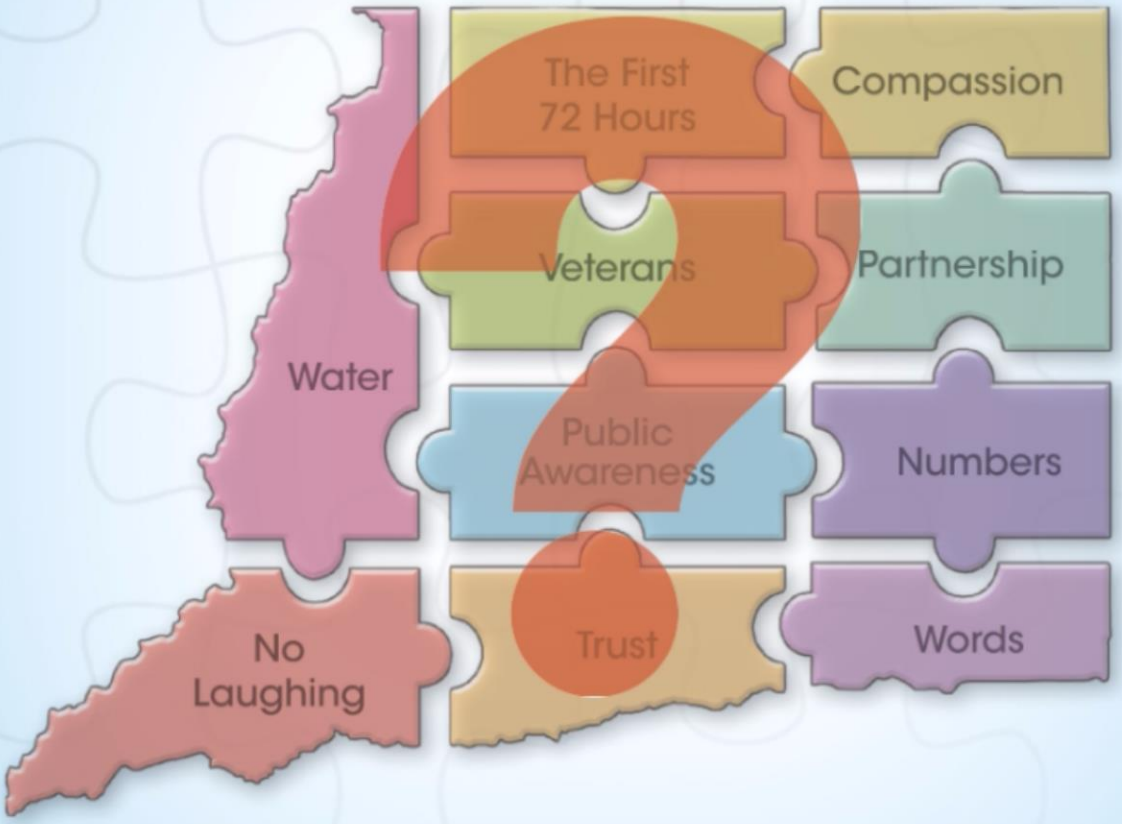
WHAT MATTERS TO YOU



SHASTA COUNTY GRAND JURY REPORT

2015 - 2016

Table of Contents

Section **Page**

Letter to Presiding Judge of the Superior Court ii

2015-2016 Shasta County Grand Jury Members iii

2015-2016 Summary of Full Grand Jury Activities iii

2015-2016 Sites and Facilities Visited iv

2015-2016 Shasta County Grand Jury Committees and Activities iv

The Shasta County Grand Jury – "It Matters" v

Investigative Reports viii

Shasta County Veterans Services Office – Veterans' Lives Matter 1

Troubled Waters – Water Matters.....9

A Mental Health Crisis, Following the Call – The First 72 Hours Matter 21

The Quarter Million Dollar Typo – Words Matter 29

Shasta LAFCO – No Laughing Matter 33

Shasta County Sheriff's Office – Trust Matters 38

Shasta County Joint Audit Committee – Numbers Matter 45

Agendizing Grand Jury Reports and Responses – Public Awareness Matters 50

Shasta County Coroner's Office – Compassion Matters 55

Sugar Pine Conservation Camp – Partnership Matters.....59

Shasta County

GRAND JURY

June 28, 2016

The Honorable Gregory Gaul
Presiding Judge of the Superior Court
Shasta County Courthouse
1500 Court Street
Redding, CA 96001

Dear Judge Gaul:

The 2015-2016 Shasta County Grand Jury hereby respectfully submits to you our Final Report.

From day one, the Shasta Grand Jury wanted to make a difference for the benefit of the citizens of Shasta County. We believe that through our investigations and reports, we have met our goal. Reports are the only way for the Grand Jury to communicate with our community. Our final report literally reflects the hundreds of hours the jurors worked. We hope that our fellow citizens will take the time to read the reports, consider our findings and recommendations and motivate our community leaders to enact the changes we propose. We note that one major change has already occurred as a result of our efforts.

We could not have completed our work **without the support of:** the Superior Court staff; the Shasta County Grand Jurors Association; David Yorton, Senior Deputy County Counsel; Matthew McOmber, Deputy County Counsel; William Bateman, Deputy District Attorney; Megan Dorney and Ayla Tucker, County Administrative Services; Michael Stock and other County Information & Technology Services staff.

The Grand Jury would also like to thank you, Judge Gaul, for meeting with us, providing advice, input into our reports, and continued support. In keeping with the theme of our reports… **"The Judge Matters!"**

I want to recognize Anita Duplessis, Foreperson pro tem, for her support and guidance this year. I also highly commend **ALL** the Grand Jurors for their dedication, hard work, attention to detail, and great sense of humor.

Sincerely,

Craig Perry
Craig Perry, Foreperson
2015-2016 Shasta County Grand Jury

2015-2016
Shasta County Grand Jury Members

Craig Perry – Foreperson
Susan Bakke
Joan Bestor
Phillip Carr
Valerie Coon
Hester Dunn
Tracy Holcomb
Mitchell Houghton
Jeanne Jelke
Anita Duplessis – Foreperson pro tem
Sandra Masten
Beverley Mills
David Morris
Luz Maria (Lucha) Ortega
Amy Reynolds
Harold Vietti
Alan Wheelus
Rebeccah Willburn

2015-2016
Summary of Full Grand Jury Activities

Activity	Total
Agencies, Departments, and Facilities Visited	13
Autopsies Attended	0
Complaints Received*	29
Government Board Meetings Attended	9
Joint Audit Committee Meetings Attended	2
Meetings of the Full Grand Jury	35

*Not all complaints received fall within the purview of the Grand Jury

2015-2016
Sites and Facilities Visited

- Crag View Water Treatment Plant
- Redding Electric Utility
- Redding Police Department
- Shasta Area Safety Communications Agency (SHASCOM)
- Shasta County Coroner's Office
- Shasta County Jail
- Shasta County Juvenile Rehabilitation Facility
- Shasta County Mental Health Center and co-located Residential Center
- Shasta County Sheriff's Crime Scene Investigations Facility
- Shasta County Veterans Services Office
- Sugar Pine Conservation Camp
- Tehama County Community Crisis Response Unit
- Tehama County Veterans Services Office

2015-2016
Shasta County Grand Jury Committees

- Audit Finance
- City Government
- Continuity and Editorial / Report Publication
- Coroner's Office
- County Government
- Criminal Justice
- Information Technology
- Local Districts and Agencies

Summary of Committee Activities				
Committee	**Meetings**	**Investigations**	**Interviews**	**Reports**
Audit Finance	28	3	16	3
City Government	44	3	20	0
Continuity/Editorial/Publication	40	2	8	1
Coroner's Office	15	1	5	1
County Government	37	2	16	2
Criminal Justice	21	5	2	1
Information Technology	1	0	0	0
Local Districts and Agencies	37	3	8	2
TOTAL	**223**	**19**	**75**	**10**

The Shasta County Grand Jury
"It Matters"

What is the Grand Jury?

The Grand Jury is an independent body made up of 19 Shasta County citizens that functions as an arm of the judicial branch of government operating under the guidance of the Presiding Judge of the Shasta County Superior Court. In this capacity, the Grand Jury inquires into and investigates the operations of local government agencies and officials, ensuring that their activities are authorized by law and services are efficiently provided. Members of the Grand Jury are selected through an application and interview process by the Superior Court.

Why does the Grand Jury matter?

The Grand Jury acts as a watchdog for the county. It helps local government to be more accountable and efficient. Empowered by the judicial system, it is a fact-finding body that develops meaningful solutions to a wide range of government problems which in turn facilitates positive change in the county. The Grand Jury examines statutory aspects of the city governments, county government, special districts, the local agency formation commission, school districts, housing authorities, joint powers agencies, and non-profit agencies established by or operated on behalf of a public agency. The Grand Jury determines whether monies of local government agencies are handled properly and that all accounts are properly audited – in general, assuring honest, efficient government in the best interest of the people.

By what authority does the Grand Jury act?

The California State Constitution requires the Superior Court in each county to impanel at least one Grand Jury each year. Grand juries are governed and guided by California Penal Code Section 925, et. seq. The code authorizes the Grand Jury to investigate and report on the operations of any local governmental agency within the county. On rare occasions, the Grand Jury may even review criminal cases.

All communications with the Grand Jury are confidential. Because the Grand Jury is exempt from the state's open meeting law (the Brown Act), actions are taken by a vote of the Grand Jury in accordance with their own rules and procedures. The ability to internally police itself allows the Grand Jury to operate completely independent of external pressures.

When there is a perception of a conflict of interest involving a member of the Grand Jury, that member has been required to recuse from any aspect of the investigation involving such a conflict and from voting on the acceptance or rejection of that report. Two (2) 2015-2016 Grand

Jurors were recused from certain investigations. These jurors were excluded from all parts of the investigations, including interviews, deliberations, and the making and acceptance of the report.

Would you like to serve on the Grand Jury?

Citizens over the age of 18 in Shasta County are given an opportunity to serve on the Grand Jury. For specific information regarding juror qualifications and applications to serve on the Grand Jury, either contact or visit the following address:

Shasta County Superior Court
1500 Court Street, Room 205
Redding, CA 96001 or online at www.co.shasta.ca.us

How do I file a Citizen Complaint with the Grand Jury?

The grand jury reviews all complaints and investigates when appropriate. All complaints are treated confidentially. The complainant may be asked to appear as a witness. A complaint form may be obtained by contacting:

Shasta County Grand Jury
PO Box 992086
Redding, Ca. 96099-2086
(530) 225-5098 or online at www.co.shasta.ca.us

How are Grand Jury reports written and published?

The content and subject matter of the Grand Jury reports are the result of a diligent effort by the members of the Grand Jury. The reports are prepared by members of the Grand Jury and reviewed by County Counsel, or the District Attorney, and the Presiding Judge of the Superior Court. The reports are then made available online at www.co.shasta.ca.us and at the Shasta County Clerk's Office. A Consolidated Final Report is printed by the Record Searchlight and other local media.

Throughout the course of the 2015-2016 term, the Grand Jury met, discussed policies and procedures, and reviewed possible subjects for inquiry and/or investigation. Committees were formed to perform specific investigations. Subjects for investigation were initiated by citizen complaints or by members of the Grand Jury. Upon completion of the individual investigations, reports were prepared and edited by the Grand Jury and then forwarded on to County Counsel or the District Attorney for legal review. After legal review, the reports were forwarded to the Presiding Judge for final review and approval to release to the public.

The 2015-2016 Grand Jury released individual reports prior to the end of its one-year term. At the end of its term, all investigative reports, including those previously released, are compiled into one report referred to as the Consolidated Final Report of the Grand Jury, and released to the public.

Who responds to the Findings and Recommendations of the Grand Jury report?

