

**Calaveras County
Grand Jury
2006-2007 Final Report**

The Honorable John E. Martin
Calaveras County Superior Court
891 Mountain Ranch Rd.
San Andreas, Ca. 95249

Dear Judge Martin:

The 2006-2007 Grand Jury herewith submits the Grand Jury Final Report to the Calaveras County Superior Court. Members of this Grand Jury during the course of the past year investigated citizens complaints, toured the county jail, conducted a county audit, issued three early reports, investigated school bus safety and student welfare, toured the county libraries, reviewed the county planning process, as well as investigating various government activities and agencies.

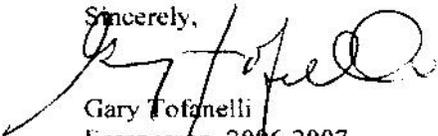
Through out the year committees reported the findings of their investigations to the entire Grand Jury for their review, who as a whole decided on a course of action. The resulting report based on those investigations, reviews, facts and inquisitions has been adopted by a quorum of at least 12 members as required by penal code 933.

The function of the Grand Jury as a watch dog of County government is a valuable tool in it provides for a system of checks and balances and a source of response to citizens complaints. In whole it allows a diverse group of citizens to monitor the effectiveness of its county agencies

I would like to thank all members of the 2006-2007 Grand Jury who unselfishly sacrificed and devoted their time and efforts to meet the obligations of a Grand Juror. In my opinion they have exceeded those obligations and I am honored to have had the pleasure of working with all of them. A special and personal thanks to Mr. Mike Garland whose tireless efforts through out the year are to be commended.

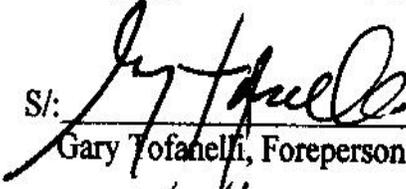
Speaking on behalf of the 2006-2007 Grand Jury, thank you to the staff of the Superior Court especially Gayle Wydner, the County Counsel Jim Jones, all County Department Heads who met with us through out the year, Karen Osborn in County Admin., and to you Judge John E. Martin for your support.

Sincerely,


Gary Tofanelli
Foreperson 2006-2007

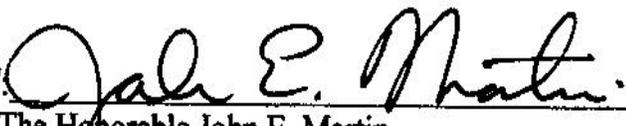
**2006-2007 GRAND JURY
FINAL REPORT**

The 2006-2007 Calaveras County Grand Jury approved this Final Report on June 1, 2007.

S/: 
Gary Tofaneli, Foreperson

Date: 6/5/07

I accept this Grand Jury Final Report for the year 2006-2007 for filing, and certify that it complies with Title V of the California Penal Code.

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

Date: 6-5-07

Any persons interested in receiving a copy of this 2006-2007 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 at all County branch libraries.

The Final Report will be available to the public on July 1, 2007 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 own 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, wrong doings, 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 website:

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.

Photographs by Robert Tarkenton
Courtesy of Kathy Zancanella, Manager Calaveras County Airport

MEMBERS OF THE 2006-2007 CALAVERAS COUNTY GRAND JURY

Gary Tofanelli, Foreperson
Mike Garland, Foreperson Pro Tem

David Berkowitz
Frank Chavez
Patsy Clark
Robert Doty
Joan Duncan
Joe Fanucchi
Robert Gilman
Barry Griffin

Tom Hanzlik
Peggy Harray
Helen Kelly
Lynda Kuykendall
John Milbridge
Robert Tarkenton
Linda Velasquez
Paul Westernoff



David Anthony
Renee Wood
Alan Gray
Robert D. Boy
Peggy Harvey
Joan Duncan
Synda Kuykendall
Dinda Velazquez
Mr. Harvey
Gary T. Cole

**2006-2007
 GRAND JURY
 FINAL REPORT**

FOOTHILL FIRE PROTECTION DISTRICT

REASON FOR INVESTIGATION

An investigation of the Foothill Fire Protection District (FFPD) was initiated by the 2005-2006 Grand Jury from citizen complaints and carried over by the 2006-2007 Grand Jury. The carryover investigation was expanded to include all phases of district operations, with an emphasis on administrative functions and completion of the new fire station in Burson (Station #1).

PROCEDURES

FFPD board meetings were attended. The FFPD Board Chairman and interim Chief were interviewed. County Council, Calaveras County Auditor/Controller, Planning and Building Department were consulted. Documents and plans were reviewed and site visits made.

RESULTS OF INVESTIGATION

FINDING 1

The new fire station at Burson has yet to be completed. The planning and procurement process has raised the following questions:

The district's original cost and scheduling plan is outdated and needs to be revised to reflect current conditions and costs. This has resulted in a disorganized approach to building the new station.

The fragmented process of letting bids for construction raises questions about bidding and final cost estimates. The bidding process should comply with the Public Contract Code. Because of pervasive ambiguities throughout the bidding process, many of the district's contractual rights may have been waived or diminished. (Civil Code §1654)

RECOMMENDATION

The Grand Jury recommends FFPD write a complete, updated cost and scheduling plan, which would allow the district board, staff, general contractor, sub-contractors, building department, and the public to be fully informed when discussing each remaining phase of building Station #1.

RESPONSE REQUESTED

FFPD Board of Directors

FINDING 2

While planning, bidding, and building Station #1 in Burson, the district failed to follow the Public Contract Code (PCC) regarding proper

procedure for soliciting and posting of construction contract bids (PCC § 20813). In addition, provisions requiring analysis of the project impact on the environment as required in the California Environmental Quality Act (CEQA) were not followed (Public Resources Code § 21000). Noncollusion Certificates were not submitted nor executed as required under § 7106 of the PCC. Public construction contracts generally include indemnification requirements (PCC § 20103.6) and the securing of performance and payment bonds (Civil Code § 2819). FFPD did not include indemnification requirements in any of the contracts executed and did not secure any performance or payment bonds.

RECOMMENDATION

The Grand Jury recommends that FFPD comply with the Public Contract Code while finishing the construction of Station #1 and with any future construction projects.

RESPONSE REQUESTED

FFPD

FINDING 3

The Grand Jury found the following administrative deficiencies:

1. An incomplete policies and procedures manual.
2. No comprehensive training plan.
3. No existing comprehensive long-range plan.
4. No Fire Chief

RECOMMENDATION

The Grand Jury recommends the district complete and implement the following:

1. An updated policy and procedures manual.
2. A comprehensive fire fighter training plan. This training plan should establish goals for the number of personnel recommended at various training levels and skills plus how to achieve these goals by December 2007.
3. A long-term plan, which should include short and long term elements. This is critical to establishing funding levels, equipment needs, staff requirements, and apparatus replacement to meet infrastructure requirements of FFPD by December 2007. In addition, the District's long-term plan should take into account, and coordinate with, the Calaveras County General Plan update.
4. Hire a Fire Chief.

RESPONSE REQUESTED

FFPD Board of Directors

FINDING 4

Station 2 is not only inadequate to house equipment and administration, but does not appear to meet county building code standards. In a site visit it was noted that a major portion of a cinder block wall was removed for a vehicle pass-through with no header and post bracing. The Grand Jury could find no record of a permit being issued to have this wall removed. This may constitute a safety hazard to the people working in the building and the public attending meetings. Further investigation revealed the initial permits for expansion of the building have not received final approval.

RECOMMENDATION

The Grand Jury recommends Station #2 be inspected by a licensed engineer. A signoff by the County Building Department must be obtained.

RESPONSE REQUESTED

FFPD Board of Directors

Calaveras County Building Department

FINDING 5

FFPD is shorthanded of volunteer fire fighters. Currently there is an insufficient number of drivers with a Class B drivers license required to operate four of the larger fire apparatus.

RECOMMENDATION

The Grand Jury recommends the district develop a recruitment and retention program with specific skills and certifications.

RESPONSE REQUESTED

FFPD Board of Directors

FINDING 6

Management and building deficiencies within the district have been exacerbated by lack of funding. Without a full time fire chief, there has been a legacy of last minute planning and personnel problems. A shoestring approach to the completion of the much-needed new Station #1 has contributed to the district's existing problems.

How well the district will serve its current and future residents will depend on the implementation of long range fiscal planning now. Although planned development and assessed valuation increases within the district can answer some of the district financial shortcomings, there may not be sufficient increases in funding for the district to catch up with projected growth and infrastructure requirements.

RECOMMENDATION

The Grand Jury recommends Foothill Fire Protection District immediately draft a financial strategic plan to meet its current and future needs, possibly by means of tax provisions afforded to special fire protection districts. An innovative approach to resolving the continuing funding issues needs to be studied, adopted, and presented to district voters.

RESPONSE REQUESTED

FFPD Board of Directors

FOOTHILL FIRE PROTECTION DISTRICT BOARD MEETINGS

EARLY PUBLICATION

Normally the Grand Jury publishes reports on investigations at the end of its term. This report is being published early because it is the opinion of this Grand Jury that its recommendations require a timely response from the Foothill Fire Protection District board of directors and the Calaveras County Sheriff.

REASON FOR INVESTIGATION

Foothill Fire Protection District (FFPD) Board meetings have become dysfunctional and unproductive due to the inability of the board to control willful interruptions during district board meetings.

BACKGROUND

State law requires the business of managing a fire district be done in public. FFPD meetings are the only opportunity the board has to complete this function. Continued disruptions and meeting closures become counterproductive to maintaining a fully functional fire district. Business of the district cannot be conducted when its meetings become overly contentious and disruptive. The California Ralph M. Brown Act provides for public input in an orderly and concise manner. Provisions of that statute must be adhered to.

FINDINGS

The Grand Jury, after attending meetings of the board over the past 12 months, observed these monthly meetings being disrupted by members of the public and/or staff. These disruptions have caused business to be delayed or not completed. Some meetings were terminated prematurely due to disruptions. On several occasions law enforcement was called to restore order.

RECOMMENDATIONS

1. The Grand Jury recommends the Foothill Board of Directors request a Calaveras County deputy sheriff be present at board meetings to help maintain order. The chairman must conduct meetings according to the published agenda including time limits. If interruptions by either the public or staff prevent business from being conducted, the chair should ask the deputy to help restore order. If order cannot be restored, the chair should request the disruptive individual or individuals be removed from the meeting. If the meeting continues to be willfully interrupted by a group or groups of individuals, then the

board will need to request the meeting room cleared and continue in session in accordance with the Brown Act.

2. The Grand Jury recommends the following written statement be handed out to all members of the public and staff at the beginning of each scheduled meeting:
 - A. This meeting of the Foothill Fire District Board of Directors will be conducted under the provisions of the Ralph M. Brown Act. (Brown Act 54950)
 - B. Members of the public and staff will be allowed to address the board on a specific agenda item when recognized by the chairman and before a vote is taken on that item. Comments will be limited to three minutes per speaker and 15 minutes per topic. Once a vote is taken that item is closed to further comment. (Brown Act 54954.3.b)
 - C. Members of the public and staff will be allowed to address the board on any topic not on the agenda at the end of the meeting. No more than 5 minutes per speaker will be allowed. (Brown Act 54954.3.a)
 - D. Should interruptions by either the public or staff prevent business from being conducted, the chair will ask order to be restored. If order is unable to be restored, then the chair will need to request the disruptive individual or individuals be removed from the meeting. If the meeting continues to be willfully interrupted by a group or groups of individuals, then the board will need to request the meeting room cleared and to continue in session. (Brown Act 54957.9)

SUMMARY

In order to regain control of its regular and special board meetings, the Grand Jury recommends the Foothill Fire Protection District Board of Directors take extraordinary steps to ensure security at its meetings by requesting law enforcement personnel to assist with maintaining order.

RESPONSE REQUESTED

Foothill Fire Protection District Board of Directors
Calaveras County Sheriff

**RESPONSES FROM FOOTHILL FIRE PROTECTION BOARD OF
DIRECTORS AND CALAVERAS COUNTY SHERIFF TO DECEMBER
20, 2006 GRAND JURY REPORT**

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RESPONSE BY FOOTHILL FIRE PROTECTION DISTRICT

The Board of Directors has received the subject Early Publication. In accordance with your recommendations, the Board has prepared a memo that will be distributed at each meeting to attending public and staff members. It is attached and forms a portion of our response. (*Exhibit B*)

The Calaveras County Sheriff's office will be contacted and provided a copy of the Early Publication to solicit and confirm their efforts that they will be able to provide on our behalf.

We appreciate the timeliness of the release of your findings that hopefully will better equip the Board with regaining control of the District's business in an orderly fashion.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury attended board meetings and interviewed the chairman of the district board to verify its response and determines the response from Foothill Fire Protection District to the December 20, 2006 Report is adequate. The Grand Jury noted the date on Exhibit B is inconsistent.

RESPONSE BY CALAVERAS COUNTY SHERIFF

On December 20, 2006 the Calaveras County Grand Jury published a Report on the Foothill Fire Protection District.

The report discussed willful interruptions by members of the public of district board meetings, and resulting unproductively. The Grand Jury recommended the Foothill Fire Protection District request the presence of a Calaveras county Deputy Sheriff at their monthly board meetings.

Due to the inability to take a deputy away from their assigned beat coverage thus reducing the response time to emergency calls for public safety it was decided that the sheriff's Office would provide a deputy to the Foothill Fire Protection District Board Meetings on an overtime basis (in accordance with the Memorandum Of Understanding between the County of Calaveras and the

Calaveras County Deputy Sheriff's Association) paid by the Foothill Fire Protection District. The Sheriff's Office has been providing this service since the Grand Jury issued its report in December 2006.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury interviewed the Calaveras County Sheriff to verify the response and determines the response from Foothill Fire Protection District to the December 20, 2006 Report is adequate.

**FOOTHILL FIRE
PROTECTION DISTRICT**

Memo

To: Members of the Public
From: The Board of Directors
Date: December 8, 2007
Subject: Meeting Conduct

All meetings of the Foothill Fire Protection District will be conducted under the provisions of the Ralph M. Brown Act (Brown Act 54950).

