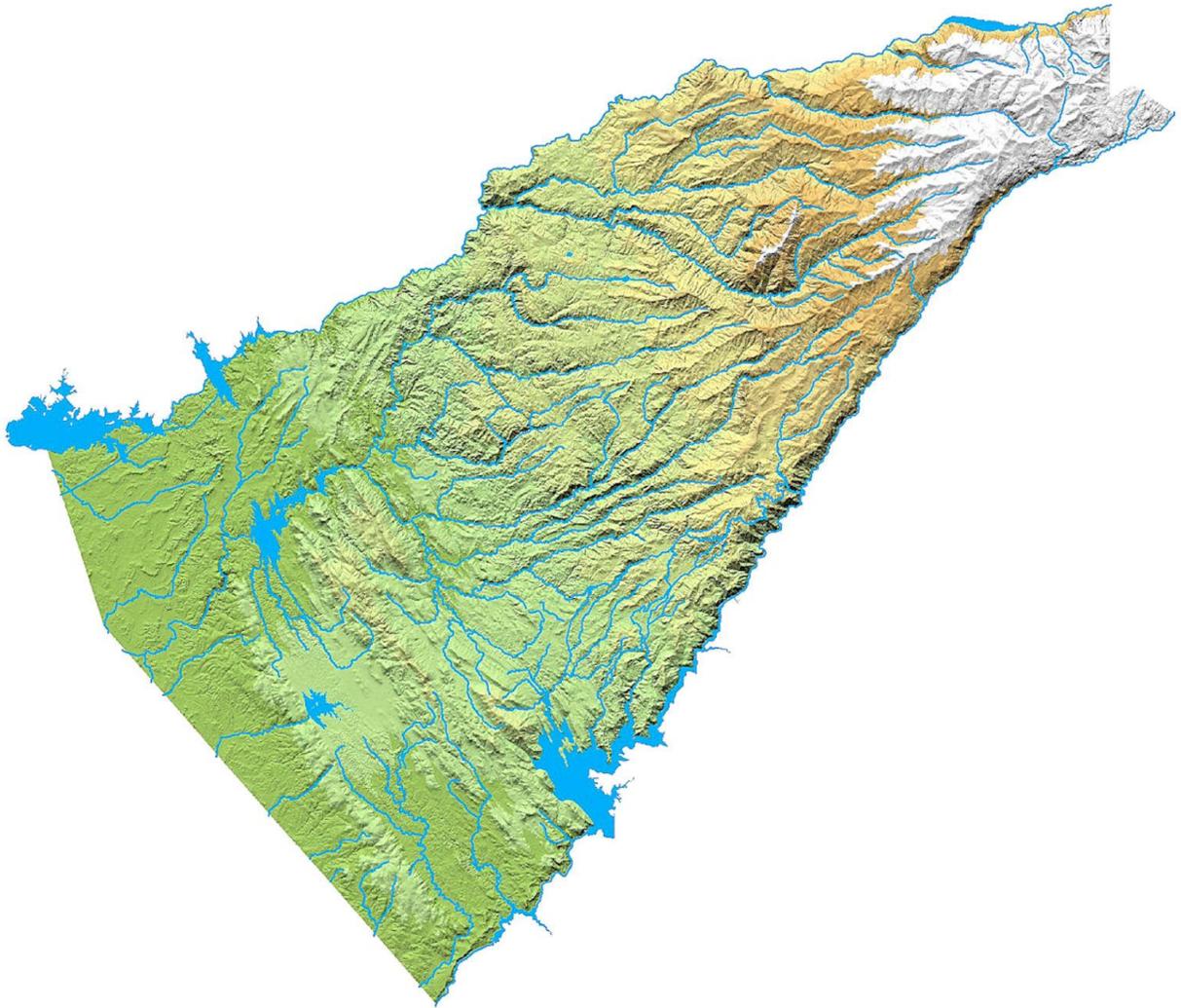


CALAVERAS COUNTY



2008 - 2009 GRAND JURY

FINAL REPORT

CALAVERAS COUNTY GRAND JURY

P. O. Box 1414
SAN ANDREAS, CALIFORNIA 95249

June 1, 2009

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

Dear Judge Martin:

The 2008-2009 Civil Grand Jury, in accordance with Penal Code Section 933(a), respectfully submits its Final Report to the Calaveras County Superior Court.

The Final Report represents the work of 19 dedicated County citizens who collectively spent hundreds of hours in the past year conducting interviews, obtaining sworn testimony, reviewing documents and observing the operations of many areas of County government.

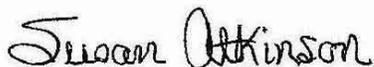
This year's Final Report includes the results of 16 separate investigations into County matters of concern. Included are the mandated inspection and inquiry into the condition and management of the County Jail as well as other investigations prompted by citizen complaints or by the collective interest of this Grand Jury. Reports are included on the Children's Services Foster Care Program; legal settlement with the former CDA Director; vendor overpayment; the County Library System; Solid Waste Transfer Stations and Landfill Sites; the Jenny Lind, Ebbetts Pass and Copperopolis Fire Protection Districts; the Copper Cove Rocky Road Community Service District; the County Animal Shelter; lack of Code compliance from respondents to prior Grand Jury recommendations; reviews of the County Management (Audit) Report and Expert Auditor Selection; and an extensive review of responses to the 2007-2008 Grand Jury Final Report. Two additional reports on Certificates of Participation and Tax and Revenue Anticipation Notes are primarily informational in nature and are intended to provide citizens with an awareness of County funding practices.

I would like to thank all members of the 2008-2009 Grand Jury for their outstanding service to Calaveras County and for their dedication and tireless contributions in meeting the obligations of Grand Jury service. It was an honor and a privilege to have met and worked with each of them. I would also like to extend special thanks to jurors Rick Hill, Helen Abbey, Jeannette Wiseman, Phuong Dang and Laura Shulenberger for their additional contributions as Grand Jury officers.

On behalf of the 2008-2009 Grand Jury, I would like to extend our sincere thanks and appreciation to County Counsel Jim Jones, Pamela Colton and the staff of the Superior Court, Karen Osborn and the staff in County Administration, and to all County Department Heads and Elected Officials who met with us throughout the year.

Thank you, Judge Martin, for the privilege of serving as Foreperson this past year. It was a rewarding and challenging experience, and I deeply appreciated your confidence and support.

Respectfully,



Susan Atkinson, Foreperson
Calaveras County Grand Jury 2008-2009

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2008-2009 GRAND JURY

FINAL REPORT

The 2008-2009 Calaveras County Grand Jury approved this Final Report.

SI: Susan Atkinson
Susan Atkinson, Foreperson

Date: 6/3/09

I accept this Grand Jury Report for the year 2008-2009 for filing and certify that it complies with Title V of the California Penal Code.

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

Date: June 12, 2009

Any persons interested in receiving a copy of this 2008-2009 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, 2009, via the local newspaper with the largest distribution in Calaveras County and will be published on the Grand Jury website:

<http://www.co.calaveras.ca.us/cc/Departments/GrandJury.aspx>

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Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PROCLAMATION

02/18/2009

February 2009, as "California Grand Jury Awareness Month"

PROCLAMATION

by the
Governor of the State of California

California's grand jury system is a unique component of our state's government. Present in each of our fifty-eight counties, these juries consist of citizens recommended by the Superior Court. Our grand juries exist through the dedication of the people, and they help to ensure that the accused are treated fairly and that our local governments are maintaining the highest legal standards.

Grand juries promote justice in our Golden State. Used at the beginning of the legal investigation process, these juries have three important functions: to decide whether a criminal act occurred and if there is enough evidence to charge a person with a crime, to use civil jurisdiction to oversee local governments and to reserve the power to accuse public officials of impropriety.

The hard work done by our grand juries has a great impact throughout our communities, and they have helped to make California a better place. These accomplishments can only be made through the outstanding dedication of those who volunteer to become grand jurors, and I thank them for their fantastic efforts. This month, I encourage all Californians to learn more about this terrific part of our judiciary system and applaud those who have made it so successful.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, do hereby proclaim February 2009, as "California Grand Jury Awareness Month."



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 18th day of February 2009.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:
DEBRA BOWEN
Secretary of State

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A. 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 bringing their unique personalities 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 overseeing appointed and elected officials.

A final report is created after many hours of fact-finding investigations conducted by the Grand Jury. This report can disclose inefficiency, unfairness, wrongdoings, and violations of public law and regulations in local governments. The report can also recognize positive aspects of local government and provide information to the public. 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 formal complaints 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 Calaveras County Grand Jury website:

<http://www.co.calaveras.ca.us/cc/Departments/GrandJury.aspx>

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

A Citizen Complaint Form may be requested by calling (209) 754-5860. The form is available at all County Libraries and for download on the Grand Jury website.

<http://www.co.calaveras.ca.us/cc/Departments/GrandJury.aspx>

Completed forms may be mailed to the above address or faxed to the Grand Jury at (209) 754-9047.

MEMBERS OF THE 2008-2009 CALAVERAS COUNTY GRAND JURY

Susan Atkinson, Foreperson
Rick Hill, Foreperson Pro Tem
Phuong Dang, Recording Secretary
Jeannette Wiseman, Corresponding Secretary
Helen Abbey, Sergeant-at-Arms

Alice Airola
Marlene Chapple
Denise Dashiell
Lindi Dayton
Michael Driggers
Carol Harrison
Bob Menary

Margo Mohn
Russell Ogren
Jim Rott
Laura Shulenberger
Lynn Swartzell
Yvonne Tiscornia

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B. 2008 - 2009 REPORTS

1. FORMAT OF RESPONSES TO GRAND JURY REPORTS

REASON FOR INVESTIGATION:

California Penal Code (PC) section 933.05 specifies the format for mandated Governmental Agency responses to Grand Jury Reports. Recent responses received by the Grand Jury have not been consistently prepared in the proper format.

PROCEDURES:

The Grand Jury interviewed the County Administrative Officer (CAO) and also reviewed the formal responses received from the Board of Supervisors (BOS), the CAO, Calaveras County Department Heads, Agencies and Elected Officers to Calaveras County Grand Jury Reports for the years 2005-2006, 2006-2007, and 2007-2008.

RESULTS OF INVESTIGATION:

Penal Code section 933.05 states

(a) For purposes of subdivision (b) of Section 93, as to each grand jury **FINDING**, the responding person or entity **shall indicate ONE of the following**:

- (1) The respondent **agrees** with the finding.
- (2) The respondent **disagrees** wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 93, as to each grand jury **RECOMMENDATION**, the responding person or entity **shall report ONE of the following implemented actions**:

- (1) The recommendation has been **implemented**, with a summary regarding the implemented action.
- (2) The recommendation has **not yet been implemented**, but will be implemented in the future, with a timeframe for implementation.
- (3) The recommendation **requires further analysis**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
- (4) The recommendation **will not be implemented because** it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address **ALL** aspects of the findings or recommendations affecting his or her agency or department.

Upon review of responses received from Calaveras County Department Heads and Elected Officers over the past three years, the Grand Jury found a wide variety of formats used to prepare the responses. Many response formats do not comply with PC 933.05, and in some instances information has not been provided as requested. In addition, some responses merely adopt or concur with responses from other Agencies, Department Heads or Elected Officers rather than address findings and recommendations in their own response.

FINDING 1

Department Heads, Elected Officers, Agencies, the CAO, and the BOS are not consistently following the format specified in PC 933.05 for responses to Grand Jury Reports. In some instances they are not providing all of the required information.

RECOMMENDATION 1

The Grand Jury recommends that Department Heads, Elected Officers, Agencies, the CAO and the BOS ensure that all responses to future Grand Jury Reports are in the proper format and provide the required information as specified in PC 933.05.

RESPONSE REQUESTED

None

RECOMMENDATION 2

The Grand Jury recommends that County Counsel provide mandatory annual training on the response format specified in PC 933.05 to all Agency Department Heads and Elected Officers as well as the CAO and BOS.

RESPONSE REQUESTED

County Counsel

FINDING 2

In some instances the CAO and the BOS merely adopt and/or concur with the responses from others rather than provide their own responses to recommendations as requested.

RECOMMENDATION

The Grand Jury recommends and expects each requested respondent to provide its own response to Grand Jury recommendations. The continued practice of adopting and/or concurring with the responses from others will be viewed as a refusal to respond, and non-compliant respondents will be referred to County Counsel and the Superior Court for Code enforcement.

RESPONSE REQUESTED

County Counsel
County Administrative Officer
Board of Supervisors

2. COUNTY'S USE OF CERTIFICATES OF PARTICIPATION

PURPOSE OF INVESTIGATION

The County is involved with a funding program known as Certificates of Participation. California Penal Code section 925 allows the Grand Jury to conduct an investigation of this issue.

PROCEDURES

The Grand Jury interviewed:

- County Auditor-Controller
- County Assistant Auditor-Controller
- Assistant County Administrative Officer

The Grand Jury reviewed County Resolution Numbers 08-150 and 08-170, specific accounting records, real estate documents, the Certificates of Participation, and the Facilities Lease Agreement.

BACKGROUND

A Certificate of Participation (COP) is a method of funding used by governing agencies for construction or improvement of public facilities. By use of a lease-type repayment structure, the money needed to fund these building projects, even though some may be payable over periods in excess of 20 years, does not, by California State law, constitute a public debt; therefore they do not require voter approval. Federal tax laws, however, treat these lease-type obligations as debt, which allows for tax-exempt interest to the underwriting agency. Government agencies with this statutory authorization of funding include the County Board of Supervisors, City Councils, Special District Boards of Directors, and County, City, and District School Boards.

Other key elements of the COP are:

- The approving public agency enters into a tax-exempt lease with a person or organization that leases property to another (lessor).
- It can create a lien (encumbrance) against the facility and the land owned by the public agency.
- It obligates the General Fund.
- It usually requires rental interruption insurance in addition to regular insurance.

Governing Boards may, by resolution, also create Enterprise Funds using COPs. These funds are used for activities normally found in the private sector for construction of parking garages, golf courses, public utilities, airports, and sports and entertainment venues. They are meant to be self-supporting through user charges and should be operated in accordance with generally accepted accounting procedures and reporting requirements of similar private sector businesses. The nature and purpose of such a fund is to provide goods or services to the general public on a continuing basis. By using COPs, these Enterprise Funds do not require voter approval.

In contrast to the COP, a bond is a loan like a home mortgage. The bond allows the taxpayers to buy and receive the benefit of new facilities now and pay for them over time through property tax increases. General Obligation Bonds are usually what is issued to cover the major costs of government including construction of or improvements to public facilities. The passage of California Proposition 13 required a two-thirds majority vote of those living within the affected area for issuance of a General Obligation Bond.

General Obligation Bonds may be sold by a public entity that has the authority to impose ad valorem taxes. This is a tax based on assessed value of real property and must be approved by the two-thirds majority vote of the people. Calaveras County Board of Supervisors has this authority. (In 2001, General Obligation Bond elections for schools became an exception to the two-thirds majority in that they require only a 55% majority. If, however, the bond is tied into a previous bond under the two-thirds majority rule, the 55% figure will not apply).

RESULTS OF INVESTIGATION

On November 6, 2007, Calaveras County held an election to pass Measure J which was created “to improve the safety of Calaveras County residents and stop the early release of inmates by acquiring and constructing a new County Sheriff’s jail, 911 Dispatch Center, and support facilities, and to help qualify for State matching funds....” Measure J would cost the taxpayers \$31,000,000. The measure passed by more than a two-thirds vote.

One stipulation of Measure J was that the Bond proceeds would be applied only for the purposes mentioned in the above paragraph. In order to qualify for State matching funds, the County needed to supply proof of the availability of land that would be used for the new facilities. The County was in possession of certain land parcels for the project; however, the space proved to be less than needed.

The Board of Supervisors passed Resolution No. 08-170 to establish “a 2007 Certificate of Participation designated fund.” This COP, in part, is to cover the cost of additional land that would make the area large enough to contain the new facilities and be acceptable to the State.

The Certificates were executed and delivered in the principle amount of \$7,715,000. Assets used for lease-back are the buildings located in the Government Center at 891 Mountain Ranch Road, San Andreas, CA.

FINDINGS

Finding 1

The Board of Supervisors allowed for the lease-back of the following Government Center buildings:

- Women’s Crisis Center

- Main Library
- Health and Welfare Building
- Administration Building
- Law and Justice Building

In 2007 the facilities had an insured real property value, exclusive of the land and personal property, of \$8,975,314 which is well over the amount of the COP.

Finding 2

Without a public vote, the County has assumed an obligation of \$14,645,749 with a 30-year payback schedule.

Finding 3

The County has obligated the Tobacco Settlement Revenues to repay the COP.

Finding 4

The cost of issuance and underwriting discount for the COP was \$253,454.

Finding 5

To date the County has spent \$1.9 million of the COP to acquire the additional property for the Measure J accomplishment.

Finding 6

All COPs issued were legally initiated and implemented.

Finding 7

There appears to be little understanding or awareness of this type of financing on the part of the public.

Finding 8

U.S. Bank National Association is the Trustee of the COP funds.

RECOMMENDATIONS

The Grand Jury recommends each County entity with outstanding COPs issue an end-of-the-fiscal-year report on each COP. This report should be made available to the public and the media and should include:

- original amount of COP issued
- brief description of the project financed
- name of Trustee
- balance remaining
- interest costs incurred to date
- estimated future interest costs
- source of funds used to make payments

The Grand Jury further recommends that future use of this type of financing includes:

- full disclosure to the public of the need for the project using clear and understandable language

- work with the media to provide maximum coverage
- full disclosure of the anticipated costs of the project including future interest charges over the life of the bonds, Bond Counsel charges, and insurance fees
- financial disclosure in any County entities' meeting agendas when the COP is on the calendar

RESPONSE REQUESTED

Board of Supervisors

Chief Administrative Officer

Auditor-Controller

3. COPPEROPOLIS FIRE PROTECTION DISTRICT

REASON FOR INVESTIGATION

California Penal Code section 925 states in part "...investigations may be conducted on some selective basis each year." This year the Grand Jury selected Copperopolis Fire Protection District (CFPD) for a review.

CFPD had been over the Gann Limit since Fiscal Year 2005-2006, had not joined the Teeter Plan as suggested by previous Grand Juries, and had been continually out of compliance in numerous accounting practices.

PROCEDURES

The Grand Jury conducted interviews with:

- County Auditor-Controller
- County Clerk-Recorder
- County Counsel
- Copperopolis Fire Protection District Board Chairperson
- Copperopolis Fire Protection District Board Director
- Copperopolis Fire Protection District Fire Chief
- Copperopolis Fire Protection District Office Manager
- Copperopolis Fire Protection District Independent Auditor

The Grand Jury reviewed the audits of CFPD for the fiscal years ending June 30, 2001, through June 30, 2007, and the CFPD detailed payroll records from July 1, 2007, through November 15, 2008. The Grand Jury attended meetings of the CFPD Board and researched the Gann Limit and the Teeter Plan.

RESULTS OF INVESTIGATION

A. GANN LIMIT

In 1979 Paul Gann sponsored Proposition 4, placing limits on state and local spending. The Gann Limit formula is adjusted annually for population growth and inflation. If funds are collected above the limit, they are to be returned by tax rebates or a revision of tax rates and fee schedules. A majority of voters can also increase the limit using an election process.

CFPD voters in 1997 and 2002 approved two supplemental direct charge taxes per improved parcel of \$75 each: the Copperopolis Fire Special Tax and the Copperopolis Fire Paramedics Tax.

Finding 1

The CFPD audit for the fiscal year ending June 30, 2006, noted that the District was \$34,580 over the Gann Limit. The most recent audit, for the fiscal year ending June 30, 2007, showed the District was over the Gann Limit by \$146,318. The law requires either an election be held raising the Gann Limit or returning the overage to the taxpayers.

Recommendation

The CFPD needs to take steps to remain in compliance with the Gann Limit.

Comment

The CFPD held an election on March 3, 2009, and voters approved increasing the limit to \$550,000 for fiscal years 2005-06 through fiscal year 2012-13. The election materials did not disclose the option of returning the overage to the taxpayers.

Response requested

Copperopolis Fire Protection District Board of Directors

B. TEETER PLAN AND COUNTY TREASURY

Enacted in 1949, the Teeter Plan provides counties with an optional alternative method for allocating delinquent property tax revenues. Calaveras County adopted the Teeter Plan in 1996. Using the accrual method of accounting under the Teeter Plan, the County allocates property tax revenues based on the total amount of property taxes billed, but not yet collected. The County receives the penalties and interest on the delinquent taxes when collected.

The 2000-2001 and 2001-2002 Grand Jury Reports recommended the CFPD could be better served by the Auditor-Controller's Office if they adopted the Teeter Plan. It was noted that all other County fire districts had accepted the Teeter Plan, and CFPD was one of the few entities in the County that had not accepted it. This created an increased workload for the Auditor-Controller, as a different procedure had to be set up for the handling of assessment revenues for those agencies not using it.

Finding 1

The Grand Jury agreed with previous Grand Juries that CFPD would benefit from joining the Teeter Plan and placing their funds in the County Treasury.

Comment

On October 30, 2008, the County Auditor-Controller and the County Tax Collector-Treasurer met with the CFPD Board explaining the Teeter Plan and the benefits of placing the District's funds in the County Treasury. The County Supervisor whose district includes the CFPD spoke at the same meeting about the merits of the District working fiscally with the County.

On November 13, 2008, the CFPD Board approved joining the Teeter Plan with the passing of Resolution 1-11-13-08. On December 11, 2008, the Board passed Resolution 12-08-1 to deposit the District revenues into the Calaveras County Treasury to be included in the banking and investment program. The District has contracted for payroll services and will maintain a checking account for that purpose and will also maintain a separate checking account for the purpose of a petty cash fund. As of February 10, 2009, \$7,000 had been retained for petty cash and approximately \$100,000 for payroll.

Recommendation

CFPD should remain in the Teeter Plan and retain their funds in the County Treasury.

Response Requested

Copperopolis Fire Protection District Board of Directors

Auditor-Controller

Tax Collector-Treasurer

C. ACCOUNTING PRACTICES

The Grand Jury reviewed CFPD financial statements and the CFPD Auditor's findings and recommendations for the fiscal years 2000-2001 through 2006-2007. Over this six-year period CFPD repeatedly failed to follow standard accounting practices and legal payroll procedures. Information for fiscal year ending June 30, 2008, is not available to date. Since July 1, 2008, CFPD has employed a recognized professional payroll service.

Finding 1

Over the period July 1, 2000, through June 30, 2007, non-compliance escalated to include:

General Accounting Conditions

- did not have a set of books accounting for all financial activities of the district using double entry accounting
- did not have proper verification for all purchases
- did not have a separate fund to account for assets, liabilities, revenues, and expenditures of the Paramedics Program until 2006-2007
- used modified cash basis which is not in compliance with accepted accounting practices
- did not follow bid procedures for purchasing goods and services costing over \$10,000 in accordance with the Public Contract Code
- repeatedly did not adopt a balanced budget by the August 31 deadline as required by Government Code (GC) Section 29009 of Article 1 of Chapter 1 of Title 3
- did not perform a monthly bank reconciliation for their checking and savings accounts

Payroll Discrepancies

- did not collect and report payroll taxes as required
- issued checks to employee investment trading accounts in lieu of paying directly for employee health insurance or co-payments without paying FICA or Medicare as required
- classified Paramedics as independent contractors to avoid paying employer-paid payroll taxes
- several I-9 immigration forms not complete

- W-4s incomplete and/or not in agreement with withholding on checks
- timesheet not in agreement with payroll register for hours worked and amount paid
- employee paid one week more vacation than earned

Recommendation

Even though the CFPD has joined the County Treasury and employed a payroll service, the accounting practices of the District should be closely monitored. CFPD should implement proper accounting procedures as recommended by their auditor for years and seek professional assistance as needed.

Response Requested

Copperopolis Fire Protection District Board of Directors
Auditor-Controller

Finding 2

As of February 10, 2009, CFPD had no auditor to examine the financial records for the 2007-2008 fiscal year. California GC 26909 requires that the audit be completed by June 30, 2009.

Recommendation

CFPD must hire an independent auditor in order to complete the required audit in a timely manner.

Response Requested

Copperopolis Fire Protection District Board of Directors

4. SOLID WASTE TRANSFER STATIONS AND LANDFILL SITE

REASON FOR INVESTIGATION

The Grand Jury received a citizen complaint regarding commercial and non-resident dumping at County solid-waste transfer stations.

PROCEDURES

The Grand Jury reviewed the Professional Services Agreement with Gambi Disposal Inc. for Operation of the County's Solid Waste Transfer Stations and then visited the Rock Creek Solid Waste Facility on Hunt Road near Milton, operated by Calaveras County, where jurors toured the entire facility and interviewed one of the Operations Managers.

The Grand Jury inspected the operation of the main facility. At the gate house, jurors were asked for ID, then toured the transfer building, main trash pit, and several other special collection areas for tree stumps, construction material, sheetrock and yard/wood waste. Procedures to validate commercial and non-resident dumping were discussed with both the gate house employee and the Operations Manager.

The Grand Jury also visited the Copperopolis Transfer Station where jurors interviewed the Gambi Station Operator and received a thorough overview of the operation of the facility. Procedures to validate commercial and non-resident dumping were discussed.

RESULTS OF INVESTIGATION

Finding 1

The overall operation of the solid waste facility and the transfer stations is impressive. The Grand Jury found both sites to be clean and efficiently operated.