Typically, each report includes both Findings and Recommendations. The Findings consist of salient facts relevant to the specific entity investigated which are of concern to the Grand Jury. The Recommendations are proposals by the Grand Jury which will help to remedy problems or inefficiencies within the agency or organization. California Penal Code Section 933 requires responses to the final report be submitted to the Superior Court in a timely manner. Required responses are to be submitted within 90 days for elected officials and governing bodies, and within 60 days for non-elected officials. It is anticipated that the various agencies and governments will respond in a manner that is in the best interest of the citizens of the county.

The 2015-2016 Grand Jury recommends that all governing bodies place their responses to all Grand Jury reports on their Regular Calendars for public discussion, not on their Consent Calendars.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

2015-2016
Investigative Reports

Shasta County Veterans Services Office – Veterans' Lives Matter 1

Troubled Waters – Water Matters 9

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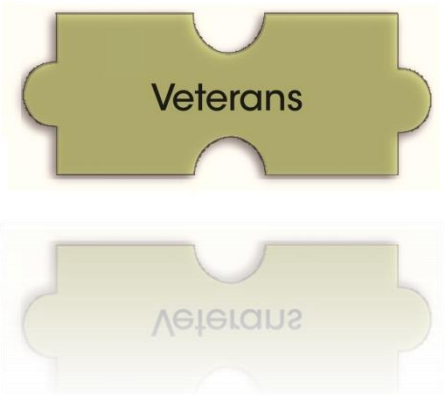
Shasta County Veterans Services Office
Veterans' Lives Matter

SUMMARY

Shasta County benefits from the presence of a Veterans Services Office (VSO), located in Redding, CA. It is headed by a Veterans Services Officer, who reports directly to the Shasta County - County Executive Officer. Over the last year, the VSO has had three Veterans Services Officers, and is currently on the fourth, hired in February 2016. Nearly all staff, many of whom were seasoned Veterans Services Representatives, have retired or resigned, leaving few experienced individuals to serve the veterans of Shasta County. This has resulted in disruption of services, financial costs to the County, internal turmoil among staff, and frustration from the veteran community.



BACKGROUND

Each county in California has an opportunity to provide a Veterans Services Office (VSO), which is partially funded by reimbursements from the State of California. Shasta County's VSO is located in Redding, at 1855 Shasta Street. The VSO administers veterans' aid as provided in the California Military and Veterans Code. Staff investigates and initiates claims, applications, and requests for aid. In performing these duties, the VSO is obligated to assist any qualified veteran or former member of the armed forces (or their eligible spouse and dependents) in pursuing aid provided to them by the United States. According to the United States Department of Veterans Affairs, Shasta County's veteran population as of September 30, 2014, the most recent data available, was 16,670. In comparison, Imperial County has approximately the same population as Shasta County, with a veteran population of only 7,589. Yolo County's population is 10% higher than Shasta County's yet has only 9,613 veterans.

Nationally, issues related to veterans' affairs have been in the news over the last several years. The Grand Jury investigated to determine how veterans are served in Shasta County through our VSO. When entering Shasta County, signs posted state, "WHERE WE HONOR VETERANS". The Grand Jury investigated to determine how well our veterans are served.

METHODOLOGY

- Interviewed a spouse of a disabled Shasta County Veteran
- Interviewed a former Shasta County Veterans Services Officer
- Interviewed two Shasta County Veterans Services Representatives
- Interviewed a high ranking member of Tehama County Veterans Services Office
- Interviewed a high ranking member of the Shasta County Administration
- Interviewed an Officer of the Shasta County Veterans Affiliated Council
- Interviewed high ranking member of the Veterans Home of California – Redding

- Interviewed Veterans Home of California – Redding, Member of Public Relations staff
- Reviewed Shasta County Veterans Services Office financial records for fiscal years 2012/13-2014/15
- Reviewed Shasta County Veterans Services Office Semi-Annual Audit Reports 2013-2015
- Reviewed California Department of Veterans Affairs Medi-Cal Cost Avoidance reports 2011-2015
- Reviewed California Department of Veterans Affairs Subvention reports 2011-2015
- Reviewed California Association of County Veterans Services Officers annual report for 2015 and 2016
- Reviewed California Military and Veterans Code Sections 690-980
- Reviewed 2015 Shasta County Veterans Services Office Newsletters
- Reviewed Shasta County Veterans Services Office client sign-in logs for October 2014, March 2015, and October 2015
- Reviewed Shasta County Veterans Services Office walk-in statistics for 2007-2015
- Reviewed United States Department of Veterans Affairs National Center for Veterans Analysis and Statistics publication, VetPop 2014
- Reviewed Title 38 Section 5901 United States Code, Veterans Benefits
- Inspected Shasta County Veterans Services Office
- Inspected Tehama County Veterans Services Office

DISCUSSION

In October 2014, the Shasta County Veterans Services Officer retired after spending five years at the post. The Board of Supervisors named a successor, hired from outside the county, in November of that year. Within five months, the newly-appointed Veterans Services Officer was terminated due to allegations of inappropriate behavior. In July 2015, the Board of Supervisors appointed a new Veterans Services Officer, also hired from outside Shasta County. In December 2015, he abruptly resigned. In January 2016, the Board of Supervisors hired the fourth Veterans Services Officer to serve Shasta County in just over one year. There were qualified local candidates who were interviewed, but ultimately an individual was chosen from outside Shasta County. These changes have caused misgivings among local veteran groups and VSO staff.

In addition to these leadership changes, staff has also changed, with seasoned employees retiring or resigning. The remaining and new employees have experienced inconsistent office procedures, an unstable work environment, and discord among their peers. As a result, the veterans of Shasta County are not receiving the services they have earned and deserve.

Some Shasta County veterans have had to look for their own solutions. For example, the spouse of one veteran had to do her own research and follow-up for her husband's claim. They received no communication from staff once the new Veterans Services Officer began in July 2015. She stated she had to make numerous "aggressive" phone calls to the VSO before she finally received a return call. The Shasta County Veterans Services Officer informed her that there was no record of a claim submitted on behalf of her husband. She then called directly to the Oakland American Legion Office, who was handling her husband's case. They located the claim, which had been overlooked, on one of their employee's desk. The Shasta County Veterans Services Officer reportedly did not call back to follow up with the veteran or his spouse. It is important

that VSO staff assists veterans with obtaining all necessary documentation for their claims, and not place the responsibility on veterans or their families.

VSO staff indicated that due to ongoing changes in the office, there are an unknown number of cases not receiving follow up. If a claim is denied by the United States Department of Veterans Affairs for any reason, the veteran has one year from that date to appeal the decision. If the year passes without an appeal, the claim is closed. A veteran cannot refile a closed claim unless there is new and different evidence presented. The regional United States Department of Veterans Affairs claims processing center for Shasta County had an error rate of approximately 10% as of September 30, 2015. That means that 1 in 10 claims filed in Shasta County could be mistakenly denied by the United States Department of Veterans Affairs. Failure to file timely appeals may result in lost opportunity for benefits due to veterans.

The VSO lacks a comprehensive case management process. A veteran's spouse reportedly had to conduct her own research regarding her husband's eligibility for a wheelchair-accessible van. She ultimately determined he was eligible and successfully filed the claim, receiving the van only after her husband became unable to leave the house. A comprehensive case management process at the VSO would allow staff to manage not just the claim originally filed, but also conduct follow-up and stay connected with the veteran, their spouse, and dependents. This would not stop once a veteran passes away. The VSO should also be assisting with obtaining burial benefits and continue working with the veteran's family to determine survivor benefits that may also be available. Under a comprehensive case management process, successfully filing one claim would not result in closing that entire case. Maintaining ongoing communication with veterans will allow VSO staff to initiate new claims when appropriate.

The Shasta County Grand Jury met with Tehama County VSO staff in Red Bluff to review their operations. They have started seeing Shasta County residents turn to them because the Shasta County VSO is unable to provide adequate assistance. During our visit, a resident of Shasta County came to the Tehama County office for help. Although Tehama County is serving these out-of-county veterans, it will receive no reimbursement for its service on existing claims, because the reimbursement flows to the county that originated the claim. Tehama County does receive reimbursement for new claims it initiates for Shasta County veterans.

What does it mean to help a veteran with their claim? According to the United States Department of Veterans Affairs, any staff can talk about veterans' benefits in general. However, once the veteran, surviving spouse, or dependent expresses the intent to file a claim for benefits, the staff helping the veteran must be accredited. An individual who seeks accreditation must submit a formal application, meet certain character and work history requirements, and pass a comprehensive test relating to veterans claims and benefits. There are also requirements for ongoing continuing education to maintain accreditation.

Currently, only one Veterans Services Representative in the VSO is accredited. The newly-hired Veterans Services Officer and any other staff who will assist veterans with claims have one year from their hire date to successfully complete the accreditation process. The previous Veterans Services Officer was not accredited.

It is imperative that all VSO staff assisting veterans with claims complete the accreditation process. Reportedly, the Shasta County Executive Officer had minimal involvement throughout the changes in Veterans Services Officers. This lack of oversight may have contributed to the failure of the VSO to ensure adequate caseload management, and leaves potential for accreditation not being pursued and obtained in a timely manner.

The current hours of the VSO are limited. The office is open to serve veterans Monday through Friday, 9:00 a.m. to 11:30 a.m., and 1:00 p.m. to 4:00 p.m. By closing the office at 11:30 a.m. staff has time to finish working with their client by noon. The office is closed for lunch from noon to 1:00 p.m. Also, staff sees clients on a first come, first served basis and do not accept appointments. For the first half of the week, the wait time to see VSO staff averages 45 minutes to an hour, and can be up to an hour and a half. The second half of the week tends to be lighter, with veterans receiving service many times within 15 minutes. Staff recommends that veterans call before coming so they can find out how busy it is. However, VSO staff anticipates increasing the hours to serve veterans by opening at 8:30 a.m., effective June 1, 2016.

Today's veteran population is shifting, with 40% of California's veterans having served during the post-Vietnam War era. This means there are younger veterans who need access to benefits, many who are employed full time and have families to support. By expanding the hours of operation, the Shasta County VSO could provide a vital service by helping these younger veterans obtain benefits. Further, staggering current employee start and end times, as well as days of the work week, would allow the VSO to be open during lunch, evening, and possibly an occasional weekend day. Staff could also provide appointments, staggering their appointment start times. This would always allow at least one staff to be available, between appointments, to provide assistance to walk-in clients.

Outreach to rural parts of the County is a vital link to the veteran community, so reestablishing Burney visits is a logical move. The previous Veterans Services Officer stopped a monthly outreach in Burney, thus requiring Northeastern Shasta County veterans to travel to Redding for assistance, without the option to schedule an appointment in advance. If visits are scheduled for the same day, time, and location in Burney each month, veterans in the area will be able to take advantage of the service. The Tehama County VSO has had success with its monthly outreach to Corning area veterans.

While public relations is an important component of the VSO, the focus should first and foremost be on serving the veterans of Shasta County. There are many veteran organizations throughout Shasta County, such as the Shasta County Veterans Affiliated Council, that can spread the word and good cheer about veteran-related community events. This allows the Veterans Services Officer to focus on the functions of the VSO office. The Grand Jury discovered that the last Veterans Services Officer spent more time outside the office than his predecessors, which potentially contributed to veterans not receiving the same level of services.

