

Calaveras County

GRAND JURY

2005 - 2006



FINAL REPORT

CALAVERAS COUNTY GRAND JURY

Box 1414
SAN ANDREAS, CALIFORNIA 95249

June 7, 2006

The Honorable John E. Martin
Judge, Superior Court

Your Honor:

Pursuant to California Penal Code 933, the Calaveras County 2005-2006 Civil Grand Jury respectfully submits its Final Report. This report represents many hours of research and hard work by those of us who had the privilege to serve the citizens of Calaveras County.

The Grand Jury was impaneled on July 1, 2005 as a diverse group of 19 citizens from all areas of the County. Our term ended with 15 dedicated, hard working jurors. We received and acted upon eight citizens' complaints, two mandated investigations (County Jail and County Audit), as well as numerous responses and, where appropriate, pursuant to Penal Code 925 investigated areas of concern to the Grand Jury.

Our experience as Grand Jurors has reinforced our belief in the Grand Jury system and proven to be an education into our County government.

We want to thank elected officials and employees of the numerous County offices and special districts who provided us with answers to our questions and provided material and documents on our request.

Thank you to the students of the Calaveras County Schools that participated in the artwork for this year's Final Report cover.

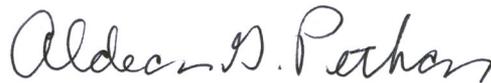
Special thanks to District Attorney, Jeffrey Tuttle and his staff; and County Legal Counsel, Jim Jones and his staff for answering all of our many legal questions. The assistance received from the County Administrative Officer, Tom Mitchell, along with his staff was greatly appreciated. We thank Howard Stohlman of Technology Services and his staff for helping us with our computers.

Finally, thank you Judge Martin and staff for assistance throughout the year. All of us feel it was an honor and privilege to serve on the Calaveras County Grand Jury.

Sincerely,



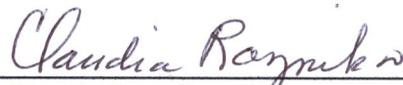
Claudia Raznikov, Foreperson



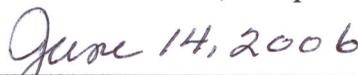
Aldean Pethan, Foreperson Pro Tem

**2005-2006 GRAND JURY
FINAL REPORT**

The 2005-2006 Calaveras County Grand Jury approved this Final Report.



Claudia Raznikov, Foreperson

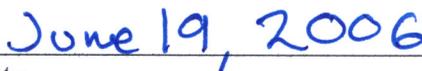


Date

I accept this Grand Jury Final Report for the year 2005-2006 for filing, and certify that it complies with Title V of the California Penal Code.



The Honorable John E. Martin
Presiding Judge of the Superior Court



Date

Any persons interested in receiving a copy of this 2005-2006 Grand Jury Final Report may do so by contacting the Calaveras County Administrative Office. A copy of the Final Report is available for viewing at the main Calaveras County Library in San Andreas, and all County branch libraries.

The Final Report will be available to the public on July 1, 2006 via the local newspaper with the largest distribution in Calaveras County, and it will be published on the Grand Jury website:

http://www.co.calaveras.ca.us/departments/grand_jury.asp

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FACTS ABOUT THE GRAND JURY SYSTEM

WHAT IS A GRAND JURY?

A grand jury is a judicial body composed of a set number of citizens. Ancient Greece exhibited the earliest concepts of the Grand Jury System. Another reference can be found during the Norman conquest of England in 1066. There is evidence that the courts of that time summoned a body of sworn neighbors to present crimes, which had come to their knowledge. In 1066, the Assize of Clarendon appears to be the beginning of the true grand jury system. At that time, juries were established in two types: Civil and Criminal. Toward the end of the United States Colonial Period, the Grand Jury became an important adjunct of government: Proposing new laws, protesting abuses in government, and influencing authority in their power to determine who should and should not face trial. Originally, the Constitution of the United States made no provisions for a Grand Jury. The Fifth Amendment, ratified in 1791, added this protection.

THE GRAND JURY IN CALIFORNIA

The California Constitution, Article 1, Section 23, states: "One or more Grand Juries shall be drawn and summoned once a year in each County." In California, every county has a civil Grand Jury. Criminal Grand Juries are seated as necessary.

A civil Grand Jury's function is to inquire into and review the conduct of county government and special districts. The Grand Jury system in California is unusual in that Federal and County Grand Juries in most states are concerned solely with criminal indictments and have no civil responsibilities.

Grand Jurors are citizens of all ages and different walks of life. Each brings their unique personality and abilities. Grand Jurors are selected from the Department of Motor Vehicles and Voter Registration files. In some counties, citizens may request to be on the grand jury. Jurors spend many hours researching; reading, and attending meetings to monitor county government, special districts, and oversee appointed and elected officials.

A final report is created from the many hours of fact-finding investigations conducted by the grand jury. This report discloses inefficiency, unfairness, wrongdoings, and violations of public law and regulations in local governments. The Grand Jury makes recommendations for change, requests responses, and follows up on responses to ensure more efficient and lawful operation of government.

CALAVERAS COUNTY GRAND JURY

The Calaveras County Grand Jury is a judicial body sanctioned by the Superior Court to act as an extension of the Court and the conscience of the community. The Grand Jury is a civil, investigative body created for the protection of society and

enforcement of its laws. The conduct of the Grand Jury is delineated in California Penal Code, Section 888 through Section 945.

Grand Jurors are officers of the Superior Court, but function as an independent body. One provision of the Grand Jury is its power, through the Superior Court, to aid in the prosecution of an agency or individual they have determined to be guilty of an offense against the people.

Responsibilities of the Grand Jury

The major function of the Calaveras County Grand Jury is to examine County and City government and special districts to ensure their duties are being lawfully carried out. The Grand Jury reviews and evaluates procedures, methods, and systems utilized by these agencies to determine if more efficient and economical programs may be used for the betterment of the County's citizens. It is authorized to inquire into charges of willful misconduct or negligence by public officials or the employees of public agencies. The Grand Jury is mandated to investigate the conditions of jails and detention centers.

The Grand Jury is authorized to inspect and audit the books, records and financial expenditures of all agencies and departments under its jurisdiction, including special districts and non-profit agencies, to ensure funds are properly accounted for and legally spent. In Calaveras County the Grand Jury must recommend an independent Certified Public Accountant to audit the financial condition of the County.

Response to Citizen Complaints

The Grand Jury receives many letters from citizens alleging government inefficiencies, mistreatment by officials, and voicing suspicions of misconduct. Anyone may ask that the Jury conduct an investigation on agencies or departments within the Grand Jury's jurisdiction. All such requests and investigations are kept confidential.

The Grand Jury investigates the operations of governmental agencies, charges of wrongdoing within public agencies, and the performance of unlawful acts by public officials. The Grand Jury cannot investigate disputes between private parties, nor any matters in litigation.

Neither official request nor public outcry can force the Grand Jury to undertake an inquiry it deems unnecessary or frivolous.

FINAL REPORT

The Final Report includes the findings and recommendations of the Grand Jury and is released to the Superior Court Judge by July 1 of each year. It is made available to

the new Grand Jury, the media, the public, and government officials. It will also be available on the Grand Jury web site:

http://www.co.calaveras.ca.us/departments/grand_jury.asp

HOW TO CONTACT THE GRAND JURY

Those who wish to contact the Grand Jury may do so by writing to:

Calaveras County Grand Jury
P.O. Box 1414
San Andreas CA 95249

Complaint forms may be requested by calling (209) 754-5860. The forms are available for download on the Grand Jury website and completed forms may be mailed or faxed to the Grand Jury room at (209) 754-9047.

SPECIAL THANKS TO NAOMI KNEIP FOR THIS YEAR'S COVER

MEMBERS OF THE 2005-2006 CALAVERAS COUNTY GRAND JURY

Claudia Raznikov, Foreperson
Aldean Pethan, Foreperson Pro Tem

Lois Clark
Patsy Clark
Don Fleming
Mike Garland
Helen Kelly
Joan McNear
Cristy Robertson

Peter Rooney
Karen Stewart
Robert Tarkenton
Gary Tofanelli
Barbara Trost
Melanie Vattuone

CALAVERAS COUNTY ANIMAL SERVICES FACILITY

REASON FOR INVESTIGATION

The 2005-2006 Grand Jury received a complaint from a citizen of Calaveras County against Animal Control, now known as the Calaveras County Animal Services Facility. The complainant specified many issues pertaining to the condition of the facility, animal health and welfare, public shelter safety, and lack of supervision in the shelter.

FOCUS OF REVIEW

In July 2005, the Calaveras County Board of Supervisors assigned the Sheriff's Department the responsibility of managing and evaluating the operations of the County Animal Control Department. To accomplish this, the Sheriff's Department retained a veterinarian animal control consultant and assigned an in-house management oversight team.

The veterinarian consultant evaluated technical issues surrounding the Animal Control Department including animal sheltering, handling, control, operating procedures, organization and management. The Sheriff's Department oversight team evaluated the department's operating budget. Findings from both teams were coordinated together into a *Management and Operational Analysis (MOA) of The Calaveras County Animal Control Department*, dated September 19, 2005. This investigation is based largely on that report.

PROCEDURES

The Grand Jury received and reviewed the *Management and Operational Analysis (MOA) of the Calaveras County Animal Control Department*. Calaveras, Tuolumne, and Amador County Animal Shelters were toured. The animal control budgets of these three counties, along with the budgets of several other counties, were reviewed. Several local veterinarians, Calaveras County Animal Services volunteers and staff were interviewed. Further information was obtained from key animal-related bills passed in 2005 regarding euthanasia practices, California Code of Regulations and California Animal Laws, and information provided by the Association of Shelter Veterinarians. The Grand Jury explored web sites offering grant monies for training, received and reviewed the Calaveras County Animal Services Policies and Procedures Manual, and obtained a copy of their Mission Statement. The Grand Jury researched and inspected the two recently purchased Animal Services' vehicles. Climate statistics were obtained in Calaveras County. Since there were many issues outlined in the MOA that could call for prosecution, the Grand Jury met with the Calaveras County District Attorney.

BACKGROUND

The Animal Control Department is composed of two separate functions; the animal shelter and the animal control department. Both functions, while operationally

distinct, operate under the same roof and are managed by an Animal Control Manager.

The Animal Control Manager's position was vacant from August 2004 to January 1, 2006, which caused employee confusion and lowered the accepted department service levels. When the Sheriff's department took charge of Animal Control, an officer from the Sheriff's department was selected to manage the facility. Under new management, in January 2006, Animal Control was renamed Calaveras County Animal Services Facility.

The Calaveras County Animal Services Facility has been a long recognized problem with past Grand Juries. Many of the issues listed by our complainant were in previous Calaveras County Grand Jury reports, including recommendations for a new building.

Following are some statistics from the Calaveras County Animal Services Facility from January through December 2005:

Number of dog licenses issued: 5,890

An Animal is held before euthanasia an average of 7 to 14 days.

Dogs and cats entering the shelter: 2,120

Dogs and cats reclaimed by owner: 194

Dogs and cats that died of other causes: 84

Dogs and cats stolen, escaped, etc: 1

Dogs transferred to another shelter: 9

Dogs adopted: 318

Adoption rate: 63%

Dogs euthanized: 187

Euthanasia rate: 37%

Cats adopted: 390

Adoption rate: 29%

Cats euthanized: 937

Euthanasia rate: 71%

Total other animals: 20

Adoption fees: Dogs are \$15.00 adoption and \$50.00 for spay/neutering.

Cats are \$5.00 adoption and \$40.00 for spay/neutering.

FINDING 1

Physical conditions in the dog kennels that require attention:

- 1) Kennel flooring is damaged.
- 2) Kennel doors are difficult to open in a fluid motion and rub against the concrete flooring due to rusting.
- 3) The kennel drainage system is antiquated and allows fecal contact from one kennel to another during cleaning and flushing excrement down each kennel trough to the main drain.

- 4) The kennel floors have heating elements in them, but staff reported to the contractor that they no longer function.
- 5) One kennel used for quarantine dogs has no Plexiglas covering to prevent the public from putting their fingers in the kennel.

The above conditions leave the County open to liability.

RECOMMENDATION

The Grand Jury agrees with the following MOA's recommendations:

- 1) Animal Services needs to replace all kennel doors that are not functioning properly.
- 2) The heating elements in the floor of the dog kennels must be repaired prior to the winter months.
- 3) Plexiglas must be replaced on the quarantine kennel.

RESPONSE REQUESTED

Sheriff's Department
Board of Supervisors

FINDING 2

Each officer cleans the kennels by their own methods. There is no standardized procedure for cleaning and disinfecting the kennels.

The water pressure used in the kennel area is too low to properly remove feces and debris from the kennels.

There are no standard operating procedures outlining steps to be taken to reduce the spread of disease and limit disease exposure for healthy animals. Dogs that present signs of illness or become ill at the shelter remain housed in the main kennels. Healthy cats are group housed with ill cats.

RECOMMENDATION

The Grand Jury agrees with the MOA as follows: Calaveras County must develop standard kennel operations which outline procedures for cleaning and disinfecting all animal enclosures including those that house ill animals; isolation of those animals, and preventive measures to be taken by staff when handling ill animals. Animal Services must specify bleach concentrations (1:32 dilution), in their Manual of Procedures, train Animal Control Officers and future Animal Care staff on the proper dilutions, and monitor staff to make sure directives are being followed. The disinfectant to be used must always be in stock.

Water pressure must be increased to clean the dog kennels properly.

Staff must clean cages and kennels housing healthy animals first and ill animals last. Policies and procedures must be developed to isolate ill dogs and cats and provide proper medical treatment.

RESPONSE REQUESTED

Sheriff's Department
Board of Supervisors

FINDING 3

There is no standardized feeding protocol that identifies certain types of foods to be fed to the animals. The type of food being fed to the animals is dependent on what is donated.

RECOMMENDATION

The Grand Jury agrees with the MOA, as follows:

Food is fed dependent on what has been donated. For this reason, the staff may not have the specific diets needed to feed each type of animal housed at the shelter. Animal Services staff must ensure that they have a supply of age appropriate food for all animals.

RESPONSE REQUESTED

Sheriff's Department
Board of Supervisors

FINDING 4

The MOA recommended Animal Services replace the current Animal Control Officers' trucks with new vehicles containing standard cage mounts that prevent exposure to the weather and have cooling and heating units.

The Grand Jury found that Animal Services has the following vehicles:

- A) Two older 4-wheel drive vehicles with open compartments that expose animals to extreme weather conditions. The Grand Jury learned that during the winter months, animals being transported in these vehicles have arrived to the shelter cold and wet even when blankets were provided.
- B) Two used animal control trucks were recently purchased which have no cooling or heating units but rather two fans installed on top of each vehicle that only moves air through the six animal compartments. The two trucks do not have the 4-wheel drive needed for severe weather mountain conditions.