Finding 2

While commercial and non-residential dumping is not closely monitored at all times, the Grand Jury found that this was not a major problem and believes that higher levels of scrutiny could have a negative impact resulting in trash being dumped along roadways and landscapes.

Recommendation

Continue current operating procedures regarding checking for commercial and non-resident dumping.

Response Requested

Director of Public Works

5. CALAVERAS COUNTY LIBRARY SYSTEM

REASON FOR INVESTIGATION

Penal Code section 925 states in part "...investigations may be conducted on some selective basis each year." This year the Grand Jury selected the Calaveras County Library System for review.

PROCEDURES

The Grand Jury toured the Central Library in San Andreas and the new Valley Springs Branch Library. The Grand Jury interviewed the following:

- County Librarian
- five full-time Library Assistants at the Central Library
- Valley Springs Branch Library Assistant
- Principal of Valley Springs Elementary School
- Valley Springs Elementary School Librarian
- Calaveras County Director of Technology Services.

The Grand Jury reviewed the Fiscal Year (FY) 2008-2009 Library budget; the results of a survey of Library users conducted in December 2005 and January 2006; the FY 2006-2007 Grand Jury Calaveras County Library System Investigation, Findings and Recommendations; and a 2008 Library Staff Reorganization Plan that was submitted to the County Administrative Office but rejected due to lack of funds. The Grand Jury also attended the September meeting of the Library Commission.

RESULTS OF INVESTIGATION

The Calaveras County Library System consists of the Central Library in San Andreas and seven Branch Libraries located in Angels Camp, Arnold, Copperopolis, Mokelumne Hill, Murphys, Valley Springs, and West Point. The Central Library is open 38 hours a week with the Branch Libraries open from 20 to 30 hours a week. The library system is managed by the County Librarian, a professional librarian with a Masters degree in Library Science. The County Librarian has five full-time Library Assistants, one part-time Library Assistant, and volunteers staffing the Central Library. Branch Libraries are staffed by Branch Library Assistants, volunteers, and Extra-Hires that are paid from funds collected by the Friends of The Library (FOTL) organizations.

Calaveras County Friends of The Library groups contribute public support to the library. Each library has an FOTL chapter or an equivalent support group that contributes money and services to the library. The FOTL obtains funds through member donations, fundraisers, and book sales. Last year FOTL groups provided over \$5,000 for book, audio and DVD purchases; donated funds for supplies for the Calaveras Adult Tutoring Program; purchased craft and art supplies for the Children's Programs; purchased nine new computers for Branch Libraries; purchased tables and chairs for the new Valley Springs Branch Library; funded a 10-hour per week Children's Program Assistant; and Arnold's FOTL paid for 12 additional hours per week of staffing at their branch library. The FOTL groups are a vital component to maintaining the Calaveras Library system.

The County Library System serves the 46,000 residents of Calaveras County and has over 19,000 library card holders. The system has 116,000 cataloged books including age-specific books for juveniles and children. The system also contains 1,744 DVDs, 430 children's audio books, 7,498 videos including 2,265 for children, 4,893 audio books, and donated or loaned materials as well as local historical and genealogical records.

The County Library System provides computers for individual use and internet access with minimal staff assistance. The system is in the process of installing wireless internet service. Library computers and computer equipment are acquired with funds from the state library system, grants from the Bill and Melinda Gates Foundation, donations from the FOTL, and the annual library budget.

The system supports the Calaveras Adult Tutoring (C.A.T.) program at sites throughout the county. Between 40 and 50 volunteers provide the free, private and confidential tutoring to improve basic skills in English, grammar, writing, speaking, and mathematics. The Library works with the schools to offer story hours and summer reading programs for children at the central and branch libraries. In addition the library provides private study rooms and meeting rooms.

Finding 1

Libraries in the 21st century are more than buildings with books. The Grand Jury is impressed with the breadth of scope and quality of services provided by the Calaveras County Library with the limited funds available from the County budget. The County libraries are of great importance to the Calaveras community providing much-needed public resources, especially during the current down-turn in the economy.

Recommendation

None

Response Requested

None

Finding 2

The annual materials budget line item provides the funds to purchase new materials for the library including books, movie DVDs, children's videos, and subscriptions to newspapers and magazines. Each year new materials must be purchased to keep the library vital to the Calaveras community. The materials budget was \$47,365 in FY 2002-2003; but, with tight budgets over the last few years, the funding has been reduced to \$17,960 in the FY 2008-2009 budget.

Recommendation

Make it a priority to restore the annual library materials budget to the \$45,000 level in line with the size of the Calaveras community.

Response Requested

County Librarian
County Administrative Officer
Board of Supervisors

Finding 3

Work space for the Library Assistants working in the Central Library is very crowded causing a negative impact on staff morale.

Recommendation

Library management should develop and implement a plan to move one of the Library Assistant's work areas from the central office area behind the front reception desk to another part of the library.

Response Requested

County Librarian
County Administrative Officer

Finding 4

Technical support is required in the library system to support computers, computer-related equipment, library computer software, and access to the internet using library equipment. Over the past several years, technical support in the library has been supplied by a specially trained Library Assistant working in the Central Library. In the FY 2008-2009 budget development process, the County Librarian submitted a library reorganization plan that included a reclassification request to change the job title, job duties, and compensation of the Library Assistant to recognize the duties being performed. The reorganization plan was not approved by the County Administrative Office.

Since July 2008 technical duties have been removed from the Library Assistant, and the Library has been working with the Calaveras County Technology Services Department to assume the library technical support duties. Technology Services provides technical support to County departments. As County departments automate to more efficiently provide service and as new technology becomes available, Technology Services is receiving more requests to provide service and supporting a larger number of clients.

The Library obtained approval to implement wireless internet service in a Board of Supervisors study session March 13, 2007. The County Librarian asked Technology Services to assist with the implementation in May 2007, but as of December 2008, in over a year and a half Technology Services has not been able to devote the resources to get it working. Library staff questions whether or not Technology Services will be able to provide the level of support previously provided by the Library Assistant who has the technical skills and is also knowledgeable with the library systems.

The Grand Jury is concerned that Technology Services has an inadequate number of trained staff to provide timely support to the Library while meeting the growing needs of other County departments.

Recommendation

The County Librarian, the County Administrative Officer, and the Chief Information Officer of Technology Services Department should work together to ensure technical service is provided to the Library to meet its needs in a timely manner.

Response Requested

County Librarian
Chief Information Officer of Technology Services Department
County Administrative Officer

Finding 5

The seven Branch Libraries which are open 20 to 30 hours a week are staffed by the Branch Library Assistants who work 18 hours a week. The additional hours are covered by volunteers except at Arnold where Extra-Hires funded by the Arnold FOTL keep that branch open an additional 12 hours a week.

The 2005-2006 Library survey indicated that some users want the Branch Libraries open longer. The FY 2006-2007 Grand Jury report recommended making the Branch Library Assistants full-time to expand the hours of the Branch Libraries. The County Librarian submitted a reorganization plan with the FY 2008-2009 Library budget that would increase the hours of Branch Library Assistants to full-time to increase the Branch Libraries' hours of operation. The reorganization plan was rejected by the County Administrative Office because County funds are not available to support the increased cost in salary and benefits.

The FY 2008-2009 Grand Jury believes that the Branch Libraries would better serve the public if they were open longer.

Recommendation

Use Extra-Hires to expand Branch Library hours. The County Librarian should explore obtaining additional funds from outside the County budget, such as the Friends of the Library or special grants, to fund the positions.

Response Requested

County Librarian
County Administrative Officer
Board of Supervisors

6. OVERPAYMENTS TO COUNTY VENDOR

REASON FOR INVESTIGATION

The 2007-2008 Grand Jury brought to the attention of the 2008-2009 Grand Jury that the County overpaid one of its vendors. California Penal Code section 925 allows the Grand Jury to conduct an investigation of this issue.

PROCEDURES

The Grand Jury interviewed:

- Auditor-Controller
- Assistant Auditor-Controller
- County Counsel
- Community Development Agency Administrative Analyst

Jurors reviewed related accounting records, previous Grand Jury reports, and correspondence relating to the overpayment.

BACKGROUND

The 2007-2008 Grand Jury investigation of the County's Community Development Agency (CDA) included reviewing the consultants and contractors hired specifically to work in and with the CDA. Contracts as well as payments to these vendors were reviewed to determine reasonableness and effectiveness. The Grand Jury discovered what appeared to be an overpayment to JAS Pacific (JAS), a consulting firm contracted July 31, 2006, by the CDA for plan checking and inspections services.

The 2007-2008 Grand Jury investigated purchase order #5389 dated January 3, 2007. There were three invoices dated July 22, 2007, attached to the purchase order:

- Invoice B1-9459 for billing period November 1, 2006, through November 30, 2006, was for \$11,305.00 and was paid that amount.
- Invoice B1-9460 for billing period December 1, 2006, through December 30, 2006, was for the amount of \$9405.00 but was paid \$11,305.00.
- Invoice B1-9461 for billing period January 1, 2007, through January 31, 2007, was for \$6,325.00 but was paid \$11,305.00

As a result, the County overpaid JAS a total of \$6,880.00.

The 2008-2009 Grand Jury reopened the investigation of the overpayment to JAS and after several follow-up interviews determined the funds had not been returned to the County after JAS informed the CDA they would be returned in February 2008.

RESULTS OF INVESTIGATION

Finding 1

Invoice B1-9460 was overpaid by \$1,900.00 and Invoice B1-9461 was overpaid by \$4,980.00 for a total of \$6,880.00 as of December 27, 2007.

Finding 2

The 2008-2009 Grand Jury determined the overpayment had still not been collected from JAS Pacific. This discrepancy was brought to the attention of the Auditor-Controller's Office by the Grand Jury.

In 2008 the CDA made several requests to JAS; however, they let months go by between collection attempts. The 2008-2009 Grand Jury contacted the CDA in October regarding this issue and discovered it had still not been resolved. Because of the Grand Jury's inquiry and the lack of response by JAS, the CDA sent a demand letter March 9, 2009, to JAS giving 15 days to return the overpayment. The letter stated failure to do this would result in the matter being taken to the County Counsel.

After the 15 days had elapsed without payment, the Interim CDA Director called JAS corporate headquarters. Check number 8406 dated March 30, 2009, in the amount of \$6,880 was received by the County April 1, 2009.

Recommendation 1

The CDA should consistently match purchase orders and invoices prior to requesting payment to the Auditor-Controller's office.

Response Requested

Auditor-Controller
County Administrative Officer
Director of Planning

Recommendation 2

The CDA and the Auditor-Controller's office should have a system to alert them of overpayments to vendors and take corrective action. This action should take place between any department and the Auditor-Controller's office with final responsibility belonging to the Auditor-Controller's office.

Response Requested

Auditor-Controller
County Administrative Officer
Director of Planning

7. CALAVERAS COUNTY ANIMAL SHELTER

REASON FOR INVESTIGATION

The 2008-2009 Grand Jury continues to assess the condition of the facility, animal health and welfare, safety, and overall operation of the animal shelter.

PROCEDURES

The Grand Jury made an unscheduled site visit to the Calaveras County Animal Shelter located in back of the County offices on Mountain Ranch Road in San Andreas.

RESULTS OF INVESTIGATION

The Grand Jury was greeted by the Deputy Sheriff in charge of the Shelter. Jurors visited the new outdoor shelter for dogs which is now under construction. The County is installing a new roof, gutters, downspouts, and a new kennel system.

Jurors visited the indoor area where animals were housed. Cats were housed in their own cages. After viewing the good conditions in which the cats were kept, jurors went to the dog kennel area. The dogs were kept in private kennels also. Both areas are cleaned by volunteers.

Jurors inspected the new veterinary area which is still under construction. This area should be completed within a few months.

Finding 1

The Grand Jury noticed that the site was clean and well-organized for the available limited space. The new construction will provide much-needed additional space until a new shelter is built.

Recommendation

The Grand Jury continues to recommend the Sheriff update, and the Board of Supervisors approve the plan for a new animal shelter with a specific timeline. The Board of Supervisors needs to allocate the necessary funding.

Responses Requested

Board of Supervisors
Sheriff

8. CALAVERAS COUNTY JAIL

REASON FOR INVESTIGATION

In accordance with California Penal Code section 919 (b), the Grand Jury shall visit and inspect the condition and management of public prisons within the County of Calaveras.

SCOPE OF THE INVESTIGATION

The investigation focused primarily on the daily operation, staffing, facilities, and the procedures of the county jail.

PROCEDURES

The Grand Jury conducted site visits and inspections of the Calaveras County Jail at the Government Center in San Andreas. The Grand Jury observed the duties of the Deputy Sheriffs and staff members including cooks, office workers, dispatchers, and the nurse. Jurors also inspected the County's 911 Emergency Operations Center, cell areas, exercise yards, library, visitors' center, nurse's office, kitchen, and food preparation areas.

Jurors also met with the Sheriff and staff members who reviewed the plans for the new jail which is now funded and under design.

RESULTS OF INVESTIGATION

Finding 1

Since the jail is scheduled to be replaced within the next two years, the Grand Jury is not commenting on the physical condition of the building.

Recommendation

None

Finding 2

The Grand Jury observed that the jail was clean and organized. The staff appeared to be informed regarding the operational procedures of the jail system.

Recommendation

None

Finding 3

The 2007-2008 Grand Jury found the emergency generator and the back-up power system was nonfunctioning. During our site visit this was brought up, and the Deputy stated that the generator is now tested weekly, has been reconditioned over the last few months, and is in working condition.

Recommendation

None

Finding 4

The two exercise yards are both enclosed with half-covered roofs. The inmates can exercise, play handball, and other non-contact games during their scheduled time. Basketball games have been suspended due to the high risk of injuries.

Recommendation

None

Finding 5

The Grand Jury investigated how inmates' money was handled at the time of their arrest and any money they received while in custody. The Sheriff maintained a cash account for each inmate. During each shift the on-duty Deputy counted the cash and balanced each account. A Deputy informed the Grand Jury that the department had looked into establishing an inmate checking account, but this idea had not been supported by the Auditor-Controller's office.

Recommendation

The Grand Jury recommends the Sheriff's Department open an inmate checking account at a commercial bank.

Comment

The Grand Jury discussed the issue with the Auditor-Controller who responded that this suggestion was possible. The Grand Jury addressed this issue with the Sheriff, and a new procedure was implemented. Now when an inmate is released, he/she receives a check for the balance of his/her account. This new procedure should save staff two to three hours a day since they do not have to balance the cash drawer at each shift change.

Response Requested

Sheriff
Auditor-Controller

Finding 6

Jurors observed that hall space in the office area was limited because it was being used for file storage. This makes the hallway too narrow for safe passage.

Recommendation

The Grand Jury recommends that storage containers be placed on the site to be used for file storage. The shelving and file cabinets could be placed in the container or portable building until the new jail is completed.

Response Requested

County Sheriff

Finding 7

The Grand Jury inquired about training manuals and reports. Manuals and reports were made available.

Recommendation

None

Finding 8

The Grand Jury inquired about procedures regarding handling toxic and biohazardous materials in the jail. Jail staff was unable to provide the specific procedure to address the issue and unaware of the existence of Material Safety Data Sheets (MSDS).

Recommendation

Jail staff should receive additional training on handling toxic and biohazardous materials and familiarize themselves with MSDS location and contents.

Response Requested

County Sheriff

Summary

The Grand Jury believes that a new jail will address some of the ongoing problems. Overall the Sheriff's department is doing a good job with the handling of the current jail and the inmates. Staff receives continuous in-service training on prison system procedures.

9. COPPER COVE ROCKY ROAD COMMUNITY SERVICE DISTRICT

REASON FOR INVESTIGATION

The Grand Jury received a citizen complaint regarding management and accounting practices of the Copper Cove Rocky Road Community Service District (CCRRCSD).

PROCEDURES

The Grand Jury interviewed the CRRRCSD Manager, CRRRCSD Secretary, and the County Auditor-Controller. Jurors attended a regular meeting of the CRRRCSD Board of Directors and made site visits to the Copper Cove and the Rocky Road subdivisions.

Jurors reviewed the agendas and minutes of all 2008 District Board meetings, the Independent Auditor's Report and Financial Statements for fiscal years ending June 30, 2002, June 30, 2005, and June 30, 2007, along with other documents related to functions of the District and issues raised by the complainant.

RESULTS OF INVESTIGATION

Jurors learned that the CRRRCSD is a Local Agency Formation Commission (LAFCO) Independent Special District formed in 1984 to maintain and improve the 16 miles of streets and roads within defined Copper Cove and Rocky Road developments' boundaries. The services provided by the District are not duplicated by other County agencies.

The District is governed by a five-member Board of Directors elected by voters who reside within its boundaries. A salaried Manager and Secretary are appointed by the Board and serve at the pleasure of the Board. California Government Code (CGC) Community Services District (CSD) Law §61040-61124 defines the scope and responsibilities of CSD boards, general managers, and district treasurers. Open Board meetings scheduled for the third Thursday of each month are held at the District business office on Spangler Lane in Copperopolis.

The District relies primarily on annual revenues of about \$200,000 collected by the County Tax Collector, charged directly to those who own property within its boundaries. There are currently 569 parcels within the District; each assessed an annual fee determined by the Board and based upon each parcel's level of improvements and on the expenses of the District in fulfilling their obligations.

Finding 1

The Grand Jury site visit showed District streets and roads to be well maintained.

Recommendation

None

Finding 2

The complainant reported being denied access to documents and being asked to pay for copies and staff time needed in gathering information. The Grand Jury found no evidence that property owners were denied access to District documents and financial reports, which are provided and discussed regularly at open Board meetings. Advance arrangements and adequate time are needed before special requests for records can be accommodated due to limited staff and irregular office hours. A reasonable fee may be charged for this service per CGC §61123.

In one instance there was a delay in receipt of two new maintenance and repair policies and an Ordinance Amendment, which were developed during February 2008 and not available until the May meeting due to the time required for legal approval of the documents and the unexpected cancellation of the April meeting.

Recommendation

None

Finding 3

The complainant also stated that monthly Board meetings had been unexpectedly cancelled without follow-up meetings being rescheduled. The Grand Jury found that regular District Board meetings are sometimes cancelled due to lack of a quorum or illness, and during 2008 the four meetings planned for April 17, August 21, November 24, and December 18 were unexpectedly cancelled. The meeting planned for November 24 was rescheduled for the following week. The CGC §61044 requires CSD board meetings be held "at least once every three months."

Recommendation

The Grand Jury recommends that a telephone number be added to the bottom of the agenda for interested parties to call for last-minute information about the status of an upcoming meeting. A recording should be left on the District's message machine for those calling to inquire.

Response Requested

CCRRCS Board of Directors

Finding 4

The Grand Jury found violations of the Ralph M. Brown Act occurred when monthly agendas did not adequately describe the matters that would be considered at meetings. For example, two new policies and an Ordinance Amendment which were not on the agenda were taken to the May 15, 2008, meeting for review and approval, and they were approved. In another instance, the agenda dated June 18, 2008, intended for the June 19 meeting, did not list anything about a Cost of Living Adjustment (COLA) for the two District employees. According to the minutes, a board member at the meeting suggested a 6% COLA be given to both "as they had not had a COLA in two years," and it was approved, to be effective less than two

weeks later. District property owners and voters should have known in advance that this would be discussed.

Recommendation 1

The agenda should list all matters that will be considered at the meeting. Each item should be described by a brief, but informative, summary of the nature of the matter to be discussed and/or decided. That description should inform interested members of the District about the matter so that they can decide whether to attend and participate. To facilitate this, the Manager should provide topics for discussion to the Secretary in advance of the agenda preparation.

Recommendation 2

The District should arrange mandatory training of Directors and staff on the Brown Act

Response Requested

CCRRCSD Board of Directors
CCRRCSD Manager

Finding 5

At the June 19, 2008, Board meeting, a board member moved a 6% Cost of Living Adjustment (COLA) be given to both District employees without the required public notification. A different board member then seconded the motion, and the motion carried. A Board member present is the husband of one of the two paid District employees, creating a potential conflict of interest. The minutes did not reflect whether the husband/board member excused himself from the vote.

Recommendation 1

Where potential conflict of interest exists, the Board member should publicly announce the financial interest creating the conflict and disqualify himself from involvement in the decision.

Recommendation 2

The minutes should reflect if the employee's husband excused himself from participating in the vote to avoid the appearance of conflict. CGC §61045(d) requires that the minutes "shall record the aye and no votes taken by the members of the board of directors for the passage of all ordinances, resolutions, or motions."

Response Requested

CCRRCSD Board of Directors

Finding 6

The most current CCRRCSD Independent Auditor's Report and Financial Statements for the fiscal year ending June 30, 2007, showed the following significant deficiency in "General Ledger Accounting:"

“The District does not utilize a double entry accounting system to account for its general ledger activity. The District uses a check register to process checks and to code expenses to the expense accounts, but there is no balance sheet accounting for all assets, liabilities and fund equity as required by the U.S. generally accepted accounting principles. The District also is not reconciling its cash accounts on a monthly basis. We have noted this significant deficiency in previous audits.”

The Grand Jury concurs.

In addition the County Auditor-Controller recommended the implementation of the Teeter Plan to provide better cash flow and accounting. The Board is considering this action.

Recommendation

The Board should follow up on implementation of the Teeter Plan, begin the use of an electronic accounting system, and utilize a professional payroll service.

Response Requested

CCRRCSD Board of Directors
Auditor-Controller

Finding 7

The most current CCRRCSD Independent Auditor’s Report and Financial Statements for the fiscal year ending June 30, 2007, also showed the following significant deficiency in “Segregation of Duties:”

“We noted the District had a lack of segregation of duties, as one person is capable of handling all aspects of processing transactions from beginning to end. A lack of segregation of duties increases the risk of potential errors or irregularities; however, due to a limited number of personnel an adequate segregation of duties is not possible without incurring additional costs. We have also noted this comment in previous audits.”

The Grand Jury concurs.

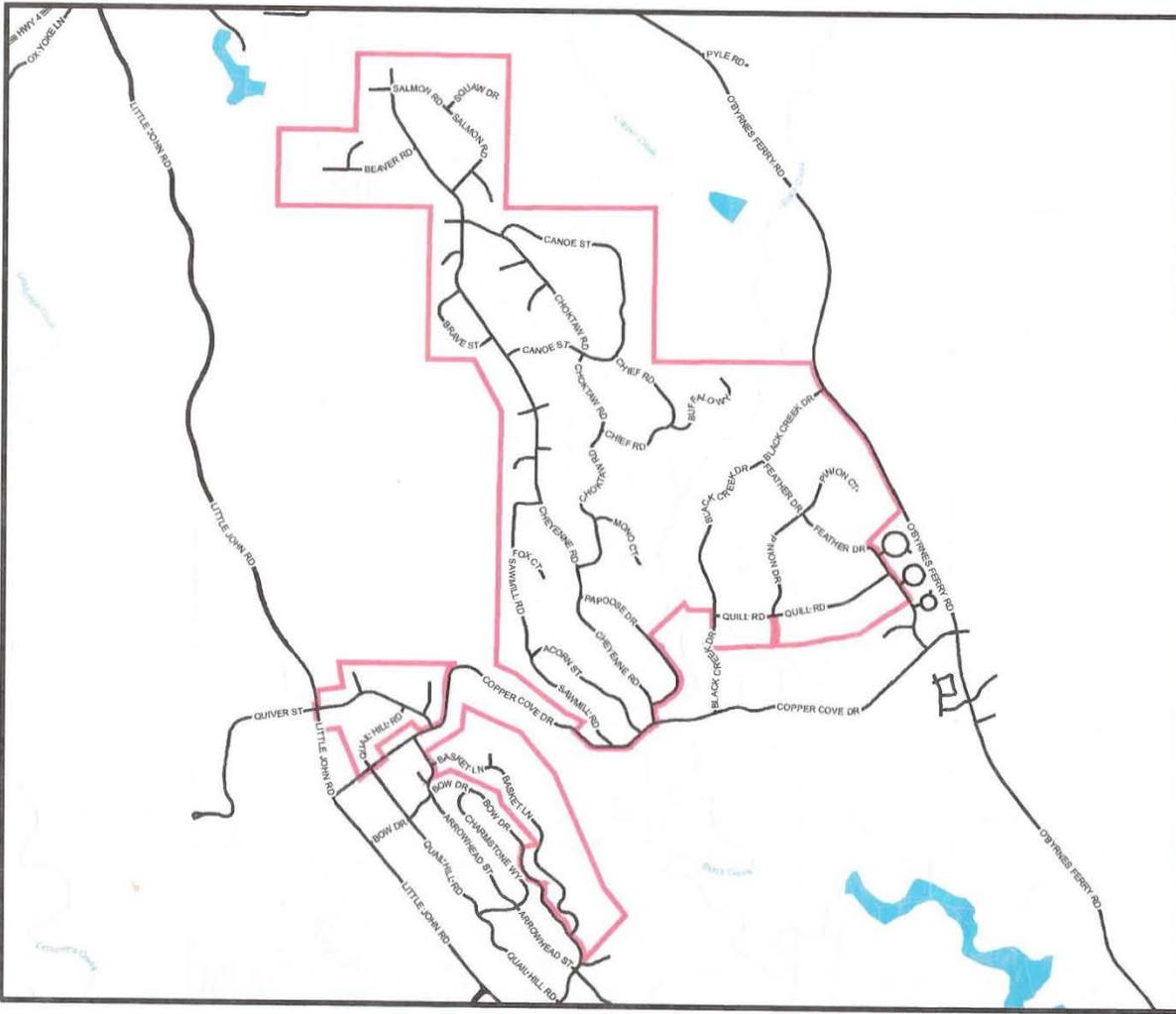
Recommendation

The Board should work closely with the Independent Auditor to increase internal controls and reduce the risk for errors. Better internal controls would be achieved with the implementation of the Teeter Plan, the use of an electronic accounting system, and the use of a professional payroll service.