Members of the public and staff will be allowed to address the Board on a specific agenda item when recognized by the Chairman and before a vote is taken on that item. Comments will be limited to three (3) minutes per speaker and 15 minutes per topic. That item is closed to further comment once a vote is taken. (Brown Act 54954.3.b)

Members of the public and staff will be allowed to address the Board on any topic not on the agenda at the end of the meeting. No more than 5 minutes per speaker will be allowed. (Brown Act 54954.3.a)

Should interruptions by either the public or staff prevent business from being conducted; the Chairman will ask order to be restored. If the Chairman is unable to restore order, the Chairman will request the disruptive individual or individuals be removed from the meeting. If the meeting continues to be willfully interrupted by a group or groups of individuals, the Board will request the meeting room cleared and to continue in session. (Brown Act 549057.9)



VALLEY SPRINGS/NEW HOGAN

NEW HOGAN ANNEXATION

REASON FOR INVESTIGATION

A development, Valley Springs Estates, was proposed for annexation to the New Hogan Lake County Fire Protection Area. This raised the question of which fire protection district would provide fire protection. The County Planning Department referred the issue to the Local Agency Formation Commission (LAFCO) for a determination.

PROCEDURES

The 2006-2007 Grand Jury interviewed the LAFCO Executive Officer, Foothill (FFPD) and Jenny Lind (JLFPD) fire protection district administrative officers, and conducted a site tour. The LAFCO Municipal Service Review for fire protection districts was reviewed. The "Fire and Emergency Response Services in the New Hogan Lake Area" report, ordered by LAFCO, was reviewed. A review of County Planning and Building department records for the area was reviewed. County tax records were reviewed and the office of Auditor-Controller was interviewed.

RESULTS OF INVESTIGATION

FINDING 1

LAFCO designated the New Hogan area to be within the FFPD sphere of influence in 2000 when the County Fire Department was divided into the existing special fire protection districts. Annexation of the New Hogan area was requested by FFPD in 2006 and a waiver of LAFCO fees for this process was requested when development of a small portion of the area began. LAFCO fees were originally waived for all of the newly formed districts at the time of formation in 2000. However, in 2006, LAFCO refused to waive the \$2000 annexation fee for FFPD due to the delay in completing the process as originally planned.

FINDING 2

The fire protection portions of county property taxes from the New Hogan area have been going to FFPD. Fire protection for New Hogan area development is being provided and not in question. Annexation of the area, however, has not been completed.

FINDING 3

There is no financial incentive for annexation of New Hogan or other comparable areas by any special districts, until there is a buildup of a significant portion of the area. Development would then increase a special district's portion of the assessed valuation. It is too late for needed infrastructure planning once there is

a significant buildup of an area. Although annexation, then, becomes a financial reward, it does not assure that planning for critical infrastructure will occur.

RECOMMENDATION

The 2006-2007 Calaveras County Grand Jury recommends the Calaveras County LAFCO reconsider its procedure for annexation of the New Hogan area and other comparable areas. Either FFPD or JLFPD or both could logistically serve portions of the New Hogan area. Since FFPD has the equipment and is logistically better situated for protection at the New Hogan Dam area, it would best serve that portion of the area. However, the western portion accessed via Milton Road does not appear to logistically fit with FFPD. FFPD would literally have to drive past the JLFPD station on Milton Road to access any development or medical emergency in the area. JLFPD has within its sphere of influence the Rock Creek area, accessed via Milton Road. The County Planning Department already has a development request for this area.

The county and future residents of the un-annexed areas would be better served if LAFCO required immediate incorporation of all un-annexed areas into a fire protection district. If this does not happen, as a significant increase in density of a portion of an un-annexed area occurs, LAFCO should demand immediate annexation by the most appropriate fire protection district.

Either remedy would force fire protection districts into the planning process and better assure infrastructure needs be assessed before development can detrimentally impact an area due to a lack of critical planning review. Further, the annexation of an area could then be funded by the development rather than by a district and its current taxpayers.

There are additional un-annexed sphere of influence areas within the county. Since the county has relinquished its long-term fire protection infrastructure planning to the various districts, it is incumbent on these special districts to plan for growth in their areas and to annex their areas when appropriate. County and special district planning must be coordinated to assure infrastructure requirements are planned for and implemented with growth.

RESPONSE REQUESTED

LAFCO

Planning Department

Board of Supervisors

Foothill Fire Protection District

Jenny Lind Fire Protection District

MURPHYS SANITARY DISTRICT

REASON FOR INVESTIGATION

The current Grand Jury elected to investigate Murphys Sanitary District (MSD) based on unresolved issues in the 2005-2006 Grand Jury report and complaints alleging disorganized management and its inability to deal with critical issues facing the district both the short and long term.

PROCEDURES

The Grand Jury interviewed past and present district engineers, District Counsel, and district management. In addition, County Counsel was consulted. A private party with an ongoing contract to accept treated effluent with the district was interviewed. Relevant documents were requested and reviewed. The California Regional Water Quality Control Board (RWQCB) was consulted. Site visits were made to the wastewater treatment plants in both Murphys and Angels Camp.

RESULTS OF INVESTIGATION

FINDING 1

The District has a Capital Improvement Plan (CIP) to address long-term infrastructure issues; the District still does not have a plan in place to address district-wide future needs.

RECOMMENDATION

The District should develop a 10-year plan separate from the CIP. This plan should address future population growth, current treatment plant issues, needs for additional sources of discharge, and probable plant upgrades to deal with anticipated state wastewater standards that are becoming more stringent.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 2

While conducting interviews with district and plant management, the Grand Jury learned two separate policies and procedures manuals (aka operations manuals) exist. One manual contains policies and procedures regarding operation of the wastewater treatment plant while the other is for the pump station (headworks). These two manuals are dated 2000 and 2002 respectively and are out of date. Contact personnel and contact phone numbers are incorrect. Although a new employee handbook, dealing with personnel issues within the district, was adopted in 2006, a comprehensive, combined policies and procedures manual has yet to be written by district management and adopted by the board of directors. The CIP and employee handbook do not adequately

address the specifics of day-to-day operations, job definitions, emergency procedures, etc.

RECOMMENDATION

The Grand Jury recommends the district write and adopt a comprehensive policies and procedures manual by January of 2008. A policies and procedures manual must be separate from any other document such as the CIP or the Employee Handbook. Due to the limited number of operation and maintenance personnel and the high turnover rate, an up-to-date policies and procedures manual is essential.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 3

The wastewater treatment plant was upgraded in 2002-2003. Originally intended to operate in an automatic mode, the plant still has to be run manually because the upgrade was not completed as originally specified. According to the district engineer, he has received no direction from the district Board to rectify this deficiency.

RECOMMENDATION

The Grand Jury recommends the Board immediately upgrade the wastewater treatment plant to operate in automatic mode to produce either tertiary or secondary disinfected effluent. This is a decision that has been debated by the board for more than a year and needs immediate resolution.

RESPONSE REQUESTED

Murphys Sanitary District Board of Directors

FINDING 4

The Grand Jury finds that little or no progress has been made on obtaining additional sources of discharge. This problem has been known and studied for a number of years without being resolved.

RECOMMENDATION

The Grand Jury recommends the district enter into immediate discussions with owners of sources for discharge with the goal of obtaining at least one additional source no later than the end of 2007. The district should also join other local public utilities such as Calaveras County Water District and Union Public Utility District to investigate additional long-range solutions such as regionalization. Another option would be to join with the “private party” and request the

RWQCB modify the new license to be a 'Master Reclamation Permit' in conjunction with MSD. This option would enable MSD to take advantage of other sources of discharge with a minimum amount of permit process time.

RESPONSE REQUESTED

Murphys Sanitary District
Union Public Utility District
Calaveras County Water District

FINDING 5

The district received a Notice of Violation (NoV) from the CRWQCB in January 2007 identifying violations from 2005 and 2006. Correction of the NoV is very expensive and time consuming. Since the district has a part-time manager it has limited resources to deal with the NoV.

RECOMMENDATION

The Grand Jury recommends the district hire a full-time manager until all issues cited in the NoV are properly addressed to the CRWQCB's satisfaction.

RESPONSE REQUESTED

Murphys Sanitary District Board of Directors

FINDING 6

Minutes of previous board meetings are being approved only when board members who attended those meetings are in attendance. No board action was made regarding this process. Minutes are often approved in batches at board meetings, and some are two to three months old.

RECOMMEDATION

The Grand Jury recommends minutes of previous meetings be approved at the following regular board meeting. Waiting to approve minutes does not improve accuracy and risks minutes never being approved in cases of illness or board vacancies.

RESPONSE REQUESTED

Murphys Sanitary District Board of Directors

FINDING 7

On most agendas for regular meetings the board indicated that it would go into closed session to discuss pending litigation. There is no pending litigation.

RECOMMENDATION

The Grand Jury recommends that where the agendas state that the closed sessions are for discussion of pending litigation, the wording be changed to *possible* litigation.

RESPONSE

Murphys Sanitary District Board of Directors

SUMMARY

The MSD has a large number of critical issues facing it in the very near term. Management reorganization will help resolve some procedural issues but the board needs to address funding, infrastructure, discharge, and additional capacity as well. An early report dealing with emergency spill reporting procedures and violations was published mid-term and is included elsewhere in the final report. The district has run out of time to deal with most of these issues piecemeal and will need a short term plan to guide it within ninety days. Conservation is a partial solution that has yet to be promoted by the district with its ratepayers. High staff turnover leaves the district relying on an inadequate number of qualified staff to operate the wastewater treatment plant.

RECOMMENDATION

The Grand Jury recommends a moratorium on new hookups, as recommended by last year's Grand Jury, immediately be instituted until:

1. The treatment plant can operate continuously in automatic mode.
2. The NoV has been dealt with to the satisfaction of the CRWQCB.
3. An alternate source of discharge has been obtained.
4. A comprehensive emergency policy is written to include duties of all personnel and an accurate reporting policy. Copies of the emergency policy should follow both state and county reporting guidelines, be posted in all offices and plants, and be given to all district personnel including members of the board after having been reviewed and adopted by the district board.

The Grand Jury also recommends:

- A. The district reorganize its management policy and procedures, including the hiring of a full time district manager. The district also institute a hiring and training program, including pay adjustments where appropriate, to reduce high staff turnover.
- B. A comprehensive policies and procedures manual be drafted and adopted by December 2007 that spells out all functions necessary for normal plant operation, special procedures that may be required from

time to time, and emergency procedures including accurate and lawful reporting methods.

- C. Long range planning be implemented, including a comprehensive district wide plan to deal with short term and long-range goals.
- D. Innovative funding solutions need to be explored due to the need for a large number of infrastructure requirements necessary within the next five years, and could include bonding arrangements with potential developers, grants from federal and state resources, and assessment districts where needed.
- E. With an eye on the limited capacity of the wastewater treatment facility, the district should promote an aggressive district wide water conservation policy in conjunction with UPUD.

RESPONSE

Murphys Sanitary District Board of Directors
Union Public Utilities District



MURPHYS SANITARY DISTRICT PLANT

MURPHYS SANITARY DISTRICT SPILL

REASON FOR INVESTIGATION

It came to the attention of the Calaveras County Grand Jury that a Notice of Violation (NoV) was issued to Murphys Sanitary District (MSD) by the California Regional Water Quality Control Board (CRWQCB). The NoV contained reference to a spill of approximately 150,000 gallons of raw sewage into Angels Creek (aka Murphys Creek) in Murphys over the weekend of November 26th and 27th 2006. Angels Creek is a source of drinking water for the City of Angels. The Grand Jury learned that the spill was not reported to the Governor's Office of Emergency Services (OES) as required by law. (Proposition 65 - Safe Drinking Water and Toxic enforcement Act of 1986, and §9030 of the California Labor Code.)

PROCEDURES

The Grand Jury contacted and interviewed the Calaveras County Department of Environmental Health, Calaveras County Department of Public Health, and MSD. Documents from the CRWQCB, OES, MSD, Calaveras County Environmental Health Department (EH) and City of Angels Wastewater Treatment plant were reviewed. The California Department of Fish and Game was contacted by phone to confirm the findings.

RESULTS OF INVESTIGATION

FINDING 1

The first call made by MSD to report the spill was inadvertently made to the U.S. Environmental Protection Agency and not to OES. As a result, OES, in charge of disseminating information about the spill to all state and local agencies, has never been able to inform local agencies of the spill. A call to the City of Angels wastewater treatment plant was made by MSD notifying the treatment plant of the spill of raw sewage into Angels Creek. A call and fax reporting the spill was made by MSD to the CRWQCB. As of the writing of this report OES still has no record of being notified.

RECOMMENDATION

The Calaveras County Grand Jury recommends MSD adopt and follow procedures for reporting as specified on the OES Website at www.oes.ca.gov titled 'FACT SHEET - Reporting Sewage Releases' dated July 2006. California Water Code §13271, *et seq.* and California Health and Safety Code §5411, *et seq.*

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 2

Media notification and Public Posting of sewage spills in excess of 1000 gallons is required by order of the Calaveras County Health Officer in compliance with §13271 of the California Water Code. A 'Memorandum', dated March of 1999, from the Calaveras County Health Officer was sent via certified mail to all County sanitary districts specifying procedures for notification, public and media. The spill of raw sewage into Angels Creek, November 26 and 27, 2006 received no public posting or media notification from MSD.

RECOMMENDATION

The Grand Jury recommends the district prepare public notification and media releases in advance, so when spills occur, all notification procedures will be followed according to the law. This includes having laminated spill posters prepared and forms for the media notification.

RESPONSE REQUESTED

Murphys Sanitary District

FINDING 3

The spill occurred over a weekend and was discovered early Monday, November 27th 2006. When MSD staff first reported the spill to the Calaveras County Environmental Health Department, a message reporting the spill was left on the department's voice mail because the office had not yet opened. Once the message was heard, the department did not follow up, because the department did not have an internal follow up policy in place to be sure the spill was receiving all necessary attention.

RECOMMENDATION

The Grand Jury recommends the County Environmental Health Department institute a policy to follow up on all voice mails indicating spills in excess of 1000 gallons. In addition, the Grand Jury recommends the voice mail message direct callers to 911 to report emergency spills after hours and when the department is closed. (Proposition 65 - Safe Drinking Water and Toxic Enforcement Act of 1986)

RESPONSE REQUESTED

Calaveras County Department of Environmental Health

SUMMARY

MSD currently uses three documents to guide its operations: 1) An employee handbook, dated October 2006; 2) A document titled 'Ordinance #2', dated September 2006, which details rules and procedures for dealing with ratepayer hookups; 3) A Capital Improvement Program (CIP), dated February 2006, describing both short and

long range infrastructure plans. None of these documents comprise a comprehensive policies and procedure manual for dealing with the day-to-day operation of the district, the wastewater treatment plant, and contingences for emergency reporting. As a result, neither the public, nor the media and some required agencies received notification of this large spill of raw sewage into Angels Creek.

