application meets state requirements. DMV should cancel the placards of those who do not respond within 90 days.	Department of Motor Vehicles	Will Not Implement

8. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a process for the health boards to develop guidance for medical providers related to how to meet state requirements.	Department of Motor Vehicles	Partially Implemented
9. To reduce the risk of fraudulent applications, by September 2017 DMV should seek interagency agreements with the health boards responsible for licensing providers authorized to certify disabilities on placard applications. The agreements should include, but not be limited to, a process for obtaining copies of provider signatures and routinely comparing the signatures with those on a sample of placard applications. Investigations should confirm questionable signatures with providers.	Department of Motor Vehicles	Fully Implemented
10. To help ensure that DMV approves only those applications that qualify for the placard program as specified in state law, by September 2017 and annually thereafter, DMV should provide additional direction and training to its staff that addresses the following program requirements: the types of medical providers that may certify qualifying disabilities, the disability categories each type of medical provider may certify, the legibility of medical provider certifications, and the entry of medical provider numbers into its registration system.	Department of Motor Vehicles	Fully Implemented
11. To identify potentially fraudulent applications, beginning immediately and quarterly thereafter, DMV Investigations should obtain placard application data from its registration system and analyze those data. At a minimum, this analysis should include a review of the following: individuals who have been issued multiple active placards, individuals who apply for an excessive number of replacement placards, providers who certify an abnormally large number of placard applications, and individuals over 100 years of age with active placards.	Department of Motor Vehicles	Fully Implemented
12. To better deter placard abuse, by September 2017 DMV should establish reasonable goals regarding the number of sting operations each of its district offices should conduct each quarter. If competing priorities require a district office to miss its goal for a given quarter, Investigations should document its justification for missing the goal. Further, Investigations should monitor its district offices' effectiveness in meeting the quarterly goals.	Department of Motor Vehicles	Fully Implemented
13. To help ensure that DMV's sting operations are an effective deterrent to placard misuse, beginning immediately DMV should regularly publicize the results of all of its sting operations through local and statewide media, on its website, and in materials distributed to the public at its field offices.	Department of Motor Vehicles	Fully Implemented
14. To properly equip its employees with the knowledge necessary to identify and report potential fraud indicators in placard applications, DMV should provide employees who process applications with training specific to the types of fraud that can occur in an application. This training should be provided by December 2017 and every other year thereafter.	Department of Motor Vehicles	Partially Implemented
15. To encourage reporting of allegations of placard abuse, Investigations should amend its policy to accept complaints by telephone and online by June 2017 and display the instructions for doing so prominently on its website.	Department of Motor Vehicles	Fully Implemented
16. To better track the time needed to investigate placard-related cases, Investigations should immediately require investigators to indicate in Investigations' database that cases are closed upon concluding the investigation and to continue to track the court's adjudication of each case.	Department of Motor Vehicles	Fully Implemented
17. To better monitor the results of its enforcement operations, Investigations should provide training and guidance to its investigators on how to use and consistently enter case disposition information into its database, and it should train its supervisors to regularly follow up with investigators to ensure that they do so.	Department of Motor Vehicles	Fully Implemented
18. To better equip local parking enforcement officials to promptly identify invalid placards, by December 2018 DMV should develop and implement an application, database, or other technology that will allow non-sworn parking enforcement officials to have immediate access to information on placard status.	Department of Motor Vehicles	Pending