Response Requested

CCRRCSD Board of Directors

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Calaveras County Community Service District (Copper Cove / Rocky Road)



Legend

- Community Service Districts**
- Copper Cove Rocky Road
 - Parcels
 - Roads
 - Highways
 - Main Creeks
 - Lakes

All district boundaries are generalized and are not to be used on a parcel by parcel basis.



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10. EBBETTS PASS FIRE PROTECTION DISTRICT

REASON FOR INVESTIGATION

California Penal Code section 925 states in part "...investigations may be conducted on some selective basis each year." This year the Grand Jury selected to visit two diverse Fire Districts: the Ebbetts Pass Fire Protection District and the Jenny Lind Fire Protection District (covered in a separate report). The Ebbetts Pass Fire Protection District (EPFPD) was chosen for review because of its diverse geographic area.

PROCEDURES

The Grand Jury toured the Ebbetts Pass Fire Protection District's Station One and interviewed the Ebbetts Pass Fire Chief.

RESULTS OF INVESTIGATION

The EPFPD covers an area of 250 square miles with four fire stations: Arnold, Big Trees Village, Hathaway Pines, and Pinebrook. The average response times are: Arnold - 5 minutes, Bear Valley - 30-40 minutes, and Hathaway Pines - 4-6 minutes. EPFPD works with other fire districts including CALFire, California State Parks, and Bear Valley Search and Rescue. It has mutual aid agreements and does cross training with other fire districts.

EPFPD has 24 paid employees, 1 part-time paid employee, 27 volunteers, and 6 cadets. Along with fire fighting, the District has provided Paramedic Level – Emergency Medical Care to the community since 1999. EPFPD maintains a policies and procedures manual. The current strategic plan has been in place since 2002. It was updated in 2005 and 2007, and it will be updated again in 2009. EPFPD's current budget is adequate, and a plan is in place for the next five to six years.

Finding 1

EPFPD is located in a unique and diverse area which includes mountains, rivers, snow, and ice. The funding comes from county property tax, a special tax assessment that put paramedics on fire trucks with equipment, and transportation revenues. The Board of Directors and the community support the District. EPFPD services are an asset to the community.

Recommendation

None

11. JENNY LIND FIRE PROTECTION DISTRICT

REASON FOR INVESTIGATION

California Penal Code section 925 states in part "...investigations may be conducted on some selective basis each year." This year the Grand Jury selected to visit two diverse Fire Districts: the Jenny Lind Fire Protection District and the Ebbetts Pass Fire Protection District (covered in a separate report). The Jenny Lind Fire Protection District (JLFPD) was chosen for review because of fire potential.

PROCEDURES

The Grand Jury toured the Jenny Lind Fire Protection District's Station One located on Jenny Lind Road. Jurors interviewed the Fire Chief and the Division Chief.

RESULTS OF INVESTIGATION

The JLFPD covers an area of 117 square miles. The District's average response time is five minutes thirty seconds. There are three fire stations in the District; one is used for training and equipment storage. JLFPD has two paid firefighters who work Monday through Friday from eight to five. The Fire Chief is a part-time paid employee, and the District has one part-time paid administrative assistant who works Monday through Friday from eight to noon. The JLFPD also has approximately 20 volunteers. Firefighters are divided into three groups that train together. Firefighters have 270 hours of training per year and attend two training meetings per month. All firefighters are required to be either a First Responder or Emergency Medical Technician (EMT). An EMT receives 120 hours of training, and First Responders receive 40 hours of additional training. Volunteers are required to respond to 15% of the calls. New volunteer firefighters attend various training facilities throughout the county and are on probation for one year.

Station One's equipment, living and sleeping quarters, kitchen, and community room were clean and well maintained. The JLFPD maintains a policy and procedures manual. The District is currently in year three of a five-year plan to update and modernize procedures. Most of the immediate goals in the current plan have been met, and next year the District will begin to develop the next five-year plan. The Fire Chief works with five Board members to establish a budget which is \$650,000 this year.

The Auxiliary is a group of members of the community who raise funds for the JLFPD to purchase needed special equipment, clothing, and supplies. The Auxiliary also provides food and drink to the District personnel at the site of an ongoing emergency. Two of the annual fundraisers are the "Beef in a Barrel Dinner" and the annual "Crab Feed."

Finding 1

The JLFPD is an asset to its community and Calaveras County. It has a good working relationship and mutual aid agreements with other fire districts.

Recommendation

None

Finding 2

The District's biggest challenge is the retention of volunteers.

Recommendation

The Grand Jury recommends that the JLFPD continue the volunteer recruitment and retention process with a major focus on retention.

Response Requested

Jenny Lind Fire Protection District Board of Directors

Finding 3

The current budget of \$650,000 does not appear adequate to maintain equipment and provide staffing at recommended levels of service.

Recommendation

The Grand Jury recommends that the JLFPD Board of Directors hold an election to establish a special property tax assessment to support the District.

Response Requested

Jenny Lind Fire Protection District Board of Directors

Finding 4

The JLFPD has 488 fire hydrants that are color-coded for pressure and volume. Each year the District hires a part-time seasonal firefighter to do preventive maintenance to the hydrants.

Recommendation

None

12. CALAVERAS COUNTY CHILDREN'S SERVICES

REASON FOR INVESTIGATION

The review was conducted pursuant to California Penal Code section 925, which states in part, "...investigations may be conducted on some selective basis each year." The investigation examined Calaveras County Children's Services to determine whether or not the system was working on behalf of the children placed in foster care throughout the county.

The Grand Jury has attempted to ascertain if the experience is smooth and successful for the children and for the agencies that contract with the County to provide services.

PROCEDURE

Because of the State mandate on confidentiality, the Grand Jury was unable to talk directly with children in out-of-home placement to become acquainted with their issues. The Grand Jury, therefore, concentrated on how smoothly the transition process was, how harmoniously the County works with foster family agencies, and how available and effective the resources are for those children in placement.

In order to obtain information on the entire process, the Grand Jury conducted interviews with:

- Director of Cal Works and Human Services
- Program Manager Adult/Children's Services
- Children's Services Supervisors
- Director of California Foster Families
- Executive Director of Environmental Alternatives Foster Agency
- Calaveras County Counsel assigned to Children's Services
- Former social workers from Environmental Alternatives Foster Agency
- Manager of Case Management at Mark Twain St. Joseph Hospital (assigned to clinics throughout Calaveras County to work with foster children)
- A foster family residing in Calaveras County

The Grand Jury attended the following meetings:

- Calaveras County Linkages Program presentation by a Children's Services Supervisor
- State of California Citizen Review Panel monthly meeting

The Grand Jurors reviewed the following documents:

- California Department of Social Services Division 31 Regulations Manual
- 2001-2002 and 2002-2003 Child Protective Services (CPS) Grand Jury reports (Findings & Recommendations)
- Calaveras Works and Human Services Agency Children's Services Policies and Procedures manual

- County of Calaveras Salary Chart
- 2008 Calaveras Works (Cal Works) and Human Services Children's Services Monthly Statistics
- Cal Works and Human Services Organization Chart
- Linkages Program presentation materials
- Letter from County Counsel regarding "Ability of CPS to disclose confidential juvenile records to grand jury"
- Calaveras County Placements report as of February 2009
- Disposition Report-358 sample form
- Disposition Report-358 completed form with sensitive information removed
- Referral to Calaveras County Behavioral Health Services form
- Juvenile Dependency Process chart from County Counsel (attached)

RESULTS OF INVESTIGATION

The Children's Services Department is under the umbrella of Cal Works and Human Services. The program provides five State-mandated services to children and their families in Calaveras County:

- 1. Emergency Response** is an immediate response where the family/child is seen within two hours. Statistics from 2008 indicate there were 88 Emergency Response cases out of 513 referrals.
- 2. Family Maintenance** is provided if it is determined a child can be safely left in the care of the family unit. Services are focused on keeping the family together.
- 3. Family Reunification** is provided where supervision services are required when a child is returned from out-of-home placement.
- 4. Permanency Planning** includes adoption services, particularly where reunification is deemed impossible.
- 5. Independence Planning Services** aids children who leave foster care due to reaching the age of 18. There were 14 individuals in this category in 2008, some of whom were left in foster homes pending graduation, as requested by the individual.

Of the 1159 allegations of child abuse received by Children's Services in 2008, over half were referred due to general neglect and about one-third for emotional, sexual, or physical abuse. Over the past three years abuse reports have grown by approximately 100 annually (totaling 977 for 2008) representing nearly 1,300 children. The age groups 0-5, 6-9, 10-13, and 14-17 were equally represented with an equal balance between males and females. According to the Cal Works and Human Services Director, seven out of every ten referrals under age 18 involve at least one parent who is dealing with either drug or alcohol abuse.

The County utilizes, under contract, three foster agencies to house 33 foster placements as of February 2009. Social workers have reduced the number of foster placements from 103 in 2006 to 38 at the end of 2008 (or roughly two-thirds). The remaining out-of-home placements (28) are in the homes of legal guardians, group homes, or relatives.

Social workers from Children's Services work closely with County Counsel to process these children through the system, working with foster agency social workers when out-of-home placement is recommended by the court. In reviewing the working relationship with the contracted agencies that render services, it has become evident that there is a need for clearer communication regarding the child. Both foster agencies and service providers have indicated that there is insufficient information provided to equip them to adequately assess the emotional and social needs of the children. On occasion, there is not enough information concerning the circumstances that requires a child's removal from his/her home to get a clear picture of the child's history.

FINDINGS

FINDING 1

Grand Jury reports for 2001-2002 and 2002-2003 indicated staffing shortages in the Children's Services Department and a need to boost salary ranges to attract and retain qualified social workers. These staffing issues have been resolved. Because of Department reorganization, all levels of social workers now meet statewide criteria and are currently in place with lower than State-mandated caseloads. The Director of Cal Works believes morale in the Children's Services Department is excellent. According to employees and contracted agency staff, there currently exists a stable, congenial, and dedicated staff with smooth internal and external working relationships, along with cross-training to assure adequate client coverage. The Grand Jury compliments the Agency on their positive organizational changes.

Recommendation

None

FINDING 2

Clearer and more frequent communication is needed between Children's Services and the agencies that provide out-of-home placement for children removed from their homes. The referral form cannot replace verbal communication regarding the overall status of the child. Service providers believe that there is inadequate one-on-one discussion regarding the perceived issues.

Recommendation

Children's Services should revise the referral form to provide an expanded social history including personal information gathered from the confidential court report such as Summary/Recommendations, Case Plan, Mental & Emotional Status, and Social Study/Family Assessment to pass on to foster agencies responsible for placing a child in a suitable foster home. While the Grand Jury is aware that the Disposition Report - 358 cannot be provided to the foster family agencies as a whole, we are suggesting that selective information be made available. Also, personal communication from Children's Services to the foster agencies should be mandatory at the time of referral.

Response Requested

Program Manager Adult/Children's Services
County Counsel

FINDING 3

Frequently, representatives from foster care agencies do not attend the Multi-Disciplinary Team Meetings where information regarding the children is disseminated and recommendations are made.

Recommendation

Representatives from foster care agencies should be required to attend the Multi-Disciplinary Team Meetings prior to placements.

Response Requested

Program Manager Adult/Children's Services

FINDING 4

County resources for medical, dental, and mental health are extremely limited. Children are transported out of county for dental needs that are not provided pro bono by two County dentists. There is only one psychiatrist authorized to prescribe medication for psychiatric issues through Calaveras County Behavioral Health, and he may be difficult to access in a timely manner when psychiatric medications are deemed necessary for children in out-of-home placement. Children remain under the care of their primary physician when parents have previously established a relationship. Otherwise, they are seen by physicians willing to accept MediCal.

Recommendation

Additional local physicians and dentists who accept MediCal patients should be recruited because transportation out of county is expensive and time consuming for foster parents and/or social workers.

Response Requested

Program Manager Adult/Children's Services

FINDING 5

Upon researching the county foster programs available with the State through the California Department of Social Services, it appears that Calaveras County is the only county that lists a foster family agency rather than a county department as a referral source. This agency, Environmental Alternatives, states it has twenty offices from Modesto to Redding.

Calaveras County, unlike other small counties such as Tuolumne, Mariposa, and Alpine, utilizes foster family agencies for the placement of children in foster care. This has not always been the case. In the past, Calaveras County recruited, trained, and supervised foster home placements throughout the County. Although foster families received less per child per month, the benefit to the child was the continuity

of services through original social workers; frequently these were the child's only ally in a world of confusion and turmoil. Currently, through a combination of federal, state, and county funds, depending on the income level of the parents and the needs of the child, funds flow through the foster family agencies, ultimately providing an increase in funds allocated to the foster family.

Recommendation

With only 33 children currently in placement (as of February 2009) and the need for more effective communication between the County and foster family agencies, it may be feasible to eliminate the foster family agency involvement and encourage the initial County social workers who provided the court information to remain in place throughout the child's placement.

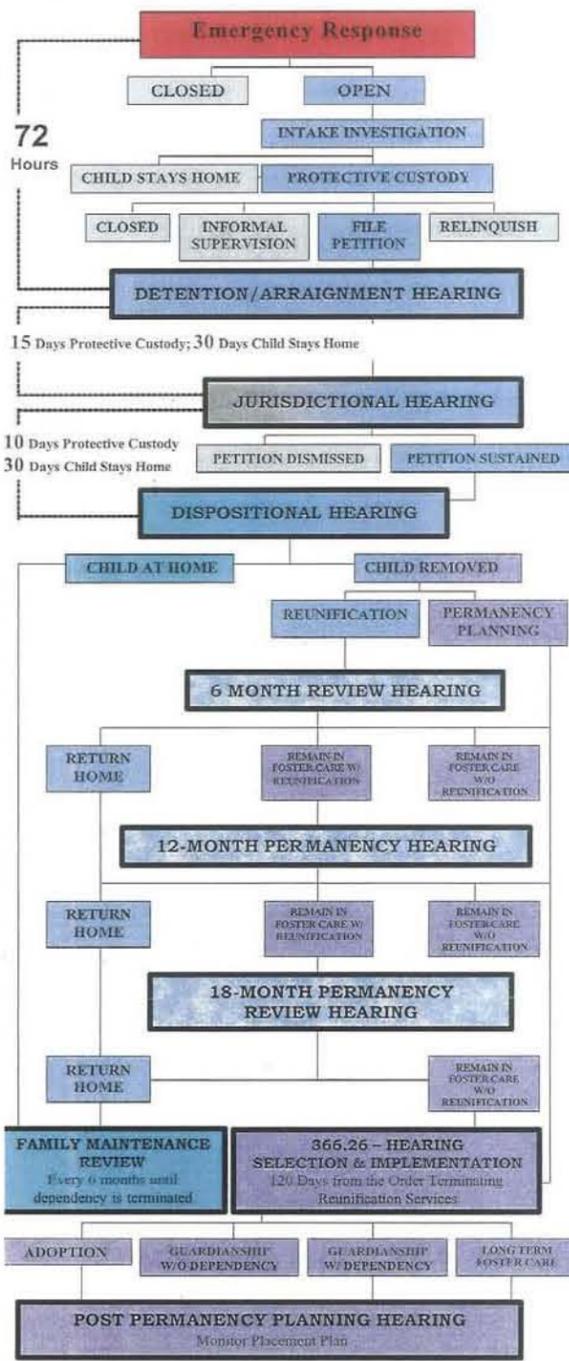
Children's Services should re-examine its policy of placing children through foster family agencies as opposed to providing the services through the County. Children's Services should provide an analysis of the potential costs to all funding sources and the accompanying benefits/detriments to the children and/or foster families.

Response Requested

Program Manager Adult/Children's Services
Director of Cal Works and Human Services
Board of Supervisors

CHART INSERT: JUVENILE DEPENDENCY PROCESS (NEXT PAGE)

JUVENILE DEPENDENCY PROCESS



JUVENILE COURT DEPENDENCY HEARINGS

DETENTION HEARING: WIC 2009.140, 141, 142
Presumption: The minor shall be released to the parents unless legal grounds are established to temporarily detain the minor.
Burden of Proof: Prima Facie evidence (evidence which suffices until contradicted).
Burden of Production: The government.
Time Lines: A minor may be detained in protective custody for 15 days pending a jurisdictional hearing.

JURISDICTIONAL HEARING: WIC 2009.140, 141, 142, 143
Presumption: Unexplained, non-accidental serious injuries while in the care/custody of parent are presumed to be the result of abuse or neglect.
Burden of Proof: Preponderance of evidence that petition is true.
Burden of Production: The government.
Time Lines: 15 days after the Detention hearing if child is out of home, 30 days if child remains home.

DISPOSITIONAL HEARING: WIC 2009.143, 144, 145
Presumption: None.
Placements: The minor shall be placed in the custody of the parents unless clear and convincing evidence of detriment. If the Court removes a minor from a custodial parent:
 > The minor will be placed with a previously non-custodial parent unless such placement would be detrimental.
 > Preferential consideration for placement will be given to a request by certain relatives.
Reunification: Parents will usually receive reunification services.
Burden of Proof: Clear and convincing evidence of substantial risk of danger to child in order to remove from parent's custody.
Burden of Production: The government.
Time Lines: 10 days after the Jurisdictional hearing if child is out of home, 30 days if child remains home or if government seeks to deny reunification services.

SIX-MONTH REVIEW HEARING: WIC 2009.146, 147, 148, 149
Presumption:
 > The minor shall be returned to the parents unless there is a substantial risk to the minor's physical or emotional well being or when the parents have failed to participate regularly in any Court ordered treatment programs.
 > If minor remained home, terminate dependency unless continued supervision is necessary.
Burden of Proof: Preponderance of evidence. (If government wants to terminate Reunification Services, must be clear and convincing evidence).
Burden of Production: The government.
Time Lines: 6 months from the "entry into foster care". "Entry into foster care" is defined as date of Jurisdictional Hearing or 60 days after initial removal, whichever comes first.

TWELVE-MONTH PERMANENCY HEARING: WIC 2009.150, 151, 152, 153
Presumption:
 > The minor shall be returned to the parents unless there is a substantial risk to the minor's physical or emotional well being or when the parents have failed to participate regularly in any Court ordered treatment programs.
 > If minor remained home, terminate dependency unless continued supervision is necessary.
 > When the minor is not returned to the parents, services will be terminated unless there is a substantial probability that the minor will be returned to the custody of the parents within six months or unless reasonable services have not been provided.
Burden of Proof: Preponderance of evidence, to determine if detrimental to child to return home. Clear and convincing evidence to determine if reasonable services were provided.
Burden of Production: The government.
Time Lines: 12 months from the "entry into foster care". "Entry into foster care" is defined as date of Jurisdictional Hearing or 60 days after initial removal, whichever comes first.

EIGHTEEN-MONTH PERMANENCY REVIEW HEARING: WIC 2009.154, 155
Presumption:
 > The minor shall be returned to the parents unless there is a substantial risk to the minor's physical or emotional well being or when the parents have failed to participate regularly in any Court ordered treatment programs.
 > If minor remained home, terminate dependency unless continued supervision is necessary.
Burden of Proof: Preponderance of evidence.
Burden of Production: The government.
Time Lines: In no event later than 18 months after the Detention Hearing.

SELECTION AND IMPLEMENTATION HEARING: WIC 2009.156, 157
Presumption: If the minor is adoptable, parental rights will be terminated unless adoption would be detrimental to the child.
Burden of Proof: Clear and convincing evidence that the minor child will be adopted.
Burden of Production: The government.
Time Lines: 120 days from Order Terminating Reunification Services.

FIRST PERMANENCY PLANNING HEARING: WIC 2009.158, 159
 This hearing determines if progress is being made to find a permanent home for the child and if the case can be dismissed.
Presumption: Continued out of home care is in the best interest of the child.
Burden of Proof: Usually preponderance of evidence.
Burden of Production: On anyone proposing a change.
Time Lines: Every six months until case is dismissed.

Fresno County Superior Court, Juvenile Dependency Division
 Revised December 2001

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13. TAX AND REVENUE ANTICIPATION NOTES

REASON FOR INVESTIGATION

California Penal Code section 925 states in part "...investigations may be conducted on some selective basis each year." The Grand Jury selected alternative funding sources available to the County for review. This report covers Tax and Revenue Anticipation Notes (TRANs).

PROCEDURES

The Grand Jury interviewed:

- Assistant County Administrative Officer
- Auditor-Controller
- Assistant Auditor-Controller

The Grand Jury reviewed the Government Financial Services, Inc.'s issuance proposal, the California Association of Counties' proposal, the State Controller's website comments, reports of four other California counties that use TRANs, and the Internal Revenue Service's statements on TRANs.

RESULTS OF INVESTIGATION

A Tax and Revenue Anticipation Note (TRAN) is short-term borrowing that usually does not exceed 13 months. The TRAN could be issued through a statewide financing program such as California State Associations of Counties (CSAC) or other financial organizations such as Government Financial Strategies, Inc. (GFSI).

The purpose of this short-term borrowing is to increase available cash balances that provide operating funds to cover cash shortfalls. Cash shortfalls arise due to the timing differential of monthly cash receipts and disbursements. Cash liquidity is further impacted because of the reallocation and delay of receipt of State revenues. Currently there is a three-month delay from the State that has had a negative impact on the cash flow of the County. The borrowing does have the potential to provide an additional source of revenue because the cost of the borrowing could be less than reinvestment income, thereby producing a net gain to the County. For example, with TRAN dollars the County could prepay a large-debt item and use the remaining money for operating costs. When the County's income from taxes and other revenue is received, it can be invested to earn a larger amount of interest than the cost of the large debt's interest payments.

A proposal submitted by GFSI explains the importance of the accurate development of the TRAN and the need for precise recordkeeping as follows: "The Internal Revenue Service (IRS) has developed an interest in TRANs financing because of the potential to increase revenues. IRS rules require that when issuing TRANs, you must have a good faith projected cash flow need. In addition, unless you are a qualified 'small issuer,' you must actually experience a deficit excluding the TRAN proceeds sufficient to justify the TRAN in order to keep any arbitrage earnings (the difference between the interest earned on the TRAN proceeds and the interest paid on the

TRAN). Therefore, it is very important that the TRAN be developed in a thorough manner that can withstand IRS scrutiny. This is particularly true given that over the last several years, the IRS has conducted a number of TRAN audits. “ An exception to this rule is that the proceeds must be spent for short-term, cash-flow borrowings. This type of spending is the intent of the County.

The County participated in a \$4,975,000 TRAN in 2001 which was repaid within 13 months. As of May 2009, the County is in the process of putting together a TRAN proposal to be presented to the Board of Supervisors in an amount being determined by the Auditor-Controller’s office. It is anticipated that the TRAN proceeds will be deposited to the General Fund in July 2009 and that the proceeds will be used to prepay California Public Employees’ Retirement System (CalPERS) obligations and cover any cash-flow deficits.

Finding 1

The County usually does not report financial activity to the community prior to its budget_and financial statement reports.

Recommendation

The County should report to the public all transactions and related information concerning the use of TRANs. For example, when participating in loans that involve the use of public funds, the County should report the loans, the cost of the loans, and the result of the possible increase or decrease in revenues.

Response Requested

County Administrative Officer
Auditor-Controller
Board of Supervisors

Finding 2

The Internal Revenue Service (IRS) has a vested interest in the increase of revenues through TRAN transactions.

Recommendation

The County should exercise diligence to follow the IRS TRAN rules to avoid an audit or possible fines and penalties. The County should develop schedules to track and provide a monthly review of all activity regarding any TRAN according to IRS rules and use proper accounts for regular input of data to the accounting program to avoid the possibility of material errors.

Response Requested

County Administrative Officer
Auditor-Controller
Board of Supervisors

14. SETTLEMENT WITH THE FORMER CDA DIRECTOR

REASON FOR INVESTIGATION

As the result of complaints, the Grand Jury investigated the payment of \$89,300 from public funds to the former Community Development Agency (CDA) Director, a management level “at-will” employee.

PROCEDURES

The Grand Jury conducted interviews with:

- Director, Human Resources and staff
- County Counsel
- County Risk Pool Management Fund Officer

The Grand Jury reviewed documents related to the matter including a copy of the signed Agreement and Release between the former employee and the County, and the Calaveras County Liability Insurance budgets for the years ending June 30, 2008, and June 30, 2009.

RESULTS OF INVESTIGATION

The County is self-insured for liability claims up to \$100,000 per occurrence and pays a monthly fixed amount into a reserve trust fund held for this purpose. The County has restricted cash and investments in this reserve trust fund, which is used to pay claims that are settled for amounts lower than the liability insurance deductible. The settlement money paid to the former CDA Director came from this account after the County authorized a payment transfer from the Loss Trust Fund to the former CDA’s attorney.

The County is a member of the County Supervisors Association of California Excess Insurance Authority (CSAC-EIA), a public entity risk pool currently operating as a common risk management and insurance program for counties. Should actual losses among pool participants be greater than anticipated, the County will be assessed its prorata share of the deficiency. Conversely, if the actual pool losses are less than anticipated, the County will be refunded its prorata share of the excess. It was reported on June 30, 2008, that settled claims had not exceeded commercial coverage in any of the past three fiscal years.