RECOMMENDATION

The district should immediately draft and adopt a comprehensive policy on emergency procedures with required actions spelled out in detail so whoever is on duty at the plant will be able to notify proper authorities as prescribed by law. The district should also conduct immediate training for all plant personnel on these procedures. Notification forms, public posting signs and media notifications should be prepared and on hand. The Grand Jury also recommends MSD start drafting a comprehensive policy and procedures manual, with a goal of having the manual complete and adopted by the Board of Directors by year end.

RESPONSE REQUESTED

Murphys Sanitary District



CALAVERAS COUNTY GOVERNMENT CENTER

CALAVERAS 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...".

PROCEDURES

The outside auditing 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 June 30, 2006. As a normal function of this audit, BB&R submitted a document entitled, "*County of Calaveras Management Report for the Year Ended June 30, 2006,*" (*Management Report*) to all County Departments. It is the responsibility of the departments, where named in the *Management Report*, to provide a written response to recommendations within 60 days and prior to final publication of *Management Report*. The Grand Jury reviewed the *Management Report* along with the Calaveras County's "*Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2006.*" County Auditor-Controller, Sheriff's Department Animal Control Officer, and the County Administrative Officer were interviewed to verify findings and recommendations.

AUDIT FINDINGS & RECOMMENDATIONS

AUDITOR-CONTROLLER

Financial Statement Preparation, Staffing And Turnover

BB&R cited "problems with excessive workload of the accounting staff". This condition exists in part because one individual is given the task of preparing the County financial statement, along with other daily accounting duties. The report recommends the Auditor-Controller recruit additional staff and cross-train existing staff where appropriate.

Management Response

The Auditor-Controller concurs with the recommendation and will propose a process to rectify the condition through an office reorganization and hiring plan.

Recommendation

The Grand Jury recommends the Auditor-Controller recruit and retain additional qualified staff to more efficiently manage the workload. Additionally, the Grand Jury recommends departmental cross training.

Response Requested
Auditor-Controller

ANIMAL CONTROL

Segregation Of Duties

BB&R noted the same person collecting payments was also posting deposits into the department accounting system. An alternative control would be to require supervisory personnel to review daily collections.

Management Response

A log to track collections has been implemented and reviewed by a supervisor on a monthly basis with plans to review the new log weekly in the future.

Grand Jury Recommendation

The Grand Jury recommends weekly supervisory review of collections and deposits be instituted by August 1,2007.

Response Requested

Calaveras County Sheriff

Accounts Receivable – Two Systems

With the implementation of Chameleon software, the department was using two computer systems to manage customer receipts, accounts receivable, and invoices. The redundant systems pose a threat of errors in accounting.

Management Response

Effective December 31, 2006, the department transferred all customer accounts to the Chameleon software system and eliminated the redundancy.

Response Requested

The Grand Jury has verified management's response. No additional response requested.

Accounts Receivable

The department's accounting software does not produce an aging report showing outstanding receivables and delinquency. The report recommends using a Chameleon software feature, "Crystal Reports", to remedy this deficiency.

Management Response

The department reported the “Crystal Reports” software has been installed but training in the use of the software had yet to be given to staff.

Grand Jury Recommendation

The Grand Jury recommends training in use of the software be completed by August 1, 2007.

Response Requested

Calaveras County Sheriff

Tracking For Non-Computer Issued Receipts

Animal control officers were collecting fees in the field using a receipt book, but not using a central log.

Management Response

The department is no longer collecting fees from customers in the field.

Grand Jury Recommendation

The Grand Jury finds the management response adequate.

Restrictive Endorsement Of Receipts

The management report noted the department was not restrictively endorsing checks when received.

Management Response

All staff within the department is now restrictively endorsing all checks when received.

Grand Jury Recommendation

The Grand Jury finds the management response adequate.

Lockbox Key

The report noted the key to the lockbox for cash held pending deposit was kept near the lockbox.

Management Response

All cash, excepting up to \$35 for change, is kept inside the safe pending deposit.

Grand Jury Recommendation

The Grand Jury finds the management response adequate.

**CALAVERAS COUNTY BUILDING DEPARTMENT LAND USE
TRUST FUND**

REASON FOR INVESTIGATION

The Grand Jury received a complaint alleging Calaveras County had misappropriated Building Department generated funds to the General Fund and not to the Building Department as specified by California State Health and Safety Code Section §17951.

PROCEDURES

The Grand Jury interviewed Director of Community Development, Principal Administrative Analyst, County Counsel, and Auditor/Controller. Reviewed were the California Health and Safety Code §17951, and Board of Supervisors Resolutions 04-235 and 90-356.

RESULTS OF INVESTIGATION

FINDING 1

The 1990 & 2004 Board of Supervisors resolutions, 90-356 & 04-235, addressing Building Department revenue and appropriation by the establishment of a Land Use Department Trust Fund are not strictly in compliance with California Health and Safety Code §17951.

FINDING 2

California Health and Safety Code §17951 (c) states “The amount of the fees prescribed pursuant to subdivisions (a) and (b) shall not exceed the amount reasonably required to administer or process these permits... and shall not be levied for general revenue purposes”. Fees collected, which exceed expenditures, can be carried over to the next fiscal year but are to be allocated only to the Building Department. The intent of the code is to prevent additional taxation when fees are collected and used for purposes other than to fund Building Department operations.

Through the Supervisors resolution of 1990, 90-356, the Land Use Trust Fund could be used to “fund various expenditures associated with the operations of the Surveyor, Planning, Building and Environmental Health Departments”, as well as the Building Department, in violation of California Health and Safety Code §17951.

FINDING 3

In 2004 the Board passed Resolution 04-235 which amended 90-356, effectively allowing funds which had been deposited only into the Land Use Trust Fund to go into the General Fund. The amendment was a violation of the California Health and Safety Code §17951.

FINDING 4

In 2006 at the behest of the Director of Community Planning, the County Administrator's Office began drafting a resolution intended to bring the funding process into compliance with California Health and Safety Code §17951. The resolution is expected to be presented to the Supervisors before the end of the 2006-2007 fiscal year.

In addition, the Administrator's office has the task of researching budgets since 1996 to determine funds which should be returned to the Building Department budget. This research is to include the establishment of all Building Department costs not charged in the budget. An accounting standard, A87 charges, allows for recovery of indirect costs not originally included in department budgets.

RECOMMENDATION

The Calaveras County Grand Jury recommends the Board of Supervisors adopt a resolution which will place any and all funds generated in excess of costs directly back into the Building Department budget for the new fiscal year to bring county accounting practices into full compliance with California Health and Safety Code §17951.

RESPONSE REQUESTED

Calaveras County Board of Supervisors
Calaveras County Counsel
Calaveras County Auditor/Controller
Calaveras County Administrator

CALAVERAS COUNTY GENERAL PLAN UPDATE

REASON FOR INVESTIGATION

In 2006 the Calaveras County Board of Supervisors (BOS) initiated an update to the Calaveras County General Plan. California law requires each county and city to adopt a general plan for its future development (Government Code §65300). The Calaveras County Grand Jury selected the Calaveras County General Plan revision and update process for review as a part of its oversight function.

PROCEDURES

The Grand Jury interviewed BOS members, County Director of Community Development, County Planning Department, Calaveras County Water Department (CCWD) Manager, special district board members, and Local Agency Formation Commission Manager. Reviewed current General Plan, Community Development Agency (CDA) update plan, and planning consultant work program. Attended the BOS General Plan update and moratorium meetings.

RESULTS OF INVESTIGATION

FINDING 1

The current General Plan, adopted in 1996, does not meet the statutory requirements of the state Government Code. California requires each county and city to adopt a general plan for its future development (Government Code §65300). In 2006, the BOS decided to initiate a General Plan update. The plan update is anticipated to take two to three years; during that time a quasi-moratorium is in place to curtail certain types of development.

FINDING 2

At this time within the County there are two general viewpoints regarding the proposed General Plan:

- 1.) A community vision to guide decisions about development and land use.
- 2.) A State mandated, legally defensible document of land use restrictions.

Both viewpoints are incorporated within the proposal submitted by contracted planning consultants, Mintier and Associates (Mintier).

FINDING 3

Costs to the county for the update have been estimated to be \$1,350,000, which includes the estimated consultant fee of \$1,000,000. This estimate is most likely unrealistic since real costs for the update do not tabulate all of the direct and

indirect costs to all of the county agencies involved in the process. Cost estimates also do not include overruns generated by possible litigation.

FINDING 4

After reviewing the work plan proposed by CDA and Mintier, the Grand Jury concludes that ample consideration for land use planning has been given to the Calaveras County general public. Input regarding the general vision for planning as well as specific input by special interest groups and individuals is part of the Public Input sections of the draft.

FINDING 5

Special interest requests have already come to the BOS during the kickoff meeting with the public. Two basic approaches to the update process are planning either from the general to specific or from specific to the general. Working from the general to specific (community and special interest planning) is the approach represented by Option 2 work plan supported by the CDA.

SUMMARY

Community development as represented by the General Plan is a lengthy and contentious process. It is the opinion of the Grand Jury that the public would be better served with a General Plan starting from a general overall vision and moving to specific community planning. Delays created by planning starting with specific and local needs can cause significant delays and therefore increased costs to the citizens.

Obtaining public input on a vision for the county general plan is planned during the public comment process. That overall vision statement is currently lacking in the current General Plan draft. Vision is a generalized statement regarding land use and future of the county. Specifics of the plan can grow out of a general vision.

RECOMMENDATION

The Grand Jury recommends the BOS adopt and support Option 2 of Mintier and Associates and proceed with the County General Plan update in a timely and comprehensive manner. Public comment regarding a vision for county needs to be sought and reflected in the outcome. The Grand Jury further recommends the process and progress be monitored by future Grand Juries to assure individual community plans are reflected in the final document.

RESPONSE REQUESTED

Calaveras County Community Development Agency
Calaveras County Board of Supervisors

CALAVERAS COUNTY DEVELOPMENT PLANNING PROCESS

REASON FOR INVESTIGATION

The Grand Jury received several complaints citing the County Planning, Building, and special districts with inconsistencies and irregularities in development plan approval processes.

PROCEDURES

Interviewed the County Director of Community Development, County Planning Director, Calaveras County Water District (CCWD) Manager, and special district board members, and Local Agency Formation Commission Manager (LAFCO). Reviewed Draft Agency Proposal, application process (Exhibit A).

RESULTS OF INVESTIGATION

FINDING 1

The 14 step application process being refined and proposed (Exhibit A) by the Community Development Agency (CDA) appears to have instituted key steps in an effort to resolve misconnects which may have developed during the process in the past. Those steps involve infrastructure and service aspects of a development.

FINDING 2

The Pre-application meeting (step 2, Exhibit A) between the developer and county planning staff is intended to assist in the completion of the application, to expedite the process and issues, which might arise on the application itself. It does not imply acceptance, merely to resolve questions in the application process.

FINDING 3

After a site visit by the Planning Department and the application is deemed complete for processing (step 4 and 5 Exhibit A), the recently added Technical Advisory Committee (TAC) meeting (step 6 Exhibit A) is to be held. The purpose for adding the TAC meeting is to bring all “impacted/involved” agencies and special districts together with the developer in order to identify and discuss all aspects of the plan on the infrastructure. “Only County” agencies are required to be present.

FINDING 4

The remaining steps 7 through 14 complete the process with public input included in Planning Commission and Board of Supervisor reviews, steps 13 and 14.

SUMMARY

In general, the process as being proposed by the Community Development Agency appears to streamline the application process with several refinements. If actual positive results come from the innovative step 6 TAC meeting, many past problems of infrastructure and service district misconnects could be resolved.

The process requests “impacted/involved” agencies attend the meeting but further states only county agencies are required to attend TAC meetings. Infrastructure and service district input is critical to orderly development. Inadequate long term planning by service districts can be illuminated through this process.

RECOMMENDATION

While the process proposal appears to have met the “streamlining and simplifying” goals, the Grand Jury believes infrastructure and service district input is still lacking in the process. The TAC meeting step should include review by all impacted/involved special districts *within* the county, not *just* County agencies. Impact of development on infrastructure such as roads, schools, and even law enforcement must also be considered and adequate long term planning by all special districts within the county be required. The Grand Jury recommends these infrastructure consideration steps be strengthened and the Board of Supervisors adopt the procedure.

RESPONSE REQUESTED

Calaveras County Community Development Agency
Calaveras County Board of Supervisors

<p>1. Pre-Application- Could be a phone call just to verify their zoning or a drop in at the counter. Review if general plan/zoning change and/or use permits are required for the use.</p> <p>a. Non discretionary permit – entitled project under zoning</p> <p>b. Discretionary use permit – needs some sort of conditions to be met.</p>
<p>2. Pre-Application meeting – Planner meets with applicant to discuss the project; may include Planning Director or Community Development Director. Planner will assist the applicant with preliminary information needed to fill out application, then it is given to applicant to identify additional needs and complete remaining items prior to coming in with the completed application. Planner will help identify which items need to be submitted with the application and which can be submitted after application.</p>
<p>3. Application submitted – Stamped as received, but not considered complete until additional review is completed.</p>
<p>4. Planning site visit – Completed by the same planner from the pre-application meeting to make sure everything on the application and plans is reflected on site. Identify any environmental issues.</p>
<p>5. Application accepted as complete. County has thirty days to deem complete for processing, beginning the date application is submitted and fees are paid. (Government Code Section 65920)</p>
<p>6. Technical Advisory meeting – To bring impacted/involved agencies together to identify and discuss all issues. Potential participants include Planning, Building, Public Works, CDF, Environmental Health, Water District, Sewer District, Fire Districts, Fish & Game, and Army Corp. Only County agencies will be required to be there.</p>
<p>7. Applicant commissions additional studies. Based on results of staff and technical advisory meeting.</p>
<p>8. Initial agency circulation of project – Notification sent out to all agencies involved letting them know about project and giving them the opportunity to comment on proposed environmental review.</p>
<p>9. Initial comments received & additional studies approved.</p>
<p>10. Preparation of Negative Declaration, Mitigated Negative Declaration or Environmental Impact Report.</p>
<p>11. Public circulation of environmental documents - Circulated to agencies and the public; publish a public notice.</p>
<p>12. Staff report prepared. Report includes project and environmental documents, and a recommendation of approval or denial.</p>
<p>13. Planning Commission – Reviews public records and takes public testimony. Basis of decision/recommendation has to be based upon substantial facts.</p>
<p>14. Board of Supervisors – Additional step required for general plan changes, zoning changes & ordinance changes. Final approval.</p>

CALAVERAS COUNTY JAIL

REASON FOR INVESTIGATION

In accordance with Penal Code Section 919 (b), the 2006/2007 Grand Jury shall inquire into the condition and management of public prisons within the county.