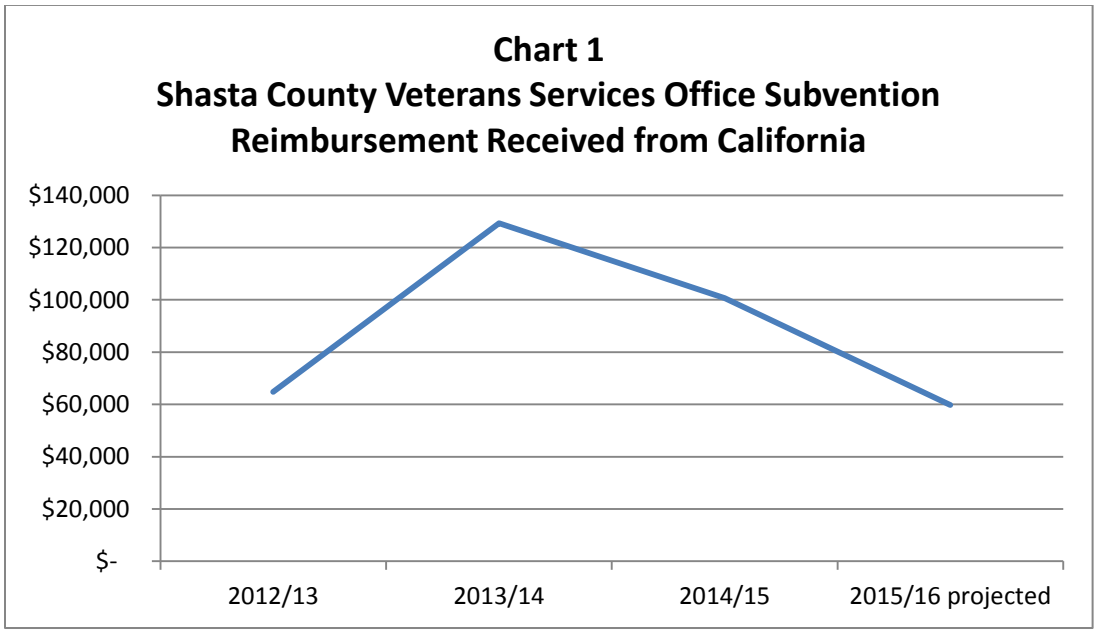
Veterans can currently obtain limited information from the VSO website at www.co.shasta.ca.us, by clicking on the "County Departments" link. The site contains a brief summary of services the VSO provides, a list of available benefits, and office location and hours. Updating and enhancing the website to include useful links would allow another avenue for veterans to obtain benefits and information. The VSO website should have links for veterans to request discharge papers online through the National Archive, as well as to the United States and California Department of Veterans Affairs websites. While it is important for veterans to visit the VSO for assistance with applying for benefits, some tasks can be completed online to help prepare and expedite their claim process with the VSO.

The previous Veterans Services Officer terminated participation in a California Veterans Affairs Work-Study Program. The Program is available to any eligible veteran or their dependents that are receiving VA education benefits and attending school three-quarters time or more. An individual participating in this program may work at the VSO. Work-Study students are paid by the State of California at minimum wage. In the past, Shasta County VSO used these students for general office duties. The VSO should reinstate the program to increase the time available for

staff to meet directly with veterans. This could result in more claims filed, which brings additional revenue to the County. The Tehama County VSO uses the Work-Study Program, and relies on it to assist with daily office tasks.

The VSO is funded through the County's General Fund. It competes with the Sheriff's Office, Public Health, Mental Health, Public Safety, and others for dollars. For 2015/16, the County budgeted a cost of approximately $310,000 for the VSO. However, the budgeted cost takes into consideration an expected $130,000 from State of California reimbursements. In addition, the VSO receives proceeds from the sale of veteran-themed license plate fees and Medi-Cal cost avoidance. When the VSO assists the County in enrolling eligible veterans in Medi-Cal, it receives a portion of the money that would otherwise have been paid from either the State of California or Federal veterans' funds.

The largest source of reimbursement ($130,000) is from the State of California's Subvention Program. This program pays the County a flat dollar amount per "workload unit". A workload unit is a claim that has a reasonable chance of obtaining a monetary or medical benefit for a veteran, spouse, or dependent. Each workload unit must be a new claim, with no credit given for submitting duplicate or previously-denied claims. The State of California will reimburse for workload units up to 50% of the VSO's operating budget. **Chart 1** reflects the subvention payments received for the past three years, and projected payments for the remainder of the current fiscal year.

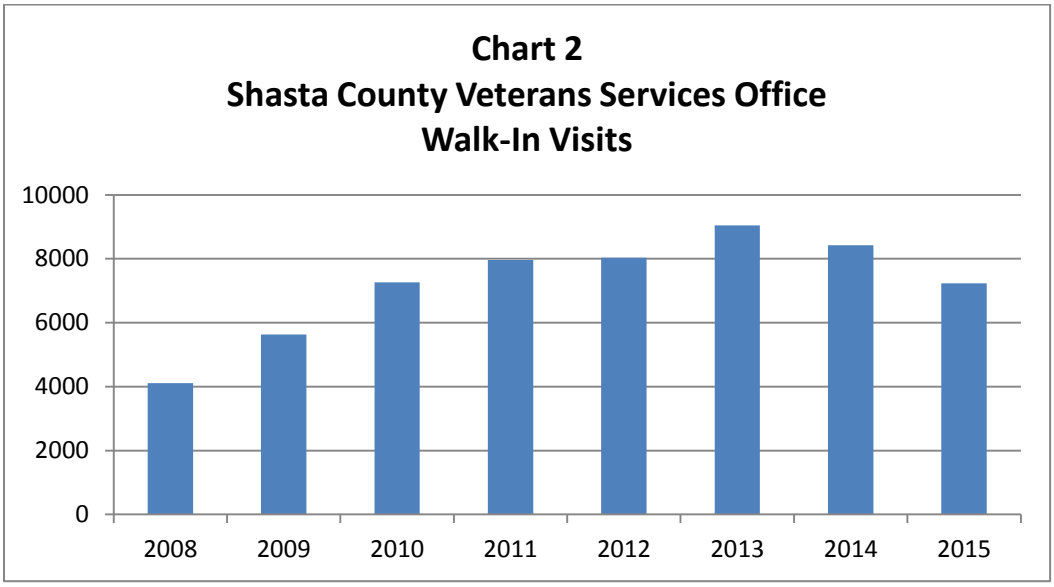


The VSO receives half of its annual subvention payments by each December (halfway through the fiscal year). As of December 31, 2015, the VSO had received less than $30,000, due to a decrease in the number of new claims filed. If this trend continues, the VSO will collect $60,000 in subvention funds this fiscal year, a decrease of reimbursed funds of approximately 53% or $70,000 from the 2013/14 fiscal year. Each year's subvention payments are based on the prior year's activity. With the decreased activity noted for 2015/16, the VSO stands to lose additional funding in 2016/17. Each lost subvention dollar must be covered by the County's General Fund.

In addition to the reimbursements mentioned above, the State of California provides funding for VSO staff to attend California Department of Veterans Affairs training. While training is not mandatory, the VSO loses reimbursement funds for not attending. In 2014/15 the VSO lost $833 for missed training, and also was not eligible for supplemental subvention funding approved by the State Legislature. In order to be eligible for maximum State of California reimbursement, it is imperative that VSO staff attends the State of California trainings.

When considering reimbursement to the County, there is also financial benefit for the veterans who receive a successful claim. The average amount of each new claim awarded in Shasta County in 2014/15 was $8,623. That money goes directly to our veterans and eventually enhances the local economy throughout the County through the purchase of goods and services by veterans. Subvention reimbursement affects the Shasta County General Fund and results in additional purchasing power flowing throughout Shasta County.

The Grand Jury reviewed VSO walk-in statistics and logs for 2007-2015. Walk-in visits peaked in 2013, with 9,048. By the end of 2015, it was on track to be less than 7,250, a decrease of 1,798 visits, as indicated in **Chart 2**. A continued slide in providing services will adversely impact the County General Fund and Shasta County veterans.



When the time comes to hire the next Veterans Services Officer, the Grand Jury encourages giving consideration to qualified local individuals. Hiring a person who has connections to the community will make long strides in re-establishing veterans' trust in the Veterans Services Officer. An individual established in the community is less likely to suddenly uproot and leave the VSO without a leader. While education is an important factor, other qualifications such as management experience, people skills, and a veteran with ties to the local community should be considered.

FINDINGS

F1. The VSO is open limited hours and does not make appointments, restricting public access.

F2. The VSO website lacks useful links and detailed and relevant information.

F3. Veterans potentially fail to receive benefits because some files in the VSO have not received follow-up from the VSO.

F4. Veterans are not receiving all eligible benefits because there is not a comprehensive case management process in place.

F5. VSO staff performs tasks once done by Work-Study Program participants, limiting available time to help veterans with their claims.

F6. The VSO eliminated outreach to Burney, causing Northeastern Shasta County veterans to travel to Redding for assistance.

F7. Veterans potentially received reduced level of service as a result of the previous Veterans Services Officer's time spent out of the office.

F8. Hiring Veterans Services Officers from outside Shasta County has created misgivings among local veterans.

F9. Currently, only one employee in the VSO is accredited, limiting ability to assist veterans with claims.

F10. Failure of VSO staff to attend State of California training has resulted in decreased reimbursement to the County's General Fund.

F11. The Shasta County - County Executive Officer failed to provide adequate oversight of the VSO during changes in leadership, potentially contributing to substandard caseload follow-up and a poorly managed office.

RECOMMENDATIONS

R1. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to stagger current VSO staff start, end, and break times to allow hours of operation to include lunch, evening, and an occasional weekend day by September 30, 2016.

R2. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to implement a system by September 30, 2016, that will offer veterans the option of scheduling an appointment to meet with VSO staff.

R3. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to update the Shasta County VSO website to include links to Federal and State of California veteran benefits pages and National Archives by December 31, 2016.

R4. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to immediately implement a system to review all open, pending, and denied claims to ensure all are reviewed by September 30, 2016.

R5. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to implement within the VSO by September 30, 2016, a comprehensive case management process that will provide consideration for all eligible benefits available to veterans, including burial and survivor benefits.

R6. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to reinstate the Work-Study Program and posting a link to the Program application on its website by December 31, 2016.

R7. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to post notice and re-establish consistent and regular monthly outreach to Burney by December 31, 2016.

R8. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to ensure the Veterans Services Officer focuses on the functions of the office rather than attending non-vital community events.

R9. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to establish a hiring process by December 31, 2016, that will provide for encouraging and considering the applications of local qualified veterans when hiring a Veterans Services Officer.

R10. The Grand Jury recommends the Board of Supervisors instruct the County Executive Officer to monitor progress of all newly-hired staff, including the Veterans Services Officer, to ensure anyone assisting veterans with claims will be accredited within one year of hire.

R11. The Grand Jury recommends the Board of Supervisors direct the County Executive Officer to initiate a plan by September 30, 2016, for all VSO staff to attend available State of California trainings on an ongoing basis.

R12. The Grand Jury recommends the Board of Supervisors immediately instruct the County Executive Officer to take a more proactive supervisory role over the new Veterans Services Officer.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following response is required:

From the following governing body (within 90 days):

- Shasta County Board of Supervisors: **F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11 and R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

The Grand Jury invites the following response:

NONE

When there is a perception of a conflict of interest involving a member of the Grand Jury, that member has been required to recuse from any aspect of the investigation involving such a conflict and from voting on the acceptance or rejection of that report. One member of the Grand Jury recused from this report.

Troubled Waters
Water Matters

SUMMARY

The combined dual roles of County employees within the Public Works Department (Public Works) and the Shasta County Water Agency do not provide a segregation of duties. This lack of segregation has resulted in over-purchasing water, overcharging of water supplied to County Service Areas, plant inspections not performed in a timely manner, unsafe drinking water, automatic rate increases established in possible violation of California Government Code, financial losses absorbed by the Shasta County Water Agency, and inappropriately managed financial accounting.