The County Insurance budget is managed by the Director, Human Resources and Risk Management. The Insurance Mission Statement reads, “The mission of the insurance budget is to accurately budget costs needed to maintain the County’s general liability, workers compensation, and other insurance programs. In order to track insurance costs and project future expenditure needs, Calaveras and other counties participate in the Excess Insurance Authority. The Authority, acting as a ‘pool’ of counties, tracks insurance costs, processes claim requests, recommends annual funding levels, and projects long-term insurance needs by county.” There is a \$100,000 deductible on this policy.

Finding 1

County Counsel was preparing an Agreement and Release contract that embodied the resignation of the former CDA Director. The former CDA Director's attorney responded by informing the County that sex discrimination charges could be filed. After consideration of all factors including that threat, County Counsel determined through negotiations that it was in the best interest of the County to settle rather than to defend this matter in court. A new Agreement and Release with a hold harmless clause included was prepared. The Board of Supervisors concurred and approved the settlement amount of \$89,300. County Counsel stated that court battles absorb valuable employee time and incur large legal fees, and a trial could potentially go on for months.

Recommendation

County settlements to claimants should be based on specific charges against the County and not on threats.

Response Requested

Board of Supervisors
County Counsel

Finding 2

The County budget for the year ending June 30, 2008, had a \$400,000 allocation to the self-insured fund designated for settlement of liability claims which fall below the deductible amount. Throughout the year \$520,305.20 was paid out for various claims against the County. The final budget for the current year ending June 30, 2009, remained the same, \$400,000, despite the former CDA's settlement payment during this year. If County officials expected this settlement to set a precedent of expending large sums of money for claims without proof or justification, the new budgeted amount should have been increased.

Recommendation

The County should increase its budget for liability insurance to protect its taxpayers from potential financial harm.

Response Requested

Board of Supervisors
County Counsel
Director, Human Resources and Risk Management

15. EXPERT AUDITOR SELECTION

15 REASON FOR INVESTIGATION

Section 925 of the California Penal Code (CPC) 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 California Government Code section 25250 and section 925 of the CPC.

PROCEDURES

The Grand Jury reviewed the Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2008, (CAFR) and the Management Report For the Year Ended June 30, 2008, (MR) and its findings and recommendations. The Board Minute Order dated May 6, 2008, was also reviewed. The Grand Jury interviewed the Auditor-Controller and the Assistant County Administrative Officer (CAO).

FINDING 1

The Board of Supervisors (BOS) contracted with the accounting firm Bartig, Basler, & Ray (BB&R) to examine the financial statements of Calaveras County (County) and to provide an opinion on the accuracy and reliability of these financial statements for the year ended June 30, 2008. However, BB&R merged with Gallina LLP on January 1, 2008, which created an entirely new firm. This merger was unknown to the Grand Jury until receiving the MR in March of 2009. The CAFR prepared by the Office of the Auditor-Controller states, "To fulfill the audit requirements of California Government Code Section 25250, and the Single Audit Act, the Board of Supervisors, in consultation with the Grand Jury, selected the firm of Gallina LLP to perform the audit of the County's Fiscal Year 2007-2008 financial statements."

On May 6, 2008, the BOS authorized "a contract with Gallina, LLP for annual audit services for fiscal years ending June 30, 2008 and June 30, 2009 for an amount not to exceed \$74,000 for 2008 and \$80,000 for 2009." The Grand Jury was neither consulted with nor notified of this selection.

RECOMMENDATION

The BOS should consult with the Grand Jury prior to the selection of an expert auditor, and the Grand Jury should be consulted on any contractual alterations.

RESPONSE REQUESTED

Board of Supervisors
Auditor-Controller
County Administrative Officer

16. CALAVERAS COUNTY MANAGEMENT REPORT (AUDIT REPORT)

REASON FOR INVESTIGATION

Section 925 of the California Penal Code (CPC) states, "The Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county...." Additionally, in Calaveras County, the Grand Jury advises the Board of Supervisors in their selection of expert auditors pursuant to section 925 of the CPC and California Government Code section 25250.

PROCEDURES

The Grand Jury reviewed the following documents:

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008, (CAFR) prepared by the Auditor-Controller

Management Report for the Year Ended June 30, 2008, (MR) prepared by Gallina LLP Certified Public Accountants

Board of Supervisors (BOS) Minute Order dated May 6, 2008

The Grand Jury interviewed the following:

Auditor-Controller and staff

Assistant County Administrative Officer (CAO)

Administrative Analyst

Director, Community Development Agency

The results of Gallina's examination are detailed in the MR and submitted to all County departments. The departments that were reviewed and had findings and recommendations had 60 days to respond prior to the final publication of the report.

16A. AUDIT FINDINGS AND RECOMMENDATIONS

1. AUDITOR-CONTROLLER

1A TIMELINESS OF THE ANNUAL FINANCIAL REPORT

Gallina states as criteria for this finding, "Financial information and reporting is more effective and useful to management and financial statement users when it is provided timely." In performing the audit Gallina noted a significant delay in preparing the County's annual financial statements and note disclosures. Gallina's fieldwork was started during the week of September 15, 2008. Accounting records were ready for audit, but the financial statements were not prepared for review until the week of December 22, 2008.

Gallina stated, "The lack of staffing resources causes a long delay between the time the accounting records are closed and ready and the time the financial report is available for review." Gallina recommended that the Auditor-Controller's department hire additional accounting staff because day-to-day responsibilities take precedence over their financial reporting duties. The 2006-2007 and 2007-2008 Grand Juries agreed as does this Grand Jury.

Management Response

“The Auditor-Controller concurs with this recommendation. As this recommendation has consistently occurred a solution needs to be addressed in order to effectively provide timely financial information and reporting to County management and financial statement users. The level of management staffing must be expanded to lessen burden on those required to work substantial overtime in order to complete assigned and/or mandated tasks. Auditor staff must be at a level sufficient to meet statutory obligations, and permit timely processing of daily operations. Additional accounting staff will permit cross-training in critical areas necessary to perform routine time-sensitive accounting responsibilities and ever-increasing demands of maintaining internal controls. This will provide more availability for management staff responsible for the County’s financial reporting to dedicate their time to higher level, more complex accounting responsibilities.

“A formal strategic plan for reorganization of the Office of Auditor-Controller was presented to the County Board of Supervisors on April 10, 2007. The plan detailed excessive workload growth in the Auditor-Controller’s Office over the past ten-year period without a corresponding increase in staffing. The Calaveras County Grand Jury also recommended additional qualified staffing and departmental cross-training to more efficiently manage the workload for the Auditor-Controller’s Office in their 2006-2007 Final Report approved on June 1, 2007, and their 2007-2008 Final Report approved on June 5, 2008. To date, the Board has not granted any of the new positions that were requested in the plan.”

GRAND JURY RECOMMENDATION

The BOS should authorize the Auditor-Controller to hire at least two additional employees to alleviate the workload. Prior to the current economic crisis, the BOS repeatedly refused approval of additional staff while the workload increased in the already overworked Auditor-Controller’s office. Now it is becoming crucial to increase the staff, as current staff may be over-taxed with growing responsibilities which could lead to more problems with inaccurate records, internal controls, and increased stress-created health problems for the staff.

RESPONSE REQUESTED

Board of Supervisors
Auditor-Controller

1B DISAGGREGATION OF RECEIVABLES

(Disaggregate: to separate something into its component parts, or break apart.)

Gallina states as criteria for this finding, “Various components of significant receivables are required to be disclosed separately in the notes to the financial statements if not visible on the face of the financial statements. Components of receivables include accounts receivable (due from citizens), taxes (property, sales taxes, transient occupancy) receivable, interest receivable, amounts due from other governments and notes receivable.”

When the Auditor-Controller’s office closes the receivables for the year, all, except for interest and notes receivable, are posted to one or two accounts. The staff maintains detailed external schedules of the receivables by type. The point of disaggregation occurs when staff uses these external schedules to prepare journal entries to post the receivable details to the financial

reporting software's (GoSystem) general ledger from the schedules and into their separate accounts. Gallina points out, "This results in additional work: once when the receivable information is collected and posted to the County's general ledger system and again when preparing the County's annual financial statements." They also note, "Failure to capture receivable information into the general ledger at the disaggregate level of detail results in additional work when preparing the financial statements by having to refer to external schedules. Risk of errors is also increased."

Gallina recommends, "... that the County's closing entries to record receivables be modified to capture receivable balances into each of the accounts described above according to their nature so that financial statement balances and disclosures can be derived directly from the County's general ledger without additional reference to external schedules and financial statement entries."

MANAGEMENT RESPONSE

"Auditor-Controller staff will modify the County's closing process to record receivables to capture receivable balances according to their nature so that financial statement balances and disclosures can be derived directly from the County's general ledger."

GRAND JURY RECOMMENDATION

Policy and procedures should be developed by the Auditor-Controller to ensure the continuation and accuracy of capturing each department's receivable balances, as stated in the Auditor-Controller's response. The County Administrative Officer should make certain that each department has a written copy of the new policy and procedures available for use by its staff. The Auditor-Controller should forward a copy to the Grand Jury.

RESPONSE REQUESTED

County Administrative Officer
Auditor-Controller

1C COMPLETENESS OF RECEIVABLES

Gallina's criteria for this finding is "Under the modified accrual basis of accounting which is used to account for the County's governmental funds as required by generally accepted accounting principles (GAAP), income that has been earned must be reported as a receivable regardless of whether it has been collected within sixty days following the close of the County's fiscal year end. Receivables that are not collected within the sixty days following the close of the County's fiscal year end should be reported as deferred revenues."

The County collected receivable information from departments about receivables existing but not collected within the sixty days following the close of the fiscal year end. Gallina's audit found two receivables not recorded in the accounting records: (1) State Highway User's Tax in the amount of \$484,868 and (2) Proposition 40 Grants Receivable in the amount of \$477,750 for a total of \$962,618.

Gallina states that the cause of unrecorded receivables is the need for additional processes to collect receivable information and then incorporate the balances into the general ledger

accounts. Sixty days following the close of the accounting period is not long enough to ensure the completeness of the receivables, and departments may not be adequately trained to recognize receivables and report this information. This leaves the Auditor-Controller's office without the necessary information to ensure the receivables are complete.

Gallina points out, "Statement on Auditing Standards No. 112 provides that identification by the external auditor of a material misstatement in the financial statement that was not initially identified by the County's internal control system is an indicator of a control deficiency that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control." This leaves the Auditor-Controller's office in a difficult position if they do not receive complete input from the County's departments responsible for collecting the revenues.

The recommendation made by Gallina is "...that the County consider additional steps in its year-end closing process to ensure material misstatements do not occur. Such steps might include training County departments to more readily recognize receivables and performing a risk assessment process for each receivable account to ensure its completeness."

MANAGEMENT RESPONSE

"The Auditor-Controller's Office has taken steps to more fully develop departmental year-end closing procedures. Management is currently working with the County's Technology Services Department to develop reports to assist the departments with their analysis. The enhanced process will include a required detailed analysis from all departments' revenue sources compared to the prior year with explanations for all variances noted."

GRAND JURY RECOMMENDATION 1

The Auditor-Controller should follow through with development of departmental year-end closing procedures. These procedures should be addressed in a policy and procedures manual developed by the Auditor-Controller and the Technology Services Department with step-by-step instructions. Copies of these procedures should be given to all departments for use by their staffs and a copy forwarded to the Grand Jury.

RESPONSE REQUESTED

Board of Supervisors
County Administrative Officer
Auditor-Controller
Chief Information Officer of Technology Services Department

GRAND JURY RECOMMENDATION 2

The Auditor-Controller's office should address its serious internal control problems. Lack of staff and overworked staff have contributed to internal control problems. The Grand Jury again recommends the hiring of additional qualified staff to relieve some of the problems that may be causing the internal control issues.

RESPONSE REQUESTED

Board of Supervisors
County Administrative Officer
Auditor-Controller

16B. STATUS OF PRIOR YEARS' RECOMMENDATIONS

1. ADMINISTRATION

1A CONSTRUCTION-IN-PROCESS – WRITTEN ACCOUNTING POLICIES AND PROCEDURES

The 2005 Management Report revealed that the County did not have written accounting policies and procedures for construction-in-process accounts. The recommendation was for the County Administration and the Auditor-Controller to work together to "...develop standard accounting policies and procedures for construction projects." and "Consideration should be given to making this an amendment to the County's existing policy document concerning capital assets."

The Grand Jury reviewed this finding and interviewed County Administration Office staff and Auditor-Controller staff. When asked why this has not been completed, both the Assistant CAO and Auditor-Controller stated time and staff shortages. The CAO's office has agreed to work on this now, and the Auditor-Controller has offered to serve in an advisory role.

GRAND JURY RECOMMENDATION

The CAO's staff should complete the policy and procedures through its final and approved stages and send a copy to the Grand Jury. The staff has been working on this project and, as of May 2009, has developed a draft of the accounting policy and procedures as requested in 2005.

RESPONSE REQUESTED

County Administrative Officer
Auditor-Controller

2. PLANNING

2A TRUST ACCOUNTS

The 2003 Management Report recommended "...that the trust funds be reconciled at least monthly to the Auditor-Controller's records." Upon further review it was discovered that the fund in question (Account 5426 and its subaccounts) has not been reconciled beginning with fiscal year 1999-2000 to the present. As of June 30, 1999, the balance in this fund was \$10,739.14. By June 30, 2000, the account had a negative balance of \$17,733.39. The 2008 Management Report identified that this account was still not reconciled. As of April 17, 2009, the balance of this account had a negative balance of \$13,686.14. After the Grand Jury interviewed the Administrative Analyst and the Interim Director of the Community Development Agency (CDA), it was determined this problem may go back as far as 1992. In 2007 the CDA brought in an extra hire employee to focus on clearing this account. The funds for this extra

hire ran out prior to reconciling this account. In April 2009 the CDA Administrative Analyst began a review of the account.

GRAND JURY RECOMMENDATION

The Planning Department staff complete reconciliation of Trust Account 5426 prior to next year's Management Report. Written procedures should be in place outlining the steps to properly input data to trust accounts that satisfy the Auditor-Controller's accounting system and ensure a balanced accounting record. The Auditor-Controller should provide these procedures to all departments with trust accounts.

RESPONSE REQUESTED

Board of Supervisors
Director of Planning
Auditor-Controller

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C. RESPONSES TO 2007-2008 GRAND JURY REPORT

The Grand Jury releases its final report at the end of its term. Most, if not all, of the responses are received after the new Grand Jury has been seated and these responses become its responsibility. Unlike many counties, the Calaveras County Grand Jury has five or six holdovers who return to assist the new Jury in the way the Grand Jury conducts business and aid in the analysis of the responses. To assure continuity, it is important to carefully track and evaluate responses.

Responses are tracked to: inform the public, ensure follow up, promote solutions, and reduce the number of unresponsive answers. Public scrutiny of the responses can improve the impact of the Grand Jury's reports and recommendations as well as increase the credibility of the elected officials and department heads whose areas were investigated.

The new Grand Jury reviews the findings and recommendations of the prior year's Jury and the ensuing responses. When necessary, these responses are discussed with the appropriate standing committees for follow-up comments. If it is determined that more information is needed, Jury members may meet with the respondents to discuss specific responses.

The Grand Jury refers to the California Penal Code (CPC) for follow up, summarization, and analysis of the responses from the responding officials and departments, pursuant to CPC §933 and §933.05 there are time limits for responses and each Finding and Recommendation may either require or request a response from the party addressed. Specifically worded responses are limited by the CPC. Responses may include additional information to clarify a specific response.

RESPONSE TIME LIMITS CPC §933 (c)

"...No later than 90 days after the Grand Jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and every elected county officer or agency head for which the grand jury has responsibility pursuant to §914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years."

RESPONSE TO FINDINGS CPC §933.05 (a)

1. *“The respondent agrees with the finding.”*
2. *“The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reason therefore.”*

RESPONSE TO THE RECOMMENDATION CPC §933.05 (b)

1. *“The recommendation has been implemented, with a summary regarding the implemented action.”*
2. *“The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.”*
3. *“The implementation requires further analysis, with an explanation and the scope and parameters of an analysis or study and a time frame for the matter to be prepared for discussion by the officer or head of the department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.”*
4. *“The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.”*

The Grand Jury is presenting this report with the following format. First is the previous year's report in italics. Then, excerpts from the response letter that relate to that particular report follows and are printed **verbatim**. Some responded more than once, at the request of the Grand Jury, because they did not follow the procedures mandated by the CPC. Finally, the Grand Jury's determination is shown within a frame below the appropriate response.

1. INVESTIGATION OF THE COMMUNITY DEVELOPMENT AGENCY

REASON FOR INVESTIGATION

As the result of multiple complaints from various sources, the Grand Jury investigated the Community Development Agency (CDA).

PROCEDURES

The following people were interviewed:

- All current members and one former member of the Calaveras County Board of Supervisors (BOS).*
- Current, interim and past County Administrative Officers.*
- Numerous Department Heads including the Director of the CDA.*
- Current employees of various County Departments.*

The Grand Jury reviewed numerous documents including:

- Consultants reports (CityGate Associates Inc., JAS Pacific Inc., Palmer Kazanejian Wohl Perkins LLP, and Maximus – User Fee Study).*
- The CDA budgets and financial records.*
- Job descriptions, organization charts, Calaveras County Personnel Ordinance and the Memorandum of Understanding between the County of Calaveras and the Service Employees' International Union.*

The Grand Jury also reviewed the County's hiring practices including the process of background checks, as well as attended BOS and community town hall meetings.

RESULTS OF INVESTIGATION

FINDING 1 – THE BOARD OF SUPERVISORS (BOS)

- 1. Background Check - The BOS, when hiring the CDA Director (Director), failed to follow standard hiring procedures by neglecting to insist that the candidate's qualifications and past work experience be verified and thoroughly checked.*
- 2. Reporting Relationship - The BOS failed to clearly define the reporting relationship of the position and allowed the Director to circumvent the established line of supervision. The Director reported directly to the BOS with disregard for the published County organization chart.*
- 3. Accountability - After establishing the Director's direct reporting relationship to the Board, the BOS failed to hold the Director accountable and neglected to prepare any performance evaluations.*
- 4. Job Qualifications - The Director, when hired by the County, lacked the technical skills and sufficient related experience to successfully perform the job. The BOS based their hiring decision on the applicant's self-reported strong management experience. However, the Grand Jury, in the course of the investigation, could not substantiate many of the claims made on the Director's resume and application.*

RECOMMENDATIONS

1. *The BOS hire Department Heads only after background checks and thorough verification of prior work experience are completed by Human Resources Department.*
2. *The BOS publicly restore the reporting relationship of the Director to the County Administrative Officer (CAO).*
3. *The BOS and the Director adhere to the reporting relationship as defined in the County organization chart..*
4. *The CAO develop a plan to prepare annual performance evaluations on all Department Heads.*
5. *The Director enroll in an accredited educational institution and obtains a Certified Planner Certificate.*

RESPONSE REQUESTED

Board of Supervisors

County Administrative Officer

Director, Human Resources

Director, Community Development Agency

FINDING 2 – FUNDS

1. *Mismanagement of County Funds – Numerous outside consultants have been hired for work that could be done by CDA employees. The position of Chief Building Official is still filled by a Vali Cooper consultant and a large portion of the plan checking service is still performed by outside contractors. Due to the Director's decisions, the CDA has spent nearly \$2 million (almost half of its 2007/2008 budget) on consulting fees.*
2. *Budget Deficit - The County is currently faced with a CDA projected deficit of nearly \$900,000 for fiscal year 2007-2008, the largest Planning and Building Department deficit in many years. This deficit is not entirely due to the national decline of the housing market.*
3. *Internal Audit - When the CDA's second quarter actual budget deficit was discovered; the Director initiated an internal audit. The Director reassigned the qualified Account Technician to other duties and instructed a newly hired Permit Technician to conduct the audit and to perform the regular duties of the Account Technician.*
4. *Disregard for County Accounting Practices – The Director fails to follow the County's accounting practices and procedures and has shown little interest in coordinating these practices with the County Auditor/Controller. This has resulted in costly accounting errors and confusion in recording various services such as Environmental Impact Report expenses and revenues within the Trust Account.*
5. *Lack of Consistency in Collecting Fees and Fines - The Director has exempted certain cases subject to code compliance fees and fines without justification, thus potentially violating Calaveras County Code, Title 8, Article IX Violations Fines and Procedures.*

6. Hiring Incentives - The Director is the only Department Head in the County who has relied on costly hiring incentives when recruiting new Planners.
7. CDA Hiring Practices - The Director disregarded County hiring practices, bypassed Human Resources, and developed the CDA's own recruiting, screening and interviewing procedures for potential hires.

RECOMMENDATIONS

1. Discontinue the use of outside consultants performing the jobs of salaried CDA employees.
2. Combine the budgets of the Planning and Building departments to reflect the existence of the CDA.
3. Audit the CDA's accounts for 2007-2008 to mitigate the further occurrence of accounting errors. The audit to be performed by an independent outside accounting firm.
4. The Director and the County's Auditor-Controller personally meet and review the existing accounting systems and conform to established County practices.
5. The Director to consistently support the enforcement of Calaveras County Codes by Code Compliance.
6. Justify or eliminate the need for hiring incentives for Planners.
7. Use Human Resources to handle all preliminary phases of recruiting, screening and interviewing of CDA applicants pursuant to current County hiring procedures.

RESPONSE REQUESTED

Board of Supervisors
County Administrative Officer
County Auditor/Controller
Director, Human Resources
Director, Community Development Agency

FINDING 3 – DIRECTOR

1. Management Style – The Director's management style contributes to a chaotic workplace. The Director at times exhibits confrontational behavior towards County employees and Department Heads, and at times magnifies the severity of issues, presenting the BOS with multiple emergencies.
2. Work Environment – CDA employees have filed numerous harassment/hostile work environment complaints. Some of the earlier complaints prompted a thorough investigation, which resulted in a directive from the BOS to have all CDA management and employees participate in a team building exercise. The team building exercise was not completed (as of this writing) and failed because the Director walked out with the executive staff in mid-session and refused to continue.
3. Trust – The Director frequently scrutinizes the work of employees by secretly checking files in the absence of employees. This perceived lack of trust comes

at the expense of the performance of the Director's managerial responsibilities.

4. Communication – The Director's accessibility to CDA employees is inadequate, partly due to the remote location of Director's office from the Building and Planning Departments. In addition, the Director's mode of communication is usually verbal and often unofficial, which leads to confusion, misinterpretations and misunderstandings.
5. Compliance with Administrative Requirements – For the past two years the Director has not prepared or mandated the preparation of annual performance evaluations of the CDA staff.
6. General Plan – The complete overhaul of the General Plan, as opposed to using a step-by-step process, was influenced by the Director's sense of urgency. However, the Director's lack of technical planning expertise has prevented consideration of alternate ways of moving the project forward.

RECOMMENDATIONS

1. The BOS and the CAO evaluate the effectiveness of the CDA.
2. Resume and complete the team building exercise.
3. The Director entrust all CDA employees to perform their assigned duties with the support of their supervisors.
4. Communicate policy changes and directives in writing. Schedule periodic staff meetings to facilitate open communication and build trust.
5. The Director to be more accessible to staff and practice an open door policy.
6. Update Policies and Procedures manuals for both the Planning and Building Departments.
7. Prepare annual performance evaluations for all CDA employees.
8. The BOS reassess the Mintier General Plan contract to find ways to minimize consultant's expenditures, downsize Mintier's role in the project and manage more of it in-house.

RESPONSE REQUESTED

Board of Supervisors

County Administrative Officer

Director, Community Development Agency

RESPONSES RECEIVED FOR COMMUNITY DEVELOPMENT AGENCY

RESPONSE: ROBERT C LAWTON, COUNTY ADMINISTRATIVE OFFICER

LETTER: October 21, 2008

“Finding 1

“1. Background Check –“

"Response: The County Administrative Officer concurs with the Department of Human Resources response that 'A background check was completed on the CDA Director pursuant to the County's Background Screening Policy and Hiring Practices.' "

“2. Reporting Relationship-“

"Response: Section 2.10.050, Calaveras County Code, states that 'The County Administrative Officer shall supervise for the board of supervisors the administration of all county departments, offices and institutions over which the board has responsibility and control through its power to appoint the department head...' "

“3. Accountability –“

"Response: Section 2.10.080, Calaveras County Code, clearly specifies that 'The County Administrative Officer shall evaluate the on-the-job performance of each department head, except for elective offices, at least once annually and prepare a written record of his review. The county administrative officer shall discuss his/her draft evaluation with the department head and board of supervisors.' "

“4. Job Qualifications - "

"Response: The County Administrative Officer concurs with the Department of Human Resources response that 'The Director did meet the minimum qualifications of the position. However, the Director did not have the specialized background, experience and education in the field. It should be noted that it was verified and confirmed that the Director was employed by all the employers identified.' "

“Recommendations”

- 1.** "Response: This is the usual and customary County practice at this time."
- 2.** "Response: The County Administrative Officer notes that County Code speaks clearly to this relationship, and it is met in both letter and spirit at this time."
- 3.** "Response: The County Administrative Officer notes that County Code speaks clearly to this relationship, and it is met in both letter and spirit at this time."
- 4.** "Response: The County Administrative Officer has been in place for less than a year, too soon to conduct an annual evaluation of any department head, but is working with

the Department of Human Resources and Risk Management to implement an annual evaluation process for appointive Department Heads and the County Administrative Officer beginning in January 2009."

5. "Response: The County Administrative Officer observes that the Community Development Agency has undergone a transition in leadership since issuance of the Grand Jury Report."