SCOPE OF INVESTIGATION

The investigation focused primarily on the jail, condition of confinement, daily operation, staffing, and the safety and security of staff and inmates.

PROCEDURES

The Grand Jury conducted a physical inspection of the Calaveras County Jail, located in the Government Center adjacent to the Calaveras County Superior Court in San Andreas. The Grand Jury observed the performance of duties by staff and the inter-action of staff and inmates as well as physical conditions of the facility.

The County Sheriff, Under-sheriff, custodial staff, support staff, Calaveras Air Pollution Control Officer, Inspector for the Environmental Management Agency, representatives of the Calaveras Public Health Department, and some inmates were interviewed.

The 2006 *Local Detention Facility Health Inspection Report*, Fire /Life Safety Inspection Report, Fire Inspection Report training logs, the Calaveras County Sheriff's Department inmate discipline reports, inmate grievances/complaints, and 2005/2006 Calaveras County Grand Jury final report were reviewed.

RESULTS OF INVESTIGATION

FINDING 1

The jail itself continues to be inadequate and obsolete due to the increase in crime. The jail was constructed in the early 1960's to house an inmate population of 47. The crime rate of Calaveras County continues to grow at a rapid pace with no expansion feasible within the existing jail structure. A court order mandates the capacity of the jail not to exceed 65 inmates. As a result, some inmates are periodically released on a case-by-case basis, taking into consideration public safety prior to the completion of their respective jail terms.

It is further noted that this adult jail facility in San Andreas is the only jail within the county serving City of Angels Police Department, the Sheriff's Department as well as the local arrests initiated by the California Highway Patrol, Department of Fish and Game, and other State and Federal agencies.

FINDING 2

Security and safety issues exist due to the physical layout of the jail. Blind spots hamper officers from maintaining visible observations of inmate and staff movement in certain locations within the jail. Other locations would not provide an ingress or egress route in an emergency situation should a fire erupt or during an inmate related disturbance. Additional manpower required to monitor inmates arrested for substance abuse offenses restricts staff from monitoring the remainder of the inmates.

FINDING 3

Regarding the overall daily operation of the jail, the Grand Jury found the condition of confinement under Federal, State and local laws is being met. The kitchen was observed to be clean and healthy dietary nutrition is being provided to the inmate population with a cost per meal of approximately \$1.30.

Medical services are being provided with medical personnel on site with quick response or transfers to a medical facility in an emergency situation.

Inmate recreation is provided via the enclosed recreation yard, writing materials, television, and library books. Providing various activities has resulted in the utilization of additional deputy support from the field to meet compliance. This does impact police response in the community in order to maintain inmate control within the jail.

The outer perimeter of the jail constitutes a security and safety issue. There is no secure area outside the jail when moving inmates to and from vehicles and the courthouse.

RECOMMENDATION FOR FINDINGS 1-3

The Grand Jury recommends Calaveras County build a new jail. The Sheriff must continue to submit Federal and State grant requests to assist in this effort. The Board of Supervisors must present a complete funding plan to be released to the public by December 1, 2007.

RESPONSE REQUESTED

Calaveras County Board of Supervisors
Calaveras County Sheriff

FINDING 4

Jail staff expressed concern to the Grand Jury about airborne exposure to asbestos because inmates poke holes in the ceiling. Asbestos left undisturbed is

not considered a problem. However, when tampered with, asbestos becomes airborne and a potential health risk when tiny fibers are inhaled.

A state certified asbestos consultant in March 7, 2005 report found “the jail contains a sprayed acoustical ceiling which is considered Friable-Hazardous Material that will require enclosure or abatement as soon as possible to prevent and alleviate exposure to asbestos airborne fibers to inmates tampering with it.” The Sheriff reports the ceiling was sealed and continues to be maintained. The county’s annual jail inspection report did not identify any asbestos related health risks.

RECOMMENDATION

The county should immediately make a current definitive assessment of health risks due to possible asbestos exposure at the jail. In addition, a state certified asbestos consultant should re-inspect the jail for asbestos conditions.

RESPONSE REQUESTED

Calaveras County Sheriff
Calaveras County Administrator
Calaveras County Environmental Health Department

FINDING 5

Although staff is vigilant in the performance of their duties, two locations have a high volume of paper products, which may constitute a fire hazard:

1. The storage area in the kitchen, next to an exit door, has an accumulation of empty cardboard boxes.
2. Control Center has a large quantity of paper products stored in this secured area. In the event of a fire in this location, it could lessen deputies’ ability to control other areas within the jail.

Only two air packs were on hand.

Insufficient staffing continues to be a matter of concern, especially during the late evening and early morning shift with only two deputies on duty:

1. One in communications control
2. One to respond in case of an emergency situation, i.e. fire evacuation

The evacuation maps on the control room window are very small. Although staff may be familiar with exit procedures during an emergency situation (i.e. fire) visitors might have difficulty reading the small exit map.

High employee turnover has been attributed to conditions of the jail facility.

RECOMMENDATION

The Grand Jury recommends paper products next to exit doors be removed. The large amount of paper products in the control room needs to be evaluated and if not required, removed to minimize combustible items within the area. An assessment should be conducted to determine if more air packs are needed for staff. Safety concerns require additional staff for the early morning shift need to be provided. Appropriation of one additional staff should be considered. Evacuation maps should be more visible.

RESPONSE REQUESTED

Calaveras County Sheriff
Board of Supervisors

SUMMARY

The 2006-2007 Grand Jury agrees with past Grand Jury findings that the only viable solution is to construct a new jail. The Board of Supervisors and the Sheriff have initiated the primary steps in an effort to construct a new jail. A proposal in the form of an architectural program and conceptual design for an adult detention facility and sheriff's administration building was designed by TRG Consulting Firm, Indian Wells California and was submitted to the Calaveras County Board of Supervisors and Sheriff on December 8, 2006. This proposal provided for the construction of a new 240-bed adult detention facility, a new sheriff's administration building, and the associated site development.

The Sheriff has submitted grants at the Federal and State level to offset the cost for the construction of a new jail. If the county is successful in obtaining state funding, notification will be in November 2007. If state funding is achieved, the allocation will not cover the total cost of a new jail and Calaveras County will be required to provide the additional funding necessary to build the new jail.

CALAVERAS COUNTY ANIMAL SHELTER FACILITY

REASON FOR INVESTIGATION

The 2006-2007 Grand Jury continues to assess the condition of the facility, animal health and welfare, safety, and overall operation of the animal shelter.

BACKGROUND

The Calaveras County Sheriff has the responsibility and accountability for the management and daily operation of the County Animal Control Department. The Board of Supervisors has the task of ensuring the fiscal resources are available.

A veterinarian consultant is contracted to ensure the animals confined within the shelter are properly sheltered and provided with medical care; evaluate the health of the animals and recommend to staff the steps necessary for the proper care of the animals.

The Animal Control Department has a dual role, specifically, the animal shelter and animal control. While both operations have separate responsibilities, they function in concert within the animal shelter department.

PROCEDURES

Members of the Grand Jury conducted an inspection and tour of the animal services facility including a review of facility procedures. The 2006-2007 budgetary allotments for animal services facility were examined. Animal services staff and a representative from the Calaveras County Humane Society were interviewed.

RESULTS OF INVESTIGATION:

FINDING 1

A facility upgrade recommended by a special audit in 2006, remains unresolved. The proposed plan submitted by Nacht & Lewis Architects to the County Administrator includes acquisition of space, construction of a new animal shelter, and repairs to the existing facility. A timeline to review the plan has not been developed. Repair and renovations to the existing facility have not been made because the Board of Supervisors has not allocated funding.

RECOMMENDATION

The Grand Jury recommends the Sheriff develop and the Board of Supervisors approve a plan with a designated time line to implement the corrections needed. The Board of Supervisors allocate the necessary funding.

RESPONSE REQUESTED

Calaveras County Board of Supervisors
Calaveras County Sheriff

FINDING 2

A recent visit to the animal shelter revealed a new modular building has been placed at the animal shelter site and the office is operational to provide the necessary services to the community. The building was found to have adequate space for the staff with a much larger foyer area where visitors can conduct business at the facility. The Grand Jury recognizes the positive effort and commitment of the Board of Supervisors and Sheriff for the much needed improvements.

RECOMMENDATION

The Grand Jury is satisfied that the office area of the Animal Shelter that provides the administrative function of the facility has been corrected.

RESPONSE REQUESTED

None

FINDING 3

Not all kennels have been replaced or repaired and no time frame has been designated to complete the projects. The heating element in the kennel floors is inoperable. Staff reported that three standing heaters have been ordered but as of the date of the Grand Jury tour, the heaters were not in place.

The Plexiglas fixture to cover the front panel of the quarantine kennel had not been completed and continues to need repair.

RECOMMENDATION

The Grand Jury recommends that a corrective action plan be developed to repair the identified deficiencies before November 1, 2007.

RESPONSE REQUESTED

Calaveras County Sheriff

FINDING 4

Written procedure manuals have been developed to standardize procedures in the areas of:

1. Safety Training and Universal Precautions
2. Euthanasia policy
3. Staff dress code, grooming, and equipment
4. Feline shelter protocol
5. Pet of the Week procedure

A problem exists in maintaining the procedure manuals in a centralized location and in the proper format. These procedures should be reviewed as needed, revised on an annual basis and approved by the Sheriff. Three of the existing procedures are in proper format and contain signature approval of the Sheriff. The Pet of the Week procedure is in proper format but does not contain signature block for the Sheriff. The Feline Shelter protocol is not in proper format and does not have a signature block for the Sheriff approval. The procedure manuals were not located in a centralized location, available for all staff. Although the procedure manuals have been developed, there is no indication staff has been provided training or read these procedures to ensure they are familiar with the requirements of these procedure manuals.

RECOMMENDATION

The Grand Jury recommends the Sheriff develop a training program for staff assigned within Animal Control, including a method of written substantiation that this training is being provided on an annual basis and part of orientation for newly hired staff.

Policies and procedures should be reviewed and revised annually as needed in a consistent format. All policies and procedures should contain the Sheriff signature for approval prior to implementation. The policies and procedures should be available as follows:

1. Master copy in the Sheriff's office
2. Centralized location in the Animal Control office
3. Copies for staff as needed

RESPONSE REQUESTED

Calaveras County Sheriff

FINDING 5

A review of the visitor logbook revealed that not all volunteers are signing in as required.

RECOMMENDATION

The Grand Jury recommends the logbook be maintained for all volunteers. All volunteers should be required to sign in and out including time entered and time left. This practice would ensure the accountability of volunteers gaining access into the facility and provide staff with a resource document for future reference.

RESPONSE REQUESTED

Calaveras County Sheriff

EXPENSE REIMBURSEMENT OF ELECTED OFFICIALS

REASON FOR INVESTIGATION

One of the Grand Jury's responsibilities is periodic auditing of county and city government policies and procedures. Selected for review is the process of expense reimbursement to elected officials of Calaveras County and City of Angels.

PROCEDURES

The Grand Jury met with the following county and city officials:
Assistant County Administrative Officer, Auditor/Controller, and City of Angels Finance Officer.

Expense reimbursement policies, procedures, and compliance were reviewed, including examination of line item charges for May and June 2006, supported by individual expense documentation compared to budget. Examination also included review of credit card policies and auto usage oversight.

RESULTS OF INVESTIGATION

FINDING 1

Calaveras County has a written policy "Calaveras County Travel and Reimbursement Policy, adopted by Board of Supervisors March 01, 2004". The policy provides flexibility to comply with annual California state law and reimbursement rate changes without changing written policy annually. The administration, auditor and board members can discuss changes as needed in study sessions; changes need Board of Supervisors' approval. The Auditor/Controller has responsibility to ensure all documentation complies with policy and reimbursements are issued accordingly. Operating procedures with proper oversight appear in order and meet county requirements.

FINDING 2

The City of Angels recently incorporated its written "Expense Reimbursement Policy" into its manual as required by Government Code sections 53232.2 and 53233.3. The policy provides flexibility to comply with annual state law and reimbursement rate changes without changing written policy annually. The Finance Officer and City Council members can discuss changes as needed in study sessions and approve changes as needed. The Finance Officer has responsibility to ensure all documentation complies with policy and reimbursements are issued accordingly. Operating procedures with proper oversight appear in order and meet city requirements.

SUMMARY

After examining reimbursement practices of elected officials for both Calaveras County and City of Angels, the Grand Jury found sound accounting practices and supporting checks and balances are currently being used.

CALAVERAS COUNTY SCHOOL DISTRICTS

REASON FOR INVESTIGATION

As part of its ongoing responsibility, the 2006-2007 Grand Jury selected for review all Calaveras County School districts. The primary purpose of this investigation was to review policies and procedures concerning the safety and welfare of the students, teachers and staff in the County school districts, with special attention to school bus inspection records.

PROCEDURES

The Grand Jury interviewed the County Superintendent of Schools and District superintendents of Bret Harte Union High School, Calaveras Unified, Mark Twain Union Elementary, and Vallecito Union school districts. Transportation directors, bus drivers, and mechanics were interviewed regarding bus safety. In addition principals, teachers, counselors, custodial, and maintenance personnel were interviewed. The Calaveras County Public Works Deputy Director of Operations and Maintenance was interviewed. The Deputy Sheriff School Resource Officer was interviewed.

The safety and welfare goals and programs designed to achieve these goals for each district were examined. Bus maintenance and driver records were audited. Also examined were procedures and programs instituted to respond to concerns reported by students, staff, the school resource deputy sheriff, and the counselor/social worker. Bus routes were reviewed and buses were ridden by the Grand Jury.

RESULTS OF INVESTIGATION

FINDING 1

County school districts are now developing and implementing action plans to manage current safety and welfare issues based on the 2005 California Healthy Kids Survey and observations by staff and teachers. This survey was conducted at Bret Harte and Calaveras high schools.

Deputy Sheriff School Resource Officer, teachers and administrators interviewed reported the major problem is alcohol and marijuana abuse. Incidents of harassment, theft from lockers, and unattended purses were also reported.

Bret Harte Union School District received a \$455,225 grant provided by the state departments of Justice and Education, to fund programs to prevent school violence. The district has started a character education program that includes peer counseling, group and individual counseling and after-school activities designed to create an atmosphere of tolerance and respect on campus and to

reduce or eliminate harassment in all its forms. The counselor/social worker at Bret Harte is directing these programs. Bret Harte has also hired a substance abuse counselor to work with individuals or with groups. The grant is also paying for a Calaveras County sheriff's deputy to spend time on the Vallecito High School campus observing, enforcing, and interacting with students.