The Shasta County Water Agency (Water Agency) was formed as an independent water agency in 1957 to maintain 1,022 acre-feet of water supplied in Shasta County from the United States Bureau of Reclamation. Today, the Water Agency is no longer independent and is managed by the Public Works Department, but continues as a separate agency under that department. The Water Agency is staffed by Public Works employees, as dual-role employees, and the Director of Public Works also acts as the Chief Engineer of the Water Agency. The Shasta County Board of Supervisors acts as the Water Agency Board of Directors.

In addition, Public Works manages eleven active County Service Areas (CSAs), nine of which are small water and/or sewer systems. These CSAs are managed through Public Works as they are not independent water districts. The role of Public Works includes servicing and maintaining CSA water systems, inspections, water billing, water purchases, and rate setting. The role of Public Works management on behalf of the Water Agency is to purchase water at wholesale cost from the U.S. Bureau of Reclamation and resell it to the CSAs managed under Public Works. During the recent drought years, purchases of water from privately owned sources were made in 2014 and 2015.

BACKGROUND

The 2015/16 Shasta County Grand Jury began this investigation due to:

- Community concerns over recent water rate increases
- The method of communication of rate increases to residents
- A petition by local residents submitted to the Board of Supervisors (as a formal objection to rate increases)
- The Board of Supervisors' severe water restrictions

The Grand Jury investigated details involving four CSAs: Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25. The investigation centered on Public Works for CSA cost allocation, wholesale water purchases, billings, resident rate setting, County Ordinances establishing automatic rate increases, review of each CSA's financial records for a three-year period, and maintenance/servicing of the Crag View CSA 23 Water Treatment Plant. In addition, the Grand Jury reviewed Water Agency contracts, wholesale water purchases, water usage reporting, water purchase billings, and Public Works financial management of payments for water purchases and employee cost allocation.

METHODOLOGY

The Grand Jury Interviewed:

- Two local residents from Crag View CSA 23
- Two Public Works managers
- McConnell Foundation representative

The Grand Jury Reviewed:

- Master Contracts between U.S. Bureau of Reclamation and Shasta County Water Agency:
    - Master Contract 14-06-200-3367A
    - Renewed Master Contract 14-06-200-3367A LTR1
- Contracts between the Shasta County Water Agency and Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25
- Water Purchase Agreement including Schedule A between McConnell Foundation and Shasta County Water Agency for 2014 and 2015
- Shasta County Water Agency billings between the Water Agency and Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25 for 2012, 2013, and 2014
- Sampling of 2015 resident water billings for Jones Valley CSA 6 and Crag View CSA 23
- Water Rate Increase County Ordinance Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25 for 2015
- State of California Health and Human Services Agency Funding Agreement Project #4500028-002C on behalf of Crag View CSA 23
- Internal County Financial Statements and Financial Trial Balances for Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25 for 2012/13, 2013/14 and 2014/15
- Consumer Confidence Reports Crag View CSA 23 for 2012, 2013, and 2014
- Shasta County Board of Supervisors meetings and minutes:
    - April 23, 2013 (Jones Valley CSA 6 Community Advisory Board)
    - April through September 2013
    - April through September 2015 (Crag View CSA 23)
- State Water Resources Control Board Inspection Report Crag View CSA 23 for 2011 and 2015
- U.S. Bureau of Reclamation Water Usage Reports Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25 for 2014
- California Government Code Section 53756

- California Proposition 218
- California State Drinking Water Regulation Section 64533 (Table 64533-A)

DISCUSSION

Shasta County Water Agency

The Water Agency entered into a "Long Term Contract" dated June 30, 1967, with the U.S. Bureau of Reclamation. The contract expired December 30, 2004, and was renewed May 27, 2005, with an expiration date of December 31, 2045. The contract provides 1,022 acre-feet of water annually to the Water Agency.

The Water Agency also entered into contracts for "Project Water" or "Replaced Water" with each of the four CSAs. Project Water contracts provide "specific" allocations of acre-feet of water year round, and Replaced Water contracts provide "specific" allocations of acre-feet for "only a specific period," typically during summer months. Each CSA, under a Replaced Water contract, maintains its own water rights during the period outside of replacement water needs. When the Water Agency renewed the Master Contract with the U.S. Bureau of Reclamation, it did not renew the Water Agency contracts with the four CSAs, which incorporate the Master Contract.

In addition, the Replaced Water contract for Crag View CSA 23, which was not renewed, is between the Water Agency and the now defunct Crag View Community Services District. Crag View had previously managed its own water district, but in 1992 the County approved the formation of the Crag View County Service Area (CSA), with Public Works providing management of the CSA, thus dissolving the Crag View Community Services District. Additionally, the contract for Crag View CSA 23 is for Replaced Water covering June and July only. However, for the period reviewed (2014 and 2015), the Water Agency purchased and billed for 10 months (May through February) both years, rather than for the two months specified in the contract.

Due to the recent drought, the U.S. Bureau of Reclamation reduced the water allotment for summer months to 25% of 2013 usage. As a result, the Water Agency entered into an agreement with the McConnell Foundation for 2014 and 2015 to cover the shortfall and to provide supplemental summer month water supplies to Castella CSA 3, Jones Valley CSA 6, Crag View CSA 23, and Keswick CSA 25. The agreement was for 250 acre-feet at $250.00 per acre-foot and obligated the Water Agency to purchase 250 acre-feet regardless of whether it is used or not. Schedule A of the agreement detailed which month and which CSA received specific acre-feet and restricts reallocation or transfers. A McConnell Foundation representative stated that the reallocation/transfer restriction was verbally waived, but the required purchase of 250 acre-feet was not waived or reduced. The Water Agency assesses an additional $10.00 administrative fee per acre-foot, for a total pass-through rate to each CSA of $260.00 per acre-foot.

Water Agency Billing – Overcharges and Losses

In comparing the 2014 total water usage reported by the Water Agency on each CSA's annual water billing, the amount of water purchased and charged by the Water Agency to the CSA exceeded the amount of water reported as used by both Crag View CSA 23 and Keswick CSA 25. The discrepancies between the reported water usage versus what was charged is attributed to clerical errors and not related to water usage or water leakage.

In addition, the Water Agency charged for McConnell Foundation purchased water on behalf of Crag View CSA 23 for a 10-month period of May through February, rather than the two month

summer term of June and July. During the non-summer months Crag View CSA 23 should have received water through Cassel Creek water rights belonging to Crag View. While it is understood that the drought would have extended the two-month summer month term, the contract would not have extended the water purchase term to 10 months or through the winter months.

Comparing the 2014 supplemental water purchased from the McConnell Foundation and charged to the CSAs for Crag View CSA 23 of 60 acre-feet, and Keswick CSA 25 of 98 acre-feet, both exceeded the amount of water usage reported, which was 32.53 acre-feet for Crag View CSA 23, and 47.28 acre-feet for Keswick CSA 25.

Crag View CSA 23 was overcharged by the Water Agency for total acre-feet of water purchased through the McConnell Foundation contract, which resulted in an overcharge to Crag View CSA 23 and a loss to the Water Agency. Crag View CSA 23 should only have been provided and charged for McConnell Foundation water purchases for the **summer months**, with only a small portion of the total year usage of 34.64 acre-feet supplemented by the McConnell Foundation purchase. However, the Water Agency contractually purchased 66 acre-feet for Crag View CSA 23, far exceeding all water usage for the entire year by this CSA. As explained above, the Crag View CSA 23 water supply is from Cassel Creek. The over-purchase of water by the Water Agency from McConnell Foundation is a "use it or lose it" purchase; therefore, unused water flows down the creek.

To further complicate the matter, the Water Agency billing prepared by Public Works and reviewed and paid by the same dual role employees was incorrect for Crag View CSA 23. The amount of acre-feet reported to the U.S. Bureau of Reclamation as having been used, the amount of water documented on the billing as actually used, and the amount of water usage billed and charged were all different as follows:

- Water usage reported to the U.S. Bureau of Reclamation = 37.04 acre-feet
- Actual water usage reported on billing as actually used = 34.63 acre-feet
- Water usage billed and charged = 62.10 acre-feet (2.10 acre-feet purchased from U.S. Bureau of Reclamation @ $52.65 and 60.00 acre-feet purchased from McConnell Foundation charged @ $52.81)

The amount of overcharge to Crag View CSA 23 is 27.47 acre-feet (62.10 acre-feet charged minus 34.63 acre-feet actually used) at $52.81 per acre-foot for a total of $1,450.69. The rate charged of $52.81 is the U.S. Bureau of Reclamation rate, not the water rate of $260.00. This difference resulted in the loss of $13,331.40 absorbed by the Water Agency. The overcharge to the CSA and loss of funds to the Water Agency means that water was over- purchased from the McConnell Foundation and never used.

<u>Originally Billed to Crag View CSA 23:</u>

2.10 acre-feet @ $52.65/acre-foot	=	$1,105.65
60 acre-feet @ $52.81/acre-foot	=	$3,168.60
Total acre-feet = 62.10 Total Charged	**=**	**$4,274.25**

<u>Correct Amount:</u>

2.10 acre-feet @ $52.65/acre-foot	=	$1,105.65
32.53 acre-feet @ $52.81/acre-foot	=	$1,717.91
Total acre-feet = 34.63 Correct Amount	**=**	**$2,823.56**

The Water Agency contracted with and paid the McConnell Foundation for 66 acre-feet at $250.00 per acre-foot, (not including the $10.00 per acre-foot administration charge from the Water Agency) for a total of $16,500.00. The amount incorrectly charged to Crag View CSA 23 was 60 acre-feet at $52.81 for a total of $3,168.60. The difference between what was paid to McConnell Foundation (i.e., $16,500.00) minus the $3,168.60 actually charged to Crag View CSA 23, resulted in a loss of $13,331.40 to the Water Agency.

A similar set of errors occurred for Keswick CSA 25 with the Water Agency billing to the CSA, which was prepared by Public Works and reviewed and paid by the same dual role employees. Keswick CSA 25 water usage totaled 146.28 acre-feet, of which 99 acre-feet was purchased from the U.S. Bureau of Reclamation. The Water Agency only needed to purchase 47.28 acre-feet from the McConnell Foundation, not the 98 acre-feet actually purchased (i.e. more than twice the amount needed). The overcharge to the CSA and loss of funds to the Water Agency means that water was over-purchased from the McConnell Foundation on a "use it or lose it" basis, and that neither the Water Agency nor the CSA took delivery of the excess water purchased. The 2014 water year discrepancies reported are as follows:

- Water usage reported to the U.S. Bureau of Reclamation = 146.28 acre-feet
- Water usage reported on billing as actually used = 165.16 acre-feet
- Water usage billed/charged = 263.16 acre-feet

As seen below, Keswick CSA 25 was charged $34,654.04 by the Water Agency for water year 2014; the correct amount was $17,781.70, resulting in an overcharge and refund due Keswick CSA 25 totaling $16,872.34.

Originally Billed to Keswick CSA 25:

19.20 acre-feet @ $54.71/acre-foot	=	$ 1,050.43
112.77 acre-feet @ $55.62/acre-foot	=	$ 6,272.27
33.19 acre-feet @ $55.78/acre-foot	=	$ 1,851.34
98.00 acre-feet @ $260.00/acre-foot	=	$25,480.00
Total acre-feet = 263.19 Total Charged	**=**	**$34,654.04**

Correct Amount:

19.20 acre-feet @ $54.71/acre-foot	=	$ 1,050.43
79.80 acre-feet @ $55.62/acre-foot	=	$ 4,438.47
47.28 acre-feet @ $260.00/acre-foot	=	$12,292.80
Total acre-feet = 146.28 Correct Amount	**=**	**$17,781.70**

The Water Agency contract purchase from the McConnell Foundation for Keswick CSA 25 was for 93 acre-feet. However, the Water Agency billing to the CSA, which was prepared by Public Works and reviewed and paid by the same dual role employees, incorrectly charged Keswick CSA 25 a total of 98 acre-feet as noted in the original billing total above. The loss to the Water Agency for the amount, which must be refunded to Keswick CSA 25, totals $16,872.34 for the billing error.