The intent of the Sheriff's Department is to transport animals immediately to the shelter during inclement weather. However, given the large size of Calaveras County, transporting animals across the County could take at least an hour or more, causing discomfort or possible death for an animal in extreme weather.

The following temperatures were recorded in San Andreas, Calaveras County:

<i>During the Winter Months:</i> (November 2005 - March 2006) 47 days were recorded 32 degrees or below.	<i>During the Summer Months:</i> (May - September 2005) 86 days were recorded 90 degrees or above, and 38 days were recorded 100 degrees or above.
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These statistics were taken in San Andreas, which is fairly moderate compared to the mountains and the lower foothill communities of Calaveras County.

RECOMMENDATION

Animal Services must either acquire vehicles that have cooling and heating units or have the current vehicles retrofitted. The Grand Jury also recommends that any vehicle purchased in the future have 4-wheel drive.

Penal Code 597.1 (a)

Every owner, driver, or keeper of any animal who permits the animal to be in any building, enclosure, lane, street, square, or lot of any city, county, city and county, or judicial district without proper care and attention is guilty of a misdemeanor.

RESPONSE REQUESTED

Sheriff's Department
Board of Supervisors

FINDING 5

The Grand Jury confirmed complaints received by the consultant that cats without sedation were being euthanized by intracardiac injection. Also, the Grand Jury found there were complaints of abusive treatment of animals being taken to the euthanasia room.

Assembly Bill 1426 - Chaptered

Section 1. Section 597u of the Penal Code is amended to read:

(a) No person, peace officer, officer of a humane society, or officer of a pound or animal regulation department of a public agency shall kill any animal by using (2) Intracardiac injection of a euthanasia agent on a conscious animal, unless the animal is heavily sedated or anesthetized in a humane manner, or comatose.

Penal Code 597

(b) Except as otherwise provided in subdivision (a) or (c), whoever, having the charge or custody of any animal, either as owner or otherwise, subjects any animal to needless suffering, or inflicts unnecessary cruelty upon the animal, or in any manner abuses any animal, is for every such offense, guilty of a crime punishable as a misdemeanor or a felony and by a fine of not more than twenty thousand dollars (\$20,000).

RECOMMENDATION

The Grand Jury recommends all animals scheduled for euthanasia be humanely transported from their holding area to the euthanasia room and euthanized according to state law, and employees found in violation of state euthanasia laws be prosecuted.

RESPONSE REQUESTED

Sheriff’s Department
Board of Supervisors

FINDING 6

The Grand Jury found Calaveras County Animal Services, when compared to similar counties, is under funded. Budget amounts for 2006 divided by population resulted in the following:

<u>Name of County</u>	<u>Population</u>	<u>Budget for 2006</u>	<u>Cost per person/per year</u>
Calaveras County	49,000	\$ 343,823	\$ 7.02
Amador County	38,000	\$ 798,211	\$21.00
Tuolumne County	57,000	\$ 823,000	\$14.44
El Dorado/Westslope	68,100	\$1,260,000	\$18.50

RECOMMENDATION

The Grand Jury recommends the Board of Supervisors provide more funding to the Calaveras County Animal Services Facility, so it can make the necessary improvements recommended in this report.

RESPONSE REQUESTED

Board of Supervisors
Sheriff’s Department

FINDING 7

The Grand Jury finds inadequate communication between Animal Services and the Calaveras Humane Society. Several animals selected for “Pet of the Week” or for transport to another facility were euthanized due to poor communication between Animal Services and the Humane Society. Animal Services developed “Pet of the Week” procedures, issued on March 3, 2006, to improve communications between Animal Services employees and volunteers of the Humane Society.

Without the Humane Society’s 50 volunteers, it would be difficult to operate the Calaveras County animal shelter. These volunteers find foster families and permanent homes for the animals and help out with a variety of other tasks.

RECOMMENDATION

The Grand Jury recommends the Animal Services management team hold regularly scheduled meetings with the Humane Society to achieve better communication.

RESPONSE REQUESTED

Sheriff's Department

FINDING 8

The Calaveras County Animal Services Facility is in need of developing and revising their Policies and Procedures Manual, job descriptions, methods for training, and evaluating its staff and volunteers. Animal Services has mentioned implementing a new tracking software program to maintain a more effective database. Animal Services management intends to have all the above items completed and in place by January 2007.

RECOMMENDATION

The Grand Jury recommends Animal Services continue to work with its current consultant to update and develop a policy and procedure manual. The Grand Jury recommends that the new tracking software program be implemented by January 2007.

RESPONSE REQUESTED

Sheriff's Department
Technology Services
Board of Supervisors

SUMMARY

Since the Sheriff's Department has taken the command and responsibility of Calaveras County Animal Services, there has been a much-needed reorganization as well as minor, but important, repairs to the facility. The effects are apparent in the morale of the officers, employees, and volunteers, which result in better care and handling of the animals. There are plans for an expansion of the shelter and the building of a new office to replace the staff's cramped and dilapidated trailer. There are also future plans to build outdoor kennels and a fenced-in landscaped green area where people, looking for a new pet, can interact and evaluate a dog in a more comfortable setting. These plans, when implemented, are a good start towards improvement.

The Grand Jury finds more is needed to just meet the minimum of standards, but after the deplorable and neglected conditions existing within the Animal Control Department, the County is finally acknowledging the need for humane care and housing of its animals.

RECOMMENDATION

It is recommended that the Board of Supervisors work closely with the Sheriff's Department to fund the immediate needs of the shelter, and to develop a long-range plan for building a new modern facility to safely and humanely house animals that is large enough to meet the anticipated growth in Calaveras County.

RESPONSE REQUESTED

Board of Supervisors
Sheriff's Department

COUNTY AUDIT REPORT

REASON FOR INVESTIGATION

Section 925 of the California Penal code states, "The Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county..." Additionally, in Calaveras County, the Grand Jury advises the Board of Supervisors in their selection of expert auditors pursuant to Section 925 of the California Penal Code.

PROCEDURES

The accounting firm of Bartig, Basler, & Ray (BB&R) was under contract to examine the financial statements of Calaveras County and provide an opinion on the accuracy and reliability of these financial statements for the year ending on June 30, 2005. BB&R submitted a document titled, *County of Calaveras Management Report for the Year Ended June 30, 2005*. The Grand Jury reviewed this document along with the County's *Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2005*. The Grand Jury interviewed the County Auditor-Controller and the County Administrative Officer.

AUDIT FINDINGS & RECOMMENDATIONS

The following is an account of BB&R's recommendations from the County of Calaveras Management Report, Year Ended June 30, 2005. The 2005-2006 Grand Jury requests all departments respond with an update of the improvements to the conditions, as recommended by BB&R.

Administration

BB&R noted that the County does not have written procedures that address the accounting for construction projects. With the implementation of the Government Audit Standards Board (GASB 34) and recent decisions to renovate existing County facilities, as well as construct new facilities, there is a need for written procedures to specifically address the method of accounting for these projects. BB&R recommends the County Administrator, along with the Auditor-Controller, develop standard accounting policies and procedures for construction projects. BB&R also suggests consideration be given to making this an amendment to the County's existing policy document concerning capital assets.

Management Response

In general, the Administrative Office agrees with this recommendation. These policies and procedures are in the revised Purchasing Code governing expenditures and purchases. We concur that the two offices need to develop written procedures for recording construction costs and revise the dollar limits in the fixed asset policies relating to maintenance versus construction costs. There should also be a clear

definition of the responsibilities of the Administrative Office to provide the Auditor-Controller with the final construction costs and move-in dates for A-87 purposes. With year-end closeout rapidly approaching, this recommendation should be implemented prior to June 30, 2006.

RESPONSE REQUESTED

Auditor-Controller
County Administrator
Board of Supervisors

Capital Asset Affidavits

BB&R noted that under Government Code Section 24051, the Auditor-Controller's office is required to obtain a certification from each department head attesting to the capital assets that are in their department's possession on June 30 of each year. These affidavits are required to be completed by July 10. BB&R noted that the capital asset affidavits were not being returned in a timely manner by some departments, and in several cases, were not completed correctly. BB&R noted that equipment lists for departments that did not submit their capital asset affidavits are likely to be inaccurate and incomplete. BB&R also noted, in some cases, asset affidavits were submitted listing capital assets that were no longer in the department's possession. When affidavits are not submitted or are submitted with incorrect information, the County's accounting of capital assets is incorrect, and additional staffing resources need to be expended to investigate and correct for inaccuracies. When a department does not submit its capital asset affidavit, the County is not in compliance with legal requirements. BB&R recommends the County continue efforts to collect capital asset affidavits from all departments and that incorrect and incomplete affidavits be returned to the submitting department for correction.

Management Response

The Administrative Office concurs with this recommendation and will work with the Auditor-Controller to monitor the lack of proper reporting. We will ensure that Department Heads understand and recognize the significance of this process and will adhere to the Government Code and County Policy prior to the issuance of the next reporting cycle on June 30, 2006.

RESPONSE REQUESTED

Auditor-Controller
Administrative Officer
Department Heads

Auditor-Controller

BB&R noted the County does not require a W-9 and tax identification number for all vendors added to a master vendor file. By not requiring a W-9 and tax identification

number for all new vendors, it is possible for the departments to request a fictitious vendor without its existence being checked. The entry of fictitious vendors in the system could result in the misappropriation of County funds for personal use. BB&R recommends that the County require a W-9 and tax identification number for business vendors, regardless of 1099 eligibility.

Management Response

It has been the policy of the Auditor-Controller's office to require a W-9 for all business vendors except for corporations other than legal or health care. We have reviewed our current policy and will modify procedures to require a W-9 for all business vendors.

RESPONSE REQUESTED

No response requested

Planning

BB&R observed that the Planning Department did not maintain the detail of its trust fund, nor did it reconcile trust fund balances to the records maintained by the Auditor-Controller's Office on a monthly basis. BB&R noted that by not reconciling trust funds on a timely basis, errors or fraud could occur and not be detected in a timely manner. BB&R recommended that staff assigned to these trust funds reconcile them at least monthly to the Auditor-Controller's records.

Management Response

The Planning Department is now in compliance with the required conditions set by the Auditor-Controller's Office. Staff maintains a detail of all trust funds, and reconciles trust fund balances to records maintained by the Auditor-Controller's Office on a monthly basis.

RESPONSE REQUESTED

Auditor-Controller

Planning

BB&R noted during their review of the planning department that the deposits were made once every two to three weeks. They also noted that the county's cash handling manual requires departments to deposit all funds on hand at least weekly. BB&R stated that by not making deposits frequently, the risk of lost, stolen and/or mishandled funds is increased resulting in the possibility that fraud or errors will occur without timely detection. Additionally, the County is unable to earn interest on funds that are in the Department's possession and not in the County Treasury. BB&R recommends that all departments collect money at least weekly to be in accordance with the County's cash handling manual.

Management Response

The Planning Department is now in compliance with the County's cash handling manual by making cash deposits once a week as required.

RESPONSE REQUESTED

Auditor-Controller

Airport

BB&R noted that in prior years and continuing this year, there is a lack of proper segregation of duties over accounts receivable. One person continues to perform all accounting functions for accounts receivable. In the last quarter of the fiscal year 2004-2005, County Administration implemented a process of quarterly reviews to address this issue. BB&R also noted that while quarterly reviews have been implemented, the importance of proper segregation is a concern, especially considering the growth of the airport and the volume of financial activity. As such, BB&R's comments from prior years have been repeated, "Receipting and accounts receivable posting be segregated." Errors or fraud could occur with the handling of accounts receivable and not be detected in a timely manner. BB&R continues to recommend that incompatible duties regarding the handling of cash and accounts receivable be segregated in the department. BB&R also continues to recommend that the County Administration Department periodically spot-check the collections and posting of receipts to the accounts receivable. A written report detailing the results of each quarter's review, findings and recommendations should be prepared and disseminated to all parties involved.

Management Response

While the Administrative Office understands the concerns regarding the handling of cash receivables, staff limitations do not allow segregation of duties. We will continue to monitor the volume of cash and take appropriate actions. Within the next several years, additional hangers will be added that will require additional staff and a re-evaluation of these policies.

RESPONSE REQUESTED

*County Administrator

Airport Manager

Auditor-Controller

***NOTE:** Management did not respond to BB&R's recommendation that a written report detailing the results of each quarter's review, findings and recommendations be prepared and disseminated to all parties involved.

Airport

BB&R observed that the department does not have any policies and procedures for the collection and write-off of delinquent accounts receivable. BB&R noted

opportunities for misappropriation of County assets can occur without detection by management without proper approval of write-offs and write-downs of delinquent accounts receivable balances. Also, inefficiencies and the potential loss of revenue result when delinquent balances are not reviewed periodically, and collection action is not taken in a timely manner. Progress was noted in the preparation of writing policies and procedures for the handling of delinquent accounts receivable balances including the approval of account write-offs and write-downs by authorized personnel. BB&R continues to recommend the preparation of such written policies and procedures and recommends the review of old balances periodically, and the establishment of procedures that make sure delinquent accounts are paid timely.

Management Response

The Administrative Office agrees and will develop policies and procedures in accordance with the Auditor-Controller's recommendations prior to June 30, 2006.

RESPONSE REQUESTED

County Administrator
Airport Manager
Auditor-Controller

CALAVERAS WORKS AND HUMAN SERVICES AGENCY

REASON FOR INVESTIGATION

The Grand Jury received a complaint that Calaveras Works and Human Services Agency (CWHSA) had discriminated in its processing of County Medical Services claims. A letter to the complainant from CWHSA was included explaining that it was not discrimination, but that at the time when the claim was submitted, over 37% of claims were not being processed within the allocated forty-five days due to staffing issues.

PROCEDURES

On October 26, 2005, members of the Grand Jury met with the Welfare Fraud Investigator, the Civil Rights Coordinator, and the Staff Services Analyst to investigate this issue.

FINDING

Staff shortage was cited as the primary reason for delays in processing; many claimants need assistance completing the necessary paperwork. Frequently changing regulations were also noted as slowing the process. Some staff members were promoted or left for more lucrative positions. Budget shortages caused a hiring freeze. Although this freeze was lifted on October 1, 2005, hiring of new employees using Merit Systems can take three to five months, and training approximately another four months.

With the lifting of the hiring freeze, there is a goal of hiring eight or nine additional employees. A program is being considered to encourage high school students to work in the department and become future employees.

RECOMMENDATIONS

The problem of staff shortage needs to be addressed. Since the matter of hiring and training takes too much time, a more efficient procedure should be sought. The processing of claims should be more closely monitored.

RESPONSE REQUESTED

Director of Calaveras Works and Human Services Agency

CALAVERAS COUNTY WATER DISTRICT

REASON FOR INVESTIGATION

The Grand Jury received complaints alleging that a temporary district employee's Employment Agreement had been extended and amended without the review and approval of the Calaveras County Water District (CCWD) Board of Directors. The complainant also suggests that the Agreement extension should have been made public at the next regular Board meeting.