Two programs with newly trained leaders have been introduced: "Reconnecting Youth" at Vallecito High and "Too Good for Drugs and Alcohol" at Bret Harte High. They focus on developing self-management skills and on learning to make good decisions.

According to counselor reports, Bret Harte High is recognizing the potential for the existence of gang activity. District superintendents and Deputy Sheriff School Resource Officer report that the districts have not yet experienced gang-like violence. Gang colors and attire are not allowed on campuses.

Administrators acknowledge that training and resources for aides and teachers are needed to enable them to manage harassment, disruptive, and anti-social behavior in the classroom and on campus.

RECOMMENDATION

All districts are encouraged to continue evaluating school violence and harassment issues and to apply for grants such as those administered by the state departments of Justice and Education that might be available to fund appropriate programs.

RESPONSE REQUESTED

Superintendent of Bret Harte Union High School District
Superintendent of Calaveras Unified School District
Calaveras County Superintendent of Education

FINDING 2

Bus maintenance records in all districts were well maintained and the inspections by the Department of Motor Vehicles showed high marks of approval. The districts are purchasing new buses to replace older busses and constructing new maintenance facilities as budgets permit.

RECOMMENDATION

None

FINDING 3

The Grand Jury became aware of bus route and bus stop safety problems within the county. The Grand Jury selected the Pettinger Road bus route for detailed

observation and found excessive patching causing a rough uneven road with unsafe shoulders. Heavy traffic between Jenny Lind and Highway 12 during morning bus travel intensifies the danger. Transportation Director of the Calaveras Unified School District and bus drivers report the road to be unsafe. The Calaveras County Public Works Deputy Director of Operations and Maintenance reported that road safety is their main concern and that no complaint had been received from the Calaveras Unified School District. Therefore only routine attention was being paid to this road. The Deputy Director reports, equipment to monitor peak usage of this road will be set up and attention will be given as to whether the condition of the road and usage deserve priority for possible resurfacing or repair.

RECOMMENDATION

The Grand Jury recommends that Calaveras County Public Works Department increase the safety for school transportation by allocating funds for resurfacing, widening the road, and repairing the shoulders on Pettinger Road. Transportation personnel should report unsafe bus route road conditions to the County Public Works Department.

RESPONSE REQUESTED

Calaveras County Board of Supervisors
Superintendent of Calaveras Unified School District
Calaveras County Public Works Department
Calaveras Council of Governments

SUMMARY

School district personnel appear aware and proactive in integrating new approaches to deal with school violence and safety. Continued vigilance is required and commended. New resources for providing programs and services beneficial to safety and welfare of students appear available in the form of grants and should be given appropriate priority by districts not currently using these funds.

CALAVERAS COUNTY LIBRARY SYSTEM

REASON FOR INVESTIGATION

As part of its ongoing responsibility, the 2006-2007 Grand Jury selected for review the Calaveras County Library.

PROCEDURES

The Grand Jury interviewed the County librarian and branch librarians to determine priority of needs with special emphasis on computer usage, how staffing determines hours and days of library operation, and space limitations of branch libraries.

RESULTS OF INVESTIGATION

FINDING 1

All computers in the branches and main headquarters have Internet DSL connectivity through the libraries' computer system. Proposed wireless service is anticipated to allow the public to connect their personal computers to the Internet. A request for wireless connectivity is to go to the Board of Supervisors for approval for San Andreas, Murphys, and Mokelumne Hill libraries.

RECOMMENDATION

The Grand Jury recommends the Board of Supervisors approve the request for wireless service at the libraries.

RESPONSE REQUESTED

Calaveras County Board of Supervisors

FINDING 2

Libraries reported a need for increased hours of operation, which requires increased staffing. In lieu of finding millions of dollars for new libraries, Friends of Library and Library Commissioners are seeking grants of \$200,000 to \$300,000 to move seven employees from part-time to full-time to provide more hours of operation at San Andreas Library. An additional professional librarian position, additional clerical assistants, and trained volunteers are needed at Central Library. Additional funding for increased staffing is also requested at branch libraries to increase hours of operation.

Data from the 2006 California Library Statistics publication showed that in 2005-2006 Tuolumne County with a population of 58,504 allocated \$679,813 for library staff salaries and benefits whereas Calaveras County with a population of 44,796 allocated only \$407,190. In previous years, no increase has been provided for additional staffing. Status quo funding for library books and materials has been in effect for several years, the librarian reports.

RECOMMENDATION

The Grand Jury recommends the Calaveras County Board of Supervisors allocate funding for additional staff in the Library system to improve and expand service to the public.

RESPONSE REQUESTED

Calaveras County Board of Supervisors

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 completed by this year's Grand Jury as directed result of previous Grand Jury's requests for response.

A final report containing current investigations will be issued by this Grand Jury at the end of its term, June 30, 2007.

**RESPONSE FROM BOARD OF SUPERVISORS AND SHERIFF'S
DEPARTMENT TO ANIMAL SERVICES FACILITY GRAND JURY
REPORT 2005-2006**

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.

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.

Plexiglas must be replaced on the quarantine kennel.

RESPONSE FROM THE SHERIFF'S DEPARTMENT

The physical conditions listed within the report are accurate. The repairs recommended in the report are expensive to repair individually and the Sheriff's Department and the County Administrator are currently in contact with Nacht & Lewis Architects to correct them. A proposed plan has been submitted and when finalized will correct this finding. An additional 5,000 square feet (approximate of new space) would be added to the east area of the existing shelter and the existing shelter would be renovated.

To properly address these issues a multi-phased project will be incorporated. It is essential that at the time the existing shelter is renovated, the first phase addition is completed and ready to house the displaced animals.

At the time of this response there is no estimated time when the improvements will be made and will require approval from the Board of Supervisors.

To ensure that the animals have adequate heating during the winter months, standing heaters will be used.

The final piece of Plexiglas to cover the front panel of the quarantine kennel will be in place by August 11, 2006.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board concurs with the responses provided to the Grand Jury by the Sheriff. It appears that the steps taken and planned to be taken by the Sheriff are appropriate. As noted by the Sheriff, he is currently working with the CAO and a retained architect firm with a view toward providing additional shelter space. The Board approves of this step. Beyond that, it would be inappropriate for the Board to make a commitment to provide this additional space until a specific plan is proposed and its costs are known.

GRAND JURY DETERMINATION 2006-2007

The 2006-2007 Calaveras County Grand Jury has reviewed the August 18, 2006 response from the Sheriff's Department regarding the condition and service within the Animal Shelter. The Grand Jury has determined not to accept this response.

Members of the Grand Jury conducted a follow-up inspection during the month of October 2006 to verify that the corrective measures identified in the Sheriff's response were completed.

Proposed plans for repairs have been submitted by Nacht & Lewis, Architects, to County Administrative Officer. To date, the plans have not been implemented nor funded. In addition:

- Not all kennel doors had been replaced and no time frame has been targeted to repair the remaining doors.
- When the inspection was conducted, on duty staff stated that three standing heaters would be in place prior to the end of the year. This issue should have already been corrected as stipulated in the initial August 18, 2006 Sheriff response.

- The Plexiglas fixture to cover the front panel of the quarantine kennel had not been completed although the Sheriff's response indicates this would be corrected by August 11, 2006.

RESPONSE REQUESTED

Board of Supervisors
Sheriff's Department

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 FROM THE SHERIFF'S DEPARTMENT

The cleaning protocols have been addressed in the Veterinarian Consultant's reports. Daily cleaning protocol is in place and disinfecting solutions are being used on a daily basis.

A "Safety, Training and Universal" policy has been written and implemented. This policy addresses disease reduction and prevention. The staff is being supervised to ensure compliance.

Dogs:

There are two kennels that are used to quarantine dogs displaying signs of illness. Complete isolation is not possible at this time but is being addressed in the Shelter renovation project.

Cats:

Obviously ill and potential contagious cats are isolated in the euthanasia room. This area is limited to three animals. In the event that there are more than 3 cats sick and the illness is not contagious, the cats are housed in the isolation room.

To further address potentially ill cats, 30 stainless steel cages are on order. Upon arrival the kennels will be used to house feral cats and to isolate ill cats.

Sick or injured animals are housed at the County's contract veterinarian's facility.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors concurs with and approves the response provided by the Sheriff's Department.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from the Sheriff's Department and Board of Supervisors is adequate.

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 Management and Operational Analysis (MOA) of the Calaveras Animal Control Department 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 FROM THE SHERIFF'S DEPARTMENT

Animal Services is still accepting donated dog food, however the only food accepted is of the highest quality such as Science Diet.

High quality cat food is being purchased by the department. This food "Eagle Prism" is appropriate for both adult cats and kittens. Puppies are fed age appropriate food.

Dry erase boards have been placed on the kennels, which detail the amount of food to be provided to each animal.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors concurs with and approves the response provided by the Sheriff's Department.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the responses from the Sheriff's Department and Board of Supervisors are adequate.

FINDING 4

The MOA recommended that 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.

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.

RESPONSE FROM THE SHERIFF'S DEPARTMENT

Currently there are two Animal Services vehicles that are fully enclosed and concerns for the animals being transported were noted. Turbo coolers were ordered and received. These coolers will be installed starting August 7, 2006. Heaters for these vehicles are being researched.

The remaining two non-enclosed vehicles will be phased out and replaced with new 4-wheel drive vehicles with heating/cooling units as needed and when funding is available.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors concurs with and approves the response provided by the Sheriff's Department.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury does not accept the response. At the time of the October 2006 inspection, coolers had been installed but the heaters had not. The Animal Control transportation vehicle continues to be a matter of concern.

RESPONSE REQUESTED

Board of Supervisors
Sheriff's Department

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.

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 FROM SHERIFF'S DEPARTMENT

All animals are being humanely euthanized according to state law. Policy and Procedures and training have been implemented.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors concurs with and approves the response provided by the Sheriff's Department.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from the Sheriff's Department and Board of Supervisors is adequate.

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 FROM THE BOARD OF SUPERVISORS

The Board notes that significant steps have been taken by the Board to provide the funding necessary to correct Animal Services deficiencies. Specifically, additional staffing has been provided. By December 2006 there will be a new modular for Animal Services Offices. Electrical infrastructure is completed. The Board has included in the 2006/2007 budget \$450,000 for shelter work. Construction of additional shelter space is currently under study.

The comparative costs for Animal Services provided by the Grand Jury are noted. The Board agrees that the apparent discrepancy in per capita spending raises legitimate questions regarding the adequacy of funding. The Board notes, however, that the cost of current and future planned expansions may result in a significant change in these ratios. Additionally, without further information regarding the details of the Animal Services budgets in the neighboring counties, it is not possible to determine whether these amounts in fact reflect direct comparisons.

RESPONSE FROM THE SHERIFF'S DEPARTMENT

The Sheriff's Department agrees with the Grand Jury report and requires additional funding to correct these findings. As noted in the report additional funding will be required for renovation of the shelter. To date, the staffing level of Animal Services has been increased by three positions. These new positions have made significant improvement in the operation of Animal Services; however, this current staffing level still does not meet the full criteria to run both the facility and field operations. It is anticipated that when the shelter is renovated a minimum of two new Shelter Assistants, three Animal Services

Officers, and one Sheriffs Technician will be needed to operate the department along with additional service and supply costs.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the responses from the Sheriff's Department and Board of Supervisors are adequate.

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 that the Animal Services management team hold regularly scheduled meetings with the Humane Society to achieve better communication.

RESPONSE FROM THE SHERIFF'S DEPARTMENT

The Sheriff's Department agrees that the Calaveras County Humane Society is a valuable asset to the shelter.

In the early part of the transition of Animal Control to the Sheriff's Department there was an inadequate understanding of the roles of each entity. From the beginning Humane Society representatives and the Sheriff's Department have had monthly meetings to discuss issues related to the shelter. These meetings are ongoing.

Volunteer procedures have been updated.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from the Sheriff's Department is adequate.

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 that 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 FROM THE SHERIFF'S DEPARTMENT

The new animal tracking software program has been installed and is being used.

Numerous Policies and Procedures have been written. The Sheriff's Department is waiting for a proposal from the prior consultant to review remaining policies and procedures.

RESPONSE FROM TECHNOLOGY SERVICES

To correct the issues addressed in the BB&R report, Animal Services has with the assistance of Technology Services purchased and installed the Animal Tracking and Shelter software Chameleon.

The Chameleon software is directly associated to the accounting of all money received by Animal Services and maintains a database of all receipts.

The Calaveras County Auditor's Office has direct access to the information entered into the system. As a result all receipts issued to Animal Services can be tracked on a daily basis.

This application does not allow for any corrections to a previously entered incorrect amount or receipt number and a separate journal entry must be made to record the error to prevent duplications or misappropriation of funds.

All dog licenses are being tracked on an inventory log and are being secured within a locked cabinet.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors concurs with and approves the response provided by the Sheriff's Department.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from the Sheriff's Department, Technology Services and Board of Supervisors is adequate.

GRAND JURY RECOMMENDATION 2006-2007

The Grand Jury recommends the Board of Supervisors and Sheriff's Department complete a long-range plan for Animal Services Facility and implement recommendations presented in the 2005-2006 Grand Jury final report.

RESPONSE REQUESTED

Board of Supervisors
Sheriff's Department

**RESPONSES FROM Foothill Fire Protection Board of
Directors, Jenny Lind Fire District Board of Directors,
and Local Agency Formation Commission to Grand
Jury Report 2005-2006**

REASON FOR INVESTIGATION

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

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 BY Foothill Fire Protection District

All violations were acknowledged by the Board and rectified following advice of County Counsel. The meeting where the agenda was two hours late of the required posting and the public comments omitted from an agenda were null and void and new meetings were held. All Directors have copies of the Brown Act and are doing business under its guidelines. A copy is brought to each meeting. The Chairman attended a Brown Act training seminar and the other directors will attend the County-sponsored ethics training.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from Foothill Fire Protection District is adequate.

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 BY FOOTHILL FIRE PROTECTION DISTRICT

The Board's attention was brought to this matter in 2005 when a Municipal Service Review completed by Mr. Dickenson indicated that the annexation was not completed by LAFCo during their formation of the District in 1999-2000. The sphere of influence was approved by LAFCo and the tax base was approved to be paid to FFPD by the County Supervisors. Since the tax money was collected by FFPD, this matter was considered closed. Unknowingly, neither LAFCo nor the District knew that necessary documents were not completed. Now the annexation is proceeding and Jenny Lind Fire has come into the picture due to development of 31 acres at the edge of their district in the overall area of Hogan Dam Road. This developer does not have a preference of which district serves the area. The people of Hogan Dam Road were given an opportunity in 1999-2000 to vote which fire district they wished to provide fire services - their decision was FFPD.