The Water Agency is staffed by employees of Public Works. Each CSA is billed annually in January, with payment due in March for prior year usage. Review of the annual billings to the four CSAs reflects that the annual billings are prepared and approved by the same Public Works employee.

In summary, 50% of the CSAs reviewed had overcharges, billing errors, over-purchases of water, and lack of segregation of duties by Public Works. As a result, the Water Agency absorbed a total loss of **$31,654.43** for 2014, as follows:

- Refund due from the Water Agency to Crag View CSA 23 $ 1,450.69
- Over-purchased water from McConnell Foundation for CSA 23 $13,331.40
  (Over-purchased acre-feet of water was not fully charged to the CSA)
- Refund due from the Water Agency to Keswick CSA 25 $16,872.34
- **Total Loss to the Water Agency** **$31,654.43**

The McConnell Foundation contract for 2015 was identical to the 2014 contract in both the amount of acre-feet to be supplied/purchased and cost per acre-foot. The overcharges and losses to Crag View CSA 23, Keswick CSA 25, and loss to the Water Agency are projected to be at least the same for 2015.

On March 15, 2016, the Board of Supervisors approved another purchase contract with the McConnell Foundation for the four CSAs of 250 acre-feet at $250.00 for 2016-2017. The Water Agency adds an additional $10.00 administration fee to the rate charged the CSAs for a total of $260.00 per acre-foot.

Possible Government Code Violation

During 2015, new County Ordinances for automatic rate increases were enacted for Castella CSA 3, Jones Valley CSA 6, and Keswick CSA 25. The Water Agency, through the Board of Supervisors, gave notice of a rate increase under Proposition 218. In part Proposition 218 places restrictions on charging fees, in that fees may not exceed the cost of providing services. The County Ordinance consists of automatic rate adjustments to pass increased wholesale water costs to the customer as provided for in California Government Code Section 53756.

An agency providing water may adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases, if it complies **with all** of Government Code Section 53756 (a) through (d). However, the County Ordinance appears to possibly violate the provisions of Government Code Section 53756 (c) by applying automatic rate increases for water purchased from a **private entity**, the McConnell Foundation. California Code Section 53756 (c) states:

> (c) "The schedule of fees or charges for an agency that purchases wholesale water, sewage treatment, or wastewater treatment **from a public agency** (emphasis added) may provide for automatic adjustments that pass through the adopted increases or decreases in the wholesale charges for water, sewage treatment, or wastewater treatment established by the other agency."

While there is no restriction for the Water Agency to pass on the cost of purchasing water from a private entity, the Government Code appears to not allow "automatic" rate increases to apply when the purchase is from a private entity, rather than a public agency. It is important to note that both the Shasta County - County Counsel (due to a conflict of interest) and the Shasta County District Attorney (due to a lack of Water Law interpretation expertise) declined to review this particular report and the Grand Jury's interpretation of Subdivision (c) of Government Code Section 53756. Therefore, the Grand Jury was unable to conclusively or independently determine whether the Water Agency and/or Board of Supervisors exceeded state legislative intent or the specific authority granted under the Government Code.

Crag View CSA 23

Crag View CSA 23 was not included in the County Ordinance because on May 18, 2015, the residents of Crag View CSA 23 filed a petition with the Board of Supervisors objecting to the language of the rate increase. The petition stated, "*It has (sic) brought to our attention his (sic) plan to charge a onetime fee to address the purchase of water from the McConnell foundation (sic). BUT (sic) also to change the way the law reads so Shasta County can impose new increases when they think there is a need without due process. We the people of CSA 23 do not agree to any of these changes.*"

The petition resulted in blocking the proposed rate increase for Crag View CSA 23. Instead, from May through September 2015, Crag View CSA 23 was under review for rate increases by the Water Agency through the Board of Supervisors. The Public Works Director, acting as Chief Engineer for the Water Agency, informed the Board of Supervisors that Crag View CSA 23 was not financially solvent and had not been conserving water as required by the State. The Board took action and placed Crag View CSA 23 under severe water restrictions in September 2015. The restrictions limited each household to 250 gallons of water per month, prohibited outside watering, and required mandatory replacement of toilets and shower heads.

The Public Works Director later acknowledged to the Board of Supervisors that Crag View CSA 23 had actually significantly reduced water consumption. However, the Public Works Director maintained that Crag View CSA 23 was still financially insolvent. The Board of Supervisors passed the rate increase in late September <u>without the automatic rate increase</u> language. During the Grand Jury investigation, the severe water restrictions were lifted in late September 2015.

The Grand Jury also reviewed in detail the financial records of Crag View CSA 23 to confirm whether the insolvency information was accurate. The Grand Jury found an overcharge by the Water Agency totaling $1,450.69 for 2014, and an estimated overcharge of $7,142.20 for 2015. The 2015 overcharge represents over 50% of the fund balance (net worth) of the CSA discussed at the August 2015 Board of Supervisors meeting. Based on the financial review, the Grand Jury did not find that Crag View CSA 23 was in fact insolvent. However, continued overcharges and lack of financial oversight could quickly result in the insolvency of this CSA.

Crag View CSA 23 – Water Treatment Plant

The Grand Jury requested a copy of the most recent water treatment plant inspection for Crag View CSA 23 and was provided with a 2011 Inspection Report. The new Crag View CSA 23 Water Treatment Plant was completed in 2012, but there had not been an inspection requested by Public Works since the installation. Subsequently, prior to the close of the Grand Jury investigation, the State Water Resources Control Board conducted and issued an Inspection Report dated October 21, 2015. The following deficiencies were noted in the report:

- *"**Delinquent Chemical Monitoring***

  Raw Water – total chromium and nitrate

- ***Disinfection Byproduct Monitoring***

  The CSA is required to monitor for Trihalomethanes (TTHMs) and Haloaectic Acids (HAA5) in the distribution system at locations where maximum TTHM and HAA5 were measured…. The distribution show concentrations of TTHM and HAA5 above MCL. The California Code of Regulations stipulates that the running annual arithmetic average shall not exceed MCL

- ***Operation and Maintenance***

  Operation Plan not in conformance to Section 64661. The CSA also needs to submit a Main Disinfection Program, and a schedule and procedure for main flushing

- ***Backflow Device Testing***

  Backflow prevention devices in the distribution system have not been tested, as required under Section 7605 of California Code of Regulations

- ***Water Storage Tank Safeguards***

  Undercut soil around tank foundation of the water storage tank"

The Grand Jury also reviewed Crag View CSA 23 Consumer Confidence Reports for 2012 through 2014. These reports, produced by Public Works, provide water testing results to the residents of Crag View CSA 23. Review of the reports for the three-year period indicates that the sampling and testing were within regulatory levels for only 2012 and 2013. The 2014 testing reflected high levels of Trihalomethanes (TTHM) and Haloaectic Acids (HAA5), which are disinfectants added by the operator, in this case Public Works.

The 2014 levels of TTHM and HAA5 exceeded the Maximum Contaminant Levels (MCL) identified under State Drinking Water Regulations Section 64533. The TTHM level of 88.40 exceeds the maximum level of 80 and the HAA5 level of 100 exceeds the maximum level of 60. The State Drinking Water Regulations Section 64533 (Table 64533-A) state that the "Maximum Contaminant Levels For Disinfection Byproducts and Maximum Residual Disinfectant Levels **shall not be exceeded in drinking water supplied to the public**" (emphasis added). The Consumer Confidence Reports also describe the health effects for excess levels of TTHM and HAA5 as "high levels of TTHM may cause liver, kidney, or central nervous system problems and may cause an increased risk of cancer. The health effect of high levels of HAA5 may cause increased risk of cancer."

Additionally, Public Works noted in each year's Consumer Confidence Report Summary: "The County will continue to reduce the TTHM & HAA5 by reducing chlorine levels…." However, each year the levels continued to **increase**, not decrease, as stated by Public Works Department.

Independent Water Agency – Jones Valley CSA 6

On April 3, 2013, the Jones Valley CSA 6, through its Community Advisory Board, voted 4-1 to request that the Board of Supervisors consider a feasibility study to separate the Water Agency from Public Works, as the Water Agency was once an independent department. During the April 16, 2013, Board of Supervisors meeting, a member of the Board of Supervisors suggested that residents experienced "problems for which they blame" the Director of Public Works. Two other members of the Board of Supervisors noted that the costs to establish a new department would have to be funded through the County's general fund, which would detrimentally impact other needs, such as public safety. The Board of Supervisors denied the request for a feasibility study and by unanimous vote directed the County Executive Officer (CEO) to work with staff and interested residents of Jones Valley CSA 6 to identify issues that could be resolved.

The meeting minutes from the Board of Supervisors meeting on April 23, 2013, state "the County Executive Officer provided clarification as how the Water Agency relates to the various County Service Agencies (CSAs). When finances are generated for a specific CSA, those funds are used only for that individual CSA and cannot be used for anything outside that specific CSA. There are security measures in place to assure that inappropriate moving of funds does not occur. He (the CEO) will present a more detailed report to the Board of Supervisors in the near future."

The Grand Jury reviewed the subsequent Board of Supervisors minutes from April 13, 2013, through September 24, 2013, which do not reflect any further follow up report from the CEO during this time frame.

Public Works charges the Water Agency for all staff time for any activity that Public Works employees do on behalf of the Water Agency. This means that the Water Agency pays for all staff time as if it had independent employees. In addition, all Water Agency expenses, such as wholesale water purchases, are also charged to the Water Agency. The Public Works accounting staff also charges the specific CSA for water and credits the Water Agency financial statement for the payment. Review of fiscal years 2012/13 and 2013/14 records reflect Public Works professional services charged to the Water Agency and cash balances as follows:

Public Works professional services charged:

- 2012/13 = $132,581.60
- 2013/14 = $266,679.20

Water Agency fiscal year-end cash balance:

- 2012/13 = $254,902.57
- 2013/14 = $193,674.78

As demonstrated above, the Public Works Department "professional services" charge more than doubled from fiscal year 2012/13 to 2013/14; however, private water purchases were the only noted change in activity. The cash balances of the Water Agency indicate that it is sufficiently funded to cover the cost of employees and expenses with appropriate cash flow to warrant being an independent agency.

FINDINGS

F1. The Water Agency/CSA Master Contracts with reference to U.S. Bureau of Reclamation Master Contract #14-06-200-3367A are outdated.

F2. The Water Agency had no contractual right to purchase and charge water beyond the specific months (June and July) identified under Crag View CSA 23 “Replaced Water Contract.”

F3. The Water Agency over-purchased water from McConnell Foundation during 2014 and 2015 on behalf of Crag View CSA 23 and Keswick CSA 25, causing the CSAs to be overcharged. In addition the Water Agency absorbed losses from over-purchases.

F4. The 2014 overcharge for Crag View CSA 23 totaled $1,450.69, and Keswick CSA 25 totaled $16,872.34. Both Crag View CSA 23 and Keswick CSA 25 are due a refund. The projected amount of over-purchase and refund due to the CSAs will contractually occur for 2015.

F5. The total loss absorbed by the Water Agency for 2014 is projected to similarly occur for 2015.

F6. The same employee preparing the annual water agency billings to the CSAs is also approving the billings for payment. This lack of segregation of duties does not provide proper checks and balances to prevent errors.

F7. The Board of Supervisors acting as the Board of Directors of the Water Agency appears to be in possible violation of Government Code 53756, as it does not comply with all four elements for an automatic rate increase. Automatic rate increases can only occur for wholesale water purchases from a **"public agency**" (emphasis added). The McConnell Foundation water purchases appear to violate the provisions of the Government Code, because the McConnell Foundation is a private entity.