SCOPE OF INVESTIGATION

The initial investigation was expanded after finding additional problems and issues within CCWD. The 2005-2006 Grand Jury confined the overall investigation to personnel and management problems discovered prior to and during the course of the Grand Jury's term.

PROCEDURES

The Grand Jury requested and received various supporting documents including expense reports, CCWD Policy Manual, and employment agreements. Numerous interviews were conducted and regular and special board meetings were attended.

RESULTS OF INVESTIGATION

FINDING 1

The Grand Jury found that in January 2005, the Employment Agreement of a temporary district employee, with the title of Administration Services Manager (ASM), had been extended and amended. The language of the new agreement excluded the Board of Directors and included a salary increase, new job title, and other costly benefits not offered to other temporary or full-time district employees. The CCWD Employee Policy Handbook states that "All staff positions must be authorized by the Board of Directors" (policy #2200.10), and, "At the next regular Board meeting the Board will be advised of the filling of the position" (policy #2200.70). This "Extension and Amendment of Employment Agreement" was signed only by the previous General Manager/Chief Counsel and the temporary employee. The minutes of the next regular board meeting do not include any announcement to the Board regarding this Extension and Amended Employment Agreement.

RECOMMENDATION

The Grand Jury recommends the CCWD Board of Directors and General Manager review Policy Number 2200 of the CCWD Employee Policy Handbook, and the CCWD Board of Directors separate the positions of General Manager and Chief Counsel to avoid conflict of interest.

RESPONSE REQUESTED

CCWD Board of Directors

FINDING 2

The Grand Jury found several violations of hiring policies. Often, job applicants, who did not score highest on pre-hire tests and not given positive marks by interviewers, were hired solely at the discretion of the General Manager (GM). Thus, the highest qualified person was not hired. The practice of ignoring the guidelines by hiring under-qualified personnel jeopardizes the safety of both the new hire and co-workers. The Grand Jury also learned that an applicant who applied for, and was hired to fill a position advertised as a Range 4 on the union wage scale, was informed after being hired that she would be placed in a Range 1 position. This could leave the district exposed for liability.

RECOMMENDATION

The Grand Jury recommends the General Manager and the Board review and adhere to Policy Number 2200 of the CCWD Employee Policy Handbook.

RESPONSE REQUESTED

Calaveras County Water District
SEIU Local 4988

FINDING 3

In 2005, employee turnover at CCWD was estimated to be at approximately 60%. Poor personnel practices at CCWD are responsible for this high turnover rate. Examples include:

- 1) Newly hired field personnel placed in positions without the necessary experience and/or training resulting in dismissal for lack of performance.
- 2) Employees unable to advance on the pay scale because of the lack of opportunity to obtain a higher level of certification, so they seek other employment.
- 3) Intimidation and micro-management by the previous General Manager.

RECOMMENDATION

The Grand Jury recommends CCWD follow its Employee Policy Handbook. In addition, training opportunities for promotional advancement should be reinstated.

RESPONSE REQUESTED

Calaveras County Water District

FINDING 4

The Grand Jury found CCWD Board members were not following established guidelines for reporting expenses. Some requests for reimbursement were lacking necessary documentation.

RECOMMENDATION

The Grand Jury recommends CCWD Board of Directors follow the guidelines stated in the CCWD Policy Manual, Section 4090.

RESPONSE REQUESTED

CCWD Board of Directors

FINDING 5

The Grand Jury found certain employees at the management level not following established guidelines when recording paid time off. The Grand Jury found instances of management submitting time cards that show them at work, when other documentation shows them absent. On at least one occasion, time cards were submitted by the previous Administrative Services Manager (ASM) to be paid without having the required signature of the GM/Chief Counsel. This clearly ignores the Employment Agreement signed by the GM/Chief Counsel and the ASM.

RECOMMENDATION

The Grand Jury recommends that management at CCWD be held accountable for the lack of accurate time reporting.

RESPONSE REQUESTED

CCWD General Manager

SUMMARY

The Grand Jury found a number of serious administrative violations by prior senior management. It is the Board of Director's responsibility to oversee senior management to ensure the best possible direction for staff and the district.

During the eleven-month investigation, the interim CCWD General Manager and new ASM have rectified many of the issues that are the subject of this investigation. The Grand Jury acknowledges and recognizes this effort. However, the recently hired GM and ASM need to continue these efforts to complete the process. While CCWD has made great strides to overcome these problems, the Board of Directors must continue the process and the Grand Jury recommends this investigation be carried over to the 2006-2007 Grand Jury.

RESPONSE REQUESTED

CCWD Board of Directors

CCWD General Manager

COPPEROPOLIS FIRE PROTECTION DISTRICT

REASON FOR INVESTIGATION

A citizen complaint was sent to the Grand Jury alleging a Copperopolis Fire Protection District (CFPD) board member was not a resident of the district, a requirement for that office.

SCOPE OF INVESTIGATION

The investigation was to determine residency requirements for the Copperopolis Fire Protection District and all Calaveras County fire protection district board members. This involved looking at the following: how residency is defined and determined; if all board members currently meet these requirements; how board members are vetted for residency; and procedures to ensure all special district board members meet the requirements for office.

PROCEDURES

The Grand Jury received and reviewed fire district board candidate requirements from the County Clerk's Office and residency requirements for fire district board members. County voter registration personnel were interviewed. The Grand Jury received and reviewed residency definitions, CFPD board meeting minutes, and the County voter registration records of board members. California State statutes governing fire protection district boards were reviewed with the Calaveras County Counsel's office.

RESULTS OF INVESTIGATION

FINDING 1

All fire protection district board of director candidates are required to be a registered voter of the district they are to represent per California State Health and Safety Code 13841.

FINDING 2

All candidates are required to file for candidacy with the Calaveras County Clerk's office per Declaration of Candidacy, Elections Code Section 10511, 10512 and 10540. Filing is done by filling out an application and signing, under penalty of perjury, that the address on the application is correct. The County Elections Coordinator then certifies each candidate's declaration of candidacy by checking the applicant's residence against county voter registration.

FINDING 3

Should a board member move during his term in office, he is required to file a change of voter registration with the County Elections Coordinator. The voter registration record change is the only county check to determine a board member's residency per Voter Qualifications, Chapter 1, Section 2032 and 2034.

FINDING 4

If a board member's residency requirement, through litigation, is no longer met during his term, this could render all votes taken by that candidate void and possibly nullify some decisions where that vote was critical.

FINDING 5

Other than the voters of the special district, the county special fire protection district board, itself, is the only agency that can continuously verify the residency of its members.

FINDING 6

Due to board action and a resignation, the specific complaint being investigated is no longer an issue.

DETERMINATION

Residency is defined by voter registration, and being a registered voter is a requirement for fire protection district board members. If a board member moves out of the district, no county agency audit can determine if residency requirements are met if the board member does not re-register to vote at the new address. The special district board, therefore, is the only agency that can determine if board members continue to meet the requirements of office. This process has taken place, as intended, in the best interest of the citizens within the Copperopolis Fire Protection District.

RECOMMENDATION

All special districts, which have a residency requirement of its board members, should take timely action to replace a board member who no longer meets the residency requirement so the Board can remain within the state statute and not risk having its actions voided.

RESPONSE REQUESTED

No response requested.

EBBETTS PASS FIRE DISTRICT

REASON FOR INVESTIGATION

A citizen complaint was received by the 2005-2006 Grand Jury alleging violations of the Brown Act and inappropriate use of public funds by the Ebbetts Pass Fire District.

SCOPE OF INVESTIGATION

- 1) Was the Brown Act violated prior to the Ebbetts Pass Fire District's April 18, 2005 board of directors' meeting, when the pending initiative was discussed without being on the agenda?
- 2) Did a staff member violate the Brown Act by discussing the pending initiative with the board members prior to the April 18, 2005 district board meeting?
- 3) Were public funds used inappropriately when law firm services were retained for legal counsel to keep an initiative off the ballot before the initiative was certified?
- 4) Did holding a closed session to initiate litigation violate the Brown Act? Code 54956.9 (c)
- 5) Did the district overpay staff and directors' expenses?
- 6) Was the Brown Act violated by not having full packet agendas available when requested prior to the November 21, 2005 board meeting?

PROCEDURES

The Grand Jury requested and reviewed all agendas and minutes for the district for 2005, interviewed the complainant, and interviewed a district staff member. The Grand Jury listened to tapes of board meetings and reviewed budgets and financial statements, including expenses of the board. The Grand Jury reviewed district policies and procedures and the Brown Act with particular attention to sections 54952.2(b) and 54956.9(c). County Counsel was consulted by the Grand Jury.

RESULTS OF INVESTIGATION

FINDING 1

The Grand Jury found that the impending initiative was, in fact, on the April 18, 2005 agenda. There was no violation of the Brown Act.

FINDING 2

The Grand Jury found that the Brown Act was not violated by discussion of the initiative among individual directors prior to the April 18, 2005 board meeting. Code 54952.2(c)

FINDING 3

The Grand Jury, after consultation with County Counsel, determined the district violated no code by obtaining outside counsel to litigate against the initiative. It was determined there was no inappropriate use of funds.

FINDING 4

The Grand Jury, after reviewing the Brown Act, found that the district was acting appropriately in considering initiating litigation during a closed session. Code 54956.9 (c)

FINDING 5

The Grand Jury, upon review of expense reports and budgets submitted by Ebbetts Pass Fire District, has determined there was no overpayment of legitimate expenses.

FINDING 6

The Grand Jury did find a violation of the Brown Act when a full packet agenda was not available 72 hours in advance of the November 21, 2005 district board meeting.

DETERMINATION

The Ebbetts Pass Fire District appears to be in compliance with local, county, and state requirements. This is to the credit of the board, management, and staff. With the exception of a minor violation of the Brown Act regarding availability of a full packet agenda 72 hours prior to a board of directors' meeting, the Grand Jury finds this district well managed and directed.

RECOMMENDATION

The Grand Jury recommends each member of the Ebbetts Pass Fire District Board of Directors receive training on, and a copy of, the Brown Act. The Brown Act must be followed.

RESPONSE REQUESTED

Ebbetts Pass Fire District Board of Directors

FOOTHILL FIRE PROTECTION DISTRICT

REASON FOR INVESTIGATION

The Grand Jury learned Foothill Fire Protection District purchased a metal building that has been left unerected in the weather for several years. There were also numerous complaints filed during the year concerning various Brown Act violations.

BACKGROUND

Foothill Fire Protection District was formed on July 1, 2000, via a special election. It is an all-volunteer fire district. Its sphere of influence encompasses approximately 100 square miles. The governing body is five members of a Board of Directors, who were elected or appointed to office. "The stated mission of Foothill Fire Protection District is to provide fire protection and any other services related to the protection of life and property, to advance a safe district and to maintain a high quality of fire safety to the residents of the unincorporated areas of Calaveras County, including Valley Springs, Burson, Wallace, and Campo Seco."

PROCEDURES

Members of the Grand Jury attended the regular and special meetings of the Board of Directors and also interviewed the Chairman. Members of the volunteer fire fighter force were also interviewed. The Policy and Procedure Manual was received and read. Financial statements were received and reviewed. The district's building site was visited. The metal building was inspected.

RESULTS OF INVESTIGATION

FINDING 1

The Board committed violations of the Brown Act over the course of the year. These violations included not posting notices 72 hours in advance of a meeting, not holding a public meeting before and after a closed session to inform the public of its decision on related matters, and other violations that are still under investigation at this writing.

RECOMMENDATION

The Grand Jury recommends the members of this board educate themselves with the Brown Act. This can be done by attending seminars or taking advantage of county sponsored ethics training. The District should also purchase several copies and make sure each member has a copy available at all district board meetings.

RESPONSE REQUESTED

Foothill Fire Protection District

FINDING 2

For several years, Foothill Fire Protection District has been receiving tax dollars from an area to the south of Hogan Dam, accessed off of Hogan Dam road, that has not been annexed by the district. During a recent Local Agency Formation Commission (LAFCO) meeting, Jenny Lind Fire District voiced interest in annexing this area into their district.

RECOMMENDATION

The Grand Jury recommends LAFCO, the Foothill Fire Protection District, and the Jenny Lind Fire District determine the sphere of influence for each district to ensure proper fire protection for all property owners within the affected area.

RESPONSE REQUESTED

Foothill Fire Protection District
Jenny Lind Fire District
LAFCO

FINDING 3

In the course of the Grand Jury investigation, it was learned that the emergency response vehicles are poorly equipped with oxygen cylinders. When these cylinders are exhausted, a firefighter must take the empty cylinder to San Andreas to be refilled. There are no extra cylinders at the station.

RECOMMENDATION

The fact that emergency response vehicles need the proper amount of cylinders available to service the district's boundaries, and other districts to which it has a mutual aid agreement, is unquestionable. The Grand Jury recommends that Foothill Fire Protection District enter into an agreement with a local gas vendor providing a proper supply of full cylinders. When cylinders become empty, the vendor can replace them for full cylinders on, at least, a weekly basis ensuring oxygen will be available for emergency responses.

RESPONSE REQUESTED

Foothill Fire Protection District

FINDING 4

Although available for several years, Foothill Fire Protection District has yet to break ground for station #1. At this time, Foothill Fire Protection District's only station is a rented building in Valley Springs, and this building is inadequate to house the district's equipment. A majority of the district's equipment is left outside in the weather, possibly leading to unnecessary maintenance costs.

RECOMMENDATION

The Grand Jury recommends Foothill Fire Protection District's Board of Directors immediately break ground and construct Station #1 to house equipment. It is recommended this be completed by the end of 2006. The Grand Jury also recommends the District's board of directors immediately search for adequate housing for its equipment.

RESPONSE REQUESTED

Foothill Fire Protection District

SUMMARY

The Grand Jury recommends Foothill Fire Protection District Board of Directors make every effort to improve communication with the community it was formed to serve, its personnel, and with adjacent fire districts.

The results of this investigation have not been completed as of the publishing of this document. The 2005-2006 Grand Jury recommends this investigation be continued to the 2006-2007 Grand Jury.

**CALAVERAS COUNTY JAIL
AS PART OF
LAW ENFORCEMENT INFRASTRUCTURE**

REASON FOR INVESTIGATION

Penal code section 919 requires the Grand Jury inquire annually into the condition and management of public prisons located within the county.

SCOPE OF INVESTIGATION

The mandated jail investigation was enlarged to encompass the Calaveras County law enforcement infrastructure; including Sheriff's Department, Chief Probation Officer, District Attorney, and Angels Camp Police Department.

PROCEDURES

The Grand Jury made a visual investigation tour of the Calaveras County jail, located in the Government Center on Mountain Ranch Road in San Andreas, to observe conditions, staffing, and inmate control procedures. Two interviews were conducted with the County Sheriff and Undersheriff. Interviews were also held with the Angels Camp Police Chief, County District Attorney, and the County Chief Probation Officer. The Calaveras County Adult Detention Facility Needs Assessment Report (Revision #2), and the 2004-2005 Calaveras County Grand Jury Final Report were reviewed.