RESPONSE FROM JENNY LIND FIRE DISTRICT

This area has historically been a part of the sphere of influence of the Foothill Fire Protection District having been so designated by L.A.F.C.o. on or about and during the transition time between County Fire Protection and the formation and subsequent formation of the Foothill Fire Protection District. This particular area however; at present time, can only be accessed through the Jenny Lind Fire Protection District. Furthermore, one of our stations (station 2) is in closer proximity to the at-issue area thereby reducing response time if this district provided fire protection for the property south of Hogan Dam.

That being said this district participated in a study conducted by L.A.F.C.o. wherein this noted agency commissioned a consultant to determine which fire district (Foothill or Jenny Lind) was best suited to protect this at-issue area. This district and our members, including two members of the board of directors, the chief, assistant chief, and battalion chief, met and conferred with the consultant during her study and continued to do so up to and until the time of her published report back to L.A.F.C.o.

Therefore, and on or about September 6, 2006, this district and our members, including two members of the board of directors, the chief, assistant chief,

battalion chief, and our administrative assistant met with members of the Grand Jury regarding this same property south of Hogan Dam.

This district has participated and cooperated to the best of our ability in providing information, statistics, and other relevant information to both the L.A.F.C.o. consultant and to members of the Grand Jury. Additionally, this district stands ready to proffer protection to the at-issue property south of Hogan Dam if called upon to do so in the future. This district is neutral as to any future annexations relevant to this at-issue property south of Hogan Dam into the Jenny Lind Fire Protection District; the real issue has been, is and still remains a matter of public safety and to provide the best possible fire protection to the citizens of this noted area.

RESPONSE FROM LAFCo

LAFCo adopted an updated Sphere of influence in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 herein after referred to CKH Act on November 21st, 2005, after a noticed public hearing. The area in question is within the Sphere of Influence for the Foothill Fire Protection District. Recently, LAFCo received an application for annexation to the Foothill Fire Protection District by a private party of a portion of the territory previously designated to be within the Sphere of Influence of the Foothill Fire Protection District. Jenny Lind Fire questioned whether or not the area should be in the Sphere of Influence for the Jenny Lind Fire Protection District and not the Foothill Fire Protection District.

LAFCo has engaged a private consultant to prepare an evaluation of the provision of fire and emergency response services within the territory in question and provide recommendations to the LAFCo Commission regarding who would be the most efficient and effective fire and EMS service provider in the short and long term. This study is expected to be released and discussed at the August 21st 2006 LAFCo meeting. A copy of the study, once completed, will be forwarded to the Grand Jury.

Depending upon the results of this analysis, a Sphere Amendment of Change may need to occur within the territory. However, this is unknown as of the writing of this letter.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the responses from the Foothill Fire Protection District, Jenny Lind Fire District, and LAFCo are adequate.

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 BY FOOTHILL FIRE PROTECTION DISTRICT

It was noted at a regular meeting held in May 2006 that each fire vehicles was not properly stocked with a spare oxygen tank. The problem escalated with the reduced service from Valley Springs Ambulance who had previously refilled the tanks and was readily available. The Board too immediate action by soliciting bids for its own in-house Cascade System to be operable very soon.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines this response from Foothill Fire Protection District is adequate.

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 BY FOOTHILL FIRE PROTECTION DISTRICT

Due to many reasons, the construction of Station #1 has faced many delays. The situation that Chairman West inherited is this: He was told by a previous chairman that the building permit had been approved. The excavation company was contacted to begin work that had been approved by the previous Board. The Chairman proceeded to pick-up the permit only to be told that the District needed a grading and landscaping plan that had not been previously provided. A previous director was assigned to address these issues and had spent several months trying to get the plans from the plan developer, and then that director resigned. The Chairman then called the plan developer who stated that they had not begun them, were very busy but promised to complete them in a week. A letter was sent by the County addressing those two items. The County Planning Office notified the Chair that the conditional use permit had expired on 12-30-05.

A letter was written to the Planning Commission requesting an extension, but they stated FFPD would have to start the permitting process over, no extension could be given. The District's Supervisor was also called upon to speed up the process but could not help. A new application was filed and the review process started again.

During the first Conditional Use Permit timeframe, there was a demand by Public Works that in order to do this project FFPD would be required to rebuild Helisma Road from an F to a C road type. After many hours of review of the General Plan it was noted that the fire station construction can be done on any grade level road which allowed for an exemption on the first CUP. When the second CUP documents were created it included the same criteria as per road development.

The road level issue was considered to be settled and after many months of delay the new CUP was finally approved. At the time the permit was to be picked up, the road grade level issue resurfaced. It now had to go before the Planning Commission agenda for an exemption - which was granted.

After this long delay, there was still a 30-day grievance period required before the permit could be picked up.

It was at this time that the District also learned that it was not exempt from permit fees as they had been previously told. The Building Dept. did waive fees but the Environmental Health (well) and Public Works (road encroachment permit and deposit) were not waived. The Chairman immediately paid these permit fees so the building permit could be issued from his personal account and sought District reimbursement.

After the many delays and required County-required processes and the recent inclement weather, the permit to build was granted on February 15, 2006.

The well was installed first before the continuous rains and the septic installation was started. The severe rainstorms caused the septic tank to float and with the high ground water content ground drying was required to allow for tractor work.

Finally, in June 2006 the septic system was completed, the footings have been dug and the cement contractor is ready to set the foundation forms.

GRAND JURY DETERMINATION 2006-2007

The response by the Foothill Fire Protection District Board does not adequately meet the recommendation of the 2005-2006 Grand Jury. The construction of Station #1 still has not been completed as of January 2007. Equipment is still not being housed properly.

RESPONSE REQUESTED

Foothill Fire Protection District Board

**RESPONSE FROM THE BOARD OF SUPERVISORS REGARDING
CALAVERAS COUNTY JAIL AS PART OF LAW ENFORCEMENT
INFRASTRUCTURE TO THE GRAND JURY REPORT 2005-2006**

ORIGINAL 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, including Board of Supervisors responses to previous years.

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.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors agrees with this finding.

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.

RESPONSE FROM THE BOARD OF SUPERVISORS

In general, the Board agrees with the various physical limitations in the jail facility. The Board agrees that a new and larger jail facility would allow for a larger inmate population with enhanced inmate and custodial officer safety. The Board notes, however, that the Jail is operated in a way that minimizes the effect of these physical limitations. First and foremost of these is the limitation of the population to 65 inmates.

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.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board agrees with this finding.

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 requires additional officer support to assure compliance. This tends to take officers from the field in order to maintain safe control within the jail.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board agrees with this finding.

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.

RESPONSE FROM THE BOARD OF SUPERVISORS TO FINDINGS 5 THROUGH 9

The Board does not dispute the observations, conclusions, and concerns expressed by the Grand Jury in these findings.

SUMMARY OF INVESTIGATION, 2005-2006

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.

2005-2006 GRAND JURY 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 growth.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors concurs that the existing Calaveras County Jail Facility is outdated and in need of replacement. The Board also agrees regarding the urgency of the need to identify sources of funding for that new facility. The Board has instructed county staff, in conjunction with the Sheriff's Department, to explore all of the funding methods mentioned by the Grand Jury, including state funds, bond measures, and fees on new development. For example, the Board is working with a firm to develop facilities fees for new development, a key component for jail funding. The Board will continue to work with the Sheriff's office to obtain state and/or federal funding to help build a new facility. In addition, the Board, in cooperation with the Sheriff, will consider going to the voters for a bond to help with building a new facility.

GRAND JURY DETERMINATION 2006-2007

The 2006-2007 Grand Jury does not accept the Board of Supervisors' response to the 2005-2006 report on the Jail as part of the Law Enforcement Infrastructure. In essence, the board has rejected the recommendation to curtail further development until a plan to increase or replace the inadequate county jail facility is implemented.

The Board has discussed and studied the jail inadequacy and ordered a preliminary proposal be drafted. In January 2007 authorization to make funds available for a definitive plan on which to base funding proposals is to be submitted for approval.

Voter approval will be necessary to complete the funding for a new jail. Funding sources have been studied including Mello-Roos taxes, new construction facilities fees, state grants, and a sales tax increase. There are not enough funds available from new and proposed building fees to reach the goal. Even with a substantive grant from the state, matching funds will be required.

GRAND JURY RECOMMENDATION 2006-2007

The Grand Jury recommends the board approve the estimated \$230,000-\$250,000 required to draft a jail concept and to complete a plan on which to base grant and

funding proposals. In addition, this plan should project costs well into the future to include immediate as well as long-range costs for the project.

The Grand Jury recommends the proposal be completed so funding requirements can be presented to the voters by November 2007. The Grand Jury has determined the jail facility is already inadequate to meet the current needs for public safety. Delays in a remedy can only make the costs more grievous.

As part of the General Plan update, we also recommend Law Enforcement Infrastructure be included in all considerations which will influence future land use decisions.

RESPONSE REQUESTED

Calaveras County Board of Supervisors

**RESPONSE FROM MURPHYS SANITARY DISTRICT BOARD OF
DIRECTORS AND CALAVERAS COUNTY LOCAL AGENCY
FORMATION COMMISSION TO GRAND JURY REPORT 2005-2006**

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.

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 FROM MURPHYS SANITARY DISTRICT

Murphys Sanitary District agrees that there were some violations of the Brown Act. These were not intentionally done. Staff will continue to monitor agenda additions and deletions to adhere to the 72 hours notice.

The Murphys Sanitary District accepts the Grand Jury recommendation. Already, two of our Board members have attended this training and we have contacted Calaveras County about future training, which they stated will be slated for October 30,2006 or thereabouts.

GRAND JURY DETERMINATION 2006-2007

The 2006-2007 Grand Jury determines that the response from the Murphy's Sanitary District is adequate.

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 FROM MURPHYS SANITARY DISTRICT

Murphys Sanitary District Engineer, Ed Marlow, explained to the Board there was an item in the Capital Improvement Plan that addresses specifically reviewing the treatment plan and disposal and who to respond to for upcoming regulations. The Regional Water Quality Control Board will be issuing a new permit in 2010, which will include more restrictive treatment and disposal requirements. At this time the District does not have any money set aside to meet those requirements. Usually, with more restrictive requirements, if any, the Regional Water Quality Control Board will give you a certain timeframe to meet the new requirements. This is what the Murphys Sanitary District will address down the road. As to the 5-year plan, this will not address the current issues for additional hookups, but it will address the issues of the problems we have with the plant and then we will be able to review the treatment capabilities. The District agrees with the Grand Jury to address the long-term solution, but there are some legal issues that are associated with the plant that need to be resolved first. A Long Term Master Plan costing approximately \$30,000 to \$40,000 will be discussed at a special meeting at another time.

The Murphys Sanitary District has a five-year plan in place, along with our Capital Improvement Plan, but we don't have a Long Term Plan. This is a Board decision, which will be discussed in the future. We are approximately three years away from a new Wastewater Discharge Permit and formulating a Long Term Plan now without knowing what the future permit requirements will be would not be a sensible investment of ratepayer dollars at this time. A Special Meeting will be held in the near future to discuss the matter.

The Murphys Sanitary District Board of Directors concurs with the General Managers response.

GRAND JURY DETERMINATION 2006-2007

The response by Murphys Sanitary District Board of Directors does not adequately meet the recommendation of the 2005-2006 Grand Jury. Producing a long-term plan should not be dependent upon present legal issues. The Grand Jury recommends a long-term plan be completed no later than January 31, 2008.

RESPONSE REQUESTED

MSD 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 FROM MURPHYS SANITARY DISTRICT

The Policies and Procedures Manual is currently being rewritten with current law and labor practices. We will be scheduling a special study session in the near future and once completed a special meeting will be held to adopt this new manual. This should be done within one month.

GRAND JURY DETERMINATION 2006-2007

The response by Murphys Sanitary District Board of Directors does not adequately meet the recommendation of the 2005-2006 Grand Jury. There is no current Policies and Procedures Manual. The manual referred to in the response is an Employee Handbook, not a Policies and Procedures Manual. The Grand Jury recommends MSD produce a Policies and Procedures Manual.

RESPONSE REQUESTED

MSD Board of Directors

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 FROM MURPHYS SANITARY DISTRICT

The Districts' Engineer, Ed Marlow, has given the Board of Directors two documents, one being the Wastewater Discharge Requirements and the other being the revised Monitoring and Reporting Program for Murphys Sanitary District. To the best of the District's knowledge, we believe we are meeting our wastewater discharge requirements. A phone call, to Scott Kranhold, of the Regional Water Quality Control Board confirms that we are meeting our requirements, except for the past two years for the 2-foot freeboard on Pond 4. As to the providing of frost control water, our current Permit does not allow us to provide frost control water whether we can meet current Title 22 Standards for discharge or not. As to the corrections to the treatment plant, the expansion of Pond 4, which was one of the Installment Agreements was completed and is working properly. As to the second agreement, due to design flaws, by the prior engineering firm, conversations between our District's Legal Counsel and Engineer have been ongoing. In response to the Grand Jury's comment on our District Engineer has not yet to get corrections made at the treatment plant is absolutely correct. Mr. Marlow's reason is he has never been given direction by the Board to make the corrections. Thus, we are still in compliance with our current Permit, except for the 2-foot freeboard on Pond 4. In regards to the communication difficulties, Murphys Sanitary District believes there is no problem or problems communicating with Oscar Larson & Associates. Phone calls are made and returned, in a timely manner, faxes are sent and meetings are held. We have found no interruptions in conducting our daily business with the firm.

The District does not agree on a suspension of hookups. With the issuance of the new permit for the Ironstone Winery in September 2006, it is of our opinion that we will be able to discharge water to the vineyard all year long. With this we will

be able to keep our pond level below the two-foot freeboard requirement and be in compliance with our current water discharge permit.

RESPONSE FROM LAFCo

LAFCo concurs with Grand Jury Findings 1-4.

GRAND JURY DETERMINATION 2006-2007

The response by Murphys Sanitary District Board of Directors does not adequately meet the recommendation of the 2005-2006 Grand Jury. Three years after completion of the treatment plant upgrade, the plant still does not work correctly and there is no plan in place to address the problems.