<p>19. To aid local placard enforcement efforts, by September 2017 DMV should develop guidance and training regarding strategies to combat placard misuse and notify local parking enforcement officials that the DMV guidance and training is available. As part of these efforts, DMV should include information on state law related to increasing citation penalties to fund enforcement efforts.</p>	<p>Department of Motor Vehicles</p>	<p>Fully Implemented</p>
<p>20. To track its effectiveness at canceling seized placards, DMV should continue its new practice of keeping a record of the date staff take action to cancel a placard and assess whether DMV is meeting its goal of canceling seized placards within 24 hours of receipt.</p>	<p>Department of Motor Vehicles</p>	<p>Fully Implemented</p>
<p>21. To provide local enforcement agencies with an effective way to submit placard cancellation requests, DMV should immediately establish a dedicated fax number, a dedicated email address, and a specific mailing address to receive such cancellations. DMV should communicate this information to local parking enforcement by July 2017 and should develop a schedule for communicating this information to local parking enforcement in the future. By July 2017 and periodically thereafter, DMV should inform local parking enforcement of the need to submit information on seized placards quickly in order to prevent the holder or someone else from requesting a replacement placard without having to submit a new medical certification.</p>	<p>Department of Motor Vehicles</p>	<p>Fully Implemented</p>
<p>22. To reduce the risk of placard misuse, DMV should update its placards to indicate a return address if found or if the placard holder is deceased. DMV should prepare this update for the permanent placards it will issue in 2019 that will expire in 2021.</p>	<p>Department of Motor Vehicles</p>	<p>Fully Implemented</p>
<p>23. To raise public awareness about parking for people with disabilities in California and deter placard misuse, by September 2017 DMV should develop a plan for conducting a public outreach campaign about the effect that placard misuse has on people with disabilities and the penalties for misusing a placard.</p>	<p>Department of Motor Vehicles</p>	<p>Fully Implemented</p>

Report Number 2016-127

Home-Generated Sharps and Pharmaceutical Waste: By Designating a Lead Agency, the State Could Increase Proper Disposal (May 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
<p>1. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide the California Department of Resources Recycling and Recovery (CalRecycle) statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include developing and implementing a public education campaign about home-generated sharps and pharmaceutical waste disposal. CalRecycle should coordinate this campaign with local, state, and, to the extent possible, federal agencies to ensure consumers receive consistent guidance regarding proper disposal methods.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>2. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include maintaining an up-to-date, well-publicized, and accessible statewide list of free sharps and pharmaceutical waste collection sites. CalRecycle should create this list by either improving its database or by establishing a new database, potentially using recyclewhere.org as a model.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>3. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include increasing consumers' access to proper disposal methods in underserved locations. It could increase access by subsidizing prepaid mail-back options or by encouraging municipalities to include the collection of sharps and pharmaceutical waste in their contracts with waste haulers.</p>	<p>Legislature</p>	<p>No Action Taken</p>

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4. To foster consumers' proper disposal of sharps and pharmaceutical waste, the Legislature should provide CalRecycle statutory oversight responsibility for home-generated sharps and pharmaceutical waste disposal and provide CalRecycle additional resources to the extent that it can justify the need. This responsibility should include determining the characteristics of other government programs, such as New York State's consumer education program, that might benefit California.	Legislature	No Action Taken
5. To increase in-state options for processing California's home-generated pharmaceutical waste, the Legislature should expressly authorize municipal solid waste incinerators to burn limited quantities of home-generated pharmaceutical waste, but only after considering environmental impacts.	Legislature	Legislation Proposed But Not Enacted
6. To ensure consistency throughout the State, the Legislature should adopt standard requirements for counties to follow when implementing extended producer responsibility programs. These requirements should limit any additional costs the programs may impose on consumers.	Legislature	No Action Taken

Report Number 2016-132

Department of Water Resources: The Unexpected Complexity of the California WaterFix Project Has Resulted in Significant Cost Increases and Delays (October 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. To improve management of large and complex infrastructure projects, the Legislature should enact legislation requiring agencies to publicly report significant changes in the cost or schedule of such projects if they are expected to exceed their established budgets by 10 percent or schedules by 12 months.	Legislature	Legislation Enacted
2. To better manage large infrastructure projects, the Department of Water Resources (Water Resources) should develop and implement a project-reporting policy requiring its management staff to document and justify decisions to proceed with such projects if they are expected to exceed their established budgets by 10 percent or schedules by 12 months. Water Resources should make these documented decisions and justifications publicly available and submit them to the Resources Agency for review and approval.	Department of Water Resources	Resolved
3. To ensure it makes appropriate use of its growing surplus revenue balance, Water Resources should develop a detailed plan describing how it intends to use these funds.	Department of Water Resources	Fully Implemented
4. To fully comply with state contracting law, Water Resources should ensure that it competitively selects architectural and engineering consultants based on demonstrated competence and professional qualifications. In addition, Water Resources should document in the contract file its evaluation of the competence and professional qualifications of all contractors and any subcontractors that are added to the contract subsequent to the competitive selection process.	Department of Water Resources	Pending
5. To ensure that only qualified subcontractors are added to contracts after the initial award is made, Water Resources should make sure that contractors select their own subcontractors and that Water Resources subsequently approves the selection after it verifies their qualifications.	Department of Water Resources	Will Not Implement
6. Water Resources should ensure that it retains adequate documentation in its contract files to support that contract prices are fair and reasonable and all deliverables are received.	Department of Water Resources	Fully Implemented
7. To ensure that Water Resources manages WaterFix in an effective manner, Water Resources should complete both the economic analysis and financial analysis for WaterFix and make the analyses publicly available as soon as possible.	Department of Water Resources	Partially Implemented
8. In order to prepare for the potential approval of WaterFix and to ensure that the project is managed properly during the design and construction phase, Water Resources should do the following: develop an appropriate governance structure so that it is prepared to oversee the design and construction of WaterFix in the event it is ultimately approved.	Department of Water Resources	Fully Implemented
9. In order to prepare for the potential approval of WaterFix and to ensure that the project is managed properly during the design and construction phase, Water Resources should develop and update when necessary the associated program management plan for the design and construction phase of the project.	Department of Water Resources	Pending