●GRAND JURY DETERMINATION 2008-2009●

Finding 1 - The Board of Supervisors Recommendations 1-5

The 2007-2008 Grand Jury intended that the CAO only needed to address Recommendations 3 and 4. The response from the CAO regarding those recommendations is adequate.

LETTER: October 21, 2008 Continued

“Finding 2

“1. Mismanagement of County Funds –”

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

“2. Budget Deficit -“

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

“3. Internal Audit –“

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

“4. Disregard for County Accounting Practices – “

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

“5. Lack of Consistency in Collecting Fees and Fines –“

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"6. Hiring Incentives –"

"Response: The County Administrative Officer concurs with the response provided by the Department of Human Resources and Risk Management."

"7. CDA Hiring Practices – "

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

Recommendations

"1. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"2. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"3. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"4. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"5. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"5. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"7. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

●GRAND JURY DETERMINATION 2008-2009●

**Finding 2 – Funds
Recommendations 1-7**

The response from the County Administrative Officer (CAO) is not adequate to meet the recommendations for Finding 2 - Funds, Recommendations 1-7. The CAO responded that he concurred with the responses provided by the former Interim Director of the Community Development Agency and the Department of Human Resources and Risk Management.

In the future the CAO should meet and discuss investigation findings and recommendations with County officials and department heads identified in investigation findings and then issue his own response when requested by Grand Jury recommendations

LETTER: October 21, 2008 Continued

Finding 3

1. Management Style –

"Response: The County Administrative Officer notes that the Community Development Agency has undergone a change in leadership since issuance of the Grand Jury Report and otherwise concurs with the response provided by the Community Development Agency."

2. Work Environment –

"Response: The County Administrative Officer notes that the Community Development Agency has undergone a change in leadership since issuance of the Grand Jury Report and otherwise concurs with the response provided by the Community Development Agency. The County Administrative Officer particularly notes the completion of the team building exercise following the appointment of an Interim Community Development Director."

3. Trust -

"Response: The County Administrative Officer notes that the Community Development Agency has undergone a change in leadership since issuance of the Grand Jury Report and otherwise concurs with the response provided by the Community Development Agency."

4. Communication –

"Response: The County Administrative Officer notes that the Community Development Agency has undergone a change in leadership since issuance of the Grand Jury Report and otherwise concurs with the response provided by the Community Development Agency."

5. Compliance with Administrative Requirements -

"Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

6. General Plan -

"Response: The County Administrative Officer notes that the Community Development Agency has undergone a change in leadership since issuance of the Grand Jury Report and otherwise concurs with the response provided by the Community Development Agency."

Recommendations

"1. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"2. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"3. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"4. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"5. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"6. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"7. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

"8. Response: The County Administrative Officer concurs with the response provided by the Community Development Agency."

●GRAND JURY DETERMINATION 2008-2009●

**Finding 3 – Director
Recommendations 1-8**

The response from the County Administrative Officer (CAO) is adequate to meet Finding 3 – Director, Recommendation 2 regarding completion of the team-building exercise.

The resignation of the former CDA Director resolves Finding 3 – Director, Recommendations 1 and 3-5 regarding management style, trust, communication style, and accessibility.

The response from the CAO is not adequate to meet Recommendations 6 and 7 for Finding 3 – Director. The CAO responded that he concurred with the responses provided by the former Interim Director of the Community Development Agency.

In the future the CAO should meet and discuss investigation findings and recommendations with County officials and department heads identified in investigation findings and then issue his own response when requested by Grand Jury recommendations.

RESPONSE: BOARD OF SUPERVISORS

LETTER: October 28, 2008

“All Findings

The Board of Supervisors adopts the response provided by the County Administrative Officer regarding these findings and recommendations.”

●GRAND JURY DETERMINATION 2008-2009●

**Finding 1 - The Board of Supervisors
Recommendations 1-5**

The response from the Board of Supervisors (BOS) is not adequate to meet Recommendations 1-3 for Finding 1 – The Board of Supervisors (BOS). The BOS responded that it adopted the responses of the County Administrative Officer. As required by PC 933.05, the BOS should address budgetary or personnel matters.

**Finding 2 – Funds
Recommendations 1-7**

The response from the Board of Supervisors (BOS) is not adequate to meet the recommendations for Finding 2. The BOS responded that it adopted the responses of the County Administrative Officer. The CAO responded that he concurred with the responses of the Community Development Agency and the Department of Human Resources and Risk Management. This makes the BOS’ response twice removed from the responses provided.

**Finding 3 – Director
Recommendations 1-8**

The response from the Board of Supervisors (BOS) is not adequate to meet the recommendations for Finding 3. The BOS responded that it adopted the responses of the County Administrative Officer. As required by PC 933.05, the BOS should address budgetary or personnel matters.

In the future the BOS should issue its own response when requested in Grand Jury recommendations.

RESPONSE: FRANCINE OSBORN, DIRECTOR, HUMAN RESOURCES

LETTER: August 28, 2008

Finding I - The Board of Supervisors (BOS)

1. Background Check -

“Response: A background check was completed on the CDA Director pursuant to the County's Background Screening Policy (see attached) and hiring practices. Once the background check is received, Human Resources then conducts a more in-depth review of all potential department head candidates. However, pursuant to Board direction no further in-depth review of the CDA Director's background was researched. Human Resources agrees with the Grand Jury's recommendation and believes before the BOS make an offer of employment that a thorough employment review by Human Resources is completed.”

2. Reporting Relationship -

“Response: Calaveras County Code states that the County Administrative Officer supervises and administers all department heads on behalf of the BOS. Human Resources witnessed several incidents where the line of supervision was bypassed and matters were handled directly by Board members. Human Resources agrees with the Grand Jury's recommendation but does not have jurisdiction over this matter.”

3. Accountability -

“Response: The County Administrative Officer is required by County Code to perform department head evaluations annually.”

4. Job Qualifications -

“Response: The Director did meet the minimum qualifications of the position. However, the Director did not have the specialized background, experience, and education in the field. It should be noted that it was verified and confirmed that the Director was employed by all the employers identified.”

●GRAND JURY DETERMINATION 2008-2009●

**Finding 1 - The Board of Supervisors
Recommendations 1-5**

The 2007-2008 Grand Jury intended that the Director, Human Resources needed only to address Finding 1 – The Board of Supervisors (BOS), Recommendations 1 and 4. The response from the Director is adequate to meet those recommendations.

Comment

Human Resources did not provide the 2007-2008 Grand Jury with background check information even though that information was requested. Human Resources did not advise the Grand Jury of separate background check files. The 2007-2008 Grand Jury obtained background information from previous employers, which conflicted with information given in the former CDA Director's employment application.

The Director, Human Resources replied that she was directed by the BOS not to initiate the customary in-depth review prior to hiring the former CDA Director in 2006. Had Human Resources initiated the customary in-depth background check, it is possible that the validity of some application claims such as those uncovered by the 2007-2008 Grand Jury could have been discovered.

LETTER: August 28, 2008 Continued

FINDING 2 – FUNDS

1. Mismanagement of County Funds –

“Response: In my capacity as Director of Human Resources & Risk Management, it was brought to my attention that the Director hired outside consultants to perform services for the CDA. I am unaware of the amount of money spent on consulting fees by CDA for 2007/08.”

2. Budget Deficit -

“Response: As the Director of Human Resources & Risk Management, I do not manage or have first hand knowledge concerning the specifics regarding the CDA budget deficit. Human Resources does not have jurisdiction over decisions made regarding other department budget units.”

3. Internal Audit -

“Response: As Director of Human Resources & Risk Mgmt., I became aware of this matter and acknowledge the finding and agree with the proposed recommendation.”

4. Disregard for County Accounting Practices -

“Response: As the Director of Human Resources & Risk Management, I do not have direct knowledge regarding this issue and am therefore unable to respond.”

5. Lack of Consistency in Collecting Fees and Fines -

“Response. I am unable to comment on this issue as I have no expertise in this area and lack important information and facts.”

6. Hiring Incentives -

“Response: As Director, Human Resources & Risk Mgmt., I was directed by the Administrative Committee (Board Chair and Vice Chair) to bring forth a plan addressing recruitment incentives for the County. I proposed a county-wide program that would allow Human Resources to utilize recruitment, retention and relocation incentives for difficult and hard to fill specialty & professional positions. The Administrative Committee gave direction to prepare and submit a Board packet addressing this issue for only the Planner III classification from CDA and the Engineer series in Public Works.

Justification for the incentives has already been accomplished and approved by the Board.”

7. Hiring Practices -

“Response: The Personnel Ordinance and County Code clearly define all phases of the County's recruiting, screening, interviewing and hiring procedures. Human Resources agrees and supports the Grand Jury's recommendation which ultimately protects and is in the County's best interest.”

●GRAND JURY DETERMINATION 2008-2009●

**Finding 2 – Funds
Recommendations 1-7**

The 2007-2008 Grand Jury intended that the Director, Human Resources only needed to address Finding 2 – Funds, Recommendations 6 and 7. The response from the Director, Human Resources is adequate for the above recommendations.

RESPONSE: JOHN E TAYLOR, INTERIM DIRECTOR COMMUNITY DEVELOPMENT AGENCY

LETTER: August 20, 2008

“The Community Development Agency has reviewed the Final Report of the Grand Jury for 2007-2008 as that report pertains to the Community Development Agency. Please be advised that the responses to the Findings and Recommendations of the Report are being prepared by the Interim Director of Community Development, in consultation with management staff of the Agency, as the former Director, who was the focus of many Findings and Recommendations contained in the Report, is no longer an employee of Calaveras County.”

FINDING 1 — THE BOARD OF SUPERVISORS

“The Agency has no response to Finding 1, numbers 1-4, as those findings were directed to the Board of Supervisors.”

Recommendations Under Finding 1

“The Agency has no response to Recommendations 1-4.”

“Agency Response to Recommendation #1.5: The Agency disagrees with this recommendation as there is no such requirement in the job specifications for the position. In addition, there already exists in the Agency the position of Planning Director that manages the day-to-day activities of the Planning Department within the Community Development Agency. And it should be noted that the job specification for the Planning Director makes A.I.C.P. Certification preferable, but not required.”

●GRAND JURY DETERMINATION 2008-2009●

**Finding 1 - The Board of Supervisors
Recommendations 1-5**

The 2007-2008 Grand Jury intended that the former Director, Community Development Agency (CDA) only needed to address Finding 1 – The Board of Supervisors (BOS), Recommendations 3 and 5. These recommendations were specific to the former Director. The Grand Jury appreciates the response from the former Interim Director on the above recommendations.

Regarding the response to Recommendation 5, the Grand Jury understands there is no requirement in the job specifications for a CDA Director to enroll in an accredited educational institution and obtain a Certified Planner Certificate. However, this recommendation was issued by the 2007-2008 Grand Jury after multiple sworn testimonies revealed that completion of a certified planner program was agreed to when the former CDA Director was hired.

LETTER: August 20, 2008 Continued

FINDING 2 - FUNDS

1. Mismanagement of County Funds -

“Agency Response to Finding #2.1 Hiring of outside consultants was done to a) fill gaps in the Agency's ability to provide service with existing personnel; b) provide specific expertise not available within the Agency; and c) to provide training to Agency personnel, which further reduced the need for the Agency to rely upon outside plan check services. The position of Chief Building Official is no longer filled by an outside consultant but has been filled on an interim basis from within the ranks of the Agency. At the close of books for FY 2007-08, the record reflects that the Agency spent less than \$1,350,000 for all professional and specialized services. The level of expenditure for all professional services was approximately 32% of the total funds expended during the year, including funds expended solely for the preparation of environmental documents under CEQA and funded directly by the applicant.”

2. Budget Deficit -

“Agency Response to Finding #2.2 At the close of books for FY 2007-08, the record reflects that the Agency incurred a total deficit in the amount of \$390,852 which was comprised of Planning's end-of-year positive balance of \$116,261.78 and Building's end-of-year negative balance of <\$507,113.58>.”

3. Internal Audit -

“Agency Response to Finding #2.3 The Agency partially disagrees with the finding. An internal audit was conducted; however it was performed by the Administrative Analyst (not a Permit Technician) whose duties, among other things, include supervision of the Accounting Technician as well as the Permit Technicians. Having the Accounting Technician perform an audit of systems in which the incumbent participates would not have constituted appropriate separation and would have resulted — in part - in the incumbent auditing her own performance.”

4. Disregard for County Accounting Practices -

“Agency Response to Finding #2.4 The Agency is committed to following the County's accounting policies, procedures and practices. It should be noted that the Agency, as with all county departments, operates under a budget approved by the Board of Supervisors and can not make expenditures under any object level without an appropriation. Accordingly the Agency has little latitude to engage in accounting practices that do not conform to the County Auditor's requirements as those requirements are further supported by the accounting guidelines published by the State Controller.”

5. Lack of Consistency in Collecting Fees and Fines –

“Agency Response to Finding #2.5 The County Code section cited provides that fees and fines recommended by the Code Compliance Officer be brought before the Appeal Hearing Board for action and it is that Board and not the CDA Director that has discretion to excuse a recommended fee or fine. Our review of the records does not support the conclusion of the Grand Jury that the Director waived or otherwise exempted fees and fines otherwise reserved to the Appeal Hearing Board.”

6. Hiring Incentives –

“Agency Response to Finding #2.6 It is the Agency's understanding that both the Public Works Department and Community Development Agency have been authorized by the Board to work with Human Resources to offer certain hiring incentives to more effectively deal with chronic recruitment problems.”

7. CDA Hiring Practices -

“Agency Response to Finding #2.7 The Agency disagrees with this finding. The hiring authority for the Agency is not empowered to make an offer of employment and actually hire an applicant for an Agency position unless the Human Resources Department has a) determined that a vacancy exists and may be filled; b) screened applicants for meeting minimum qualifications established the County's personnel rules. It is the Agency's position that Agency involvement in the recruitment, screening and interviewing process for a vacant position has been in keeping with the policies and practices of the Human Resources Department.”

RECOMMENDATIONS

“Agency Response to Recommendation #2.1 The Agency disagrees with the assertion that outside consultants have been retained to perform the jobs of salaried employees. Consultants have been retained to perform duties for which no complement of existing staff was available to perform these duties. No duplication of effort occurred nor were any salaried employees displaced by the hiring of outside contract consultants. In some cases outside consultants were retained specifically to process the environmental reviews for development projects at applicant expense. It is common practice to engage outside consulting firms to process and manage the preparation of complex environmental studies that involve several different disciplines that are rarely represented in public planning agencies.”

“Response to Recommendation #2.2 The Agency strongly disagrees with this recommendation. The number of discreet budget units is not relevant to the identity or cohesiveness of a department or agency. The availability of multiple budget units provides the Agency the ability to track expenses and revenues by program cost center. The ability to segregate costs and revenues by cost center further enables unit cost analysis from which fees can be established that accurately reflect the true cost of service

delivery (as is required pursuant to a number of statutes and case law, i.e., there must be a nexus between the fee charged for a service and the cost to deliver that service). Further, the law requires that fees collected for one purpose shall not be used to support an entirely different purpose, otherwise the fee would be considered a tax and therefore subject to the various requirements set forth for levying and collecting taxes.”

“Response to Recommendation #2.3 It is the Agency's understanding that the County Auditor routinely retains the services of an outside auditor to perform an annual audit of county-controlled funds. We would expect that any accounting activities carried out by the Agency that fall outside the requirements of the County Auditor or of commonly accepted accounting practices would be reported on by the outside auditor.”

“Agency Response to Recommendation #2.4 Staff of the Agency routinely meet with staff of the County Auditor to assure the Agency's conformance to established County practices. The Interim Director is committed to full compliance with the Auditor's requirements.”

“Agency Response to Recommendation #2.5 There are two parts to the Agency's response to this recommendation: We agree that enforcement of the County Codes is a priority and that the Code Compliance section of the Agency deserves the full support of the Director; however, in being responsible and accountable to higher authority for the actions of Code Compliance, the Director must use his/her discretion to provide appropriate management guidance to the staff of that section.”

“Agency Response to Recommendation #2.6 The Agency is dependent upon market factors beyond its control and is often competing against other public and private sector planning entities when recruiting for professional planners. The use of incentives to aid in the recruitment to fill positions was specifically authorized by the Board of Supervisors and is not a frivolous action and approval for same will only be sought when the Agency proves unable to successfully fill important positions through the more routine recruitment efforts.”

“Response to recommendation #2.7 The Agency concurs and is remains committed to working with Human Resources to coordinate recruitment, screening and interviewing efforts and will continue to engage in the process consistent with county personnel procedures.”

See Grand Jury Determination for this Finding in the following November 3, 2008, letter after the section titled "Under Finding #2 - Funds"

FINDING 3- DIRECTOR

1. Management Style -

“Agency Response to Finding 3.1 The Agency is not in a position to comment on the management style of the previous incumbent Director.”

2. Work Environment -

“Agency Response to Finding 3.2 The Team Building exercise was rescheduled and was completed on August 13 and 14, 2008, with all Agency management staff, including the Interim Director, present and accounted for and actively participating the entire duration of the exercise. Communication with the Facilitator, Jose Chavez, Ed D, confirmed that while he was originally retained in January 2008 to engage in a Team Building exercise with CDA staff, he found instead the need to engage in conflict resolution. According to members of the management team who were present at the January Team Building exercise the Director and executive staff did not walk out in mid-session as described. The executive staff characterized their departure as having been excused by the Facilitator so that he could work with line staff directly on conflict resolution issues without the management staff present so that employees would not feel intimidated by the presence of the management staff.”

Trust -

“Agency Response to Finding 3,3 The Agency is not in a position to comment on this element of the management style of the previous incumbent Director. However, there do remain instances when the Director or other Agency manager is required to access permit and work files when the principal employee working the file is not available. Working files are not the property of the employees and often require access to answer questions and/or to evaluate the performance of the employee.”

3. Communication –

“Agency Response to Finding 3.4 The Agency disagrees with this finding. The Community Development Agency occupies the top floor of a small/medium public building. No employee of the Agency is more than 30-35 paces from the door to the Director's office. We cannot comment on the issue of the former Director's mode of communication.”

4. Compliance with Administrative Requirements –

“Agency Response to Finding # 3.5 The Agency is committed to bringing all employee performance evaluations up-to-date by the end of the calendar year 2008.”

5. General Plan –

“Agency Response to Finding # 3.6 The Agency disagrees with this finding. The Board of Supervisors received input from the Agency as well as other interested parties and made the decision to pursue a comprehensive GP Update following the current path.”

RECOMMENDATIONS

“Agency Response to Recommendation #3.1 The Current Interim Director has been directed by the CAO and BOS to evaluate the CDA and bring back a recommendation to the BOS in 90 days from hiring — approximately the first week in November 2008.”

“Agency Response to Recommendation #3.2 The Team Building Exercise has been completed.”

“Agency Response to Recommendation #3.3 The Interim Director has conveyed expectations that employees are expected to perform within the scope of their respective job specifications and that appropriate chain of command will be followed in all vertical communications involving questions of work performance.”

“Agency Response to Recommendation #3.4 The Agency concurs with this recommendation.”

“Agency Response to Recommendation #3.5 The Interim Director is committed to open communications with employees but at the same time will not accept ‘end runs’ around the chain of command with respect to employee questions on Agency/Department/Section policy or in matters of employee discipline or employee grievance.”

“Agency Response to Recommendation #3.6 The Agency concurs with this recommendation.”

“Agency Response to Recommendation #3.7 The Agency concurs and expects that all such evaluations will be completed by the end of calendar year 2008.”

“Agency Response to Recommendation #3.8 The Agency will take direction from the BOS on this issue, but it should be understood that the Agency currently lacks the staff resources to undertake such a larger role in the preparation and management of the General Plan Update.”

“This completes the response on the part of the Community Development Agency to the Grand Jury's Final Report on the Agency.”

See Grand Jury Determination for this Finding in the following November 3, 2008, letter after the section titled "Recommendations Under Finding #3".
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LETTER: November 3, 2008

Re: Addendum to 2007-2008 Final Grand Jury Report
Community Development Agency

“On October 22, 2008 the Interim Community Development Agency Director met with the Continuity Committee of the Grand Jury to discuss the response by the Community Development Agency to the Findings and Recommendations of the 2007-08 Grand Jury. As a result of that meeting it was requested that an addendum to the Agency's earlier response dated August 20, 2008 be submitted to provide clarification to those earlier responses and to assure conformance with the provisions of Section 933.05 of the California Penal Code. To reiterate our comment in the Agency's earlier response, the incumbent Community Development Director who was the subject of several findings and recommendations found in the Grand Jury's 2007-08 Report, left county employment prior to the Agency's preparing its response to the Report. While some of the Findings articulated in the Report may serve as an admonition about fiscal and personnel management of a public agency, specific recommendations related to the previous incumbent were made moot by that individual's departure from employment with Calaveras County.

In the following sections excerpted from the August 20th response letter the original finding/recommendation is restated along with the original response. We are inserting the comment entitled **Addendum:** to denote the additional comments being offered for each applicable item. This Addendum, plus the earlier response from the Agency constitute the entire response to the 2007-08 Grand Jury Final Report from the Community Development Agency.”

Under Finding #2 - Funds

Finding #2.3 Internal Audit -

“Agency Response to Finding #2.3 The Agency partially disagrees with the finding. An internal audit was conducted; however it was performed by the Administrative Analyst (not a Permit Technician) whose duties, among other things, include supervision of the Accounting Technician as well as the Permit Technicians. Having the Accounting Technician perform an audit of systems in which the incumbent participates would not have constituted appropriate separation and would have resulted — in part - in the incumbent auditing her own performance.

“**Addendum:** It should be noted that the Accounting Technician has been fully restored to her accounting responsibilities and continues to be under the supervision of the Administrative Analyst.”

RECOMMENDATIONS Under Finding #2

“Agency Response to Recommendation #2.1 The Agency disagrees with the assertion that outside consultants have been retained to perform the jobs of salaried employees. Consultants have been retained to perform duties for which no complement of existing staff was available to perform these duties. No duplication of effort occurred nor were any salaried employees displaced by the hiring of outside contract consultants. In some cases outside consultants were retained specifically to process the environmental reviews for development projects at applicant expense. It is common practice to engage outside consulting firms to process and manage the preparation of complex environmental studies that involve several different disciplines that are rarely represented in public planning agencies.

“**Addendum:** The recommendation will not be implemented. Where the Agency is unable to recruit qualified candidates for planning positions and the existing workload exceeds the capabilities of the existing complement of planning staff, the Agency reserves the right to seek assistance through contracted staff. A recent recruitment for two vacant Planner III positions yielded only two qualified candidates, one of whom was already an employee seeking promotion from the Planner II level. With an unyielding work-load and continuing pressure to process land use applications in a timely manner — as is required in the statutes — the County will, from time-to-time, retain contract planners to perform current planning duties. In most cases these contract planners will be retained to expedite an application for which the applicant has requested the additional planner assistance at the applicant's cost. In other words, at cost over and above the usual planning fees for the type of entitlement being sought.”

“Response to Recommendation #2.2 The Agency strongly disagrees with this recommendation. The number of discreet budget units is not relevant to the identity or cohesiveness of a department or agency. The availability of multiple budget units provides the Agency the ability to track expenses and revenues by program cost center. The ability to segregate costs and revenues by cost center further enables unit cost analysis from which fees can be established that accurately reflect the true cost of service delivery (as is required pursuant to a number of statutes and case law, i.e., there must a nexus between the fee charged for a service and the cost to deliver that service). Further, the law requires that fees collected for one purpose shall not be used to support an entirely different purpose, otherwise the fee would be considered a tax and therefore subject to the various requirements set forth for levying and collecting taxes.

“**Addendum:** The Recommendation will be implemented as described herein. In discussing the County Budget process with the County Administrator, as a first step budgets for both the Planning and Building programs, as published in the Proposed and Final Budgets, would be identified as programs within the Community Development Agency. In the long run, however, it would be appropriate to use what is called a ‘roll-up’ budget for the CDA where the individual budgets for Planning, Building and perhaps CDA Administration and Code

Compliance, while having separate budgetary accountability, the total Agency budget would be what is reflected in the published budget documents and personnel positions are identified with the full Agency and not the individual programs within the Agency. Accordingly the Agency will recommend that the 2009-2010 Proposed and Final Budgets reflect the Building and Planning functions are part of the Community Development Agency.”

“Agency Response to Recommendation #2.6 The Agency is dependent upon market factors beyond its control and is often competing against other public and private sector planning entities when recruiting for professional planners. The use of incentives to aid in the recruitment to fill positions was specifically authorized by the Board of Supervisors and is not a frivolous action and approval for same will only be sought when the Agency proves unable to successfully fill important positions through the more routine recruitment efforts.

“**Addendum:** Specifically addressing the intent of the Recommendation, the Board of Supervisors, in acting to adopt an incentive program, has already justified the need for such a program; accordingly no additional justification to continue the practice is required of the Agency.”

●**GRAND JURY DETERMINATION 2008-2009**●

**Finding 2 – Funds
Recommendations 1-7**

The 2007-2008 Grand Jury intended that for Finding 2 – Funds, only Recommendations 1 and 3-6 needed to be addressed by the former CDA Director.

The Grand Jury disagrees with the former Interim Director's responses to Recommendations 1 and 3-6. Although responses to those recommendations are appreciated, he did not have first-hand knowledge of the actions of the former Director and he was not present during the investigation which included multiple sworn testimonies and documented evidence.