RESULTS OF INVESTIGATION

FINDING 1

Since the jail facility's construction in 1963, the population within Calaveras County has nearly quadrupled. The jail was originally constructed for an inmate population of 47 to serve a county residency of 11,000. With its increase in size, the jail will now house up to 65 inmates, while the population it serves has swelled to over 43,000. The county adult detention facility in San Andreas is the only county jail within the county, serving the Angels Camp Police Department as well as the Sheriff's Department.

FINDING 2

The 2004-2005 Grand Jury, the Needs Assessment Consultant, and the Sheriff's Department have judged the current jail facility not expandable as well as inadequate. The current jail is a labyrinth of corridors, passages, exits, entries, and holding areas that are in some cases remote from central control. Current jail architecture standard strives to have all holding cells be circumferential to a common observation and control station. The remote and convoluted current facility requires increased officer participation for the safety of officers as well as inmates. Several sections of the facility are not visible from the control station, and there is no way to route remote monitors through the walls to central control. In the

case of a fire, entrance and exit from some areas of the facility could become untenable.

FINDING 3

Currently there exists no “sally port” or enclosure outside the jail for moving inmates to or from the jail. This situation exposes officers as well as the public to increased risk while transporting inmates. Prisoners, although restrained during transport, pass through a wide-open area adjacent to the entire Government Center. This issue has been addressed by previous grand juries.

FINDING 4

The jail is well run and meets state and local requirements for care and feeding of inmates. The kitchen is adequate, clean, and well maintained. There are exercise areas as well as a library. However, because of general layout of the facility, officer and inmate safety require additional officer support to assure compliance. This tends to take officers from the field in order to maintain safe control within the jail.

FINDING 5

With its maximum inmate population set at 65 by the state, the jail represents the weakest link in the law enforcement infrastructure in Calaveras County. Due to the size of the jail, it is common for inmates to be released far short of their sentences. As more offenders are taken into custody, inmates must be released to maintain the 65 maximum population mandate. At this time, the jail has basically become a “felony only” facility eliminating any “shock and fright” aspect for deterring early misdemeanor crimes. Incarceration, punishment, and deterrent aspects of a jail are greatly diminished when the potential criminals know they will be released short of their sentences.

FINDING 6

The early release norm diminishes the punishment, incarceration, and deterrent aspect of jail time. Knowing little or no time will be served, more sophisticated offenders are choosing “incarceration” over fines, probation, and other sanctions.

FINDING 7

The increasing population within the county is resulting in more urban crime. Calaveras County is beginning to see epidemic increases in drug offenses and gang activity. The current jail facility has no ability to separate offenders according to gang affiliations, crime levels, or communicable diseases. The methamphetamine epidemic within the county is exacerbated by an inability to hold offenders for their full sentences. Early released offenders often go back to their previous criminal activity.

FINDING 8

Angels Camp Police Department, which must also use the county jail, has seen over a 300 percent increase in adult felony arrests from 2000 to 2004, and misdemeanor arrests are up 200 percent. Crime increases at the city level parallel those of county statistics. Per the County Probation Department Geographical statistics, the Valley Springs general area has the highest number of felony drug crimes with Angels Camp and San Andreas, second and third. According to the needs assessment statistics, adult crime is not only increasing with the population, but the ratio between population and offenders has gone from .054610 in 2000 to a projected ratio of .067033 in 2005.

FINDING 9

There are significant increases in police activity during the Calaveras Frog Jump Celebration and other special events that put a demand on crime enforcement infrastructure. These costs are born by county taxpayers. Ironically, taxpayers recently rejected an increase in the Transient Occupancy Tax, which could have reduced this burden of visitor-related stress to law enforcement infrastructure.

SUMMARY OF INVESTIGATION

As with any type of public infrastructure, a “bottleneck” or “choke point” will limit the ability of that agency to be effective. Within the law enforcement infrastructure, the choke point is the jail. With current population increases and projections based on development within the County, the law enforcement infrastructure is inadequate to meet the current or projected needs of the population. Increasing personnel within the Sheriff’s Department can only partially deter crime increases. The impact on the law enforcement infrastructure caused by population growth has been woefully ignored. State funding from grants, revenue from bonds, or tax increases are necessary in order to meet the urgent need for a new jail. We find it difficult to agree with county approvals for increased development without a plan to upgrade the infrastructures to support that growth. Under the current financial climate within state government, the likelihood of a grant for a small voting block such as Calaveras County is, at best, weak. Further delays in securing a new jail only increase the eventual cost and time needed for construction.

RECOMMENDATION

Calaveras County Board of Supervisors should immediately plan to fund a new jail facility, including taking the unpopular possibility of a bond measure to the voters. Further plans for development within the County should be curtailed pending plans to bring the law enforcement infrastructure up to a level able to support additional population density growth.

RESPONSE REQUESTED

Board of Supervisors

MURPHYS SANITARY DISTRICT

REASON FOR INVESTIGATION

Two complaints were received by the Grand Jury alleging violations of Public Trust through poor management practices within Murphys Sanitary District (MSD), including board interactions with staff and public, the day-to-day policies and procedures, and Brown Act violations.

SCOPE OF INVESTIGATION

The Grand Jury assessed the complaints and determined there was sufficient cause to conduct an investigation. The investigation was expanded to review all policies and procedures, operations of the wastewater plant, contracts with professional engineers, and contracts between some private businesses and MSD.

PROCEDURES

The Grand Jury attended numerous district board meetings. Interviews were conducted with the District General Manager and the current and past presidents of the MSD board. Documents (including agendas, minutes, budgets, contracts, and policies & procedures) were requested and reviewed. The documents were requested from both the MSD and the County Clerk's Office. The Local Agency Formation Commission (LAFCO) was consulted and provided the Grand Jury with reports. The Grand Jury met with County Counsel during the course of the investigation. The wastewater plant was inspected and staff interviewed.

RESULTS OF INVESTIGATION

FINDING 1

Violations of the Brown Act occurred. Agendas, on occasion, were unavailable 72 hours prior to board meetings. Last minute additions and deletions were made to agendas after the 72-hour deadline. Items not on the agenda were discussed and action was taken.

RECOMMENDATION

The Grand Jury recommends both board and management attend Calaveras County Ethics and Brown Act training.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 2

Although MSD has a capital improvement plan for upgrading its infrastructure, it does not have a five-year plan addressing other issues facing the district. Rate increases passed by MSD this year are intended to provide necessary capital, to not only continue operation, but also make the necessary infrastructure improvements

to allow additional hookups. With no long-term plan in place, these financial assumptions may be in question.

RECOMMENDATION

The Grand Jury recommends integrating the capital improvement plan with a long-term general plan, which will prioritize the needs of the district.

RESPONSE REQUESTED

Murphys Sanitary District Board of Directors

FINDING 3

As of the writing of this report, the Policies and Procedures Manual currently in use is out of date with current law and labor practices.

RECOMMENDATION

The Grand Jury recommends the District direct staff to finish updating the Policies and Procedures Manual.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 4

In 2002, MSD entered into two Installment Sale Agreements with the Municipal Finance Corporation to undertake improvements to its wastewater system. The first agreement, dated January 23, 2002, was in the amount of \$350,000 for the purposes of expanding Pond 4. This expansion would increase the capacity of Pond 4 from its current 49 million-gallon capacity to 68 million gallons. In addition, various upgrades to the pump house, including the replacement and upgrading of the generator and electrical panel, were included in the project. The second agreement, dated March 25, 2002, was in the amount of \$400,000 for the purposes of expansion and improvements to the District's wastewater treatment plant. The treatment plant upgrade started in 2002 is still not operating, as contracted, due to flawed design by the prior engineering firm. The new district engineer has yet to get corrections made. Thus the District is unable to meet the waste discharge requirements for MSD adopted by the California Regional Water Quality Control Board (RWQCB). In addition, the new district engineer's headquarters, now located in Eureka, makes communications difficult between the district engineer and his support staff.

RECOMMENDATION

The Grand Jury recommends a moratorium on new hookups should be instituted, until the treatment plant problems are solved and the District can meet state standards. MSD board and staff should make this issue its highest priority. New connections from pending developments will only add to the stress on the plant's ability to treat and dispose effluent.

RESPONSE REQUESTED

Murphys Sanitary District
LAFCO

FINDING 5

In the opinion of the Grand Jury, an agreement between MSD and the owners of a vineyard (defined in the contract as 'User') leaves the district exposed. Under Item #2, 'Water Quantity', the contract stipulates that, "If User needs additional water each year to meet its demand, the district agrees to cooperate with User and UPUD (Union Public Utility District) to assure passage of water through District facilities". This appears to be an open-ended obligation.

RECOMMENDATION

The Grand Jury recommends the District review the contract for liability and exposure.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 6

Currently, the User is the only entity under contract to accept the treated water discharged from MSD. Should a problem occur at the User's facility with distribution, or if the User switched to using Ag water for its facilities, the District would be unable to discharge treated water, thus creating a strain on storage capacity.

RECOMMENDATION

The Grand Jury recommends the District develop additional sources for discharge of treated water.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 7

Waste discharge requirements specified for the MSD by the RWQCB in December 2000 are out of compliance. The MSD has not been able to meet the required two-foot freeboard on its main storage reservoir (Pond 4) during the winter months and has had to discharge wastewater to the User to prevent overflows from the reservoir. The RWQCB has required MSD to prepare a hydraulic balance analysis to determine the treatment facility's ability to contain storm water and wastewater due to storm events within a 100-year recurrence interval.

RECOMMENDATION

The Grand Jury recommends the District adopt a timetable to implement the two-foot freeboard requirement of the RWQCB. This work could be done at a reasonable cost by district staff.

RESPONSE REQUESTED

Murphys Sanitary District

SUMMARY OF INVESTIGATION

The Grand Jury found no serious violations of the Public Trust. However, during the course of this investigation, violations of the Brown Act did occur and other more significant issues presented themselves.

As with all small special districts, serving on these boards is often a thankless and necessary job. The Grand Jury admires the service and dedication of these elected officials. Regardless, special districts and their boards are required to follow the law and should practice sound policies and procedures.

RECOMMENDATION

It is the opinion of the Grand Jury that MSD needs to institute current policies and procedures, institute regular training for compliance with the Brown Act, and resolve contract and engineering issues facing the District. Additional sources of effluent discharge need to be developed. Given the infrastructure upgrades in the District's future, the district is facing major tasks. A five-year plan integrated with its capital improvement plan is needed to be able to best implement its goals. The Murphy Sanitary District Board, District Engineer, District Counsel, and District Management need to work as a team to bring the facility up to state standards. Finally, with operating problems still unresolved at the wastewater plant, the Grand Jury recommends a moratorium on new hookups until the plant can meet state water standards. With so many major problems continuing to face MSD, the 2005-2006 Grand Jury recommends this investigation be continued to the 2006-2007 Grand Jury.

RESPONSE REQUESTED

Murphys Sanitary District
LAFCO

CALAVERAS COUNTY CLERK-RECORDER

REASON FOR INVESTIGATION

The Grand Jury received two complaints stating the county clerk-recorder computer system had failed on February 17, 2006, critical data had been lost, and the Board of Supervisors had not been officially notified of the failure.

SCOPE OF INVESTIGATION

Determine if the computer system had failed, if critical data had been lost, and if there is a failsafe system to assure no data can be lost in the future.

PROCEDURES

We conducted an interview with the Calaveras County Clerk-Recorder on March 7, 2006, and a follow up interview was held on April 4, 2006.

RESULTS OF INVESTIGATION

FINDING 1

An outside computer technician, hired to replace a malfunction in one of the computer system's memory drives, shut down the system in error causing a system failure in February 2006. Data on the operating system was not accessible while system repairs were being made. Eleven records stored on the tape drive backup system were also lost. Most of the data was restored, and all requests for information were honored. The remaining records were to be restored by April 14, 2006. There is no departmental procedure to notify the Board of Supervisors.

FINDING 2

The Clerk-Recorder's Office computer system is specific to that office and not shared by other departments. All data is backed up at the end of each day on a tape drive system. All recordings are further scanned and copied into a microfiche system. Original documents are kept until the procedure is completed. There appears to be adequate backup systems and procedures to assure there is no permanent loss of data.

CONCLUSION

Computer system failures are a fact of life. The Calaveras County Clerk-Recorder's Office system failure record is one of the lowest in the state. Redundant systems and procedures are adequate and effective.

RECOMMENDATION

The Board of Supervisors should be notified of computer problems that prevent records from being readily accessible. The Grand Jury requests the date the records were restored.

RESPONSE REQUESTED

County Clerk-Recorder
Board of Supervisors

CALAVERAS COUNTY SPECIAL DISTRICTS

REASON FOR REVIEW

The 2005-2006 Calaveras County Grand Jury needed a better understanding of special districts within Calaveras County for background and a starting point for current and future investigations. More than 50 percent of citizen complaints to the Grand Jury involve special districts.

PROCEDURES

Interviews were conducted with the District Attorney and County Counsel for general and specific legal support. Local Agency Formation Commission (LAFCO) meetings were attended and the administrator was interviewed. The Grand Jury attended many special district public meetings. California statutes governing special districts and LAFCO Municipal Service Reviews were researched.

RESULTS OF REVIEW

Within Calaveras County, there are 54 special districts that encompass local public services infrastructures, such as fire protection, road maintenance, lighting, recreation, and public utilities. There are eleven different types of special service districts. Some have a board of directors elected by residents within that district. In the remaining districts, the Board of Supervisors delegates administration. Funding is generally provided from property tax, and in some cases, from fees for service, as in community service districts. In concept, special districts generally provide excellent dollar value for services. Boards of Directors are mostly unpaid and make a valuable contribution to residents by providing close to the source management.

Special districts are formed to provide a specific service to those within a geographical area that has been established by the Local Agency Formation Commission (LAFCO). LAFCO determines the boundaries of a special district and approves its ability to provide that service. In Calaveras County, LAFCO has seven members; two from the Board of Supervisors, two from the City of Angels City Council, two elected from among the special district boards, and one appointed at large by the other members.