F8. Public Works failed to schedule a timely inspection of the newly installed Crag View CSA 23 Water Treatment Plant with the State Water Resources Control Board.

F9. Public drinking water for Crag View CSA 23 has contaminant levels reported in the 2014 Consumer Confidence Report for both TTHM at 88.40, and HAA5 at 100, which exceeds the allowable levels of the State Drinking Water Regulations for safe drinking water.

F10. The Board of Supervisors appears to have failed to ensure that the CEO worked with staff and Jones Valley residents to see if some of the issues identified could be resolved.

F11. The Shasta County Water Agency financial records reflect that it is sufficiently funded and covers expenses with appropriate cash flow to function independently from Public Works.

RECOMMENDATIONS

R1. The Grand Jury recommends that no later than September 30, 2016, the Board of Supervisors adopts a plan to ensure that the Shasta County Water Agency replaces all contracts for all CSAs for wholesale water supply, as the U.S. Bureau of Reclamation Master Contract #14-06-200-3367A was replaced with Master Contract #14-06-200-3367A LTR1.

R2. The Grand Jury recommends that no later than December 31, 2016, the Board of Supervisors conducts an audit of all CSA Master Contracts with the U.S. Bureau of Reclamation to ensure that water purchases are made as provided under the provisions of the Master Contracts.

R3. The Grand Jury recommends that no later than December 31, 2016, the Auditor-Controller independently audits all CSAs and Water Agency financial records to ensure that water purchases and overcharges are appropriately refunded, and that sufficient measures are in place to prevent future errors.

R4. The Grand Jury recommends that no later than September 30, 2016, the Auditor-Controller refunds or credits the overcharges to Crag View CSA 23 in the amount of $1,450.69, and Keswick CSA 25 in the amount of $16,872.34, for water year 2014. The Grand Jury also recommends that the Auditor-Controller reviews overcharges for 2015 and refund or credit both Crag View CSA 23 and Keswick CSA 25 as appropriate.

R5. The Grand Jury recommends that no later than September 30, 2016, the Board of Supervisors initiates an internal audit of all financial transactions within the Water Agency to identify any and all losses not identified in the Grand Jury Report as a result of the over-purchase of water.

R6. The Grand Jury recommends that no later than December 31, 2016, the Board of Supervisors reviews current practices to ensure that Public Works employees do not perform duties that allow both approving and overseeing their own work. This includes creating a policy to segregate duties to avoid conflict of interest, loss of revenue, and mismanaged billing/purchasing procedures.

R7. The Grand Jury recommends that no later than September 30, 2016, the Board of Supervisors revises applicable County Ordinances for Castella CSA 3, Jones Valley CSA 6, and Keswick CSA 25 to remove any automatic rate increase if determined through legal review to be in violation of Government Code 53756. The recommendation includes review of all other CSA County Ordinances to ensure that the County is in compliance with the Government Code.

R8. The Grand Jury recommends that no later than December 31, 2016, the Board of Supervisors obtains proof that corrective action was taken regarding the five findings in the State Water Resources Control Board 2015 Inspection Report of Crag View CSA 23 Water Treatment Plant.

R9. The Grand Jury recommends that no later than September 30, 2016, the Board of Supervisors instructs the Public Works Director to develop written policies and procedures directing that all State Water Resources Control Board inspections of CSA facilities be scheduled and conducted in a timely manner to ensure public health and safe drinking water. The Grand Jury also recommends the Board of Supervisors annually review an inspection schedule of all CSAs under its authority.

R10. The Grand Jury recommends that the Board of Supervisors establishes and implements a plan for Crag View CSA 23 for immediate corrective action to reduce, now and in the future, levels of TTHM and HAA5, which exceed the State Drinking Water Regulations maximum contaminant levels for safe drinking water. Because the levels are hazardous to the public, contaminant levels should be brought within allowable levels by September 30, 2016.

R11. The Grand Jury recommends that no later than December 31, 2016, the Board of Supervisors develops a written procedure that establishes a timeline when addressing concerns (such as the Community Advisory Board's request from the April 3, 2013, meeting regarding a feasibility study where follow-up is required by staff to conclusion).

R12. The Grand Jury recommends that no later than December 31, 2016, the Board of Supervisors initiates a feasibility study to establish an independent Water Agency, separate from any County structure such as the Public Works, with its own independent staff.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following responses are required:

From the following governing body (within 90 days):

- Shasta County Board of Supervisors: **F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11 and R1, R2, R5, R6, R7, R8, R9, R10, R11, R12**

From the following elected county officer (within 90 days):

- The Shasta County Auditor-Controller: **F4, F5, F6 and R3, R4**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

The Grand Jury invites the following response:

NONE

BIBLIOGRAPHY

The Grand Jury obtained documents directly from:

U.S. Bureau of Reclamation

State Water Resource Control Board

Shasta County Public Works Department

Shasta County Auditor/Controller

State of California Website – Government Code

California State Drinking Water Regulations

APPENDIX

Crag View CSA 23 – Consumer Confidence Reports

2012 Consumer Confidence Report

TTHM	Average = 42.2	Range = 30.2 -	64.3	(Max Level 80)
HAA5	Average = 36.	Range = 25.6 -	47.8	(Max Level 60)

2013 Consumer Confidence Report

TTHM	Average = 29.5	Range = 17.0 -	58.5	(Max Level 80)
HAA5	Average = 32.8	Range = 20.5 -	**72.2**	**(Max Level 60)***

2014 Consumer Confidence Report

TTHM	Average = 37.4	Range = 17.0 -	**88.4**	**(Max Level 80)***
HAA5	Average = 42.	Range = 11.7 -	**100.0**	**(Max Level 60)***

Exceeds Maximum Contaminant Level (MCL) for safe drinking water

A Mental Health Crisis, Following the Call
The First 72 Hours Matter

SUMMARY

Access to mental health stabilization services for people in a mental health crisis is lacking in Shasta County. The Grand Jury found that there is a significant gap in care during a mental health crisis, particularly when the Shasta County Mental Health Services walk-in clinic is closed during nights and weekends. Mental illness does not discriminate, is not self-induced or self-caused, and can affect children, teens, adults, veterans, and senior citizens. One out of four people in Shasta County suffers from a mental health disorder.

There are various reasons why people suffering with mental health conditions may choose not to seek treatment. Shame and discrimination associated with mental health problems create a stigma which prevents some people from reaching out for the help they need, and may delay treatment.

Public awareness of issues facing the mentally ill in Shasta County is gaining momentum. A proposal has been approved by the Shasta County Board of Supervisors for a Mental Health Resource Center to be located in Redding that could provide after hours and weekend mental health services. This seems to be moving Shasta County in the right direction.

Presentations to the Shasta County community by national mental health advocates have helped improve awareness for the need to rapidly stabilize patients who are experiencing an acute crisis. Prompt intervention helps prevent local emergency room visits and reduces the need for incarceration. A Mobile Crisis Stabilization Team has shown to be one of the most effective approaches, and would provide an immediate on-site response for people in a mental health crisis. Also, additional Crisis Intervention Training (CIT) for law enforcement officers would improve their skills and help them recognize signs of a mental health emergency and respond appropriately.

This report discusses what happens within the first 72 hours after making a 911 call for help when a person is experiencing a mental health crisis in Shasta County.

BACKGROUND

The Grand Jury conducted an investigation of mental health services in Shasta County, focusing on the first 72 hours of a mental health crisis. The Grand Jury's guiding question was, "What happens if a person calls 911 for help when someone is harming themselves, threatening suicide, has overdosed, or is acting out with threatening or unusual behaviors?" Caring for people experiencing their first-time mental health crisis can be daunting and confusing. Friends or families may not know where to go, who to turn to for help, or what facilities and services are available. When a call is finally made to a mental health help line or doctor's office, and families are told to call 911, what happens?

METHODOLOGY

- Observed operations and interviewed staff of Shasta Area Safety Communications Agency (SHASCOM)
- Attended a National Alliance on Mental Illness (NAMI) sponsored public discussion with the Shasta County Sheriff as speaker
- Toured the Shasta County Jail and interviewed jail staff
- Toured the Tehama County Community Crisis Response Unit and interviewed staff
- Toured the Shasta County Juvenile Rehabilitation Facility
- Toured the Shasta County Mental Health Center and the co-located Residential Center
- Reviewed the National Academies Emergency Dispatch Protocol #25 covering psychiatric, abnormal behavior, and suicide attempts
- Reviewed California Department of Justice Bureau of Firearms website and Informational Bulletin Number 2012-BOF-02, New Mental Health Firearms Prohibition Reporting System
- Reviewed Proposition 63, the California Mental Health Services Act (MHSA)
- Reviewed California Health and Safety Code Sections 1797-1799.207
- Reviewed California Welfare and Institutions Code Sections 5150-5155
- Reviewed California Welfare and Institutions Code Sections 8100-8103
- Reviewed Shasta County Mental Health's Three-Year Program & Expenditure Plan for 2014/15, 2015/16, and 2016/17
- Reviewed Shasta County Mental Health informational websites
- Reviewed the December, 2015 Shasta County Crisis Services Activity Report
- Interviewed staff from the City of Redding Police Department
- Interviewed staff from the Shasta County Sheriff's Office
- Interviewed staff from Shasta Regional Medical Center
- Interviewed staff from Mercy Medical Center
- Interviewed staff from Shasta County Mental Health Services

DISCUSSION

Following the Call

In this investigation, the Grand Jury began with the scenario of a person calling 911when someone is experiencing a mental health crisis. A mental health crisis occurs when a person is expressing suicidal thoughts, deliberately harming themselves, experiencing a panic attack, or appears acutely psychotic. The Grand Jury wanted to know what happens in Shasta County within the first 72 hours of a mental health crisis. When a citizen calls 911 for mental health help, where does the call go?

Dialing 911 – Shasta Area Safety Communications (SHASCOM)

The 911 call starts at the Shasta Area Safety Communications (SHASCOM) dispatch center. Dispatchers talk to the caller and assess the situation based on the information provided. SHASCOM then hands off the call to the appropriate law enforcement agency, either the Shasta County Sheriff's Department or a city police department. Law enforcement is dispatched and

emergency resources are sent if medical aid is indicated. Medical personnel when responding, wait at a safe location nearby until law enforcement has secured the scene.

In 2015, SHASCOM dispatchers handled 442,308 emergency and non-emergency calls resulting in 196,968 incidents that required the dispatch of law enforcement, fire, or other emergency personnel. According to SHASCOM administration officials, the current computer-aided dispatch system is unable to track the actual number of mental health emergency calls.

Law Enforcement Responds to Call Dispatched by SHASCOM

All calls made to 911 for mental health emergencies are dispatched to a law enforcement officer who is provided with the initial information and the calling party's phone number. The assigned officer(s) assess the nature of the mental health crisis, secure the scene, and allow any necessary emergency medical personnel to then approach. A person in crisis can agree to voluntarily receive treatment and be transported by ambulance (if dispatched) or by law enforcement to a hospital or the Shasta County Mental Health Clinic (during business hours). If the law enforcement officer determines that the person in crisis is a danger to themselves or others, or is gravely disabled, then California Welfare and Institution Code 5150 applies.

California Welfare and Institution Code Section 5150 (a) provides: *"When a person, as a result of a mental health disorder, is a danger to others, or to himself or herself, or gravely disabled, a peace officer, professional person in charge of a facility designated by the county for evaluation and treatment, member of the attending staff, as defined by regulation, of a facility designated by the county for evaluation and treatment, designated members of a mobile crisis team, or professional person designated by the county may, upon probable cause, take, or cause to be taken, the person into custody for a period of up to 72 hours for assessment, evaluation and crisis intervention, or placement for evaluation and treatment in a facility designated by the county for evaluation and treatment and approved by the State Department of Health Care Services."*

California Welfare and Institution Code Section "5150" allows law enforcement to place a person under a 72 hour **involuntary** hold if they meet the definition of a danger to self or others, or are gravely disabled. These individuals will be transported to one of the local hospital emergency rooms by law enforcement officers for evaluation and treatment, as needed.