The response is adequate for Recommendation 2 placing the budgets of the Planning and Building Departments under a CDA heading in the Budget to reflect the existence of the CDA. The Grand Jury is aware that the recent BOS decision to eliminate the Community Development Agency negates the need to implement Recommendation 2.

DETERMINATION CONTINUED

The response is also adequate for Recommendation 7 using Human Resources for all preliminary phases of recruiting, screening and interviewing of CDA job applicants.

Regarding the response to Recommendation 3, the 2007-2008 Grand Jury's recommendation to have an audit performed by an outside auditing firm was intended to professionally address all of the financial activities of the Agency. Because the Agency had difficulty managing its finances and was making adjustments for a large budget deficit, the Grand Jury recommended a review by an outside professional accounting firm. Internal audits of the kind undertaken by the Agency do not assure accuracy.

Regarding the response to Recommendation 5, the Grand Jury received multiple sworn testimonies that the former CDA Director interfered with the process of enforcing codes and collecting fines.

LETTER: November 3, 2008 Continued

RECOMMENDATIONS Under Finding #3

“Agency Response to Recommendation #3.3 The Interim Director has conveyed expectations that employees are expected to perform within the scope of their respective job specifications and that appropriate chain of command will be followed in all vertical communications involving questions of work performance.

“Addendum: The Interim Director Agrees with and intends to continue to implement the recommendation. The respective program managers within the Agency have been directed to undertake performance evaluations of all staff by December 31, 2008. This will help reinforce the role of the supervisors as those responsible and accountable for the performance of subordinate staff.”

“Agency Response to Recommendation #3.5 The Interim Director is committed to open communications with employees but at the same time will not accept "end runs" around the chain of command with respect to employee questions on Agency/Department/Section policy or in matters of employee discipline or employee grievance.

“Addendum: The Interim Director understands that there exists the need for formal and informal communications within any agency. While formal chain of command is required in areas of assessing work performance and in disciplinary matters, informal communication is more the norm and employees are encouraged to share issues and concerns of a routine workday nature with the Director.”

●GRAND JURY DETERMINATION 2008-2009●

**Finding 3 – Director
Recommendations 1-8**

The Grand Jury appreciates the former Interim Director's willingness to respond to the Findings and Recommendations. With the resignation of the former CDA Director the responses to Finding 3 – Director, Recommendations 3 and 5 have been resolved and are no longer relevant.

The response from the former Interim Director is adequate to meet Recommendations 2, 4 and 7 for Finding 3 – Director.

His response is not adequate to meet Recommendation 6 because no timeline for completion was addressed.

The Grand Jury has verified that performance evaluations for building and planning staff are now current. The Building Department has updated its Policy and Procedures Manual. The Planning Department still does not have a Policy and Procedures Manual as recommended by the previous Grand Jury.

RESPONSE: LINDA S CHURCHES, AUDITOR-CONTROLLER

LETTER: August 29, 2008

"In response to the Grand Jury's finding, I offer the following comments:

"Investigation of the Community Development Agency

"Finding 2 - Funds

"Due to the recent change in leadership, time constraints did not permit the execution of this recommendation. I expect a management review will be conducted as soon as a new Director is appointed. I will lend assistance as requested in this review and help to ensure accounting processes are documented."

●GRAND JURY DETERMINATION 2008-2009●

**Finding 2 – Funds
Recommendations 1-7**

The response from the County Auditor-Controller is adequate for Finding 2 – Funds, Recommendation 4. With the resignation of the former CDA Director the recommendation that the former Director coordinate accounting practices with the Auditor-Controller is no longer necessary.

2. CALAVERAS COUNTY AUDIT CONTRACT

REASON FOR INVESTIGATION

It came to the attention of the Grand Jury that the contract with the accounting firm of Moss, Levy & Hartzheim LLP that was ordered by the Board of Supervisors in their June 19, 2007 meeting was not completed.

BACKGROUND

In Calaveras County the Grand Jury must recommend an independent Certified Public Accountant to audit the financial condition of the County. This was done by the 2006-2007 Grand Jury and the recommendation given to the Board of Supervisors at their June 19, 2007 meeting. The Board agreed with the recommendation, voted to accept the proposal by the accounting firm of Moss, Levy & Hartzheim LLP and ordered that a contract be awarded to that firm.

PROCEDURES

The Grand Jury interviewed the County Auditor/Controller and the Principal Administrative Analyst.

RESULTS OF INVESTIGATION

FINDING

The contract with Moss, Levy & Hartzheim LLP was written but never signed by an authorized Calaveras County representative and therefore never submitted to Moss, Levy & Hartzheim LLP for their signature. As a result, no accounting firm was placed under contract to audit the accounts for Calaveras County for the years 2008, 2009 and 2010. This was not discovered until April 2008.

RECOMMENDATION

The Calaveras County Grand Jury recommends the Board of Supervisors ensure that a system is in place to guarantee that their orders are carried out in full. If such a system is already in place, the Board of Supervisors must determine why it failed and hold the responsible people accountable.

RESPONSE REQUESTED

*Calaveras County Board of Supervisors
County Administrative Officer*

RESPONSES RECEIVED FOR CALAVERAS COUNTY AUDIT CONTRACT

RESPONSE: BOARD OF SUPERVISORS

LETTER: August 28, 2008

"All Findings

"The Board of Supervisors adopts the response provided by the County Administrative Officer regarding these findings and recommendations."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Board of Supervisors (BOS) is not adequate to meet the recommendation. The BOS replied that it adopted the response of the County Administrative Officer.

In the future the BOS should issue its own response when requested in Grand Jury recommendations.

RESPONSE: ROBERT LAWTON, COUNTY ADMINISTRATIVE OFFICER

LETTER: October 21, 2008

"All Findings

"The County Administrative Officer concurs with the findings of the Grand Jury's investigation, and is working closely with the Auditor Controller's office to ensure prompt and efficient award and execution of future contracts in full compliance with Board direction and County purchasing policy. Further, in accord with the Grand Jury recommendation, the County Administrative Officer is developing a method for monitoring implementation of Board directives generally."

●GRAND JURY DETERMINATION 2008-2009●

The response from the County Administrative Officer (CAO) is adequate to meet the recommendation.

3. E-COLI CONTAMINATION MIDDLE FORK MOKELUMNE RIVER

REASON FOR INVESTIGATION

Sources monitoring the Middle Fork Mokelumne River (River), located at the Tom Taylor Bridge and Highway 26 (Bridge) in West Point, continue to find above normal levels of e-coli contaminants.

PROCEDURES

The Grand Jury toured both sides of the River area from Schaad's Ranch to the Bridge in the West Point and Wilseyville areas; and also toured the West Point Waste Water Treatment Plant and Wilseyville Solid Waste Treatment Plant.

Interviews were conducted with:

- Calaveras County Supervisor, District 2
- Calaveras County Director of Department of Environmental Health (DEH)
- Director, District 2 Calaveras County Water District (CCWD)
- Independent Aquatic Resource Specialist.

In addition, two reports by the Upper Mokelumne River Watershed Authority were reviewed: Upper Mokelumne River Watershed Assessment and Planning Project, Septic System Management Program, December 2007; and the Upper Mokelumne River Watershed Assessment and Planning Project, December 2007.

RESULTS OF INVESTIGATION

FINDING 1

Regular monitoring of the water quality at the Bridge in West Point, by various members of the Upper Mokelumne Watershed Authority, consistently reveals above normal levels of e-coli bacterial contaminants. These levels exceed those detected at current monitoring sites further upstream.

RECOMMENDATION

The DEH conduct quarterly testing of the River to obtain the latest water contamination readings and monitor for potential public health hazards.

RESPONSE REQUESTED

Director, Department of Environmental Health
County Administrative Officer

FINDING 2

Septic tanks and leach lines, on numerous parcels in the vicinity of the Barney Way and Charles Street area, are located at or near water level along the River just upstream from the Bridge in West Point. The Bridge site also receives drainage from nearby culverts and rainwater runoff from Highway 26.

RECOMMENDATION

If tests confirm above normal e-coli contamination, more source identification techniques and monitoring sites will be needed. The DEH to communicate at least quarterly with other groups involved in monitoring water quality of the River.

RESPONSE REQUESTED

Director, Department of Environmental Health

FINDING 3

Many of the approximately 60 developed parcels, in the vicinity of the Barney Way and Charles Street areas that surround the River, have gone from part-time seasonal use to full-time occupancy in recent years. In addition, there are currently no mandated septic tank cleaning and inspection requirements for Calaveras County parcel owners.

RECOMMENDATION

The BOS direct the DEH to develop an educational outreach program to work with volunteer service groups out in local communities as a first step in educating parcel owners and residents about water quality and good septic maintenance practices. The BOS and Department of Environmental Health establish requirements for future periodic septic tank maintenance and inspection.

RESPONSE REQUESTED

Board of Supervisors

Director, Department of Environmental Health

County Administrative Officer

FINDING 4

The Grand Jury recognizes there are no quick or inexpensive fixes to completely remedy the septic tank and leach line problems that appear to at least partially contribute to the e-coli contamination along the identified section of the River. The financial impact on local parcel owners, without help from grants or other creative financing options, would be very costly. In addition, the West Point Waste Water Treatment Plant and Wilseyville Solid Waste Treatment Plants are located close-by.

RECOMMENDATION

To improve the water quality in this area, the Grand Jury recommends the BOS direct the DEH to collaborate with East Bay Municipal Utility District (East Bay MUD) Up-Country Water Quality officials, the California State Regulatory Water Quality Control Board in Sacramento, Calaveras County Government, CCWD and other appropriate agencies, to seek funding for short and long-term solutions for water quality improvements. Funding to provide: community education, standardized testing methods, regular water monitoring and clean-up, including possible engineered septic systems and/or possible connections to a sewage delivery system that links to the nearby West Point Waste Water Treatment Plant and the Wilseyville Solid Waste Treatment Plant.

RESPONSE REQUESTED

*Board of Supervisors
Director, Department of Environmental Health
Director, District 2 Calaveras County Water District
County Administrative Officer*

FINDING 5

The Bridge area has become an informal recreational site where people congregate for swimming, fishing and other water related activities. In addition, East Bay MUD also treats and stores these waters downstream for use by its Bay Area customers.

RECOMMENDATION

The BOS direct the DEH to install portable toilets and refuse containers in the area of the Bridge, as well as place additional signage that identifies County Rivers and contributory streams as part of the Upper Mokelumne Watershed Area. Department of Environmental Health to post signs at recreational water sites where above normal levels of e-coli exists.

RESPONSE REQUESTED

*Board of Supervisors
Director, Department of Environmental Health
County Administrative Officer*

RESPONSES RECEIVED FOR E-COLI CONTAMINATION

RESPONSE: BOARD OF SUPERVISORS

LETTER: October 28, 2008

"E-Coli Contamination of the Middle Fork Mokelumne River

"Finding 3

"Response: The Board of Supervisors adopts the response provided by the Environmental Management Agency.

"Finding 4

"Response: The Board of Supervisors adopts the response provided by the Environmental Management Agency.

"Finding 5

"Response: The Board of Supervisors adopts the response provided by the Environmental Management Agency."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Board of Supervisors (BOS) is not adequate to meet the recommendations for Findings 3, 4, and 5. The BOS responded only that it adopted the responses of the Director, Environmental Management Agency.

In the future the BOS should issue its own response when requested in Grand Jury recommendations. The BOS should address budgetary or personnel matters as required by PC 933.05.

RESPONSE: ROBERT LAWTON, COUNTY ADMINISTRATIVE OFFICER

LETTER: October 21, 2008

"E-Coli Contamination of the Middle Fork Mokelumne River

"Finding 1

Response: The County Administrative Officer concurs with the response provided by the Environmental Management Agency.

"Finding 3

Response: The County Administrative Officer concurs with the response provided by the Environmental Management Agency.

"Finding 4

Response: The County Administrative Officer concurs with the response provided by the Environmental Management Agency.

"Finding 5

Response: The County Administrative Officer concurs with the response provided by the Environmental Management Agency."

●GRAND JURY DETERMINATION 2008-2009●

The response from the County Administrative Officer (CAO) is not adequate to meet recommendations for Findings 1, 3, 4, and 5. The CAO responded only that he concurred with the responses of the Director, Environmental Management Agency.

In the future the CAO should discuss Grand Jury investigation findings with identified Department Heads and/or Elected Officials in preparation for issuance of his own response when requested in Grand Jury recommendations.

RESPONSES: BRIAN S MOSS, ADMINISTRATOR ENVIRONMENTAL MANAGEMENT AGENCY

LETTER: July 24, 2008

"Subject: Response to the 2007-2008 Final Grand Jury Report

"Five requests for response were made of the Environmental Management Agency-Environmental Health Department in the 2007-2008 Final Grand Jury Report. The requested responses involved E-Coli contamination of the Middle Fork of the Mokelumne River. Responses are as follows:

"Finding #1 - Request for Quarterly Testing of the Mokelumne River

"Environmental Health staff can perform quarterly sampling if requested or directed by County Administration or the County Board of Supervisors. If directed to collect samples, staff would recommend that the river be sampled for total and fecal coliform bacteria at a minimum. As sampling events and parameters affect cost, fiscal resources remain a concern as the Department has limited funding for this type of sampling. All samples must be submitted to a State Certified Laboratory for analysis.

"Staff would propose to perform an onsite review in the general vicinity of Barney Way to help identify other possible factors that may be contributing to coliform bacteria loading in the river prior to conducting a monitoring program.

"Finding #2- Quarterly Communication with Groups Regarding Water Quality Monitoring

"Environmental Health staff participate as members of the CCWD - County Board of Supervisors Joint Water Committee. Staff also participated in the final meetings of the Upper Mokelumne River Watershed Assessment and Planning Project (project cited by the Grand Jury). The Joint Water Committee format is one of the most efficient ways of communicating monitoring results should County Administration or the County Board of Supervisors direct staff to perform sampling.

"Finding #3- Local Outreach and Communication - Septic Tank Maintenance and Inspection

"Since joining the Environmental Management Agency in July 2007, the Onsite Sewage Department has issued multiple Onsite Sewage (Educational) News Bulletins and the Agency Department Head has begun conducting presentations at community meetings. These presentations are aimed at updating the regulated community about the status of Assembly Bill (AB) 885 Draft Onsite Regulations as well as the proposal to redraft local Onsite Regulations. AB 885 regulations, if adopted, will provide minimum requirements for permitting, monitoring and operation of Onsite Wastewater Treatment Systems (OWTS) throughout the state.

"Environmental Health Department staff has conducted multiple public presentations on ground and surface water protection since issuance of the 2001 Calaveras County Local Agency Ground Water Protection Report to Region IX of the Federal Environmental Protection Agency. It is the intent of Department staff to continue in the efforts of public outreach and education especially as it applies to water quality. An educational effort on good septic maintenance is also a goal of the Onsite Sewage Department.

"The recommendation regarding septic tank maintenance and inspection is an issue covered under the Draft AB 885 regulations. As these regulations may or may not ultimately be adopted by the state, the local Onsite regulation redraft may address this issue. While a maintenance and inspection program is of interest, enforcement of such a program is difficult to implement. It should be noted that this topic has been discussed with some members of the regulated community and deserves further discussion.

"Finding #4- Funding for Short and Long Term Solutions for Water Quality Improvements

"The Upper Mokelumne River Watershed Authority (Authority) of which the Calaveras County Water District (CCWD) and the East Bay Municipal Utility District (EBMUD) are member agencies may be an avenue for securing funding for further monitoring and assessment of the Upper Mokelumne River watershed. The Authority, a JPA consisting of nine members, undertook the Upper Mokelumne River Watershed Assessment Planning Project as funded in part by Proposition 13 and Proposition 50 grants (CALFED Watershed Program grants).

"Staff agree that funding should be pursued to connect residences to a wastewater delivery system (sanitary sewer) when available. It should be noted that the Draft AB 885 regulations, if adopted, would require all existing septic systems within 600 feet of impaired water bodies to be evaluated by a qualified professional to determine performance. If exceeding nitrogen or evidence of fecal coliform contamination, the owner of the OWTS shall meet the standards (install supplemental treatment) within four years or connect to a wastewater delivery system (sanitary sewer) within nine years.

"An impaired water body is defined as a body of water that has been impaired due the presence of nitrogen and/or pathogens.

'Community Development Block Grant (CDBG) monies may also be a funding source for individual septic system repair or replacement when all CDBG criteria are met.

"Finding #5 - Placement o Portable Toilets/Refuse Containers and Posting

'Placement of portable toilets and refuse receptacles does not fall within the purview of the Environmental Health Department. Department staff may however implement a program of posting signs if directed by County Administration or the County Board of Supervisors. This would only be valid however should staff be directed to implement Finding #1.

"The Department uses the California Department of Public Health Draft Guidance for Freshwater Beaches as the benchmark for identification of total and fecal coliform levels found in fresh water bodies. A link to these standards may be found on the Environmental Health website at www.co.calaveras.ca.us."

LETTER: November 18, 2008

"Addendum to Response to the 2007-2008 Final Grand Jury Report

"Per the Grand Jury's written request dated October 30, 2008 and received by this office on October 13, 2008, this correspondence is written to address California Penal Code, Section 933.05, Subsections (a) and (b) as it applies to E-Coli contamination concerns in the Middle Fork of the Mokelumne River.

"Finding #1 - Request for Quarterly Testing of the Mokelumne River

"Staff agrees that quarterly sampling may be warranted however, the recommendation has yet to be implemented. While warranted, due to staffing and fiscal constraints a valid thorough sampling regimen may not be reasonable at this time in light of the extensive work already performed by the Upper Mokelumne River Watershed Assessment and Planning Project (project cited by the Grand Jury).

"Finding #2 - Quarterly Communication with Groups Regarding Water Quality Monitoring

"Staff agrees that quarterly communication with groups regarding surface water quality and quantity is warranted. This is currently being done with other county departments, the public and with Calaveras County Water District staff. Such communication is not limited to the Mokelumne River as it applies to water quality and quantity issues.

"Finding #3 - Local Outreach and Communication - Septic Tank Maintenance and Inspection

"Staff agrees that local outreach and communication pertaining to septic tank maintenance and inspection is warranted. Staff continues to issue Onsite Sewage (Educational) News Bulletins including bulletins released in October and November of this year. An article in the local newspaper(s) is an additional method of reaching the community on septic tank maintenance and inspection.

"The recommendation regarding septic tank maintenance and inspection is an issue best covered under the Draft Assembly Bill 885 regulations. There will be a public meeting with the State Water Resources Control Board at 7:00 p.m. on December 9, 2008 at the Board of Supervisors chambers to discuss the Draft Regulations and Draft Environmental Impact Report.

"Finding #4 - Funding for Short and Long Term Solutions for Water Quality Improvements

"Staff agrees that additional funding be pursued and therefore is warranted by groups like the Upper Mokelumne River Watershed Authority (Authority). As cited in our July 24, 2008 response to the Grand Jury, the Authority, a JPA consisting of nine members, undertook the Upper Mokelumne River Watershed Assessment Planning Project as funded in part by Proposition 13 and Proposition 50 grants (CALFED Watershed Program grants).

"Staff agrees that funding should be pursued to connect residences to a wastewater delivery system (sanitary sewer) when available. Such funding may be pursued in the area of Barney Way through local Utilities like CCWD through assessments approved by the community. Such assessments and studies of feasibility would take longer than the six month requirement cited under California Penal Code, Section 933.05 (b) (3) and therefore such solution would be deemed as not reasonable at this time.

"Finding #5 - Placement of Portable Toilets /Refuse Containers and Posting

"Staff disagrees that the Environmental Health Department place portable toilets and refuse receptacles in the area of Barney Way as such activity does not fall within the statutory purview of the Environmental Health Department nor does the Department have the fiscal resources to implement such a program. This requirement would therefore be deemed as not reasonable.

"Department staff agrees that posting of signs is warranted should e-coli contamination exceeding California Department of Public Health Guidance for Freshwater Beaches during summer months be confirmed. Such activity may not be accomplished until summer of 2009 if necessary exceeding the six month requirement cited under California Penal Code, Section 933.05 (b) (3) making this request not reasonable at this time.

"The Calaveras County Department of Public Works-Solid Waste Division may be able to oversee a program involving placement of refuse receptacles within the area of concern."

LETTER: February 6, 2009

“This is written as a follow up to our meeting of February 3, 2009 wherein issues pertaining to the Upper Mokelumne River Watershed were discussed...” “The discussion was very productive as it applied to Environmental Management Agency written responses of July 24 and November 18, 2007.

“While the Environmental Management Agency and specifically the Environmental Health Department does not have the fiscal or staffing resources to conduct a freshwater bathing program at this time, I wanted to take this opportunity to inform you of what we have and will be doing regarding the water quality issue in the area of concern.

“On February 7, 2007, I informed CCWD staff along with one of their Directors of the water quality concern as cited by the Upper Mokelumne River Watershed Authority (Authority) and Grand Jury. The District did not commit but may consider looking into the cost of providing sewer service to Barney Way and Charles Street. Although possible State Revolving Fund Loans at one to two percent interest may be a funding option, the District's greatest concern centres around the cost of such proposal and the ability of the residents to pay back the cost of hook up and ongoing service costs.

“As you are aware, I was notified for the first time of the possibility of inundated leach-fields on the upper end of Charles Street. As a result of this knowledge, I will be accompanying Onsite Sewage staff in the field to review this concern.

“Thank you for taking the time to meet with me on February 3rd. Please contact me at (209) 754-6399 should you have any questions.”

●GRAND JURY DETERMINATION 2008-2009●

The written responses from the Director, Environmental Management Agency do not adequately meet the recommendations of the 2007-2008 Grand Jury for Findings 1 through 5. Findings 1, 2 and 3 were not fully addressed. In addition, the Director did not address plans for implementation of the recommendations in Findings 4 and 5 because of a six-month time limit for enacting recommendations as cited in California Penal Code 933.05.

The Grand Jury met with the Director to discuss his responses. The Director continues to show ongoing involvement in response to the findings listed in the Grand Jury report. The Director's personal responses are adequate to meet the recommendations for Findings 1-5.

RESPONSE: DIRECTOR, DISTRICT 2 CALAVERAS WATER DISTRICT

LETTER: February 2009

“Response to the Grand Jury questions about Barney Way leaking septic

“First allow me to apologize for my belated response. When the Grand Jury inquiry was made regarding the above issue I thought it was to be a response to you from CCWD. While I was involved and met with several members of your body last year I thought the request was to the District as a whole. Further, when I began to craft my response, my contact on CCWD, who had oversight for water quality issues, was taken suddenly ill and was not at work for some time and it was impossible to discuss water monitoring results with him. Happily he's recovered and back at work and I've had the opportunity to gather the information I needed to complete this response.

“There has been an issue regarding the water quality of the Middle Fork of the Mokelumne River for some time. The bulk of the information about this and the specific location at Tom Taylor bridge has either been anecdotal or hearsay and rarely has had any empirical evidence to back it up. For the last five (5) years East Bay MUD has maintained a regular water monitoring program at the location of the Taylor Bridge. CCWD, which has a pump station approx. 1/2 of a mile upstream, has also had a monitoring program in place. These monitoring programs regularly test for water temperature, PH, conductivity which relates to the total dissolved solids (TDS), turbidity and dissolved oxygen. Periodically there are tests made for E-coli and other bacteriological pollutants. One other organization has also conducted quarterly water monitoring activities at this location. This is the Upper Mokelumne River Watershed Council (UMRWC). They do the basic tests mentioned above and have only recently begun testing for organic pollutants. The UMRWC uses the IDEXX system for E-coli measurements and these findings are not scaled or coordinated with those used by either East Bay MUD or CCWD. It is virtually impossible to compare the results of the testing done by the Watershed Council with those tests done by the other two. This difficulty was further exacerbated by the release of information to the newspapers by the then watershed coordinator Terry Strange. The problem was the lack of due diligence and what I believe to be the requirement of some sort of an informal peer review to determine the validity and the comparability of the various tests. Since the issue was placed before the public before being properly vetted a great deal of energy and possibly angst has been generated with little sound coordination and direction.

“The finding of both East Bay MUD and CCWD suggest the presence of a problem but not of the magnitude suggested by the reports in the papers. I had a long conversation with Tom Suarez of East Bay MUD and Fred Burnett of CCWD and both feel that the presence of E-coli points to an EMERGING problem but that it is far from critical at this point. The tests over the last several years suggest that there are one or two high readings obtained at the expected times such as a heavy flushing rainfall or low periods of flow with human bathing presence. There should be

exhibited concern and a proactive position taken now to address the problem but the suggestion of impending doom for the watershed is somewhat premature.

“When I visited the Taylor Bridge with members of the Grand Jury I pointed out the multitude of problems and conditions that existed that could contribute to the problem. The fact that the confluence of the river, Rail Road Flat Road and Highway 26 all come together at a significant low point suggest that avenues for pollutants dumping into the river could be coming from several locations. These problems are further confused by the fact that there are two roads paralleling the river upstream of the bridge. Each of these roads has a mixed setting of year round homes, seasonal homes, older homes and cabins, modern code approved dwellings and a variety of infrastructure solutions. I have seen that some of the leach fields associated with septic appear to be in the river's flood plain but I don't know if this is a relict floodplain or a 100 years floodplain or subject to more frequent flooding. There is a 2 1/2 foot culvert that dumps directly into the river on the Rail Road Flat side. The important thing to remember is that the potential source of pollution is unknown. We can make an educated guess with some confident degree of probability but to presume that the difficulty exists in one arena without examining all the other possible causes is certainly premature and could be considered irresponsible.