Calaveras County Special Districts and their California Statutes
California Statutes governing special districts can be accessed on the web at
www.leginfo.ca.gov

Fire Protection Districts, *Health and Safety 13800*

Altaville-Melones Fire Protection District

Copperopolis FPD

Ebbetts Pass FPD

Foothill FPD

Jenny Lind FPD

Mokelumne Hill FPD

Murphys FPD
 San Andreas FPD
 West Point FPD
 Central Calaveras Fire and Rescue Protection District
 Sanitary Districts, *Health and Safety 6400-6801*
 Mokelumne Hill Sanitary District
 Murphys SD
 San Andreas SD
 Public Utility Districts, *Public Utility 15501-17501*
 Calaveras Public Utility District
 Union PUD
 Valley Springs PUD
 Water District, *Water Code 31000-31149.1*
 Calaveras County Water District
 Recreation and Park District, Elected Board of Directors, *Public Resources 5780-5789*
 San Andreas Recreation and Park District
 Hospital District, *Health and Safety 32000-32492*
 Mark Twain Health Care District
 Veterans Memorial District, *Health and Safety 1170-1219*
 Angels Camp Veterans Memorial District
 Ebbetts Pass VMD
 Jenny Lind VMD
 Mokelumne Hill VMD
 San Andreas VMD
 West Point VMD
 Community Services Districts, *Government Code 61000-61144*
 Appaloosa Road Community Services Districts
 Circle XX CSD
 Copper Cove Rocky Road CSD
 Lynn Park Acres CSD
 Middle River CSD
 Mountain Ranch Subdivision CSD
 Saddle Creek CSD
 Three Cent Flat CSD
 Wallace CSD
 Cemetery Districts, *Health and Safety 9000-9080*
 Altaville Cemetery District
 Copperopolis CD
 Mokelumne Hill CD
 Murphys CD
 Rail Road Flat CD
 San Andreas CD
 Vallecito CD
 West Point CD

Highway Lighting Districts, Board of Supervisors, *Streets and Highways 5820*

Arnold Lighting Districts

Molelumne Hill LD

Murphys LD

San Andreas LD

Valley Springs LD

West Point LD

Community Service Agencies, Board of Supervisors, *Government Code 25210*

Sunrise Point Community Service Agencies

Rancho Calaveras CSA

Golden Hills CSD

Bar XX CSA

Diamond XX CSA

Spring Hills CSA

FINDING

Violations or alleged violations of the Brown Act (Government Code Section 54950) are the areas of greatest concern threatening special districts. Because these districts represent local governmental bodies, implementation of transparent management is critical to the public trust. The Grand Jury found numerous instances of board members who did not have knowledge of the Brown Act, its ramifications, or ignored its provisions.

RECOMMENDATION

The Grand Jury recommends all board members of special districts familiarize themselves with the Brown Act and its provisions. One of the services already offered, and to be offered again, by LAFCO or County Counsel is Brown Act training. There is written training material that has been prepared for this purpose. In addition, Brown Act training should be provided to each new Grand Jury Panel at the beginning of its term.

FINDING

Personnel issues and problems are common, and many issues can be avoided with an up-to-date comprehensive policies and procedures manual.

RECOMMENDATION

All special districts should have a current policy and procedures manual available to its personnel. All policies and procedures should be periodically reviewed and updated by either County Counsel or an outside professional human resources consultant.

FINDING

Calaveras County is undergoing rapid population expansion. As a result, special districts are facing changes and growth issues that will stress their ability to provide

services.

RECOMMENDATION

Special districts providing critical infrastructure, such as fire, sewer, water, roads, and public utilities, should have a current five-year plan to deal with growth issues and changes within the district. These districts are reviewed through a LAFCO Municipal Service Review and long-range plans reinforce this process.

SUMMARY

Calaveras County Special Districts provide some of the best services for the tax dollar in government. There is little waste and the services provided are managed close to the residents who pay for the services. The special districts should be, and are, an integral part of the planning and future of the County, as well as provide services the residents demand.

RECOMMENDATION

The Grand Jury should have a systematic process for understanding, reviewing, and overseeing special districts within the County. Audits of special districts can be reviewed by the Grand Jury in conjunction with the County Auditor and LAFCO Municipal Service Reviews (MSR). These audits and MSRs can be provided or requested by the Grand Jury in its oversight role.

RESPONSE REQUESTED

LAFCO

Calaveras County Auditor-Controller
Board of Supervisors

INTRODUCTION

Responses to prior Grand Jury Reports

Each year, the Grand Jury is charged with monitoring and reporting on responses received from agencies and public officials as a result of the previous year's recommendations and requests for response.

All respondents are provided specific criteria to follow when responding to the Grand Jury. Penal Code Section 933(c) provides requirements for response to the Grand Jury Final Report. The governing body of any public agency must respond within 90 days. The response must be addressed to the presiding Judge of the Superior Court. All elected officers or heads of agencies that are required to respond must do so within 60 days to the presiding Judge of the Superior Court with an information copy provided to the Board of Supervisors. These responses are subsequently forwarded to the current year's Grand Jury for review and follow-up.

The following is a detailed account of the follow-up work completed by this year's Grand Jury as a direct result of previous Grand Jury's requests for response.

RESPONSE FROM CHIEF PROBATION OFFICER AND AUDITOR-CONTROLLER REGARDING ACCOUNTS RECEIVABLE BALANCES

ORIGINAL RECOMMENDATION, 2002-2003

In the 2003-2004 Final Report, the Grand Jury highlighted the following unanswered request for response from the 2002-2003 Grand Jury recommendation: That the accounts receivable software be modified to provide totals each month and an aging of accounts receivable balances, and that the trust account be reconciled to the Auditor-Controller's office at least monthly.

RESPONSE, 2004-2005

In response, the County Chief Probation Officer drafted a letter dated August 4, 2004 indicating an inability to fully comply with the recommendation, as the software currently being used is somewhat out-dated and incompatible with other, more current versions of the software. The response also stated that the Probation Department lacks funds to purchase new software and that even if software were purchased and the transition made today, it would take several years before the system would be able to generate accurate accounts receivable aging reports.

GRAND JURY DETERMINATION, 2004-2005

This response is inadequate, as it reflects a continued inability to address the recommendations of the Grand Jury. Solutions must be found to resolve the issue of tracking accounting data in the Probation Department.

RESPONSE FROM AUDITOR-CONTROLLER

It is my understanding that the Chief Probation Officer has contacted his software vendor with a request to update the existing software. Another possible solution is to find a more sophisticated software package with Teeter financing.

GRAND JURY DETERMINATION, 2005-2006

Based on an interview with Chief Probation Officer, this response from the Auditor-Controller is adequate.

RESPONSE FROM PROBATION DEPARTMENT, 2005-2006

The original 2002-2003 recommendation has been implemented, and the software is in the process of being updated. Contact was made by this office, with the creator of our collections database, who agreed to make some modifications and fix the problems with the current software being used. This will allow us to print aged reports. This is not a complete solution, but a necessary step in the right direction. As mentioned previously, the RBASE software is outdated, and with ever changing State mandates we will require new software. However, the upgrades that will be made will not only allow us to extract accurate information and aid us in maintaining our collections more effectively, but will also prepare us in converting

to a new software in the future. We are in the early stages of this upgrade, with an anticipated completion by December 2005.

GRAND JURY DETERMINATION, 2005-2006

In an interview with the Chief Probation Officer, it was determined that the upgrade in software has not been completed. The Probation Department is still unable to generate the necessary reports to provide totals each month and an aging of accounts receivable balances. The Chief Probation Officer informed the Grand Jury that the upgrades to the RBASE program were on hold as they are planning on changing to a different vendor to meet its software needs. The Grand Jury was given a preview of the new software program, Revenue Results. The projected cost of the program and training for three users is \$23,000 with a cost of \$3,000 per year for upgrades. The new software will give the Probation Department the ability to track payments and send out bills. In addition, Revenue Results will allow the Probation Department access to other counties' data files since the proposed software is used in many counties throughout the state. The request for the funds for this software will go to the Board of Supervisors by the end of March 2006. This new software is expected to be online within two months of approval. A grant, which is in place now, will fund costs for needed hardware. The Grand Jury requests a status update from the Probation Department when the new software is online.

RESPONSE REQUESTED

Chief Probation Officer
Board of Supervisors

RESPONSE FROM CALAVERAS COUNTY BOARD OF SUPERVISORS AND AREA 12 AGENCY ON AGING REGARDING AREA 12 AGENCY ON AGING

ORIGINAL REASON FOR INVESTIGATION, 2003-2004

In response to a complaint alleging mismanagement of funds and embezzlement, the 2003-2004 Grand Jury investigated and reported on the Area 12 Agency on Aging (Area12). Area 12 is an organization that oversees the provisions of services to seniors in a five-county area; Alpine, Amador, Calaveras, Mariposa, and Tuolumne Counties. Area 12 is governed by a Joint Powers Agreement (JPA), which is enforced by a Governing Board made up of representatives from each of the five member counties.

FINDING 3, 2003-2004

Calaveras County had not fully met their obligation to pay for meals that were provided to seniors.

ORIGINAL RECOMMENDATION, 2003-2004

The Board of Supervisors must authorize an audit to determine amount of money owed, if any, to Area 12, and must pay any deficit or justify the non-payment.

RESPONSE

The Board of Supervisors stated that they will discuss the funds owed during the 2004-2005 fiscal year hearings, in September 2004.

SUPPLEMENTAL DATA, 2004-2005

The Grand Jury reviewed a newspaper article published in *The Record* on February 11, 2005, which reported that Calaveras County agreed to pay \$30,000.00 to Area 12 to resolve this issue.

DETERMINATION, 2004-2005

Given Area 12's acceptance of the reported settlement, it is the 2004-2005 Grand Jury determination that the obligation for response and corrective action will have been adequately met when Area 12 receives payment as agreed to by the Board of Supervisors.

ADDITIONAL RECOMMENDATION

Area 12 and the Board of Supervisors should respond to the Grand Jury regarding final payment to Area 12 of the outstanding \$30,000.00.

RESPONSE

The Board of Supervisors did in fact approve payment of \$30,000.00 to the Area 12 Agency on Aging on February 7, 2005, and payment was issued on February 17, 2005.

DETERMINATION, 2005-2006

The Grand Jury determines that the Board of Supervisors response is adequate.

ORIGINAL RECOMMENDATION, 2003-2004**FINDING 5**

Area 12 should continue the training and monitoring of service providers. Penalties should be imposed upon service providers for non-compliance with training and procedural requirements.

NOTE

In the Calaveras County Grand Jury Final Report of 2004-2005 it was noted that Area 12 had not responded to the Final Report of 2003-2004. A letter had been sent to Area 12 Agency on Aging near the end of the grand jury year of 2004-2005 requesting this response, and no response was received. Once again, a letter was written to Area 12 on February 14, 2006 informing Area 12 of Penal Code 933 ©, which states a response is required and that no response had been received. On February 21, 2006, Area 12 responded to the letter of February 14, 2006 requesting their response and stated that they had, in fact, responded to the Final Report of 2003-2004 on March 14, 2005. Since the Grand Jury had no record of this letter, a copy was sent with the February 21, 2006 letter from Area 12.

RESPONSE

Area 12 Agency on Aging has provided significant training and input to Common Ground Senior Services. Enclosed with this letter is a print out of the provider matrix that is kept on all providers. In addition, there are provider meetings, nutrition committee meetings, and Advisory Council meetings that the provider could attend and learn. There are no penalties that can be imposed. Only sanctions can be imposed. The Agency has attempted to place sanctions on providers. Just recently, last week, there was a comprehensive training attended by all providers. They were given information on what is required by law. The Area Agency has suggested that all providers work together on meeting the requirements of the federal program. We have arranged a meeting for Wednesday, March 16, 2005 to begin working with providers on meeting federal and state requirements. In addition, our Counsel attempted to set up a meeting with Common Ground to go over some of the problems that were outstanding in November/December, but that meeting did not occur.

DETERMINATION, 2005-2006

The Grand Jury determines that the response from Area 12 Agency on Aging is adequate.

ORIGINAL RECOMMENDATION, 2003-2004

FINDING 6

During the needs-assessment process and the meal-delivery process, it must be made clear to the meal recipients that they are expected to pay for the meals to the extent that they are able. Procedures for collection and recording of collection must be instituted.

ADDITIONAL RECOMMENDATION, 2004-2005

The 2004-2005 Grand Jury repeats the recommendation to Area 12 that they should develop and implement procedures for informing meal recipients that they may make contributions toward the cost of meals received to the extent they are capable and for the collection and reporting of collected contributions.

RESPONSE

Several trainings have occurred over the past three years with the Calaveras provider for training of home delivered meal assessors. Clients cannot be charged for meals, but they can donate to the extent that they are able.

We have attempted to have providers write procedures for collection and recording of donations. It was again brought to the providers attention at the training last week. We hope to work on the procedures this Wednesday, March 16, 2005.

NOTE

An Executive Director, no longer with Area 12 Agency on Aging, wrote the above response. Therefore, the 2004-2005 Calaveras County Grand Jury felt the need for a further response.

RESPONSE

Your letter requesting follow-up information regarding our letter to the Grand Jury dated March 14, 2005 has been received. The previous Executive Director left our agency in early April 2005. Our Nutrition Program Director was also out on leave at the same time. We are unable to locate any evidence that the March 14, 2005 meeting was held.

We do have records indicating that on December 16, 2005 a regularly scheduled Provider Meeting was held. The Calaveras County provider was present. The topic of donations and procedures was reviewed.

We would like you to be aware that the Older Americans Act does not allow for the recording of donations by a participant. The participants are to be given every opportunity to make donations but it is done anonymously. The word "fee" must never be used. The attached material was distributed at the December Provider Meeting. An example of the information to be posted regarding donations at

congregate sites is one of the enclosures. The other enclosure is a summary of suggestions for donations pertaining to signage/requests, and donation statements and unacceptable practices.

There are written procedures for the collection and recording of donations in the Area 12 Agency on Aging's 'Senior Meals Program Manual'. Every provider has a copy of this manual including the Calaveras County Provider. It is referred to regularly for the purposes of training and monitoring. The material in this manual was also used at the December 16, 2005 meeting.

GRAND JURY DETERMINATION, 2005-2006

The Grand Jury determines that the response from Area 12 Agency on Aging is adequate.

FINDING 7, 2003-2004

Calaveras County has been remiss in their attempts to raise funds to offset the cost of senior services.

ORIGINAL RECOMMENDATION, 2003-2004

Common Grounds should institute fund-raising programs in Calaveras County to help offset the cost of delivering meals to seniors in this County.

RESPONSE

Although there is currently no local provider in Calaveras County, and no central agency to sponsor fund-raising activities, the Board of Supervisors supports the goal of having local fund raising to help offset the cost of meals and meal delivery. No response was received from Common Grounds.

SUPPLEMENTAL DATA, 2004-2005

Common Grounds, the local provider of senior meals has since been closed.

DETERMINATION, 2004-2005

The need for fund-raising is imperative and the responsibility for fund raising for senior services should not rest with any single agency.

ADDITIONAL RECOMMENDATION, 2004-2005

The 2004-2005 Grand Jury recommends that fund raising activities in Calaveras County continue to be explored.

RESPONSE

The Board of Supervisors notes the difficulty of responding to this finding because it does not specify how the County has been "remiss" in fund-raising attempts. In general, however, the Board does not agree that it has been "remiss" in this regard.

The Board has been active in its support and, at times, constructive criticism, of the Area 12 Agency on Aging. The Board believes that participation in the Agency on Aging process is the single best method of funneling state and federal funds into the County for senior services.

In addition to Area 12 services, the County provides a range of physical, mental, and support services available to seniors as a part of the broader county population.