The District acknowledges that Pond 4 has not met the 2-foot freeboard requirement for the last two years. This problem has not been solved nor has a date been set for resolution.

RESPONSE REQUESTED

MSD Board of Directors

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 FROM MURPHYS SANITARY DISTRICT

The Murphys Sanitary District agrees with the Grand Jury. The General Manager will schedule a meeting with Mr. John Kautz to review the contract within the next six-months. As part of the meeting we will be looking to extend the contract to a long-term contract.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from MSD Board of Directors is adequate.

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 FROM MURPHYS SANITARY DISTRICT

The Murphys Sanitary District agrees with the Grand Jury. We for awhile now have been looking at this situation very seriously. We will be exploring other avenues for water discharge.

GRAND JURY DETERMINATION 2006-2007

The response by Murphys Sanitary District Board of Directors does not adequately meet the recommendation of the 2005-2006 Grand Jury. A plan and time frame must be set for the establishment of an alternate waste discharge source.

RESPONSE REQUESTED

MSD Board of Directors

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 FROM MURPHYS SANITARY DISTRICT

Murphys Sanitary District agrees with the Grand Jury. Three of the past six-years we have violated this requirement. One reason was extreme rainfall in two of the occurrences and the other with Ironstone Vineyard not taking enough water during the dry months. Although, this is not an excuse, but we cannot predict the amount of rainfall we will get. The District is currently looking into possible reasons Pond 4 has more water than it should. With the issuance of the new Ironstone Vineyard Permit one of the requirements will be the possibility for the Murphys Sanitary District to discharge water from Pond 4 year round. This will prevent overflows and keep the two-foot freeboard requirement on our main storage reservoir Pond 4.

The District has conducted a water balance on its main holding Pond 4. The District Engineer on numerous occasions has calculated the water in minus water out and concludes that there is more water in the pond that should be. It is the opinion of our Engineer we have a live spring in the pond. With the adoption of the new Ironstone Discharge Permit, this will allow our Engineer to start a review of capacity in the treatment plant.

GRAND JURY DETERMINATION 2006-2007

The response by Murphys Sanitary District Board of Directors does not adequately meet the recommendation of the 2005-2006 Grand Jury. This problem has not been resolved, nor has a date been set for its resolution. The Grand Jury agrees that the District "...cannot predict the amount of rainfall we will get..." but for this very reason, plans must be made for a worst-case situation. As of this time, the Grand Jury is not aware that a "...new Ironstone Discharge Permit..." has been adopted and without this new permit, the 2-foot freeboard requirement cannot be assured.

RESPONSE REQUESTED

MSD Board of Directors

SUMMARY RECOMMENDATION 2006-2007

The 2006-2007 Grand Jury recommends a continued moratorium on new hookups until these findings are adequately addressed.

RESPONSE REQUESTED

MSD Board of Directors

**RESPONSES FROM AUDITOR-CONTROLLER, COUNTY
ADMINISTRATOR, BOARD OF SUPERVISORS, AND
DEPARTMENT HEADS REGARDING COUNTY AUDIT REPORT TO
GRAND JURY REPORT 2005-2006**

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..."

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 AUDITOR-CONTROLLER

The County's Purchasing Policy was revised and adopted by the Board of Supervisors on February 27, 2006. The revised policy addresses the dollar limits for capital assets. The administrative Office files with the Board of Supervisors a Notice of Completion for all capital projects. At the end of each fiscal year, all capital projects are reviewed with the Administrative Office.

RESPONSE COUNTY ADMINISTRATOR

The Administrative Office continues to concur with this recommendation. Since the County had previously completed very few capital projects there were limited guidelines and procedures.

Our original goal was to complete a draft of the policies and procedures prior to June 30, 2006, however staff turnover in both the Administrative Office and Auditor's Office have prevented progress.

A new project completion date of October 31, 2006 has been established.

RESPONSE BOARD OF SUPERVISORS

The Board notes and approves of the responses provided to the Grand Jury by the County Administrative Officer and the Auditor-Controller.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines all responses are adequate.

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 over capital assets is

incorrect, and additional staffing resources are 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 FROM AUDITOR-CONTROLLER

As of August 19, 2006 we are still waiting for one affidavit. Although a few were turned in past the due date, it was within a reasonable amount of time given department workloads. It is each department's responsibility to notify Administration and the Auditor's Office of any changes to capital assets under their jurisdiction.

RESPONSE FROM OFFICE OF COUNTY COUNSEL

While we agree with the finding that fixed asset affidavits should be completed accurately and in a timely manner, we note that Government Code section 24051, cited by BB&R, contains a provision that a county board of supervisors may designate its own time schedule for submitting the reports.¹ The Calaveras County Board of Supervisors did ordain (County Code section 2.60.010, Ordinance 561, 1970) that the fixed asset affidavits for the preceding fiscal year should be filed no later than July 31st (rather than July 10th). This may explain why BB&R believed that many affidavits are filed late.

Again, we agree that the affidavits must be filed accurately and in a timely manner. The standard procedure in this regard is for the Auditor to provide

¹ Government Code section 24051 provides, in pertinent part,:

On or before July 10th in each year, or at any other interval designated by the board of supervisors, each county officer or person in charge of any ... department ... shall file with the ... county auditor, according to the procedure prescribed by the board, an inventory under oath, showing in detail all county property in his or her possession or in his or her charge at the close of business on the preceding June 30th. By ordinance the board of supervisors may prescribe an annual or any other period, provided that the period shall not be in excess of three years, for preparation of the inventory and a correspondingly different date for its filing, and may prescribe the manner and form in which the inventory shall be compiled. ... (Emphasis added.)

each department with its current list of fixed assets and a request for verification/correction of the list in affidavit form. This Department recognizes the significance of the inventory process and will continue to make every effort to comply with the requirements of the California Government Code and Calaveras County Code.

**RESPONSES FROM DEPARTMENTS
CALAVERAS COUNTY LIBRARY**

The Calaveras County Library recognizes the significance of this process regarding Capital Asset Affidavits and tries to adhere to the deadlines. We have been a few days late in past years as we endeavored to make a full and accurate inventory of all assets.

We will adhere to deadlines in the future.

DIRECTOR, HEALTH SERVICES AGENCY

The Calaveras County Health Services Agency understands the importance of submitting to the Auditor-Controller the certification of capital asset affidavits as required each year. The Auditor-Controller's deadline for submitting certification forms is July 31st each year. The Health Services Agency has complied with this requirement and will continue to monitor the annual submission of the certification affidavits to ensure that they are accurate and submitted timely.

DIRECTOR, CALAVERAS WORKS AND HUMAN SERVICES AGENCY

Calaveras Works and Human Services Agency submits the annual Capital Asset Affidavit completely and accurately within the required time frames each year and will continue to do so.

COUNTY CLERK-RECORDER

Calaveras County Code section 2.060.010 (Ordinance 561) requires filing of the listing referred to in Government Code Section 24051 with the Auditor-Controller no later than July 31st of each fiscal year. The Clerk-Recorder will continue to make every effort to file complete and accurate reports/affidavits in a timely manner.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines all responses are adequate.

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 AUDITOR-CONTROLLER

Although the Planning Department is reconciling trust fund balances to current records, an unreconciled outstanding amount remains in the Planning Fund.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines all responses are adequate.

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 AUDITOR-CONTROLLER

The Planning Department is in compliance by depositing funds weekly as required.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines all responses are adequate.

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 COUNTY ADMINISTRATOR

The Administrative Office concurs with this recommendation.

Administrative Office staff is performing quarterly audits of the County Airport to ensure correct handling of cash and accounts receivables. A written report detailing the results of each quarter's review, findings and recommendations is prepared and on file at the County Administrative Office. Copies of the quarterly audit report will be forwarded to Bartig, Basler and Ray upon completion of Administrative staff's year end audit, but no later than September 1, 2006.

RESPONSE AUDITOR-CONTROLLER

The Auditor's Office concurs that there should be a segregation of duties and recommends that the Administrative Office prepare deposit permits. Cost for these services can be recovered through A-87.

GRAND JURY DETERMINATION 2006-2007

The responses from the County Administrator and Auditor-Controller are adequate.

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 COUNTY ADMINISTRATOR

The Administrative Office concurs with this recommendation.

Administrative Office staff developed and implemented written policies and procedures for record keeping at the Calaveras County Airport. These written policies and procedures address the handling of account receivables, collection and/or write off of delinquent accounts receivables, required record keeping and a quarterly audit. A copy of the written Policy and Procedures for the County Airport are attached.

RESPONSE AUDITOR-CONTROLLER

Pursuant to California Government Code Section 25303.5, only the County Board of Supervisors can discharge from accountability a County Officer for collection of accounts receivable.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the responses from the County Administrator and the Auditor-Controller are adequate.

**RESPONSE FROM DIRECTOR OF CALAVERAS COUNTY WORKS
AND HUMAN SERVICES AGENCY TO GRAND JURY REPORT
2005-2006**

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.

FINDING

Staff shortage was cited as the primary reason for untimely 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 DIRECTOR OF CALAVERAS WORKS AND HUMAN SERVICES AGENCY

The Department agrees with the recommendations of the grand jury.

In 2006 the Department interviewed and hired seven individuals for three openings in the eligibility unit. During training two individuals chose to leave the agency for personal reasons. Upon graduation three individuals became permanent employees and two were extra hire. Since that time one extra hire has been placed in a permanent position when an employee left the agency. The Department still has one trained individual to move into a permanent slot when one becomes available.

The ability for the department to hire and train individuals through extra hire has provided the department with the ability to keep caseloads at more manageable levels thereby ensuring benefits to be processed and received on a timely basis.

The Department has proposed increasing its eligibility staff in FY2006-2007 by two, dependent upon available federal and state allocations.

The Department is also engaged in opening outreach offices to increase communication and accessibility with the public in need of public welfare services.

GRAND JURY DETERMINATION 2006-2007

The 2006-2007 Grand Jury determines that the response from the Director of Calaveras Works and Human Services Agency is adequate.

**RESPONSES FROM CALAVERAS COUNTY WATER DISTRICT
BOARD OF DIRECTORS AND GENERAL MANAGER TO GRAND
JURY REPORT 2005-2006**

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.

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.

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 CCWD BOARD OF DIRECTORS

The District agrees with the finding and has implemented the recommendation. The District has hired a new General Manager and separately contracts for legal services.

FINDING 2

The Grand Jury found numerous violations of hiring policies. On numerous occasions, 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, on one occasion, 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, leaving 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 CALAVERAS COUNTY WATER DISTRICT

The District disagrees with this finding, but agrees with the recommendation. Based on the provisions of Policy Number 2200.40 and Water Code Section 30580 (b) the General Manager retains the right to determine the hiring and appointment process for new hires. No hiring policy violations in respect to Policy Number 2200 took place. However, the District agrees that Policy Number 2200 should be adhered to and will follow the provisions of this section in the future.

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 are placed in positions without the necessary experience and/or training resulting in dismissal for lack of performance.
- 2) Employees are 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 General Manager.

RECOMMENDATION

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

RESPONSE CALAVERAS COUNTY WATER DISTRICT

The District disagrees in part with the finding, but agrees with the recommendation. The District agrees that poor personnel practices and micro-management contributed to the high rate of turnover in the District. However, other factors such as retirements, job relocations and normal attrition also were factors. The District through the Human Resources Department has initiated programs to implement the recommendation, including establishing career paths for District employees and creating promotional advancement and training opportunities. The District will continue to work with the employees and their union representatives to implement the recommendation.

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 CCWD BOARD OF DIRECTORS

The District agrees with the findings and recommendations. Certain Director expenses did not follow reimbursement guidelines. Policy Manual Section 4090 will be followed and the Board of Directors will review the policy within six months in order to see if any modifications are required to insure compliance.

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 they are 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

Management at CCWD needs to be held accountable for the lack of accurate time reporting.

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. It is apparent to the Grand Jury the Board of Directors should be doing a better job supervising senior management.

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 newly 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 CCWD BOARD OF DIRECTORS AND GENERAL MANAGER

The District agrees with the findings and recommendations. Established guidelines are now and will continue to be followed in order to implement the recommendation. Management employees will be held accountable for accurate time card reporting.

In behalf of the Board of Directors, we wish to extend our appreciation to the Grand Jury Members for their valuable work in identifying these important issues and bringing them to our attention. The Board of Directors would also like to recognize the outstanding work by Larry Diamond, Interim General Manager and Patricia Emerson, Administrative Services Manager in correcting these administrative violations identified by the Grand Jury. The recommendations of the Grand Jury are taken very seriously by the District and provide important information necessary for both the elected and appointed officials of the District to properly discharge their duties. In striving to provide the best possible service to the community it is necessary to constantly re-evaluate our policies, procedures and practices. The Grand Jury has provided an important service to the District addressing these issues in a constructive manner.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the responses from the Calaveras County Water District Board of Directors and General Manager are adequate.

**RESPONSE FROM EBBITTS PASS FIRE DISTRICT BOARD OF
DIRECTORS TO GRAND JURY REPORT 2005-2006**

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.

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 EBBETTS PASS FIRE DISTRICT BOARD OF DIRECTORS

The Ebbetts Pass Fire District Board and Administrative staff understand the purpose and intent of the Brown Act and view compliance with Brown Act regulations as a very serious and important matter. Directors and Administrative Staff do take periodic training sessions on the Brown Act to insure the District is up to date and current on any changes that might affect how the District is required to conduct its business.

The District would like to assure the Grand Jury that the alleged violation of the Brown Act regarding the availability of Board packets prior to the November 21, 2005 Board Meeting was the result of administrative oversight and not the result of an intentional disregard for, or lack of knowledge about, Brown Act requirements.

The District will continue to make every effort to comply with the purpose and intent of the Brown Act and the specific requirements contained within.

Please note that in addition to Brown Act training, all the District's Directors have completed a certified course in Ethics Training as required by AB 1234.

The District would like to reassure the Grand Jury that the District's Board would not have expended public funds pertaining to the Measure D initiative without first having assurance from legal counsel that such expenditures were legal, appropriate and allowed within the Health and Safety Codes which govern fire protection districts.

The District was under the guidance of legal counsel regarding what may and may not be discussed during closed sessions of Board meetings and the public reporting requirements of actions taken during those closed sessions.

The District has no recollection of a citizen inquiry or request for information regarding paid expenses for director/staff activities. The Board would like to assure the Grand Jury that citizens are welcome and encouraged to make inquiries to the administrative staff or attend Board meetings if they have questions or seek information about District finances or expenditures. In lieu of

burdening the Grand Jury as a first step to address concerns, citizens are encouraged to review budgets and budget expenditures with District staff and Board. Following this normal chain of inquiries, if a citizen is still not satisfied, a formal complaint to the Grand Jury would be an appropriate second step.