“I would suggest an avenue of inquiry that I think would lead us to an understanding of the causes of the problem, an identification of the partners with an interest in the problem and a direction towards solving the problem. A concomitant benefit may be the establishment of a methodology for addressing these kinds of issues that may exist elsewhere in Calaveras County. This avenue of inquiry would be to continue a monitoring regimen that would help to pinpoint the bacteriological problem. By identifying the source we might also determine the cause. It is entirely possible that a large measure of the cause could be wild or domestic animals. To my knowledge no DNA testing has been done to determine the type of pathogen or its source. With regard to partnerships I believe that Cal-trans would have a significant interest and should be contacted to see if they could help mitigate some of their contributions. The County's Environmental Health Dept. would be a significant partner because of their responsibility for septic system management. CCWD would be an important partner if it was determined that the best solution would be to provide public sewer. CCWD had a force main crossing the river and Barney Way and could provide a potential solution to the problem. One thing that evident to me is that one of the most important partners in possible solutions would be the residents of this neighborhood. It is here that I have the greatest concern. There is no question in my mind that the people that will have to bear the greatest burden and expense will be the local residents. If it comes to this we must be absolutely certain that we have identified the root cause of the problem and have crafted the most appropriate, long-term and permanent solution to the problem. Outreach, meetings and education will be our best tools in solving any problems that exist on this stretch of the Middle Fork and the only way we can do this is to have the time necessary to be allowed to follow this process. I'm concerned that there's been somewhat of a "Chicken Little" response to this issue and little science and planning has gone into solving the problem.

“People might ask what my interest is in this issue. I'm an elected director of CCWDS and this region is in my district. Further, I'm chairman of the UMRWC and was with Terry Strange when he did the E-coli testing at the Middle Fork bridge. I also sit on the Upper Molelumne River Watershed Authority (a Ca. JPA) Board, an organization that has done some significant modeling on the River and has a deep interest in water quality issues.

“Undoubtedly there are some items I've missed or glossed over that would demand a greater in depth examination. I would be more than happy to address any of these and would be available anytime for questions that the Grand Jury might have as a result of their research. Please feel free to contact me at any time.”

●GRAND JURY DETERMINATION 2008-2009●

The late written response and personal responses from the Director are adequate to meet the recommendation for Finding 4.

4. 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 accounting firm of Bartig, Basler, & Ray (BB&R) was under contract to examine the financial statements of Calaveras County (County) and provide an opinion on the accuracy and reliability of these financial statements for the year ended June 30, 2007. As a normal function of this audit BB&R submitted the County of Calaveras Management Report for the Year Ended June 30, 2007 (Management Report) to all county departments. The departments reviewed with findings and recommendations have 60 days to respond prior to the final publication of the Management Report. The Grand Jury reviewed the Management Report along with the County’s Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2007. We interviewed the Auditor-Controller and staff, Human Resources staff, the Assistant CAO, and the Chief Probation Officer to verify findings and recommendations.

AUDIT FINDINGS AND RECOMMENDATIONS

4A AUDITOR-CONTROLLER

Timeliness of the Annual Financial Report

BB&R noted a significant delay in preparing the County’s annual financial statements and note disclosures. The report noted that this is due to an understaffed County accounting department. The staff responsible for the County’s financial reporting also has other accounting responsibilities that often take precedence over their financial reporting duties. BB&R recommends hiring additional accounting staff so that those responsible for financial reporting will have more available time.

Management Response

The Auditor-Controller concurs with the recommendation. A formal strategic plan for reorganization of the department was presented to the County Board of Supervisors on April 10, 2007. The plan detailed the excessive workload growth in their department over the last ten years without the benefit of additional staffing. Special District claims rose 317% while the countywide rate increased 145%.

RECOMMENDATION

The 2006-2007 Grand Jury recommended, “...the Auditor-Controller recruit and retain additional qualified staff to more efficiently manage the workload.” The 2007-2008 Grand Jury realizes the staffing shortage continues to exist, and again, recommends hiring additional staff.

RESPONSE REQUESTED

Board of Supervisors

Auditor-Controller

RESPONSES RECEIVED FOR TIMELINESS OF THE ANNUAL FINANCIAL REPORT

RESPONSE: BOARD OF SUPERVISORS

LETTER: October 28, 2008

“The Board of Supervisors recognizes the challenges confronted by the Auditor Controller's office in prioritizing and fulfilling its mandated responsibilities under current staffing allocations. However, given the County's budget limitations, combined with the possibility of adverse State action during Fiscal Year 2008/09, the Board is not able at this time to implement the Grand Jury's broad-based recommendation of ‘...hiring additional staff,’ in the Auditor Controller's office.”

●GRAND JURY DETERMINATION 2008-2009●

The response from the Board of Supervisors (BOS) is adequate for Audit Findings and Recommendations, Auditor-Controller.

RESPONSE: LINDA S CHURCHES, AUDITOR-CONTROLLER

LETTER: October 29, 2008

"Calaveras County Audit Report

"Timelines of the Annual Financial Report

"The workload in the Auditor-Controller's Office has, once again, been exacerbated by new promulgations from authoritative bodies. The largest impact this year resulted from Statement on Auditing Standards No. 112, which became effective for Calaveras County in Fiscal Year 2007-08. This new standard, in addition to preparing the County's Comprehensive Annual Financial Report (CAFR), requires staff to be competent to prepare the annual Single Audit Report. The skill level and time commitment required to accomplish these mandated tasks continues to overwhelm the limited staff in the Auditor-Controller's Office. Many new Governmental Accounting Standards Board (GASB) reporting requirements are on the horizon that will continue to impact our workload. The impending GASB detailed disclosures and new classifications of fund balance reporting will impact the County's CAFR requirements.

"Also on the horizon is a new reporting requirement for intangible assets, GASB Statement No. 51. This statement, in addition to other items, encompasses the time-consuming task of evaluating easements. County historical practices did not value recorded easements. With the addition of new Postemployment Benefits reporting, which must be implemented in Fiscal Year 2008-09, and numerous economic conditions reporting, which are time-consuming due to the historical research required, and supplementary documentation for internal controls and processes, management level staff are being consumed with the constant barrage of disclosures.

"New auditor requirements for fraud prevention and detection have resulted in more detailed review and evaluation. Implementing the numerous guidelines has become problematical. There is no end in sight of this exacerbated workload."

LETTER: April 17, 2009

"SUBJ: Reply to the Notice of Incomplete Response to 2007-08 Final Report

"In answer to the Grand Jury's Notice of Incomplete Response to the Calaveras County Grand Jury 2007-2008 Final Report, I offer the following comments:

"On two separate occasions in the Grand Jury meeting room, I mentioned to the Grand Jury Members present that I was waiting for the Galina, LLP Management Report for Fiscal Year ending June 2008 prior to responding to the November 24, 2008 request. As the Grand Jury is aware, the Final Management Report has been received and distributed.

"To complete my response to the Calaveras County Grand Jury 2007-2008 Final Report, I am in agreement with the Grand Jury's findings that the Auditor-Controller's Office is understaffed. On Tuesday April 7, 2009, during the discussion of item #10 of the Board of Supervisors Agenda, 'Review and possible action re: Fiscal Year Ending 6/30/08 Comprehensive Annual Financial Report (CAFR), Single Audit Report, Management Report, and Appropriations Limit Independent Accountant's Report,' the Board of Supervisors specifically mentioned the understaffed situation in the Auditor-Controller's Office. It was stated that with the economic issues in the County and Statewide this situation would not be addressed in the near future."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Auditor–Controller is adequate.

4B HUMAN RESOURCES

File Maintenance

BB&R cited incomplete personnel files and inconsistent documentation dealing with cost of living increases and personnel action forms with longevity increases. The effect of which is the cause for errors and inefficiencies in payroll processing. The report recommended an improved effort to maintain complete files for each employee in accordance with County policy.

Management Response

The Human Resources department does not agree with BB&R's findings. Processes for cost of living increases have evolved over the years with changing business practices. Therefore, when reviewing County personnel files it may be necessary to locate several different processes that were utilized for cost of living raises. Longevity increases are recorded on the Personnel Action Forms as a matter of County policy. Also, during this review period, the auditors did not review or look at a single personnel file. So, it is unclear to Human Resources what and where they obtained the specific information to formulate their report findings.

RECOMMENDATION

BB&R, the Auditor-Controller, and Human Resources should review this finding and reach an agreement on the content of the personnel files.

RESPONSE REQUESTED

BB&R

Auditor-Controller

Director, Human Resources

RESPONSES RECEIVED FOR HUMAN RESOURCES

RESPONSE: BRAD W CONSTANTINE, CPA BARTIG, BASLER & RAY, LLP

LETTER: November 14, 2008

“As requested, we provide our response to the County Human Resources Department comments regarding the management comment issued by Bartig, Basler & Ray in our Management Report for the year ended June 30, 2007.

“Our auditing of the personnel files included an examination of the personnel files. Our working paper for this part of the audit includes the following narrative:

“All transactions selected were validated for hours and rates, however BBR LLP noted that the documentation in each employees file is inconsistent. Specifically, some COLA increases are documented while others were not. We also noted that some of the PAFs had longevity increases while other employee files did not. In general these types of increases are not supposed to be documented in the file with PAFs, for they are computed within the computer system. In 2004, the County began migrating to a new computer system for HR. It has been indicated that some of the history may have been lost if it has not been documented in the employee's file.

“For the audit of the County for the year ended June 30, 2008, we found a similar situation as found in the prior year audit.

“Some inconsistencies were noted in the use of Personnel Action (PA) forms for COLAs, primarily from older Pas (2+ years ago). In several cases the PA forms were in the files out of order by date. A PA form was discovered in another individual's file — names were not similar. HR department would not allow auditor to handle actual files, instead had 3 people in the office pulling PA forms out of individual files for auditor review. While HR department was cooperative, it did not seem be willingly cooperative.

“If you have any further questions regarding this issue, please do not hesitate to contact us.”

●GRAND JURY DETERMINATION 2008-2009●

The response from Bartig, Basler & Ray (BB&R) is adequate.
--

RESPONSE: LINDA S CHURCHES, AUDITOR-CONTROLLER

LETTER: August 29, 2008

"File Maintenance

"The independent audit firm recently attempted, July 25, 2008, to review personnel files in the Human Resource Department and was unable to gain access. During the final field work scheduled to be conducted during September 16 through 19, 2008, the audit firm should complete the review of personnel files. I will recommend a joint discussion of the audit findings to include Human Resources, Administration, and Auditing staff."

LETTER: April 17, 2009

"SUBJ: Reply to the Notice of Incomplete Response to 2007-08 Final Report

"In response to the Human Resources personnel file situation, the Galina Management Report noted in the status of prior year recommendations no follow-up was required on this issue.

"I will be more than willing to discuss any issues that the Grand Jury may have concerning this memorandum, or any other items of interest that may arise. Please do not hesitate to contact me at 209-754-6343."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Auditor–Controller is not adequate for Audit Findings and Recommendations, Human Resources. To date the Auditor–Controller has not participated in a joint discussion of the audit findings with the Director, Human Resources as recommended.

The Auditor–Controller and Director, Human Resources should meet immediately and jointly address the audit findings of BB&R and the Grand Jury.

RESPONSE REQUESTED

Auditor-Controller

RESPONSE: FRANCINE OSBORN, DIRECTOR, HUMAN RESOURCES

LETTER: August 29, 2008

“Thank you for the opportunity to respond to the issues identified by the 2007/08 Grand Jury Report.

“Calaveras County Audit Report

“Human Resources File Maintenance

"Management Response

The Human Resources department does not agree with BB&R's findings. Processes for cost of living increases have evolved over the years with changing business practices. Therefore when reviewing County personnel files it may be necessary to locate several different processes that were utilized for cost of living raises. Longevity increases are recorded on the Personnel Action Forms as a matter of County policy. Also, during this review period, the auditors did not review or look at a single personnel file. So, it is unclear to Human Resources what and where they obtained the specific information to formulate their report findings.”

“Response to Grand Jury Recommendation:

“Human Resources does not believe that BB&R or the Auditor-Controller have the expertise or legal knowledge necessary to make recommendations regarding the contents and maintenance of employee personnel files. It should also be noted that only a very small portion of the personnel file relates to the County’s overall accounting practices or standards. The majority of the personnel file is personal and confidential employee information and materials.

“Specifically, BB&R references inconsistencies with cost of living and longevity increases on Personnel Action Forms stating both are inconsistent with County policy. However, BB&R fails to cite which County policy they are referencing. Human Resources has reviewed County Code, Memorandum’s of Understanding with recognized bargaining groups, and the Personnel Ordinance and find that no County policy exists relating to documentation of cost of living or longevity increases.

“Again, the finding in BB&R’s Management Report regarding incomplete and/or inaccurate personnel files is puzzling, as during this review period, the auditors did not review or look at a single personnel file. So, it is unclear what and where they obtained the specific information regarding personnel files to formulate their report findings. It would be helpful if BB&R could point to specific files of concern.

“In closing, I would like to express my appreciation to the members of the 2007-2008 Grand Jury for identifying these important issues and providing an opportunity to respond.”

●GRAND JURY DETERMINATION 2008-2009●

The response from the Director, Human Resources is not adequate for Human Resources, File Maintenance. To date the Director has not participated in a joint discussion of the audit findings with the Auditor-Controller as recommended.

The Director, Human Resources should become familiar with the procedures of an outside expert audit as it relates to Human Resources and should always cooperate fully with the review of personnel files. Independent auditors are paid to verify that all Human Resource files are properly maintained. The Director should make all files, regardless of type or name, available to the auditors.

The Director, Human Resources and Auditor-Controller should meet immediately to jointly address the audit findings of BB&R and the Grand Jury.

Response Requested

Director, Human Resources

4C SINGLE AUDIT

Single Audit Compliance Requirements Generally

BB&R noted that many local governments are not aware of the new requirement of Office of Management and Budget (OMB) Circular A-133 Compliance Supplement regarding suspension and debarment of a non-federal entity when entered into a federally funded transaction, which equals or exceeds \$25,000. Prior to this change the transaction could equal or exceed \$100,000. The Report noted the County does not have a procedure in place to verify that large vendors are not suspended or debarred. BB&R recommended the County implement procedures, which require federally funded transactions of \$25,000 or more, be checked to determine if the vendor has been suspended or debarred. The federal government can disqualify any transaction and reject the claim for federal funds when the underlying transaction was with a suspended or debarred individual or entity.

Management Response

Management concurred with and implemented BB&R's request to update County Purchasing Policy and Procedures (CPP&P) to include the requirement that any contract with a sub recipient or an amount equaling or exceeding \$25,000 will be checked by the department seeking the contract by accessing the Excluded Parties List System at www.epls.gov. Current CPP&P require the County Administrator's (CAO) approval of all contracts in excess of \$10,000. The CAO will verify that this requirement is met before signing any contract equal to or in excess of \$25,000. A packet including the changes was to be submitted to the Board of Supervisors on May 22, 2008. When approved, the CPP&P will be revised showing the new OMB A-133 requirement.

RECOMMENDATION

The Grand Jury recommends that the CAO inform the Grand Jury upon approval of the revision by the Board of Supervisors and submit a copy of the CPP&P to the Grand Jury when it has been revised.

RESPONSE REQUESTED

County Administrative Officer

RESPONSE RECEIVED FOR SINGLE AUDIT

RESPONSE: ROBERT C LAWTON, COUNTY ADMINISTRATIVE OFFICER

LETTER: October 21, 2008

"Calaveras County Audit Report

"Single Audit

"The County Administrative Officer concurs with the findings and recommendation of the Grand Jury's investigation. The Board of Supervisors has adopted the suggested amendment to the County's Purchasing Policy and Procedures, and the CAO will submit a copy of the Purchasing Policy and Procedures, as amended, to the Grand Jury as soon as possible."

●GRAND JURY DETERMINATION 2008-2009●

The response from the County Administrative Officer (CAO) is adequate for the Single Audit Finding.

5. CALAVERAS COUNTY ANIMAL SHELTER FACILITY

REASON FOR INVESTIGATION

The 2007-2008 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. The veterinarian also evaluates the health of the animals and recommends the steps necessary for the proper care of the animals.

PROCEDURES

Members of the Grand Jury conducted an inspection and tour of the animal services facility. Members of the staff were interviewed.

RESULTS OF INVESTIGATION:

FINDING

The current animal shelter is too small and outdated for the housing of animals for Calaveras County.

In 2006 a special audit recommended a facility upgrade, which remains unresolved. A proposed plan submitted by Nacht & Lewis Architects to the county administrator includes acquisition of space and construction of a new animal shelter. A timeline has not been set for implementation, and funding still remains unresolved by the Board of Supervisors.

RECOMMENDATION

The Grand Jury recommends the sheriff develop, and the Board of Supervisors approve, a plan for a new animal shelter with a specific timeline. The Board of Supervisors needs to allocate the necessary funding.

RESPONSE REQUESTED

*Calaveras County Board of Supervisors
Calaveras County Sheriff*

RESPONSES RECEIVED FOR ANIMAL SHELTER FACILITY

RESPONSE: BOARD OF SUPERVISORS

LETTER: October 28, 2008

"All Findings

"The Board of Supervisors recognizes the need for facility improvements at the Animal Shelter Facility.

"The FY2008/09 Final Budget appropriated \$250,000 for capital improvements to the Facility, supporting such vital items as a new roof and gutters, resealing of the floors, installation of new pens and kennels, improvements to the feral cat room, improvements for the confinement of livestock, the purchase and installation of a new backup generator in support of HVAC equipment and funds for the design of a new facility.

"The County Administrator's Office is cooperating with the Sheriff's Department in accomplishing these improvements during the current fiscal year. At the same time, the Board remains mindful of the long-term need for a shelter facility appropriate to the County's size and need. The County Administrative Officer will work during the coming year to develop financing and site plans for such a facility."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Board of Supervisors (BOS) is adequate to meet the recommendation.
--

RESPONSE: DENNIS DOWNUM, SHERIFF

LETTER: August 26, 2008

“The Calaveras County Sheriff’s Office agrees entirely with the Grand Jury’s findings that the current Animal Shelter is too small and outdated for the housing of animals for Calaveras County.

“The Calaveras County Sheriff’s Office has not been provided with any commitment of funding for the construction of a new Animal Shelter from the Board of Supervisors or Calaveras County Administration.

“Although the Calaveras County Sheriff’s Office is capable and willing to develop a specific timeline for construction and implementation of a new facility, it feels that it is inappropriate to do so at this time. The Sheriff’s Office has not received any financial commitment for the construction of a new Animal Shelter, and therefore lacks the financial ability to abide by a given timeline or bring a project plan to fruition.

“Upon receipt of a commitment of funding, the Sheriff’s Office will assign all available resources to the project.

“The Calaveras County Animal Shelter is currently grossly underfunded. As a result of the budget reduction which was required for the Fiscal Year 2008/2009, the Animal Shelter is operating with service and supply lines which mirror budgets assigned to the Animal Shelter prior the Shelter’s transition to Sheriff’s Office control.

“As of the date of this response, the Calaveras County Animal Shelter has expended nearly 50% the funds which are used to pay for veterinary and other services which are critical to the operation of the Shelter. Other Animal Service budget lines are quickly being expended for necessary expenses while only two months into a twelve month budget.

“Without additional funding, and a commitment of funding specific to the construction of a new Animal Shelter, it is unlikely that the Sheriff’s Office will be able to provide the level of service necessary to maintain an Animal Shelter which is appropriate for our community animals.”

●GRAND JURY DETERMINATION 2008-2009●

The response from the Sheriff is adequate to meet the recommendation.

6. MURPHYS SANITARY DISTRICT

Reason for Investigation

The 2007-2008 Grand Jury determined the investigation of Murphys Sanitary District (MSD) should be continued from the prior year upon the recommendation of the 2006-2007 Grand Jury. Serious issues affecting the district had yet to be completely resolved.

Procedures

The Grand Jury interviewed the district management, plant operator and the President of the Board of Directors of MSD. Relevant documents were requested and reviewed. A site visit was made to the wastewater treatment plant in Murphys.

Results of Investigation

Finding 1 - Sewer Connections

A least one "Will Serve" letter was issued to allow a development of approximately 40 homes to be connected to the MSD sanitary sewer system. Since the Capital Improvement Plan (CIP) and the Notice of Violation (NoV) received from the California Regional Water Quality Control Board (CRWQCB) indicates that the system is already at capacity, the Grand Jury (GJ) questions the decision to allow more sewer connections. The GJ understands that MSD and Hay Station Ranch have received new or revised Waste Discharge Requirements (WDR) from the CRWQCB, but MSD still lacks a signed agreement with Hay Station Ranch that reflects the new or updated WDR's in which case MSD is still operating under the old agreement. This agreement does not allow MSD to meet the Pond 4 freeboard requirement.

Recommendation

No more connections should be allowed until MSD has a signed agreement with Hay Station Ranch that reflects what is allowed in the WDR's.

Response Requested

*Murphys Sanitary District Board of Directors
Murphys Sanitary District Manager*

Finding 2 - Wastewater Treatment Plant Upgrade

The wastewater treatment plant was upgraded in 2002-2003 at a cost to the district of about \$400,000.00. The GJ has not been able to find any documentation that specified to the district engineer what was the required outcome expected for the upgrade. A report prepared in March 2007 by the independent engineering firm of Brown and Caldwell said that the upgrade was "apparently intended" to allow the MSD to produce Title 22 tertiary effluent. The plant, in its' present state, is only capable of continuously producing Title 22 disinfected secondary effluent. It is difficult to determine what the district actually intended to build, without producing a written document, specifying to the engineering firm that designed the upgrade, exactly what MSD desired.

At almost every regular board meeting, the Board of Directors goes into closed session to discuss pending or possible litigation. The GJ understands that the litigation would be against the firm that designed the upgrade. As of the time this report was written, no litigation has been filed.

Recommendation

The Grand Jury recommends that the Board take responsibility for their wastewater plant upgrade. A decision needs to be made now, whether to fix the plant or find another solution to produce tertiary effluent wastewater. This decision has been debated by the Board for a few years and needs immediate resolution.

Response Requested

Murphys Sanitary District Board of Directors

Finding 3 - Additional Sources Of Discharge

The Grand Jury finds that little or no progress has been made on obtaining additional sources of discharge. Dependency upon a single source of discharge is a very risky proposition. Even if the District finds an alternate source of discharge, it could take over a year before discharge can begin. This problem has been known and studied for a number of years without being resolved.

Recommendation

The District should immediately find an alternate source for discharge of an appreciable amount of effluent.

Response Requested

Murphys Sanitary District Board of Directors

Finding 4 - Notice of Violation

The district received a Notice of Violation (NoV) from the CRWQCB in January 2007 identifying violations from the 2005/2006 inspection report. Although the District has filed responses to the NoV as required by the CRWQCB, little has been done, by MSD, to address the issues that caused the violations in the first place. The two major projects that will address the problems are:

- 1. Expansion of Pond 4*
- 2. Increase in allowable discharge amount.*

The district has indicated that they are waiting to begin the expansion of Pond 4 until it can be emptied. According to MSD, this depends upon the weather and the amount of effluent they can discharge. Increasing the amount of discharge depends upon the agreement with Hay Station Ranch, previously addressed in Finding 1.

Recommendation

No more connections should be allowed until MSD has a signed agreement with Hay Station Ranch that reflects what is allowed in the WDR's, and Pond 4 has been expanded to meet the requirements for a 100-year storm event.

Response Requested

Murphys Sanitary District Board of Directors

RESPONSE: FREDERICK KETT, PRESIDENT MURPHYS SANITARY DISTRICT BOARD OF DIRECTORS

LETTER: September 23, 2008 Regarding 2007 - 2008 Report

“Finding 1- Sewer Connections

“In accordance with the Agreement for the Supply and Acceptance of Reclaimed Water dated April 26, 1999 with Hay Station Ranch, the District has notified the owners of Hay Station Ranch (see attached) that the District is extending the agreement for a period of 10 years as authorized by that agreement. In addition, the District received the attached letter in 2006 from the owner of Hay Station Ranch agreeing to receive increased discharges. Since 2006, the District has continued negotiations with the owner of Hay Station Ranch to execute a new agreement which reflects the increased flows as well as other items contained within the revised WDRs. The revised WDRs require installation of monitoring wells and commencement of ground water monitoring which is the main point of the negotiations.”

See Grand Jury Determination for this Finding in the following February 9, 2009, letter after the section titled "Finding 1 - Sewer Connections".

“Finding 2 - Wastewater Treatment Plant Upgrade

“The District has initiated litigation against the engineering firm that designed the upgrade. In addition, the WDRs which govern the treatment of the District's wastewater as well as discharge of wastewater to Hay Station Ranch require disinfected secondary effluent and not Title 22 tertiary effluent. The treatment plant is fully capable of producing secondary effluent as stated by the Grand Jury report and is therefore in compliance with the District's WDRs. Should the Hay Station Ranch wish to spray irrigate in lieu of drip irrigation, or utilize sprinklers for frost protection, Title 22 tertiary effluent would be required. At this time, the District has made no commitment to provide Title 22 tertiary effluent to the Hay Station Ranch. Therefore the District's treatment plant is providing water to Hay Station Ranch in accordance with all existing agreements and WDRs.”

See Grand Jury Determination for this Finding in the following February 9, 2009, letter after the section titled "Finding 2 - Wastewater Treatment Plant Upgrade."