The Board certainly agrees that there continue to be serious unmet needs in the senior population. The Board has and will support both public and private efforts to address those needs.

DETERMINATION, 2005-2006

The Grand Jury determines the Board of Supervisor's response is reasonable and adequately meets the obligation for response.

SUPPLEMENTAL DATA, 2005-2006

Common Grounds, the local provider of senior meals, is still providing meals at various congregate sites as well as Meal on Wheels throughout Calaveras County. The meals originate from, and are cooked in, the kitchens of the senior center in Jackson, Amador County. There was never a disruption or discontinuation of the senior meals program. The only meals not prepared by Common Grounds are the meals served at the San Andreas Senior Center, which are prepared in their own kitchen.

**RESPONSE FROM CALAVERAS COUNTY ADMINISTRATIVE OFFICER AND
DIRECTOR OF HUMAN RESOURCES, AUDITOR-CONTROLLER,
TECHNOLOGY SERVICES, AND BOARD OF SUPERVISORS REGARDING
CALAVERAS COUNTY AUDIT REPORT AND BI-TECH SOFTWARE**

ORIGINAL RECOMMENDATION, 2003-2004

The full implementation of the Bi-Tech software system, the County's automated payroll and accounting software system, will address the recommendations of the County's external auditing firm, Bartig, Basler & Ray, and maximize the County's investment in the software. The County Administrative Officer and the Board of Supervisors must ensure cooperation between the Human Resources Department and the Auditor-Controller's Office and with the software developer. The Board of Supervisors should review the contract with Bi-Tech to ensure fulfillment of installation and training agreements.

RESPONSE

Calaveras County Administrative Officer's letter dated August 23, 2004, states: "The Administrative Office is committed to full implementation of the Bi-Tech Human Resources system by January 2005, after the Auditor's office completes the 2004 payroll process. With the full implementation of the new system, the Auditor-Controller should have additional time available to pursue implementation of other Bi-Tech accounting reports and departmental on-line review of financial data."

The Board of Supervisors stated in their response dated September 13, 2004, received by the Grand Jury, January 11, 2005, that they concur with the Grand Jury's recommendations and with the County Administrator's response. The Board also authorized and directed the Technology Services Director to monitor the Bi-Tech system implementation.

SUPPLEMENTAL DATA, 2004-2005

Calaveras County implemented Bi-Tech's Integrated Financial and Administrative Solution software six years ago. When the County first selected the software, generally referred to as Bi-Tech, County staff made the decision to use a variety of modules, including payroll, but decided not to utilize the Human Resource module at that time. That decision was made in part because of the recommendations of Bartig, Basler & Ray. The Board of Supervisors approved the purchase of the Human Resource module in February 2002.

The Technology Services Director is closely monitoring the integration of the functions of the Human Resources and Auditor-Controller modules of the Bi-Tech system. Human Resource personnel are being trained and weekly meetings are being held to verify progress. However, the bottom line is that full integration has not yet been successful and the Auditor-Controller's Office continues to manually edit payroll data prior to issuing County employee payroll checks.

One component for successful implementation of the Human Resources module is the need to accurately encode critically important details for almost 500 employees. The 2004-2005 Grand Jury learned in the course of the interview with County employees that the time-consuming process of inputting the large volume of personnel records is further burdened by the practice of providing free payroll services to approximately 100 non-County employees. These employees are employed either full or part time by cemetery districts, fire districts and small special district entities.

GRAND JURY DETERMINATION, 2004-2005

After having missed several targeted deadlines over the last three years, the Auditor-Controller's Office, and the Human Resources Department have failed to fully implement the Bi-Tech system. It is the Grand Jury's determination that the response does not adequately address the recommendations.

The Bi-Tech system remains only partially implemented, and it is the Grand Jury's determination that the Technology Services Director, the Auditor-Controller, the Director of Human Resources, and the County Administrative Officer continue to monitor and report progress to the Grand Jury and to the public.

RECOMMENDATION

The County Administrative Officer must continue to monitor and report progress to the Grand Jury and to the citizens of Calaveras County. In addition, the Board of Supervisors must hold the Human Resources Department, in cooperation with the Auditor-Controller, accountable for the full implementation of the Bi-Tech system.

The County Administrative Officer also should review the practice of providing free payroll services to non-County employees.

RESPONSE from County Administrative Officer and Director of Human Resources

The Administrative Office is pleased to report that on August 22, 2005, Human Resources successfully combined Bi-Tech's Human Resources Software to the existing Payroll system. The new Human Resources Software will mean a change in workflow procedures. Now all actions that affect an employee's paycheck must be turned in and processed through Human Resources instead of Payroll. Human Resources will input and process the information and forward the necessary paperwork to Payroll.

Part of the implementation process included redefining all job classifications. In the Human Resources system, positions are defined by location, job and assignment. Therefore, the current Salary Grade Table will be replaced with a new Salary Schedule and the existing Personnel Action Form will also be replaced with a new

revised format. The new Salary Schedule and Personnel Action Form will streamline the existing process.

Training with Department Heads, Timekeepers and Supervisors will be scheduled in the next couple of weeks along with issuance of the new forms to utilize.

Finally, this has been a lengthy and complex endeavor to merge systems. Human Resources, Technology Services, and the Auditor's Office have been working hard together to coordinate and consolidate human resources and payroll information.

One of the unique challenges during this implementation was the outsourcing of the Special Districts Payroll. Although the Special District employees were not the responsibility of County Human Resources the Administrative Office was able to secure an outside vendor to provide their payroll services at a minimal cost and assumed the lead project role in coordinating the information from the Auditor's Office. In addition to implementing the County's HR System we were also able to successfully transition 13 Special Districts to the outside vendors with no interruption of service.

It is important to note that the implementation is only the first step in a lengthy process to create a new HR process that will improve access for employees, increase efficiency, and modernize all aspects of our work.

RESPONSE from Auditor-Controller

Regarding the Human Resources software implementation, the Administration Office is on the verge of going live. The County has also contracted with a payroll vendor to provide payroll services for Special Districts.

RESPONSE from Technology Services

In response to your report under "Supplemental Date, 2004-2005" (page 32), as Chief Information Officer (CIO), I monitored the integration progress of the Human Resource and Auditor-Controller Payroll modules of the Bi-Tech system. The Bi-Tech system is a multifaceted program with many modules. As the CIO, I assist and support the Human Resource Director and the Auditor-Controller with these system components. It is my understanding that the Grand Jury is specifically requesting a response related to the Human Resource module implementation underway during testimony. Therefore, I have focused my response accordingly.

The implementation of the Human Resource module was a complex project. It combined the Bi-Tech Payroll Module, already in use by the County, with the later acquired Human Resource Module. During testimony, I indicated that it was anticipated that the project would "go live" (use the integrated modules to produce payroll) in June of 2005. In addition, at that time, the Grand Jury was made aware

that several pending or unforeseen issues could delay that anticipated implementation date.

However, staff continued to work diligently on this project and I am happy to report that the County “went live” on the integrated system the week of August 22, 2005. Employees received their first paychecks from the new integrated system on August 26, 2005.

As the CIO, I will continue to support and assist the Human Resource Director and the Auditor Controller with this new integrated system.

RESPONSE from the Board of Supervisors

The Board has reviewed the responses of the CAO, Human Resources Director, Auditor-Controller and Director of Technology Services (Chief Information Officer). The Board is pleased that Administration, Tech Services and Auditor- Controller have successfully implemented the Human Resources software, and that paychecks are now being issued from the new system. The Board encourages these three departments to continue working towards training Department Heads, Timekeepers and Supervisors and issuing new forms to fully integrate the system and modernize the payroll process.

The Board is also pleased that payroll for County special district employees is no longer being handled through the County’s payroll staff. The Board thanks the Administrative Office for taking the lead in this project, along with the actual implementation and ongoing monitoring by the Auditor and Treasurer’s offices, in allowing a successful transition from the Auditor’s Office to outside vendors with a minimal amount of errors and with no interruption of payroll services.

GRAND JURY DETERMINATION, 2005-2006

Upon interviewing the Auditor-Controller, the Chief Information Officer (Technology Services), County Administrative Officer, and Assistant County Administrative Officer, and after visiting both the Auditor-Controller and Human Resources departments, it is the Grand Jury’s determination not to accept any of the responses. The Grand Jury realizes the software, Bi-Tech, has an unusually steep learning curve, and also understands the payroll module and the Human Resources module were implemented in reverse order. Bi-Tech is an enterprise driven software system and had Human Resources been online first, these problems might not exist today. Bi-Tech is still not functioning as promised. As noted above, Bi-Tech’s Integrated Financial and Administrative Solution is an essential part of the County’s financial mechanism. Unfortunately, most of the original recommendations of the 2003-2004 County’s external auditing firm (Bartig, Basler & Ray) still stand and, for one reason or another, have not been able to be fully implemented. Because the Auditor-Controller’s office claims there are so many errors, they insist on the need to run two separate payrolls, (in effect, a reverse-

parallel), to check on the accuracy of the data received from Human Resources. As an example of some of the errors that occur, Human Resources is using Bi-Tech's default setting for establishing a new employee's end-date, while the Auditor-Controller's department has its own default setting. This results in a constant error rate between the two departments that could be resolved by the correct implementation of the Logging Module (a tracking software module which would show changes made in that accounting period).

Currently, the Auditor-Controller and Human Resources departments are not working as a team to problem solve the communication issues. This is in spite of the Human Resources Module now being 'live' for over eight months. The Grand Jury also finds an atmosphere of evading responsibility by all participants, which includes the Auditor-Controller, Board of Supervisors, County Administrative Officer, Human Resources Director, Technology Services Director, and finally, the vendor itself, Bi-Tech, in trying to resolve the long-standing issue of Bi-Tech integration.

RECOMMENDATION

The Grand Jury recommends it is the responsibility of both the Auditor-Controller and Human Resources, together, to make the software effective. The outside vendor Bi-Tech and the Technology Services Department, as well as both of the departments using Bi-Tech, must be proactive in getting the Logging Module properly implemented. This may include having the vendor customize a solution for the specific needs of Calaveras County. The Grand Jury realizes the software, Bi-Tech, has an unusually steep learning curve, and also understands the payroll module and the Human Resources module were implemented in reverse order. Bi-Tech is an enterprise driven software system, and had Human Resources been online first, these problems might not exist today. If needed, the Board of Supervisors should provide additional funds to resolve this issue. Both the Auditor-Controller and the Human Resources Director need to be professional, while working together to resolve the problems in a positive atmosphere, to ensure a successful implementation of this software.

RESPONSE REQUESTED

Auditor-Controller
County Administrator
Human Resources Director
Technology Services
Board of Supervisors

RESPONSES REGARDING THE CALAVERAS COUNTY AUDIT REPORT

ORIGINAL REASON FOR INVESTIGATION, 2004-2005

Section 925 of the California Penal Code states, "The Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county..." Additionally, in Calaveras County, the Grand Jury advises the Board of Supervisors in their selection of expert auditors pursuant to Section 926 of the California Penal Code.

PROCEDURES, 2004-2005

The Board of Supervisors contracted the services of the accounting firm of Bartig, Basler, & Ray (BB&R) to examine the financial statements of the County and to provide an opinion on the accuracy and reliability of these financial statements as a true reflection of the fiscal activities of the County. The Grand Jury reviewed the audit report submitted by BB&R, entitled, "*County of Calaveras Management Report for the Year Ended June 30, 2004*"; reviewed the County's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2004"; and interviewed the County Auditor-Controller, the County Administrative Officer, and the Human Resources Manager.

AUDIT FINDINGS AND RECOMMENDATIONS, 2004-2005

The following is an account of BB&R's recommendations from the *County of Calaveras Management Report, Year Ended June 30, 2004*. The 2004-2005 Grand Jury requests that all departments respond with an update of the improvements to the conditions, as recommended by BB&R.

ANIMAL CONTROL

BB&R noted that in Animal Control the same individual collects cash, issues receipts, inputs data from this transaction in the Animal Tracking system, prepares deposits, and delivers them to the County Auditor-Controller. BB&R suggests the use of a cash collections log, with pre-numbered receipts and amounts recorded for a review by management or a department supervisor prior to making the deposit, since it is impractical to separate the custody of an asset from the corresponding recordkeeping. BB&R also noted that the sequentially numbered dog licenses need to be reconciled with the total number issued and on hand. Unissued dog license tags should be kept in a secure location.

Management Response

Animal Control has limited staff, including one position that bills, collects, receipts collections and deposits collections. Furthermore, the Department's supervisor/manager position has been unfilled since August 2004.

Past Chief Deputy Director, Animal Control Response

Animal Control continues to have limited staff, including one position that bills, collects, receipts collections and deposits collections. The Office of Animal Control continues to have a vacancy in the supervisor/manager position. This position has been vacant since August 2004.

The sequentially numbered dog licenses are not reconciled with the total number issued and on hand because of limited staff and lack of supervision. However, the un-issued dog license tags are now secured in a drawer and locked at the close of business.

As of July 18, 2005, the control and management of the Office of Animal Control has been placed under the direction of the Calaveras County Sheriff's Office.

Sheriff's Response

Effective July 18, 2005 the Calaveras County Board of Supervisors directed the Sheriff's Department to assume interim control of Animal Control due to the resignation of the Agricultural Director. The Sheriff's Department is in the process of conducting a comprehensive review of Animal Control for a formal report to the Board of Supervisors. A component of that report will be operating policies and procedures.

I have reviewed the Grand Jury Audit Findings and Recommendations as they relate to the Animal Control Department and agree with the findings. A part of our report to the Board of Supervisors will be a recommendation to address this issue with the implementation of established County fiscal accounting methods.

Grand Jury Determination, 2005-2006

Animal Services is in the process of implementing BB&R's suggestions. The Grand Jury recommends that Animal Services complete the process.

Additional Response Requested, 2005-2006

Sheriff's Department

SHERIFF'S DEPARTMENT

In the Sheriff's Department, BB&R noted that the Civil Department's trust fund was not being reconciled to the balance reported each month by the County's Auditor-Controller's Office. BB&R further noted that checks received in the Sheriff's Office were not being restrictively endorsed upon receipt to reduce the risk that a check could be misappropriated without detection by management in a timely manner. BB&R recommended that the Sheriff's Department should regularly reconcile its

trust fund to the balances reported by the County Auditor-Controller and should implement the policies and procedures necessary to always restrictively endorse all checks upon receipt to prevent misappropriation of the funds.

Management Response

Civil staff has attended training regarding monthly trust fund reconciliation and are currently balancing deposits in-house daily. Further training regarding accounting/reporting software is scheduled and civil staff will conference with Auditor-Controller's office to develop a system of checks and balances.

Sheriff's Department Response

The Sheriff's Department has implemented all of the management responses related to the Grand Jury audit findings and recommendations. In addition, the civil staff in the Department have received and implemented a new civil software program that performs an automated reconciliation with the County Auditor-Controller's Office.