Report Number I2017-2

Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources (October 2017)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
4. Water Resources should ensure the administrative supervisor starts accounting for partial-day absences in accordance with her classification as a nonexempt employee.	Department of Water Resources	Fully Implemented
5. Water Resources should ensure its management is knowledgeable about individual staff classifications and their time-reporting requirements.	Department of Water Resources	Fully Implemented

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	Pending
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	Pending
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	Pending
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

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<p>10. To ensure that it fully complies with the Public Records Act, SOCWA should do the following:</p> <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. 	<p>South Orange County Wastewater Authority</p>	<p>Fully Implemented</p>
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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
<p>1. To promote the establishment of appropriate pollutant limits, the Legislature should amend state law to direct the 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.</p>	<p>Legislature</p>	<p>No Action Taken</p>
<p>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.</p>	<p>Water Resources Control Board</p>	<p>Pending</p>
<p>3. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.</p>	<p>Central Valley Regional Water Quality Control Board</p>	<p>Pending</p>
<p>4. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.</p>	<p>Los Angeles Regional Water Quality Control Board</p>	<p>Pending</p>
<p>5. Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.</p>	<p>San Francisco Bay Regional Water Quality Control Board</p>	<p>Pending</p>
<p>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.</p>	<p>Water Resources Control Board</p>	<p>Pending</p>

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	Pending
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	Pending
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	Pending
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	Pending
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	Partially 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	Partially 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	Partially 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	Partially 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 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	Pending
18. Los Angeles 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

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
<p>9. Take appropriate disciplinary action against the employee for sleeping on the job for hours each day and failing to adequately perform her duties.</p>	Department of Motor Vehicles	Partially Implemented
<p>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.</p>	Department of Motor Vehicles	Resolved
<p>25. Take appropriate disciplinary action against the assistant chief.</p>	Department of Forestry and Fire Protection	Fully Implemented
<p>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.</p>	Department of Forestry and Fire Protection	Pending

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	No Action Taken
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 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	No Action Taken
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	No Action Taken
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	No Action Taken
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 (September 2018)

RECOMMENDATION	ENTITY	STATUS OF RECOMMENDATION
1. The Legislature should amend the recycling act to require 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.	Legislature	No Action Taken
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.	Legislature	No Action Taken

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.	Legislature	No Action Taken
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.	Department of Resources Recycling and Recovery	Pending
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: <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	Pending
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.	Legislature	No Action Taken
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.	Legislature	No Action Taken

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	*
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	*

<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>
<p>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.</p>	<p>California High-Speed Rail Authority</p>	<p>*</p>

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	*
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	*
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	*
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	*
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	*
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	*

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.	Public Utilities Commission	*
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.	Public Utilities Commission	*
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.	Public Utilities Commission	*

<p>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.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>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.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>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.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>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.</p>	<p>Public Utilities Commission</p>	<p>*</p>
<p>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.</p>	<p>Public Utilities Commission</p>	<p>*</p>

* The status of recommendations for audits issued between late October and December 2018 is based on the entities' initial response, which is included in the original audit report, available on the California State Auditor's (State Auditor) website: www.auditor.ca.gov.