The District will continue making every effort to comply with all local, county and state requirements. The District agrees that the Brown Act must be followed. The District will act on the Grand Jury 's recommendation that all Directors be given a copy of the most recent version of the Brown Act. All of the District's current directors and Administrative staff have attended numerous workshops and training sessions on the Brown Act and will take additional training in the future to insure compliance with any new or revised changes.

On behalf of the Board of Directors and staff of the Ebbetts Pass Fire Protection District I wish to commend the members of the Grand Jury for their professionalism, time, effort and due diligence investigating the allegations contained within the complaint.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines that the response from the Ebbetts Pass Fire District Board of Directors is adequate.

**RESPONSE FROM BOARD OF SUPERVISORS AND COUNTY
CLERK-RECORDER REGARDING CALAVERAS COUNTY CLERK-
RECORDER TO THE GRAND JURY REPORT 2005-2006**

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.

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 FROM COUNTY CLERK-RECORDER

The Board of Supervisors would be notified if the Department could not service the public due to computer failure or for any other reason. The Department continued to conduct daily business and service the public, while restoring data. Though hard copy indices were available prior, the 11 days of indexing not retrievable from computer backup was completely re-entered into the system by May 5, 2006.

RESPONSE FROM BOARD OF SUPERVISORS

The Board of Supervisors agrees with the recommendation. The Board believes that the computer failure referred to by the Grand Jury was handled appropriately by the Clerk-Recorder.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines that the responses from the County Clerk-Recorder and the Board of Supervisors are adequate.

**RESPONSES FROM CALAVERAS COUNTY BOARD OF
SUPERVISORS, AUDITOR-CONTROLLER, AND LOCAL AGENCY
FORMATION COMMISSION TO GRAND JURY SPECIAL
DISTRICTS REPORT 2005-2006**

REASON FOR REVIEW

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

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 FROM LAFCO

LAFCo concurs with the idea regarding training for special districts. Among LAFCo's duties is to form Special Districts. Once a district is formed LAFCo's no longer has jurisdiction with the exception of the requirements to prepare and update as necessary Spheres of Influence, subsequent changes of organization, and in some cases approve additional powers for certain districts such as Community Services Districts called Latent Powers. LAFCo also has the power to initiate special district consolidations, dissolutions, mergers, subsidiary districts, or related reorganizations. LAFCo's can't initiate district annexations or detachments, and can't initiate any city boundary changes. Other counties have prepared Special District Handbooks addressing many of the issues brought up in this section of the Grand Jury Report. It would be more appropriate for County Counsel to provide Brown Act training than LAFCo.

LAFCo concurs with the recommendation Special Districts should have a current Policy and Procedures Manual.

LAFCo strongly concurs with the Grand Jury Recommendation regarding current five-year plans to deal with growth issues and changes within the district. In fact, LAFCo has made this comment in many of its adopted Municipal Service Reviews.

LAFCo requirements for Municipal Service Review are contained in Government Code Sections 56430 and 56425 et. Seq., concurs with this recommendation and is available to meet with the Grand Jury anytime upon request.

RESPONSE FROM AUDITOR-CONTROLLER

The Auditor-Controller is not the correct office to address the Brown Act or Personnel policies.

If requested, the Auditor’s Office could assist LAFCo review with five-year financial projections.

As previously mentioned in meetings with the Grand Jury, I will make myself available to review and clarify financial issues regarding Special Districts.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors agrees with the Grand Jury’s observation that special districts provide important services to residents with little waste and that they are “an integral part of the planning and future of the County”. There are, as the Grand Jury points out, a large number of these special districts with their own elected or appointed boards of directors. As noted by the Grand Jury, the Board of Supervisors has provided Ethics and Brown Act training for special district board members, and anticipates that additional training sessions will be made available to them in the future. Additionally, the Board of Supervisors suggests that the various special districts develop an association or network for like districts (i.e., cemetery districts, fire districts, veterans memorial districts, etc.) to share common concerns and information, and look in to the possibility or sharing certain expenses.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines that the responses from LAFCo, County Auditor-Controller, and Board of Supervisors are adequate.

**RESPONSE FROM CHIEF PROBATION OFFICER AND BOARD OF
SUPERVISORS REGARDING ACCOUNTS RECEIVABLE BALANCES
TO THE GRAND JURY 2005-2006**

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. 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 CHIEF PROBATION OFFICER

It is with great pleasure and relief that I am able to report the Probation Department has purchased a case management software solution to address our accounting needs and offender management activities and statistics. This is a different application than discussed in your report. The difference is the purchase of New Dawn Technologies, JustWare program. The product has an accounting program coupled with the case management application. On July 10, 2006 after many talks with the vendors, meetings with county staff and approval from the Board of Supervisors, the Probation Department entered into a contract with New Dawn Technologies for installation and use of their JustWare program. The JustWare solution will allow our department to provide timely and accurate reports to the Auditor-Controller once data is entered into the new system. We anticipate the system being on-line by October 2006.

Additionally, the aging account report was prepared and finally presented to the Auditor-Controller on April 10, 2006. It is anticipated the new case management system will eliminate future problems with accounting and auditing of our accounts.

I want to thank the Grand Jury for allowing me to present a view of the future of the Probation Department. It will be a pleasure to review the progress of the new case management system and the department with the Grand Jury in the near future.

RESPONSE FROM THE BOARD OF SUPERVISORS

As noted by Chief Probation Officer Michael Kriletich, the Board of Supervisors has recently approved the acquisition of the software which is expected to accurately track and report accounts receivable balances.

GRAND JURY DETERMINATION 2006-2007

The response by the Chief Probation Officer and Board of Supervisors is adequate.

**RESPONSE FROM THE 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 IMPLEMENTATION TO THE
GRAND JURY**

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.

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 FROM THE AUDITOR-CONTROLLER

The Auditor-Controller's Office is working with the Technology Services Department to develop a logging report and pursuing other possible avenues for system verification of documented changes in order to ensure appropriate payroll processing.

The Auditor-Controller's Office works in a positive, proactive manner with Administration and the Technology Services Department to mutually resolve issues.

RESPONSE FROM THE COUNTY ADMINISTRATOR

The Administrative Officer has reviewed the recommendation and offers the following comments:

The HR implementation project has completed its first phase with the establishment of the HR module and input of employee data. HR staff is now working on completing implementation issues with BiTech and the Auditor's Office. A significant system update for new salary grades and retroactive pay as

a result of the recent negotiations with various employee unions and management has been successfully completed. HR staff is now working on Phase II of the HR project called Applicant Tracking, to be following by Position Budgeting. The Vice Chair of the Board of Supervisors is attending all meetings with the Administrative Office, Technology Services, and Auditor's Office, so the Board of Supervisors can be immediately aware of any issues.

The issue of the logging report has been thoroughly discussed and progress has been made on a report that is satisfactory to all parties. Part of the challenge was the unique nature of the request since no other BiTech county was using a similar report or determined a need for it. It is anticipated the report will be finalized by October 1, 2006.

The Administrative Office continues to be concerned about the BiTech system and the ease in which applications can be implemented due to its complexity. The system gives a great deal of information to the "power user", however it is not easy to use by the "average user" at the department level. The latest BiTech project, a Purchasing Module, was approved as a project in Fiscal Year 2005/06 and is still not implemented at the department level. The Auditor's Office is working on security issues and system setup, while the Administrative Office is working on policies and procedures for signatures and approvals. It should also be noted that only department currently directly inputting its accounts payable records is the Library. Cal Works financial system is also still not interfacing with BiTech. It will take significant financial resources and training to complete the above mentioned projects.

In order for all of these projects to be successfully completed it will take an honest appraisal of the timelines and staff required, and a commitment of financial resources that are currently very limited. In addition, as mentioned by the Grand Jury a positive spirit of cooperation and determination by all the concerned parties, working as a team, will assure success.

Thank you for your positive comments and diligence in working with all departments.

RESPONSE FROM HUMAN RESOURCES DIRECTOR

The Assistant County Administrative Officer has reviewed the recommendation and offers the following comments:

As you know the Payroll module and the HR module were successfully integrated in August 2005 with a "go live" date of October 2005. As I have previously expressed, the Bi-Tech implementation was a very complex and complicated process. This was a huge accomplishment, and our goal is to stay

on track to constantly improve the training of staff while utilizing the Bi-Tech system in all of its ability to increase efficiency for the county.

As of the date of this response, I feel both departments are on the right track and have made some very positive progress in the way of working together. Recently our office was informed by the Auditors office they will no longer be running a parallel payroll in the HR Test Module. This is another step towards both departments now working together in the same database. We have onsite cross training planned for both the Auditors Office and the Human Resources Department in September. The goal is for both departments' key staff to collaboratively work together on outstanding system issues both offices are encountering.

In response to your recommendation to implement the "Logging Module", there is no such Module. This is a system report or what we call a CDD report requested by the Auditors Office. Bi-Tech and combined departments have spent an excessive amount of time and money trying to perfect this report. In a recent meeting with the Auditors, Administration, the CIO and Supervisor Claudino we have discussed the true expectations and capability of Bi-Tech's ability to deliver this report with true integrity. Bi-Tech has communicated the complexity in creating such a customized report, since they have not created one before. We have discussed looking at what other Bi-Tech clients are doing in the way of internal audits between HR and Payroll. I believe with the collaboration from the Auditors Office, Human Resources Department, and the CIO we can agree on a work flow process with a supplemental report to obtain the original goal of the "Logging Report".

RESPONSE FROM TECHNOLOGY SERVICES

As directed by the Board of Supervisors, I have been monitoring the implementation process of the Human Resource module of Bi-Tech. As you know Human Resources went live on the combined (Payroll and Human Resource) system August 22, 2005. Since that time, a group with representation from Administration, Auditor's Office, Technology Services, and recently, the Board of Supervisors has met on a regular basis to discuss issues remaining after going live.

One of the issues is the logging report. This is a report or several reports, not a module, which will report changes made to certain fields in the system. Bi-Tech employees have spent a considerable number of hours trying to make these reports usable. Bi-Tech reports that these reports are extremely complex and not utilized by other clients, so there is not much institutional knowledge to draw from. The group continues to explore other options that may give the Auditor-Controller better information to use in their payroll audit.

Another solution recommended and put in place by the group, is a process whereby the Payroll and HR staff members work together, without the influence of their supervisors and politics, to resolve issues as they come up. The goal of this solution is to increase the knowledge on both sides of the system and encourage a cooperative work environment between the two departments.

In addition to the above, staff from Administration and the Auditor-Controller's Office will be attending on-site training with Bi-Tech trainers.

Additional staff will be added to the Technology Services Department by the end of this year to assist with the implementation of other Bi-Tech modules not presently in widespread use.

RESPONSE FROM THE BOARD OF SUPERVISORS

The Board of Supervisors agrees with the conclusions of this and prior Grand Juries that implementation of Bi-Tech has been difficult, time-consuming, and that it requires a cooperative effort on the part of a number of county departments. The Board of Supervisors has reviewed the responses provided to the Grand Jury from those departments and is satisfied that they are working together cooperatively and that progress continues to be made toward the goal of full implementation. The Board has monitored this progress and will continue to do so through the continuing participation of the Board's Vice-Chair at meetings of the involved departments. Finally, the Board notes that a study session is currently scheduled for November 6, 2006, to update the Board of Supervisors on the status of the Bitech Software implementation. If appropriate, the Board of Supervisors will provide a supplemental response regarding this matter at that time.

GRAND JURY DETERMINATION 2006-2007

The 2006-2007 Grand Jury accepts the responses from the Calaveras County Administrative Officer, Director of Human Resources, Auditor/Controller, Technology Services, and Board of Supervisors dated September 18, 2006.

Departments of Human Resources and Auditor/Controller have developed formal scheduled meetings, which have dramatically reduced the cost and problems associated with meeting county payroll. Monthly formal brainstorming meetings are being held with a County Supervisor in attendance.

Interdepartmental training and communications are ongoing. A logging report has been developed to reduce potential errors. A BiTech software technician has been hired to further improve software implementation.

RESPONSES REGARDING THE CALAVERAS COUNTY AUDIT REPORT TO THE GRAND JURY REPORT 2005-2006

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.

RESPONSE SHERIFF'S DEPARTMENT 2005-2006

To correct the issues addressed in the BB&R report, Animal Services has with the assistance of Technology Services purchased and installed the Animal Tracking and Shelter software Chameleon.

The Chameleon software has numerous components to aid in the operation of Animal Services.

One of the applications of the software is directly associated to the accounting of all money received by Animal Services and maintains a database of all receipts.

The Calaveras County Auditor's Office has direct access to the information entered into the system. As a result all receipts issued to Animal Services can be tracked on a daily basis.

This application does not allow for any corrections to a previously entered incorrect amount or receipt number and a separate journal entry must be made to record the error to prevent duplications or misappropriation of funds.

All dog licenses are being tracked on an inventory log and are being secured within a locked cabinet.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from the Calaveras County Sheriff's Department is adequate.

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.

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.

RESPONSE FROM AUDITOR-CONTROLLER

The Auditor-Controller does not train Departments on their respective software programs. The Auditor's Office only reviews other Departments' software programs to ensure that software functionality complies with internal control procedures. The purchase price paid for software packages typically includes training provided by the software vendor, which does not warrant inclusion of the Auditor's Office.

Although the Civil staff of the Sheriff's Office is reconciling current activity in the Sheriff's Fund, there remains an outstanding unreconciled balance. Auditing staff continues to assist Civil staff with their reconciliation process.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines the response from the Auditor-Controller is adequate.

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 FROM AUDITOR-CONTROLLER

The Auditor-Controller's Office has established an Accounts Receivable for each Community Development Block Grant loan balance in the computerized financial system and payment activity is recorded monthly.

RESPONSE FROM COUNTY ADMINISTRATIVE OFFICER

The Administrative Office concurs with this recommendation.

Administrative Office staff has been waiting for the Auditor's Office to complete the required account setup in the BI TECH accounting system which has recently been completed.

Administrative Office staff will now input financial data and perform necessary reconciliation.

The Community Block Grant Program is subject to continual review by State of California auditors and program managers and any financial concerns are immediately discussed and corrected.

A new project completion date of October 1, 2006 has been established.

GRAND JURY DETERMINATION 2006-2007

The Grand Jury determines that the responses from the Auditor-Controller and County Administrative Officer are adequate.