Grand Jury Determination, 2005-2006

The Grand Jury accepts the response from the Calaveras County Sheriff's Department as having resolved the accounting issue cited by BB&R.

Auditor-Controller's Response

Regarding the Sheriff's Department Civil Trust reconciliation, the Auditor's Office is waiting for contact from the civil staff. It is my understanding there has been staff turnover in that area of responsibility.

Grand Jury Determination, 2005-2006

The Grand Jury does not accept this response. The Auditor-Controller's office has been alerted to this problem.

Additional Recommendation, 2005-2006

The Auditor-Controller must contact the civil staff regarding the Sheriff's Department Civil Trust reconciliation and follow up with software training of its staff.

Additional Response Requested, 2005-2006

Auditor-Controller

PUBLIC ADMINISTRATOR

The following functions of the Public Administrator should require segregation for proper internal control: 1) Marshalling of cash and other items from the estates; 2) Writing checks from the individual estate's bank accounts; and, 3) Closing of the bank accounts of the estates after the funds are transferred to the County's pooled cash. BB&R suggests, "...staff from the County Auditor-Controller Office could assist with the bank account reconciliations and staff from the Sheriff's Office could

assist with marshalling of cash and other items from the estates. As another alternative, someone else could be assigned to learn how to perform these duties and to actually perform them periodically to reduce the chance of errors and fraud from occurring and not being detected in a timely manner.” BB&R pointed out the need for the Public Administrator to reconcile the ending balances of trust funds and to insure that the interest earned is properly credited to each estates’ cash balance within the trust fund. BB&R recommends that the Public Administrator should continue to explore ways of trading off with other departments within the County to achieve a higher degree of segregation of the duties and responsibilities involved in the management of the real and personal property of estates held in trust.

Management Response

All functions of the Pubic Administrator are performed with the assistance of the County Counsel’s Office. The Pubic Administrator is in the process of computerizing operations, and keeping track of estate assets is becoming much easier. The trust fund’s interest is allocated to the Public Administrator’s trust fund on a quarterly basis by the Auditor-Controller’s Office, who then distributes the lump sum to each individual estate’s cash balance.

Public Administrator’s Response

I disagree wholly with the findings. The recommendation will not be implemented because it is not warranted, explanation below:

All functions of the Public Administrator’s Office are performed with the assistance and close supervision of the County Counsel’s Office. All estates are segregated and kept in the Public Administrator’s trust fund with the Auditor’s Office. Funds are segregated using individual account numbers. The Trust Funds interest is allocated on a quarterly basis by the Auditor’s Office who then distributes the lump sum to each individuals estate cash balance.

Grand Jury Determination, 2005-2006

The Grand Jury reviewed current procedures with the County Auditor’s Office, the County Counsel’s Office, and the Public Administrator’s Office. After reviewing current policies and procedures used by the Public Administrator in the management of trust funds, the Grand Jury finds the Public Administrator adequately and properly accounts for the Public Administrator trust funds.

PUBLIC GUARDIAN

BB&R recommended that opening and routing of mail by the Public Guardian staff should be independent of reconciling and maintaining of the conservator accounts.

Management Response

All handling of Public Guardian mail begins with clerical staff where it is opened, date stamped, then distributed to the appropriate Public Guardian Deputy for further processing.

Calaveras Works and Human Services Agency Response

I agree with this finding. The recommendation was implemented in July 2004 and has been in practice since then.

Grand Jury Determination, 2005-2006

The Grand Jury has determined that the Calaveras Works and Human Services Agency has adequately responded to, and acted upon, the original recommendation.

COUNTY AIRPORT

At the County Airport, BB&R observed that one person posts payments, changes and write-offs to accounts receivable, and also collects cash, issues receipts and prepares the deposit permit. BB&R observed that the department does not have any policies and procedures for the collection and write-off of delinquent accounts receivable. BB&R recommends that incompatible duties regarding the handling of cash and the accounts receivable be segregated with others in the department. If segregation of duties is not possible because of limited staffing, BB&R recommends that management of the department periodically spot-check the collections and posting of the receipts to the accounts receivable. BB&R recommends that the department prepare written policies and procedures for collection and write-off of delinquent accounts receivable balances including the approval of account write-offs and write-downs by authorized personnel. Old balances should be reviewed periodically, and procedures should be established to make sure that delinquent accounts are paid in a timely fashion.

Management Response

Due to limited staffing at the Airport, segregation of duties is not possible. The Administrative Office will audit collections and the posting of receipts to the accounts receivable on a quarterly basis. The County Administrative Officer and County Airport Manager will prepare written policies and procedures for the handling of delinquent accounts receivable balances. These procedures will be completed and implemented no later than March 31, 2005. The Administrative Office will review old balances on a quarterly basis.

County Administrative Officer's Response

The Administrative Office concurred with this recommendation and has fully implemented the recommendations. The administrative office staff have recently audited the Airport Accounts Receivable and found it to be in full compliance with the new policies and procedures.

Grand Jury Determination, 2005-2006

The Grand Jury has determined that the obligation for response and corrective action has been adequately met.

ADMINISTRATION

In Administration, BB&R determined that the monthly reports received from NoteWorld Servicing Center, a third-party-contractor, were not reconciled to records which track the allocation of principal and interest of current loan balances for Community Development Block Grant loans receivable. BB&R also noted that the balances of these loans are not posted to the County accounting system. BB&R recommends that the County implement a policy wherein the collection department follows up on third-party billings after 30 days and posts the loan receivables to the County accounting system on a timely basis.

Management Response

The Administrative Office will work with the Auditor-Controller's office to ensure that a job ledger or similar system is set up to track Community Development Block Grant loans receivable in the County accounting system.

County Administrative Officer's Response

The Administrative Office agreed with this recommendation and is working with the Auditor-Controller to establish these receivables. Balances have been verified and full implementation is anticipated by March 1, 2006.

Grand Jury Determination, 2005-2006

In a meeting with the Auditor-Controller, BB&R, and Calaveras County Administration, it was determined that while the balances have been verified and are in the computer, they have not been reconciled, and the system is still not set up to track Community Development Block Grant loans receivable.

Response Requested

Auditor-Controller

County Administrative Officer

GRAND JURY GENERAL FINDING REGARDING FINANCIAL AUDIT, 2004-2005

BB&R's *Calaveras County Single Audit Report* gives a qualitative opinion about the reliability of our financial statements, and is based on figures supplied by the Auditor-Controller's Office.

As examples, the following data would seem to raise some questions.

Calaveras County's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004, states that vacation and compensatory time off are accrued and paid out to the employee upon termination of employment; but sick leave benefits are not paid

out to the employee upon termination of employment. The Grand Jury recommends that the County Administrative Officer, in coordination with the Auditor-Controller, should review the historical data on sick leave balances forfeited in proportion to total sick leave balance to determine what amount need not be accrued. The balance of sick leave that is eventually expensed should be accrued.

The lack of sufficient funding is often cited as preventing the adequate staffing or performance of functions within the County and yet *Calaveras County's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004*, reflects a positive fund balance for current year operations of \$3,502,026.00, and the County's equity in the County Treasurer's Investment Pool is \$60,320,498.00. The Grand Jury recommends that this condition be explained and reconciled to the citizens of Calaveras County.

Board of Supervisors' Response

The Board of Supervisors disagrees with this finding. The sick leave benefit (like the vacation and compensatory time benefits) is stated in the County's Memorandum of Understanding (MOUs) with its bargaining units, and is subject to review and negotiation at each employment contract bargaining session. The current MOUs provide that accumulated sick leave is only payable to employees who retire, so those who separate prior to retirement do forfeit any accumulated sick leave pay. Retiring employees, however, have the option of applying their accrued sick leave toward their service credits (thereby extending their time of service and increasing their retirement benefit), or collecting up to \$1500 of their accrued sick leave and applying the balance toward their service credits. This benefit is subject to negotiation with employees through their elected representatives and bargaining units, and ultimately subject to the employees' approval as they vote whether or not to accept their negotiated contracts.

The \$3,502,026 fund balance referred to in the "*Comprehensive Annual Financial Report (CAFR)*" represents the Budget to Actual variance with regard to the Road Fund. Further, the \$60,320,498 equity in the Treasurer's Investment Pool (T.I.P.) is made up of the following:

- (1) Primary Government – funds for budgeted County operations as well as designated funds, including, for example, the Land Use Trust and Solid Waste Capital Improvement Fund.
- (2) Agency Funds – undistributed monies held in non-available trust funds which act as holding accounts for refunds and interim transfers. For example, the approximately \$11 million in Homicide Trial monies for the Ng Trial.

In other words, the T.I.P. is held in trust for other agencies, limited by law to specific purposes (Solid Waste Fund is an example of this), or otherwise held in reserve for a specific use.

Grand Jury Determination, 2005-2006

The Grand Jury determines that the response from the Board of Supervisors is adequate.

**RESPONSE FROM BOARD OF SUPERVISORS AND SHERIFF'S
DEPARTMENT REGARDING CALAVERAS COUNTY
SHERIFF'S DEPARTMENT AND JAIL FACILITY**

ORIGINAL REASON FOR INVESTIGATION, 2004-2005

Penal code section 919 requires that the Grand Jury inquire annually into the condition and management of public prisons located within the County.

2004-2005 FINDING 1

The jail facility, built in 1963, was designed to house a maximum of 47 inmates. In 1960, the population of Calaveras County was 10,200. In January of 1992, a court order increased the maximum jail population to 65. The population of the County in 1990 was 31,998. The 2000 census reports the County population as 40,554. The Chamber of Commerce projects that the population in 2005 will be 43,500. The Sheriff's Office estimates an increase in population on weekends and holidays to 80,000-100,000, with an increase to 120,000 on Frog Jump weekend. The jail capacity remains at 65.

With the population growth of Calaveras County in recent years, crime has increased, including an increase of misdemeanor offenses, as it becomes widely known that little, if any, time will be spent in jail because of capacity limits. At 5:00 p.m. each day many inmates are released. Statistics indicate that early release encourages repeat offenses, as offenders know that little time will be served. Time not served in the first three and a half months of 2005 amounts to almost 18 years, with 180 inmates released prematurely due to jail over-crowding. The total unserved jail time in 2004 was 52 years. Taxpayers' money is wasted by the court's sentencing of convicted offenders to jail terms that will not be served because of the over-crowded jail. Recidivism continues to be a problem in Calaveras County.

RECOMMENDATION

The Grand Jury recommends that the citizens of Calaveras County, The Board of Supervisors, and the Sheriff's Department diligently persevere in their quest to obtain funding for the construction of new jail facilities. In the meantime, the Grand Jury believes the Board of Supervisors and the Sheriff must actively explore alternative ways of dealing with the incarceration of convicted criminals to keep our communities safe.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board agrees with this finding. The Board has reviewed Sheriff Downum's response, and notes that he has "exhausted every funding opportunity directly available to [his] office via Federal and State grants", and that local funding is now the only option. We conducted a study session to discuss possible financing of a new facility. The Board continues to support and work with the Sheriff to find a

funding source for this long overdue project. Ultimately, the solution to this funding problem will require the approval of the County voters.

GRAND JURY DETERMINATION, 2005-2006

The 2005-2006 Grand Jury determines that the response from the Board of Supervisors is inadequate and an additional effort is required to rectify this vexing problem.

ADDITIONAL RESPONSE REQUESTED

Board of Supervisors

RESPONSE FROM THE SHERIFF'S DEPARTMENT

"I agree with the Grand Jury's findings related to the current jail facility and its effect on crime in our community."

The Sheriff's Department has commissioned an update to the jail needs assessment, last completed in 2002. The updated needs assessment provides the Board of Supervisors current and projected needs for a new facility, including current costs to build a new jail.

GRAND JURY DETERMINATION, 2005-2006

The Grand Jury determines that the response from the Sheriff's Department is adequate. The Sheriff has provided an updated jail needs assessment to the Board of Supervisors.

2004-2005 FINDING 2

The intake entrance to the jail is a wide-open, unsecured area. There are many other public buildings close by, as well as a large parking lot in which someone could hide. If an inmate were to try and escape, it would put many innocent people in harm's way. This open area is also the route used by jail staff when escorting inmates to court, again causing a high-security risk to inmates as well as staff. Calaveras is the only county in California that does not have secure, indoor access from jail to court.

RECOMMENDATION

A security fence should be erected wherever necessary for the safety of staff, inmates, and the public.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board agrees with this finding. Sheriff Downum has responded that he will contact Administration to try to resolve this issue. The Board will consider a reasonable request for this construction, taking into consideration any plans for a new facility that would more adequately address this situation.

GRAND JURY DETERMINATION, 2005-2006

The 2005-2006 Grand Jury recommends the Board of Supervisors follow up with the Sheriff's Department to ensure the construction of a security fence. Since there does not seem to be a new facility coming in the near future, security is necessary for the safety of staff, inmates, and the public.

ADDITIONAL RESPONSE REQUESTED

Board of Supervisors

RESPONSE FROM THE SHERIFF'S DEPARTMENT

The Sheriff's Department agrees with this finding and recommendation related to the jail intake and inmate transportation to court. The Sheriff's Department will work with the County Administrative Officer to facilitate a solution to this long-standing security problem.

GRAND JURY DETERMINATION, 2005-2006

The 2005-2006 Grand Jury does not accept this response. The admitted "long-standing" problem is still unresolved.

ADDITIONAL RESPONSE REQUESTED

Sheriff's Department

2004-2005 FINDING 3

There was one negative finding in the Fire/Life Safety Report, regarding Section 1207.5, Article 11, California Code of Regulations, Title 15, which states, "An additional mental health screening will be performed, according to written procedures, on women who have given birth within the past year and are charged with murder or attempted murder of their infants. Such screening will be performed at intake and, if the assessment indicates postpartum psychosis, a referral for further evaluation will be made." Although a Registered Nurse examines all inmates upon intake, the Calaveras County Sheriff's Department does not have a written policy in place to meet the requirement of Section 1207.5.

RECOMMENDATION

The Grand Jury recommends that the Sheriff's Department develop, implement, and adhere to a written policy that will meet the requirements of Section 1207.5.

RESPONSE FROM THE SHERIFF'S DEPARTMENT

Calaveras County General Order 03-01, Section 100.5, Subsection B and C cover the requirements of Section 1207.5, Article 11, California Code of Regulations, Title 15. This section of the Calaveras Jail Manual was inadvertently omitted from the copy provided to the Grand Jury. Copies of General Order 03-01, Section 100.5, Subsection B and C, are attached.

GRAND JURY DETERMINATION, 2005-2006

The 2005-2006 Grand Jury determines that the response from the Sheriff's Department is adequate.

GENERAL FINDING

The Grand Jury's tour of the facility exposes, once more, several troubling issues due to the number of convicted criminals who returned to our communities without completing their sentences. There is a clear and present danger to the citizens of Calaveras County. We are concerned with the revolving door that exists due to jail over-population. The crime rate is increasing in many of our communities and, at present, neither the Sheriff's Department nor the Board of Supervisors has offered any adequate solutions.