Crisis Intervention Training (CIT) for law enforcement officers provides for improved officer safety, improved recognition of a wide variety of mental health disabilities and disorders, and teaches de-escalation techniques. This training empowers law enforcement officers so they can help stabilize a person in crisis, often preventing the need for emergency room visits and reducing the amount of time a mental health call diverts law enforcement officers from being available to respond to other emergency calls for service. The benefits of CIT in many situations are that an officer or emergency personnel can de-escalate the situation and refer the person to mental health services for follow-up. Law enforcement officers receive CIT during their initial academy training. Between 50% and 60% of the Sheriff's Office and the Redding Police Department officers have received additional CIT. The representatives from two law enforcement agencies the Grand Jury interviewed stated that additional CIT would be beneficial to <u>all</u> officers.

In the Hospital Emergency Room

When mental health patients arrive at one of the three local hospitals, Mayers Memorial Hospital in Fall River Mills, or either Shasta Regional Medical Center or Mercy Medical Center in Redding, they are initially assessed, treated and medically stabilized in the emergency room. Mental health patients with more serious medical needs will be transferred out of the emergency

room to an acute care room in the hospital. Mental health patients who have committed a crime will first be medically cleared by emergency room staff and then transported by law enforcement to the Shasta County Jail where they are held and treated. Mental health patients who are voluntarily transported to the hospital can be released by medical personnel after an evaluation is completed by an emergency room physician and medically cleared.

Emergency room physicians may consult with an out-of- county contract psychiatrist, via an internet-based video conference referred to as "Tele-Psychiatrist." Through consultation with the treating physician, the psychiatrist determines if there is a need for psychiatric medications as part of the emergency room treatment. Tele-psychiatrists are utilized because there are few local psychiatrists in Shasta County. This alternative offers local emergency room patients with psychiatric stabilization until a mental health evaluation is completed.

A "5150 hold" authorized by a peace officer places the mental health patient on a 72 hour involuntary mental health observation hold. In Shasta County, this can only be cleared by licensed staff of Shasta County Mental Health. Mental health patients brought to the emergency room at the direction of law enforcement, but who are not treated or released, or not subjected to a "5150 hold", are placed under a different type of hold, called a **"**1799 hold". This is a 24 hour hold issued by an emergency room physician as authorized by the provisions of Health and Safety Code Section 1799. The hold remains in place until a County Mental Health evaluator arrives and determines if the patient meets "5150" criteria or can be released. If the patient meets the "5150"definition, the 24 hour hold is changed to a 72 hour hold.

Hospitals Consult with Shasta County Mental Health Services

The procedures for a mental health patient's medical clearance are identical for both children and adults. This includes the following general protocol: physical assessment, laboratory tests, and completion of the medical record for the patient's hospital visit. The medical clearance must be completed prior to a Shasta County Adult Mental Health evaluation. In addition, there is a Children's Mental Health branch that evaluates patients under the age of 18.

Once the medical clearance is completed, the hospital will fax a request for evaluation to Shasta County Mental Health Services. When an evaluator is available, they will travel to the emergency room. Licensed mental health staff will complete a patient "face to face" assessment and determine what level of care is needed. Patients under an involuntary "1799" or a "5150" hold will be evaluated and the hold will either be confirmed for additional treatment in a psychiatric hospital, or the patient will be released.

After hours and on weekends, the hospital still sends the fax to the Shasta County Mental Health Service office where staff addresses the request the following morning. This can result in long waits for patients in the emergency room. The average response from a 911 call to completion of the patient evaluation by mental health staff is six to eight hours, but is longer for patients admitted on nights and weekends. When the Grand Jury toured the Shasta County Mental Health Services office, there were nine active cases on the status board awaiting evaluation. During interviews with Shasta Regional Medical Center and Mercy Medical Center staff, the Grand Jury learned that hospital emergency rooms are often crowded with mental health patients, causing long waits for all emergency room patients. Representatives from both hospitals expressed frustration with the current system.

Shasta County Mental Health Services conducts between 120 to160 in-hospital evaluations per month. Of these evaluations, 10 to 20 are for patients under the age of 18. After initial evaluation by a mental health evaluator, 60% to 65% of the patients are discharged and provided a follow-up plan for local treatment, if necessary.

Patients who are released may be provided with follow-up treatment by Shasta County Mental Health Services, which includes providing the patients a list of locally available resources. These patients often have appointments scheduled for them by county staff or they are given referrals to other service providers. Patients can also schedule their own appointment with the Shasta County Mental Health Clinic at 2650 Breslauer Way in Redding.

A pilot program recently introduced by Shasta County Mental Health Services co-locates mental health evaluators in two of the three hospital emergency rooms Monday through Friday, 8:00 a.m. to 5:00 p.m., potentially resulting in shorter patient wait times during those hours. However, this program has not improved wait times for nights and weekends. Expanding this program could expedite the patient assessment process necessary for either releasing a patient under a psychiatric hold, or in obtaining placement in a psychiatric hospital.

Shasta County's three acute hospitals, Mayers Memorial Hospital, Shasta Regional Medical Center and Mercy Medical Center do not have licensed psychiatric beds. All mental health patients who do not require hospitalization for medical issues, but require additional treatment in a psychiatric hospital, are held in the emergency room until transported to a psychiatric facility. Administrative staff from both local hospitals indicated and Shasta County Mental Health Services confirmed that during this extended stay, no actual counseling or mental health services are provided to patients.

County Mental Health Services Arranges Psychiatric Hospitalization

Treatment and placement in a psychiatric hospital, if deemed necessary, may be delayed until a patient's information packet containing laboratory reports, patient history, and determination of insurance is completed. In addition, long delays result from the lack of available licensed psychiatric beds for patients who need continued inpatient mental health treatment.

Mental Health evaluators seeking placement for Shasta County patients who require treatment in an in-patient psychiatric facility face serious challenges. California's licensed psychiatric hospitals with available beds are in short supply. Also, they will accept or refuse patients depending on: the level of care needed, the patient's history, availability of medical insurance, and even a patient's size and weight. There are 16 licensed adult psychiatric beds available in Shasta County, located at Restpadd on Eureka Way. Restpadd does not have psychiatric beds for children. The closest inpatient hospital for children and adolescents is in Sacramento, which results in additional hardship and trauma for the patient.

The lack of readily available placement options means that a patient could actually stay in the local emergency room for weeks while waiting for a bed to become available at a psychiatric hospital. According to local hospital representatives, a Shasta County patient was recently boarded in the emergency room for 45 days awaiting an appropriate psychiatric inpatient bed. An available bed was eventually found and the patient was transported to San Diego. This long wait without proper psychiatric care is detrimental to the patient's recovery.

Alternate Solutions

During this investigation, the Grand Jury found that some counties utilize a Mobile Crisis Stabilization Team. There are successful models Shasta County could use to develop a local team. An effective model might be composed of a law enforcement officer paired with a mental health staff member who can jointly respond to calls in the community. Trained staff could conduct an immediate mental health assessment and provide crisis resolution, family education, and other relevant information or mental health service referrals. The ability to provide and recommend services to patients where they live or in the field could reduce time spent by law enforcement in transferring patients to hospitals. This could also reduce inpatient psychiatric

hospitalization and provide better outcomes in the least restrictive manner for individuals with mental health conditions. Additionally, it would reduce associated trauma to family and caregivers.

On January 1, 2005, Proposition 63, also known as the Mental Health Services Act (MHSA), which proposed a 1% tax on adjusted annual income over one million dollars became law. This stream of funding is dedicated to transforming the public mental health system and seeks to reduce the long-term negative impact from untreated serious mental illness. Shasta County receives additional annual funding as a result of the MHSA.

Innovation is a project component under MHSA. Innovation projects must be novel, creative, and/or ingenious mental health practices or approaches and may be used for increasing the quality of services including better outcomes, promoting inter-agency collaboration and increasing access to services. This funding was created for the purpose of developing new mental health practices, testing and evaluating the model, and sharing the results with the statewide mental health system. This funding cannot be used for inpatient beds. However, creating a Mobile Crisis Intervention Team in Shasta County may qualify as an innovation project, as defined in the MHSA. Furthermore, creating a mobile crisis unit would not require a new building and new funds could be available through MHSA.

Currently, Shasta County offers mental health services at the Mental Health Walk-In Clinic at 2650 Breslauer Way, Monday through Friday, 8:00 a.m. through 5:00 p.m. Outpatient services for children and adults include counseling assessment, case management, medication, urgent care, and crisis services. Referrals to a psychiatrist can be made for privately insured patients; however, because of the lack of psychiatrists, new patients typically wait up to 90 days for an appointment. Preventative care, education about the early signs of mental illness, and intervention are keys to successful treatment. Interviews with mental health professionals by the Grand Jury indicate that the stigma attached to mental illness may cause many emergency room visits to be by patients who are seeking mental health services, preferring to use the emergency room rather than the walk-in Mental Health Clinic. Eliminating the stigma surrounding mental illness, which may result in delayed care, is critical for Shasta County to be successful in the treatment of the mentally ill.

Shasta County citizens concerned about losing their right to own a firearm by seeking treatment for mental health issues should understand that preventative treatment does not trigger notification to the Department of Justice. According to Welfare and Institutions Code Sections 8100-8103, it is only at the point when a person is determined to be a danger to themselves or others, or gravely disabled, or admitted to a facility for inpatient psychiatric treatment that notification must be provided to the Department of Justice.

FINDINGS

F1. There is a need for a Mobile Crisis Stabilization Team to reduce the strain on law enforcement and hospital emergency rooms, while providing vital care, support, and referrals to individuals and families experiencing a mental health crisis.

F2. The stigma of mental illness contributes to the use of hospital emergency rooms to access mental health services, resulting in crowded emergency rooms, delayed treatment, and long waits for all patients seeking medical or mental health care.

F3. The public, in particular families who are experiencing a first-time mental health crisis, is often not aware of available services at the Shasta County Mental Health walk-in clinic, resulting in lack of early intervention and treatment.

F4. The Shasta County Mental Health walk-in clinic is not available 24 hours a day, 7 days a week, resulting in the need to access care through hospital emergency rooms.

F5. Law enforcement officers may or may not have received Crisis Intervention Training (CIT) beyond that received during their academy training. Continuing updated CIT education in the recognition of mental illness and de-escalation techniques could help prevent transporting patients to hospital emergency rooms or county jail.

F6. There are only 16 adult psychiatric beds in Shasta County and none available for children. This results in delayed treatment, long waits in the emergency rooms, and separating patients from their support system. With the limited number of beds for adults and none for children, treatment time increases because of the time necessary for transporting patients outside Shasta County.

COMMENDATIONS

The Grand Jury commends Shasta County Mental Health Services for initiating its recent pilot program to co-locate county mental health evaluators in the two Redding hospital emergency departments. This program is intended to expedite the process of completing the mental health assessments and locating licensed psychiatric beds.

RECOMMENDATIONS

R1. The Grand Jury recommends that by December 31, 2016, the Board of Supervisors direct Shasta County Mental Health Services to develop a plan that provides a permanent Mobile Crisis Stabilization Team in partnership with law enforcement to address crisis situations in the field, utilizing new Mental Health Services Act (MHSA) funding.

R2. The Grand Jury recommends that by December 31, 2016, the Board of Supervisors adopts a plan with Shasta County Mental Health Services to establish a Mental Health Resource Center with expanded hours to provide support and counseling services.