“Finding 3 - Additional Sources of Discharge

“It should be noted that very few wastewater districts have two sources of discharge. Most districts in Calaveras County utilize a single source of discharge, whether it be District owned spray fields for secondary effluent, discharges to golf courses, or other methods of disposing of wastewater. The District agrees that an alternate source of discharge is highly desirable and the District is continuing negotiations with adjacent property owners in an effort to obtain lands for the installation of spray fields in the future should the need arise.”

See Grand Jury Determination for this Finding in the following February 9, 2009, letter after the section titled "Finding 3 - Additional Sources of Discharge."

“Finding 4 - Notice of Violation

“See response to Finding 1 with regards to the agreement with Hay Station Ranch. In addition, the District has commenced removal of material from Pond #4 to increase its capacity.”

See Grand Jury Determination for this Finding in the following February 9, 2009, letter after the section titled "Finding 4 - Notice of Violation."

LETTER: February 9, 2009 Regarding 2007 - 2008 Report

“Re: Addendum to Murphys Sanitary District Response to the 2007-2008 Grand Jury Report

"This addendum to the District's response dated September 23, 2008 is submitted by the Murphys Sanitary district (MSD) with respect to the 2007-2008 report of the Calaveras County Grand Jury."

“ Finding 1 Sewer Connections

“MSD'S Response to Finding 1- Sewer Connections

“The District agrees or disagrees with the findings as follows:

“The District agrees that it issued a "Will Serve" letter.

“The District disagrees that its Capital Improvement plan and the Notice of Violation received from the CRWQCB indicates that the system is at capacity.

“The District agrees that both MSD and Hay Station Ranch have received new or revised waste discharge requirements.

“The District agrees that it lacks a signed agreement with Hay Station Ranch that reflects the new or updated WDR's.

“The District agrees it operates under an agreement with Hay Station Ranch dated April 26, 1999.

“The District disagrees that its agreement with Hay Station Ranch does not allow it to meet the Pond 4 freeboard requirement.”

“MSD'S Response to Recommendation to Finding 1

“The District will not be implementing this recommendation. The District's system is not at capacity and any statement that it is at capacity, is erroneous. The issues associated with the NoV are based upon the permitted system capacity of 200,000 GPD flows. The current system flows average 150,000 GPD. Analysis of Pond 4 indicates a maximum permissible flow of approximately 185,000 GPD without overflow. Therefore additional capacity for new connections remains in the system.

“In accordance with the Agreement for the Supply and Acceptance of Reclaimed Water dated April 26, 1999 with Hay Station Ranch, The District has notified the owners of Hay Station Ranch (see attached) that the District extended the agreement for a period of 10 years as authorized by the agreement. In

addition, the District received the attached letter in 2006 from the owner of Hay Station Ranch agreeing to receive increased discharges. Since 2006, the District has continued negotiations with the owners of Hay Station Ranch to execute a new agreement which reflects the increased flows as well as other items contained within the revised WDR's. The revised WDR's require installation of monitoring wells and commencement of ground water monitoring which is one of the points of the negotiations. The owners of Hay Station Ranch have set forth certain terms to be placed in a revised agreement which are unacceptable to the District. It is unlikely that anytime in the near future there will be any revised agreement. However both the District and the owners of Hay Station Ranch continue to meet and confer on a regular basis about our mutual concerns."

●**GRAND JURY DETERMINATION 2008-2009 FOR 2007-2008**●

Finding 1 – Sewer Connections

The response from the Board of Directors is not adequate to meet the recommendation for Finding 1 because there continues to be no signed agreement with Hay Station Ranch to reflect what is allowed in the new Waste Discharge Requirements (WDRs), and the old agreement, which has been extended, does not allow MSD to meet Pond 4 freeboard requirements. This is an ongoing issue identified by previous Grand Juries.

MSD should not allow any further connections to the system until they have a signed agreement with Hay Station Ranch that reflects what is currently allowed in the WDRs and they have met Pond 4 freeboard requirements for a 100-year storm event as previously recommended.

LETTER: February 9, 2009 Regarding 2007 - 2008 Report Continued

“Finding 2 - Wastewater Treatment Plant Upgrade”

“MSD'S Response to Finding 2 - Wastewater Treatment Plant Upgrade

“The District agrees or disagrees with the findings as follows:

“The District agrees that its Wastewater Treatment Plant was upgraded in 2002-2003 at a cost to the District of about \$400,000.00.

“The District agrees that a report prepared in March 2007 by the independent engineering firm of Brown and Caldwell said the upgrade was "apparently intended" to allow the MSD to produce Title 22 tertiary effluent.

“The District agrees that the plant, in its present state, is only capable of continuously producing Title 22 disinfected secondary effluent.

“MSD'S Response to Recommendation to Finding 2

“The District agrees with the recommendation and the District has initiated litigation against the engineering firm that designed the upgrade. At the present time the District has no plan to produce Title 22 Tertiary effluent for the following reasons. Title 22 Tertiary effluent is only required should the Hay Station Ranch wish to spray irrigate in lieu of drip irrigation, or utilize sprinklers for frost protection. At this time, the District has made no commitment to provide Title 22 tertiary effluent to the Hay Station Ranch

“The WDR's which govern the treatment of the District's wastewater as well as discharge of wastewater to Hay Station Ranch require disinfected secondary effluent only and not Title 22 tertiary effluent. The District's treatment plant is fully capable of and is providing secondary effluent as stated by the Grand Jury report. All effluent provided to Hay Station Ranch is in accordance with all existing agreements and in compliance with the District's WDR's.”

●GRAND JURY DETERMINATION 2008-2009 FOR 2007-2008●

Finding 2 – Wastewater Treatment Plant Upgrade

The response from the Board of Directors is not adequate to meet the recommendation for Finding 2 because they have not taken responsibility for their wastewater plant upgrade. A decision still has not been made about whether to fix the plant or find another solution for producing tertiary effluent wastewater. This problem has been debated for a number of years without resolution.

MSD should either fix the plant or find another solution for producing tertiary effluent wastewater.

LETTER: February 9, 2009 Regarding 2007 - 2008 Report Continued

“MSD'S Response to Finding 3 - Additional Sources of Discharge

“The District agrees or disagrees with the findings as follows:

“The District agrees that it has only a single source of discharge and that no progress has been made in obtaining an additional source of discharge.

“The District agrees that it has discussed for a number of years the possibility of obtaining additional sources of discharge.”

“MSD'S Response to Recommendation to Finding 3

“The District will continue to discuss and seek additional sources of discharge.

“It should be noted that very few wastewater districts have two sources of discharge. Most districts in Calaveras County utilize a single source of discharge, whether it be District owned spray fields for secondary effluent, discharges to golf courses, or other methods of disposing of wastewater. The District agrees that an alternate source of discharge is highly desirable and the District is continuing negotiations with adjacent property owners in an effort to obtain lands for the installation of spray fields in the future should the need arise. The current agreement for discharge with Hay Station Ranch is set to expire on April 26, 2019.

“The District is participating in discussions with Calaveras County Water District and the City of Angels to investigate the concept of regionalization with the idea that a new regional waste water treatment plant would be built to collect and treat all of the sewage from these areas.”

●GRAND JURY DETERMINATION 2008-2009 FOR 2007-2008●

Finding 3 – Additional Sources of Discharge

The response from the Board of Directors is not adequate to meet the recommendation for Finding 3 because the District still has not resolved the issue of obtaining an additional source of discharge for an appreciable amount of effluent. The District has not completed negotiations with adjacent property owners nor have they provided the Grand Jury with information on the progress of these negotiations which have been pending for several years.

MSD should complete negotiations with adjacent property owners to obtain an additional source of discharge and then notify the Grand Jury with the results.

LETTER: February 9, 2009 Regarding 2007 - 2008 Report Continued

“Find 4 — Notice of Violation”

“MSD’S Response to Finding 4 — Notice of Violation

“The District agrees or disagrees with the findings as follows:

“The District agrees with all of the findings.”

“MSD’S Response to Recommendation to Finding 4

“The District disagrees with the recommendation and will not be implementing it. As previously set forth above in Finding No. 1, certain terms presented by the owners of the Hay Station Ranch for a new Wastewater Discharge Agreement are at the present unacceptable to the District. With regard to Pond #4, the District commenced removal of material during the summer and fall of 2008 from Pond #4 to increase its capacity.”

●GRAND JURY DETERMINATION 2008-2009 FOR 2007-2008●

Finding 4 – Notice of Violation

The response from the Board of Directors is not adequate to meet the recommendation for Finding 4 because, as of the date of this publication, there is no current signed agreement with Hay Station Ranch that reflects what is currently allowed in the WDRs, and the old agreement does not allow MSD to meet Pond 4 freeboard requirements in the event of a 100-year storm. In addition MSD does not indicate when completion of expansion to Pond 4 capacity can be expected nor does it indicate how much the capacity may have increased. The Board also has not clarified what was done to correct the 2005-2006 Notice of Violation (NoV) from the California Regional Water Quality Control Board (CRWQCB). The Board has not specified what system modifications have been made or what tasks are still being pursued nor have they included copies of correspondence with CRWQCB regarding clearing the NoV. The Board also has not provided timelines for completion of any possible unresolved violation corrections.

MSD should complete expansion of Pond 4 and sign a new agreement with Hay Station Ranch reflecting what is currently allowed in the WDRs and expand Pond 4 to meet the requirements for a 100-year storm event before any further service hookups are allowed.

The Board of Directors should provide the next Grand Jury with proof of clearance of the 2005-2006 NoV.

ATTACHMENT LETTER: April 22, 2008 Regarding 2007 - 2008 Report

April 22, 2008

John and Gail Kautz
5490 Bear Creek Rd.
Lodi, CA. 95240

RE: Agreement for Supply and Acceptance of Reclaimed Water dated April 26, 1999

Dear Mr. and Mrs. Kautz:

On behalf of the Murphys Sanitary District, I am notifying you that the Board of Directors has voted to extend the AGREEMENT FOR THE SUPPLY AND ACCEPTANCE OF RECLAIMED WATER dated April 26, 1999 for a period of ten (10) years as authorized by paragraph six of that agreement. This letter is the official notice of their intention as required by the agreement.

As discussed at a previous meeting, the District is aware that your discharge permit from the State of California has been modified and that you are desirous of making certain amendments to the agreement. The Board is willing to meet with you to discuss and consider those changes and will be presenting additional changes of its own for consideration on your part. If you will contact our field manager, Ralph Emerson, he can make the arrangements for a meeting.

Very Truly Yours,

Frederick Kett
MSD Board President"

RESPONSE: MURPHYS SANITARY DISTRICT MANAGER

No response was received from the Part-Time District Manager

•GRAND JURY DETERMINATION 2008-2009•

Although the full-time District Manager position has not been filled, there is an acting part-time Manager who should have responded to this recommendation.

RESPONSE: FREDERICK KETT, PRESIDENT MURPHYS SANITARY DISTRICT BOARD OF DIRECTORS

LETTER: February 9, 2009 Regarding 2006 - 2007 Report

"Regarding the Murphys Sanitary District (pages 43, 46, 47) 2006-2007 Grand Jury Report:

"Finding 1"

"MSD'S Response to Finding 1 - Long Term Plan

"The District agrees or disagrees with the findings as follows:

"The District agrees with the findings.

"MSD'S Response to Recommendation to Finding 1

"The District disagrees with the recommendation to address treatment plant issues. The District understands the reasons for having a 10-year plan, but is currently addressing projects that have been submitted to the Regional Board that have to do with the Notice of Violation. This was also mentioned in our response to the 2005-2006 and 2006-2007 Grand Jury Reports. The District has developed a new 10-year plan to address collection system deficiencies based upon current issues and future growth. As the District's Waste Discharge permit is up for renewal in 2010, a 10-year plan for the treatment plant and potential upgrade is premature until the requirements of the new permit are established.

"Response from District Manager

"The Position of full-time District Manager remains vacant."

●GRAND JURY DETERMINATION 2008-2009 FOR 2006-2007●

Finding 1 – Long Term Plan

Grand Jury Determination

The response from the Board of Directors which arrived more than a year late is not adequate to meet the recommendation for Finding 1 because a long term plan is needed regardless of any unexpected changes. Long-term plans can be modified but need to be developed and implemented. It has been over two years since this recommendation was first made, and there still has been no resolution to the problem.

DETERMINATION CONTINUED

MSD should develop a 10-year plan for future needs separate from the Capital Improvement Plan (CIP). The 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.

LETTER: February 9, 2009 Regarding 2006 - 2007 Report Continued

“Finding 4”

“MSD’S Response to Finding 4 - Additional Source of Discharge

“The District agrees or disagrees with the findings as follows:

“The District agrees that it has only a single source of discharge and that no progress has been made in obtaining an additional source of discharge.

“The District agrees that it has discussed for a number of years the possibility of obtaining additional sources of discharge.

“MSD’S Response to Recommendation to Finding 4

“The district has been implementing most of the recommendations.

“It should be noted that very few wastewater districts have two sources of discharge. Most districts in Calaveras County utilize a single source of discharge, whether it be District owned spray fields for secondary effluent, discharges to golf courses, or other methods of disposing of wastewater. The District agrees that an alternate source of discharge is highly desirable and the District is continuing negotiations with adjacent property owners in an effort to obtain lands for the installation of spray fields in the future should the need arise. The current agreement for discharge with Hay Station Ranch is set to expire on April 26, 2019.

“The District is participating in discussions with Calaveras County Water District, Union Public Utility district, and the City of Angels to investigate the long-range solution of regionalization with the idea that a new regional waste water treatment plant would be built to collect and treat Murphys sewage.”

●GRAND JURY DETERMINATION 2008-2009 FOR 2006-2007●

Finding 4 – Additional Source of Discharge

The response from the Board of Directors which arrived more than a year late is not adequate to meet the recommendations for Finding 4 because they still have not obtained additional sources of discharge.

LETTER: February 9, 2009 Regarding 2006 - 2007 Report Continued

“Finding 5”

‘MSD'S Response to Finding 5 - Notice of Violation

“The District agrees or disagrees with the findings as follows:

“The District agrees that the District received a Notice of violation in January 2007 and that correction is very expensive and time consuming.

“The District disagrees that because it has a part-time manager it has limited resources to deal with the NoV.

“MSD'S Response to Recommendation to Finding 5

“The District does not for the time being, intend to implement the recommendation. The District does not agree that hiring a full time manager will necessarily create another resource to deal with the Notice of Violation. The District has accomplished a lot to address the NoV items. The District has met all of its required responses, in a timely manner, to the Regional Board concerning the NoV with its part-time Manager including system modifications. The District is currently proceeding with the required tasks as outlined in its response to the Regional Board, in addition , all district business is taken care of on a daily basis and the Directors do not see a need at this time to change the manager's position to full-time.”

●GRAND JURY DETERMINATION 2008-2009 FOR 2006-2007●

Finding 5 – Notice of Violation

The response from the Board of Directors is not adequate to meet the recommendation for Finding 5 because the Board did not clarify what they did to correct the 2005-2006 Notice of Violation (NoV) from the California Regional Water Quality Control Board (CRWQCB). Information was not provided to show what system modifications may have been made or what tasks are still being pursued. No copies of correspondence with CRWQCB were provided to show clearance of the NoV, and the Board has not provided timelines for completion of violation corrections.

7. CALAVERAS COUNTY JAIL

REASON FOR INVESTIGATION

In accordance with Penal Code Section 919 (b), the 2007-2008 Grand Jury shall inquire into the condition and management of public prisons within the county.

SCOPE OF INVESTIGATION

The scope of 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, the inmate's cells as well as the physical condition of the facility.

The Calaveras County Undersheriff, the jail commander, support staff, and custodial staff were interviewed. The Board of Corrections 2004/06 Biennial Inspection Report, the Local Detention Facility Health Inspection Report, the Office of the State Fire Marshal Inspection Report, the Globus Electric, Inc. Report, as well as the inmate grievances and complaints and the responses to them were reviewed. The 2006/2007 Calaveras County Grand Jury final report was also reviewed.

RESULTS OF INVESTIGATION

FINDING 1

The jail itself continues to be inadequate and obsolete due to the increase in crime and the age of the building. The jail was constructed in the early 1960's to incarcerate 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, the sheriff frequently must initiate, and the inmates knowingly take advantage of, the early release program in order to make room for new prisoners. This becomes a public safety issue as some inmates bypass drug or other treatment programs because they will probably be released from jail early under the current system.

This adult jail facility continues to be the only jail within the county serving the Sheriff's Department, the City of Angels Police Department, as well as the local arrests initiated by the California Highway Patrol, Department of Fish and Game, and other State and Federal agencies as needed.

FINDING 2

The Grand Jury found the conditions of confinement under Federal, State and local laws, for the most part, are being met. However, since inmate recreation is provided via the enclosed recreation yard, writing materials, television, and library books, monitoring these activities has resulted in the utilization of additional deputy support from the field to meet the compliance regulations. This provision of additional deputy support to maintain inmate control does negatively impact the police response in the community by having less law enforcement officers available.

The outer perimeter of the jail continues to constitute a security and safety issue. There are no secure areas outside the jail where the inmates are moved between vehicles, the Court House or the jail itself.

FINDING 3

Security and safety issues still exist due to the physical layout of the jail. Blind spots hamper officers from visible observations of inmate and staff movement in certain locations within the jail. Other locations would not provide an entrance or exit route in an emergency situation should a fire erupt or during an inmate related disturbance. Most doors are only 24 inches wide, which do not meet current California building codes.

The jail has not been able to comply with the American Disabilities Act due to cost and restructuring of the building. One option mentioned was to turn the two (men and women) rest rooms in the front of the building into one for use by both men and women.

Additional manpower is required to monitor inmates arrested for substance abuse offenses; this restricts staff from monitoring the remainder of the inmates.

Supplies and storage items lined the hallways making it difficult to pass without obstruction.

FINDING 4

On September 1, 2007 a rainstorm hit San Andreas causing a power outage. The jail is normally equipped with a back up generator to handle this type of emergency. On this occasion the lights flickered and the generator failed causing damages to and loss of major electronics and equipment. These damages included disabling the 911 emergency call system, which is housed within the jail building.

Inspection by a Sacramento electrical corporation revealed that with the existing connections, the electrical system has the potential for over-heating and complete failure. The backup generator is antiquated and is not equipped with protective devices to prevent it from shutting down when there are power irregularities.

Damages are estimated at over \$45, 000.00 to date.

RECOMMENDATION

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*

SUMMARY

The 2007/2008 Grand Jury agrees, with past Grand Jury findings, that the only viable solution is 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 has been submitted to the Calaveras County Board of Supervisors. This proposal provides for the construction of a 240-bed adult detention facility, a new sheriff's administration building, and the associated site development.

The Sheriff has submitted requests for grants at the Federal and State level to offset the major cost of constructing a new jail.

RESPONSES RECEIVED FOR CALAVERAS COUNTY JAIL

RESPONSE: BOARD OF SUPERVISORS

LETTER: October 28, 2008

"All Findings

"The Board of Supervisors concurs with the response provided by the Sheriff's Department. Further, the Board notes that, following submission of the Department's Response, Calaveras County was informed that it would receive the full \$26 million in State facility construction funding sought under the County's AB900 application.

"When combined with the proceeds already realized from the sale of Measure J bonds, the AB900 award will permit Calaveras County to complete construction of a 240-bed Adult Correctional Facility with a projected opening date of 2011. As of this writing, the County is reviewing Statements of Qualifications for a Project / Program Manager to act as the County's agent in development and construction of the new correctional facility..

"This completes the response on the part of the Calaveras County Board of Supervisors to the Grand Jury's 2007-2008 Final Report."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Board of Supervisors (BOS) is adequate to meet all recommendations.

RESPONSE: DENNIS DOWNUM, SHERIFF

LETTER: August 25, 2008

"Obsolete Jail Facility and Security, Findings 1 through 3:

"The Sheriff's Office has reviewed and agrees with the Grand Jury's findings and recommendation for the need to build a new modern jail facility. The Sheriff's Office continues pursuing Assembly Bill 900 for funding a 240 bed facility. On May 08, 2008, the Sheriff's Office took another step forward in this pursuit by being awarded ten million dollars from the AB 900 grant program. The Sheriff and his administration continue in their diligent efforts seeking an additional sixteen million dollars in order to achieve full grant funding. In addition, the voters of Calaveras County passed the Measure J Bond Initiative last November; this brings an additional thirty million dollars to the new jail project.

"Due to the age of the existing jail, the facility does not comply with ADA requirements. The construction of a modern facility will remedy this and other inmate supervision and security concerns. Early release will also remain a concern until a new jail is secured.

"In an effort to reduce the need for field Deputies to respond to the jail facility for report and other support purposes, Calaveras County was added to Assembly bill 2215 which recognizes the Correctional Officers with limited peace officer powers per 830.1c PC. The Correctional Officers are now able to generate criminal reports within the jail facility relieving the field Deputy from this task.

"Power Spike Causing Damage to Jail Electronic Equipment, Findings: 4

"The damage caused by an electrical spike occurred as a result of a failure of a voltage regulator when the emergency generator began supplying power to the facility. The damaged voltage regulator has been replaced from the old style vr-1 regulator to a modern vr-6 regulator. Several in-line surge protectors have been installed throughout the facilities electrical system as a preventive measure. The emergency generator was tested and serviced: a service contract with HOLT of California Co. monitors and provides service for the facility generator.

"Although these measures have corrected the surge damage, the facility and its wiring are over 40 years old. The electrical inspectors recommended replacing all of the facility wiring."

●GRAND JURY DETERMINATION 2008-2009●

The response from the Sheriff is adequate to meet all recommendations.

APPENDIX

1. SUMMARY OF REQUESTED RESPONSES

Auditor-Controller

- B-2 County's Use Of Certificates Of Participation Findings:1 through 8
- B-3 Copperopolis Fire Protection District
Findings: Teeter Plan and County Treasury
Accounting Practices Finding 1
- B-6 Overpayment To County Vendor Findings: 1,2
- B-8 Calaveras County Jail Finding: 5
- B-9 Copper Cove Rocky Road Community Service District Finding: 6
- B-13 Tax and Revenue Anticipation Notes Findings: 1,2
- B-15 Expert Auditor Selection Finding 1
- B-16A-1A Timeliness Of the Annual Financial Report Recommendation: 1
- B-16A-1B Disaggregation Of Receivables Recommendation: 1
- B-16A-1C Completeness Of Receivables Recommendations: 1,2
- B-16B-1A Construction-In-Process Recommendation: 1
- B-16B-2A Trust Accounts Recommendation: 1
- C-4B Audit Report - Human Resources

Board of Supervisors

- B-1 Format of Responses To Grand Jury Reports Finding: 2
- B-2 County's Use Of Certificates Of Participation Findings:1 through 8
- B-5 Calaveras County Library System Findings: 2,5
- B-7 Calaveras County Animal Shelter Finding: 1
- B-12 Calaveras County Children's Services Finding: 5
- B-13 Tax and Revenue Anticipation Notes Findings: 1,2
- B-14 Settlement With the Former CDA Director Findings: 1,2
- B-15 Expert Auditor Selection Finding 1
- B-16A-1A Timeliness Of the Annual Financial Report Recommendation: 1
- B-16A-1C Completeness Of Receivables Recommendations: 1,2
- B-16B-1A Construction-In-Process Recommendation: 1

Chief Information Officer of Technology Services Department

- B-5 Calaveras County Library System Finding: 4
- B-16A-1C Completeness Of Receivables Recommendation: 1

Copper Cove Rocky Road Community Service District Board of Directors

- B-9 Copper Cove Rocky Road Community Service District Findings: 3,4,5,6,7

Copper Cove Rocky Road Community Service District Manager

- B-9 Copper Cove Rocky Road Community Service District Finding: 4

Copperopolis Fire Protection District Board of Directors

- B-3 Copperopolis Fire Protection District All Findings

County Administrative Officer

- B-1 Format of Responses To Grand Jury Reports Finding: 2
- B-2 County's Use Of Certificates Of Participation Findings:1 through 8
- B-5 Calaveras County Library System Findings: 2,3,4,5
- B-6 Overpayment To County Vendor Findings: 1,2
- B-13 Tax and Revenue Anticipation Notes Findings: 1,2
- B-15 Expert Auditor Selection Finding: 1
- B-16A-1B Disaggregation Of Receivables Recommendation: 1
- B-16A-1C Completeness Of Receivables Recommendations: 1,2
- B-16B-1A Construction-In-Process Recommendation: 1

County Counsel

- B-1 Format of Responses To Grand Jury Reports Findings: 1,2
- B-12 Calaveras County Children's Services Finding: 2
- B-14 Settlement With the Former CDA Director Findings: 1,2

County Librarian

- B-5 Calaveras County Library System Findings: 2,3,4,5

Director, Human Resources

- B-14 Settlement With the Former CDA Director Finding: 2
- C-4B Audit Report - Human Resources

Director of Cal Works and Human Services

- B-12 Calaveras County Children's Services Finding: 5

Director of Department of Public Works

- B-4 Solid Waste Transfer Stations and Landfill Site Finding: 2

Director of Planning

- B-6 Overpayment To County Vendor Findings: 1,2
- B-16B-2A Trust Accounts Grand Jury Recommendation

Jenny Lind Fire Protection District Board of Directors

- B-11 Jenny Lind Fire Protection District Findings: 2,3

Program Manager Adult/Children's Services

- B-12 Calaveras County Children's Services Findings: 2,3,4,5

Sheriff

- B-7 Calaveras County Animal Shelter Finding: 1
- B-8 Calaveras County Jail Findings: 5,6

Tax Collector-Treasurer

- B-3 Copperopolis Fire Protection District Teeter Plan and County Treasury Finding 1