The age of the facility has presented issues with meeting current code for public buildings. If this jail had to close or suspend service for any amount of time, current building codes would not allow us to re-open the facility and this County would be left without accommodations for adult offenders.

Currently, the inmate holding areas are not designed to accommodate officer or inmate safety. Holding cells in modern jails are equipped with viewing windows that allow for constant inmate monitoring. Our current facility has cells with blind corners requiring guards to risk personal safety in order to monitor inmates. The narrow doorways minimize the guards' ability to deal with aggressive, hostile, or violent inmates.

It is well understood that a new jail facility will present solutions to many of our current concerns; however, there is no Federal, State, or County money currently allocated for a new facility. According to the Sheriff, it will take approximately four to five years for a new facility to be completed and functional after the funding has been secured.

RECOMMENDATION

We recommend that the citizens of Calaveras County, the Board of Supervisors and the Sheriff put a high priority on the financing and building of a new jail facility. But since it is probable that a new jail will not be realized for some years, it is critical that the Supervisors and the Sheriff actively explore alternative ways of dealing with the incarceration of convicted criminals to keep our communities safe. Alternative solutions to early release may include a tent city as in Arizona, house arrest with an electronic bracelet, or contracting with other counties to absorb our over-capacity jail population.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors agrees that the current facility is inadequate. The Board has reviewed the response of Sheriff Downum and agrees with his assessment that

California law precludes us from operating jail facilities that do not meet Board of Corrections standards.

GRAND JURY DETERMINATION, 2005-2006

The 2005-2006 Grand Jury determines that the response from the Board of Supervisors is accepted, however, actions are not adequate.

RESPONSE FROM THE SHERIFF'S DEPARTMENT

The Grand Jury General Finding related to the community, staff, and inmate safety are all extremely valid. The Sheriff's Department feels that it has offered an adequate solution to the problem, which is to build a new jail. The Sheriff does not statutorily have the authority to authorize the funding needed to construct the needed jail.

The Sheriff has exhausted every funding opportunity directly available to his office via Federal and State grants. At this point in time, the only funding source for a new facility would have to come from a local source. The Board of Supervisors has had a study session dealing with different types of debt options available to them.

With the level of County growth and development, the Sheriff's Department is unable to maintain the levels of service that the current population has received in the past.

The General Finding recommendations are all currently being used with the exception of the tent city. California law and the Board of Corrections preclude the operation of tent cities for inmates. Arizona counties do not operate under the same guidelines and laws that counties in California have to operate under.

The jail currently uses every industry-recognized alternative housing method. The majority of inmates elect to do the straight jail time due to the jail cap. This is so they can complete their sentences in days rather than months.

GRAND JURY DETERMINATION, 2005-2006

The Grand Jury accepts the Sheriff's response as adequately dealing with the problem with current resources. However, the County Board of Supervisors has yet to publicly air a solution for providing law enforcement infrastructure to adequately meet the needs of a rapidly expanding population.

RESPONSE REQUESTED

Board of Supervisors

**RESPONSE FROM CALAVERAS COUNTY BOARD OF SUPERVISORS
REGARDING TOBACCO SETTLEMENT FUNDS**

ORIGINAL REASON FOR INVESTIGATION, 2004-2005

The 2004-2005 Grand Jury received a complaint against Calaveras County alleging misuse of Tobacco Settlement Funds.

FINDING

According to the Council of State Government's *State Government News* November/December 2003, "Although the original drive behind litigations that led to the Master Settlement Agreement was the financial burden of tobacco-related illnesses on state health care systems, the settlement does not specify the way the states should spend the money." In 2003, Calaveras County disbursed \$53,699.00 to several community groups.

Of the total \$1,918,104.12 received from 2000 through 2003, \$1,354,725.31 was transferred to Capital Project Funds. The balance was placed in a trust fund within the County's general fund. County financial records do not provide sufficient detail to track expenditures from the trust fund, nor are they required to do so.

The Grand Jury finds that Tobacco Settlement Funds received by the County have been used within the prerogatives empowered to the Board of Supervisors by the National Conference of State Legislators, even through less than 3% of the money was actually used for anti-tobacco school programs or other health education efforts regarding tobacco use.

RECOMMENDATION

While the County is not required to confine its use of Tobacco Settlement Funds to the reduction of tobacco-related costs, the Board of Supervisors should give special attention to the use of these funds and remain sensitive to the fact that citizens believe that these funds are being used to reduce the taxpayers' burden for tobacco-related health care.

This finding should raise questions from the citizens of Calaveras County, who in turn may effect change through continued complaints to elected officials, and ultimately through the electoral process.

RESPONSE

The Board of Supervisors disagrees with the Grand Jury's opinions regarding the most appropriate use of tobacco settlement funds. There are many legitimate demands for the limited funds available to County government. The Board has made difficult choices on the use of these funds after careful consideration of the amounts and sources of funding, the restrictions placed on the use of many of those funds, and the many demands for those funds.

2005-2006 DETERMINATION

The 2005-2006 Grand Jury determines that the response from the Board of Supervisors is adequate.

RESPONSE FROM THE CALAVERAS COUNTY BUILDING OFFICIAL REGARDING THE BUILDING DEPARTMENT

ORIGINAL REASON FOR INVESTIGATION, 2004-2005

A complaint was received against the Calaveras County Building Official and the onsite sewage septic test inspectors regarding lack of consistency in testing and in granting permits for septic systems. The complaint referred to several specific lots in the Rancho Calaveras area.

FINDING 1, 2004-2005

There is a lack of consistency in the permit process for septic systems and there may be several reasons why a septic permit may not be granted initially. The process for the onsite inspection is as follows: The landowner contracts with an engineer and requests a permit from the building department for a profile inspection by a county onsite sewage inspector. Pursuant to the initial issuing of the inspection permit, the inspector and the engineer conduct a visual inspection of three holes dug on the property to check the strata, soil type, and sewage drainage abilities of the lot.

The outcome of the inspection can be one of two scenarios:

One - The inspector and the engineer agree that the lot can sustain a standard or engineered sewage system and they agree on the type of system. At this point, the installation portion of the Permit for Individual Sewage Disposal System is completed. The Onsite Sewage Disposal Site Investigation Report is completed by the inspector and placed in the County records. The engineer informs the landowner of the outcome. The landowner is then issued a final permit for a sewage disposal system; or

Two - The County inspector determines and indicates on the Onsite Sewage Disposal Site Investigation Report that, "Conditions observed on the parcel do not appear to meet current county regulation for subsurface sewage disposal. Final determination should be provided by a private consultant based upon a more thorough investigation than provided by the department." This report may be falsely interpreted to mean that the property will never be able to support a sewage disposal system and that the value of the land is adversely affected. The report, however, only states that more work needs to be done before a final determination can be made. A landowner has the option to further employ the septic engineer to do additional tests on the lot and perhaps design an engineered, or an experimental engineered, septic plan that may meet the County regulations. Some landowners do not wish to take on the expense of further investigation, since there is a risk of the property not passing. Additionally, there may be higher costs incurred by the use of engineered or experimental septic systems.

Each of these steps, including additional inspections by the building department, requires further costs. It is often the builders that are financially able to continue the process in the hopes that the lot will eventually obtain a permit for an individual sewage disposal system. Landowners can be left with a devalued piece of property if they choose to walk away.

RECOMMENDATION, 2004-2005

The Onsite Sewage Disposal Site Investigation Report needs to be revised to more clearly reflect the status and history of the inspection. The Plot Plan Requirements packet needs to be revised to more clearly explain the septic system permit process so that the general public can understand all possible options available to them.

RESPONSE, 2005-2006

An individual who did not understand the history and technology of septic systems filed a complaint. He questioned why the installation of a septic system was denied on some parcels years ago in the Rancho Calaveras area, but today some of those same parcels have an approved septic system.

The simple answer is that when some of those parcels were inspected in the past, they were denied systems based on the regulations in place at that time. As time has evolved, technology in sewage disposal has made positive strides. County staff as well has become more knowledgeable about this new technology. The County's regulations have kept pace with the new technology and these regulations allow for the introduction of experimental systems. As these types of systems prove themselves over time, the regulations can allow them to become an "off-the-shelf" type of system to mitigate specific geographical constraints for some parcels.

Oft-times in the past, only a couple of test holes were dug on a parcel and the result of those holes revealed not enough soil suitable for a septic system. The County was contracted to only look at those holes - not to explore all realms of possibilities with the site. An ingenious owner, or potential buyer, can always come back later and contract with the County to look at other areas of the parcel to see if there are other options. This type of process occurs all the time, and sometimes the extra effort results in an area of the parcel where a system can actually be installed, and sometimes the effort is fruitless.

The Grand Jury Report made mention that the Department's Investigation Report and counter handouts should be revised, and staff will certainly revisit this issue to see if there is any room for improvement.

GRAND JURY DETERMINATION, 2005-2006

The response by the Calaveras County Building Official does not adequately meet the recommendation. The Department's Investigation Report and counter handouts need to

be revised to more clearly explain the septic system permit process so the general public can understand all possible options available to them.

ADDITIONAL RESPONSE REQUESTED

Calaveras County Building Official

FINDING 2, 2004-2005

The use of experimental engineered septic systems has become quite extensive in Calaveras County due to the rise in property values, which encourages the development of sites that would not otherwise be buildable. The issuing of permits for individual sewage disposal systems is at the sole discretion of the building official.

RECOMMENDATION, 2004-2005

Since the Building Official holds final say in the permit process, it is necessary that the policies regarding experimental systems be made available to the public. Without a source of reference, the public will have no way of determining whether consistent standards have been applied in all cases.

RESPONSE, 2005-2006

Finding #2 recommends informing the public about experimental systems. Staff makes every effort already to work with the parcel owner and their consultant about all types of systems and options. By the end of the process, the owner or contractor of record has been informed about what will actually be installed in the ground. They are also informed of the proper care and maintenance of the system.

GRAND JURY DETERMINATION, 2005-2006

The response by the Calaveras County Building Official has been adequately met.

FINDING 3, 2004-2005

Although there are many experimental system manufacturers, one company, based out-of-state, has planted itself firmly in Calaveras County by setting up training classes locally and maintaining a well orchestrated marketing campaign.

RECOMMENDATION, 2004-2005

Landowners, builders, engineers, and the Building Department need to familiarize themselves with all individual sewage disposal systems in order to facilitate choice and to allow the landowner to take advantage of all available technologies.

RESPONSE, 2005-2006

Finding #3 makes a recommendation that staff familiarize themselves with all types of septic systems. Not a month goes by where we don't get calls from new vendors wanting to have their system approved by the County. The regulations in place allow just about any type of system; provided that there is technical test data that

proves the desired outcome and that a licensed consultant designs the system. Therein lies the problem - local consultants do not want to jeopardize their licenses by designing systems they are not familiar or comfortable with. In addition, many of these new proposed systems are maintenance intensive, and we require that the homeowner be offered some type of pre-paid maintenance contract from the local provider. If the vendor is not capable of putting a process in place to provide this protection, their systems are not approved. The Department, however, is always ready to research and possibly approve proven technology.

GRAND JURY DETERMINATION, 2005-2006

The response by the Calaveras County Building Official has been adequately met.

FINDING 4, 2004-2005

It came to the attention of the Grand Jury that some staff members at the Building Department recommend specific septic engineers and installers. For example, without any investigation or soil report, Building Department staff made statements that an engineered system would be mandatory in the Valley Springs area. The Building Official was made aware of this issue and stated that the staff would be instructed to end any such practice.

RECOMMENDATION, 2004-2005

Building Department staff must remain impartial when recommending septic engineers and installers.

RESPONSE, 2005-2006

Finding #4 has been dealt with by instructing staff that they cannot make blanket statements about the types of systems required until field staff has made an investigation and filed a report for each parcel in question.

GRAND JURY DETERMINATION, 2005-2006

The response by the Calaveras County Building Official has been adequately met.

FINDING 5, 2004-2005

At the time of the March 2005 interview with the Building Official, the Grand Jury was denied access to the Policies and Procedures Manual; therefore, we were unable to determine whether the Department adheres to their own policies and procedures.

RECOMMENDATION, 2004-2005

The Building Department internal Policies and Procedures should be made available to the Grand Jury and to the public.

RESPONSE, 2005-2006

Finding #5 recommends that the Policies and Procedures Manual be provided to both the Grand Jury and the public. I was initially reluctant to make this manual

public, because I felt that unless there was a comprehensive understanding of the regulations, the Policies and Procedures could be open to mis-interpretation. I subsequently consulted with County Counsel, and he recommended that I offer the Policies and Procedures Manual to the Grand Jury Committee for review. I then sent a letter dated May 13, 2005 to the Grand Jury informing them that a copy of the entire manual was available to be picked up at my office. Rather than sending the packet in the mail, I felt that a meeting with whoever picked up the packet would be beneficial by explaining the basics and how the manual was structured. To date, that document is still in my office awaiting retrieval by the Grand Jury.

GRAND JURY DETERMINATION, 2005-2006

The 2005-2006 Grand Jury is in receipt of the Policies and Procedures Manual. The response by the Calaveras County Building Official has been adequately met.

RESPONSE FROM CALAVERAS WORKS AND HUMAN SERVICES AGENCY

ORIGINAL REASON FOR INVESTIGATION, 2004-2005

A complaint was registered against Calaveras Works and Human Services Agency (CWHSA) alleging mismanagement, conflict of interest, fraud, waste and abuse.

ORIGINAL RECOMMENDATION - COMPLAINT 3

CWHSA could use media attention to alert the public of the work they actually do, and the time employees devote to charity work within the community.

RESPONSE

CWHSA agrees with the recommendation. The Services Program Manager and the Adult Services Supervisor attended a County Welfare Director's Association sponsored training on Public Awareness and Education that focused on working with the media. An effort is being made to develop a relationship with the local newspapers to enhance the agency's visibility in the community.

ORIGINAL COMPLAINT 7

The complainant alleges the Director, Deputy Director, and Eligibility Program Manager, demonstrate bias and bigotry in selectively dealing with agency personnel. This particular complaint dealt with an employee whose record of telephone calls had been requested for review for the purpose of, as complainant states, catching him or her misusing the phones.

FINDING

The Eligibility Program Manager requested telephone records for several workers with comparable caseloads in order to make a comparison of the amount of time spent on the telephone by each worker. These records have not been reviewed, and no action has been taken against any employee.

ORIGINAL RECOMMENDATION

The Grand Jury recommends that the Director report the final outcome of this investigation to the Grand Jury.

RESPONSE

Telephone records of several employees in like positions were reviewed. It was determined there was no way to track time spent on incoming calls. Therefore, no accurate analysis could be completed. The investigation was dropped.

GRAND JURY DETERMINATION, 2005-2006

It was determined that CWHSA has adequately responded and acted upon the original recommendations.