R3. The Grand Jury recommends that by December 31, 2016, the Board of Supervisors directs Shasta County Mental Health Services to expand the hours of the Mental Health walk-in clinic, to include nights and weekends, until the proposed Mental Health Resource Center is open to the public.

R4. The Grand Jury recommends that by December 31, 2016, the Board of Supervisors directs Shasta County Mental Health Services to initiate an ongoing campaign to promote public awareness of current mental health services available to children and adults in Shasta County.

R5. The Grand Jury recommends that by December 31, 2016, the City of Redding City Council, City of Anderson City Council, and the Shasta County Sheriff's Office each adopt a departmental policy that requires Crisis Intervention Training, at a minimum of every two years, for all law enforcement officers, beginning.

R6. The Grand Jury recommends that by December 31, 2016, the Board of Supervisors adopts a plan with Shasta County Mental Health Services to work with Restpadd and other interested providers to locate additional facilities in Shasta County that will increase the number of inpatient psychiatric beds for adults.

R7. The Grand Jury recommends that by December 31, 2016, the Board of Supervisors adopts a plan with Shasta County Mental Health Services with detailed action and implementation timelines to establish a facility in Shasta County providing inpatient psychiatric beds for children.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following responses are required:

From the following governing bodies (within 90 days):

- Shasta County Board of Supervisors: **F1, F2, F3, F4, F6 and R1, R2, R3, R4, R6, R7**
- City of Redding City Council: **F5 and R5**
- City of Anderson City Council: **F5 and R5**

From the following elected county officer (within 90 days):

Shasta County Sheriff-Coroner: **F5 and R5**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

The Grand Jury invites the following responses:

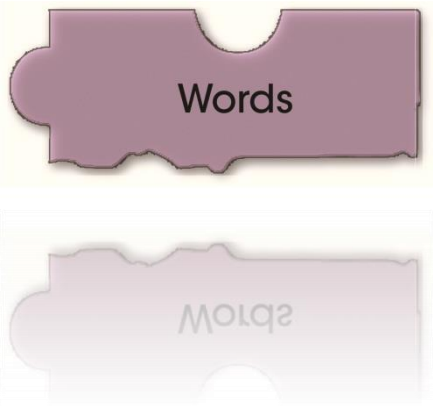
From the following individuals (within 60 days):

- Chief of Police, City of Redding: **F5 and R5**
- Chief of Police, City of Anderson: **F5 and R5**

When there is a perception of a conflict of interest involving a member of the Grand Jury, that member has been required to recuse from any aspect of the investigation involving such a conflict and from voting on the acceptance or rejection of that report. One member of the Grand Jury recused from this report.

The Quarter Million Dollar Typo
Words Matter

SUMMARY



A 2008 resolution with a typo, approved by the Shasta County Board of Supervisors, will cost Shasta County taxpayers more than $260,000 from 2009 through 2023. The resolution omitted the word "appointed" from the staff recommendation to make appointed department heads eligible for a longevity stipend after completing 20 years of service. When this omission was discovered in early 2015, the legal interpretation of the resolution was that eligibility for longevity stipends also applied to elected department heads, retroactive to 2009. The Board of Supervisors decided to leave the 2008 resolution in place. The total amount of longevity stipends for two current and three future eligible elected department heads is projected to total $263,089 by 2023. The Shasta County Grand Jury found that awarding longevity stipends to elected officials is inconsistent with the purpose of the stipends, and is arguably an inappropriate use of public funds.

BACKGROUND

An article published in the Record Searchlight in May 2015 inspired this investigation. The article indicated that two elected department heads would be receiving retroactive longevity stipends of approximately $72,000. The actual amount of the retroactive longevity stipend totaled $68,452.

Shasta County Personnel Rules do not classify or define longevity stipends as salary or benefits. However, the Personnel Rules include the longevity stipend under CHAPTER 15 titled MANAGEMENT BENEFITS, SECTION15.21 LONGEVITY STIPEND. It states "Effective October 27, 2007, the County will implement a 5% (five percent) longevity stipend for non-executive unrepresented managers who have at least 20 years of cumulative service with Shasta County, of which at least two years shall serve in a management position. Effective January 4, 2009, the County will implement a 5% longevity stipend for executive unrepresented managers (department heads)." The people interviewed during the investigation described the stipend as an incentive to encourage skilled and professional staff to remain employed with Shasta County, thus avoiding the cost and frustration of turnover, training, and recruiting of key staff. Since elected county officials (some referred to as department heads) choose to run for office and are elected by and serve at the will of the people of Shasta County, a longevity stipend to retain them should not apply. The Grand Jury questions whether this is an appropriate use of public funds.

During this investigation, the Grand Jury learned there are several different types of department heads, also referred to as managers. There are represented managers (represented by a union), unrepresented managers, and unrepresented executive managers (not represented by a union). There are two types of unrepresented executive managers: those who are appointed to a position and those who are elected to hold public office. Periodically, the Shasta County Administration reviews the benefits offered to all of the unrepresented managers, both executive and non-

executive, to ensure a balance of benefits offered. County Administration reported that unrepresented managers were receiving this longevity stipend, but unrepresented executive managers were not. At a November 18, 2008, Board of Supervisors meeting, county staff recommended the Board of Supervisors approve a resolution to provide the longevity stipend for both the unrepresented managers and the appointed unrepresented executive managers. A motion to approve the staff recommendation was made, seconded, discussed, and passed. The staff recommendation that was voted on and passed specified, "appointed executive management employees (department heads)" with no mention of elected executive management employees. The minutes from this same meeting also reflect the Board of Supervisors approved the longevity stipend for "appointed executive management employees (department heads)" with no mention of elected executive managers.

When a new resolution is passed it is signed by the Board of Supervisors Chairperson and added as a permanent resolution. The typo, leaving out the word "appointed", occurred at the time Resolution 2008-138 was prepared and presented for signing. The resolution should have had the exact wording as the staff recommendation since that is what was approved by the Board of Supervisors. By leaving out the word "appointed" the resolution is now interpreted to include both appointed and elected unrepresented executive managers.

Two elected officials qualify for the longevity stipend under the current resolution for 2009 through 2014. An additional elected official became eligible in 2015, and two more will be eligible in 2019. The total cost to the taxpayers between the years of 2009 through 2023 will be $263,089, as seen in the table included in this report. The longevity stipends will continue indefinitely if a new resolution is not passed amending or correcting the initial resolution.

METHODOLOGY

- Interviewed Chair – Shasta County Board of Supervisors
- Interviewed a Deputy County Counsel
- Reviewed Shasta County Board of Supervisors meeting minutes and videos of November 18, 2008, and May 12, 2015
- Reviewed Shasta County Board of Supervisors closed session meeting minutes of October 28, 2008
- Reviewed Staff Recommendation Reports of November 18, 2008, and May 12, 2015
- Reviewed Draft Resolution dated May 12, 2015
- Reviewed Resolution 2008-138
- Reviewed documents pertaining to Shasta County personnel, including:
    - Shasta County Personnel Rules Chapters 6 and 15
    - Shasta County Personnel change log
    - Shasta County Personnel Department accrued longevity stipends report regarding elected county officials and anticipated future stipends to be awarded to eligible elected county officials
- Reviewed Government Code Section 1235
- Reviewed various media articles

DISCUSSION

At the May 12, 2015, Board of Supervisors meeting, the language of Resolution 2008-138 was determined by County Counsel to include elected officials as well as appointed department

heads. County Counsel advised that Shasta County was legally obligated to pay the stipend to eligible elected department heads retroactive to January 1, 2009. Furthermore, in the Board of Supervisors meeting video of May 12, 2015, County Counsel also advised the stipend must be paid for the remainder of the elected officials' terms of office. Referencing Government Code Section 1235, County Counsel stated, "You can't make changes after an individual has taken out the requisite forms for the office. The rationale is that they have an expectation as to what the salary will be in that office when they take out the forms and file for that office".

The Grand Jury confirmed with both the Shasta County Clerk and the Director of Support Services that candidates for elected office in 2010 and 2014 received only salary information at the time they filed. The candidates did not receive information regarding any other benefits, including longevity stipends.

Government Code Section 1235 states, "The salary of any elected public office shall not be reduced during an election year after any candidate for that particular office has filed the requisite forms declaring his or her candidacy for that particular office." Neither the Government Code nor County Personnel Rules define "salary", or whether longevity stipends are considered salary. However, County Personnel Rules do include longevity stipends under "CHAPTER 15. MANAGEMENT BENEFITS".

The staff report recommendation at the May 12, 2015, Board of Supervisors meeting was twofold: 1) that the county pay two elected officials retroactively from January 1, 2009, through the end of their term on December 31, 2018; and 2) adoption of a resolution that would amend the Shasta County Personnel Rules to make elected executive management no longer eligible to receive longevity stipends effective January 1, 2019. The first recommendation did not require a motion because the resolution supporting it already existed. The second recommendation failed by a vote of 3 to 2, leaving Resolution 2008-138 in place. Voting against terminating the stipend for elected officials were Supervisors Baugh, Schappell, and Giacomini; voting in favor of terminating the stipend for elected officials were Supervisors Kehoe and Moty. As long as Resolution 2008-138 remains in place, the longevity stipend for elected officials will continue indefinitely.

The total cost of longevity stipends for elected officials, assuming that they are re-elected, will amount to $263,089 between 2009 and 2023. There is potential for a greater cost if additional elected offices are won by candidates with many years of county service.

At the May 12, 2015, Board of Supervisors meeting, County Counsel expressed the opinion that the longevity stipend does not include the Board of Supervisors. However, the information provided to the Grand Jury from Shasta County Human Resources reflects that a Board of Supervisors member will receive a stipend beginning in 2019, as shown in the Longevity Stipend Table:

Longevity Stipend Table				
Elected Official	**2009-2014**	**2015-2018**	**2019-2023**	**Total**
Sheriff – Bosenko, Thomas	$38,217	$27,028	$33,867	$99,112
Treasurer/Tax Collector – Scott, Lori	$30,235	$21,382	$26,794	$78,411
Assessor – Morgan, Dolores Leslie		$18,342	$30,571	$48,913
County Clerk – Allen, Catherine Darling			$23,369	$23,369
Board of Supervisor – Kehoe, David A.			$13,284	$13,284
Total	**$68,452**	**$66,752**	**$127,885**	**$263,089**

FINDINGS

F1. The word "appointed" in the Staff Recommendation was omitted from Resolution 2008-138 when it was prepared and signed. This resulted in the resolution later being interpreted to include both appointed and elected executive managers (department heads).

F2. As long as Resolution 2008-138 remains in place, eligibility of elected department heads for longevity stipends will continue indefinitely at the expense of taxpayers.

RECOMMENDATIONS

R1. The Grand Jury recommends that, no later than September 30, 2016, the Board of Supervisors adopts a policy of proofreading draft resolutions to ensure that they accurately reflect the staff recommendations, and that the wording of final resolutions reflect the actual action taken by the Board of Supervisors.

R2. The Grand Jury recommends that the Board of Supervisors adopts a new resolution that clearly states that the longevity stipend is applicable for appointed executive managers (department heads), but not applicable for elected officials. The Grand Jury also recommends that all stipends end for elected officials effective at the conclusion of their respective terms of office, or December 31, 2018, whichever occurs first.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following response is required:

From the following governing body (within 90 days):

- Shasta County Board of Supervisors: **F1, F2 and R1, R2**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

The Grand Jury invites the following response:

NONE

Shasta Local Agency Formation Commission
Shasta LAFCO
No Laughing Matter

SUMMARY

The Shasta Local Agency Formation Commission (Shasta LAFCO) has endured legal battles, staffing challenges, and budgetary crises in recent years due to Shasta LAFCO's failure to adequately monitor and respond to operational issues. Shasta LAFCO is on its third Executive Officer in as many years and is failing to fulfill its purposes and programs due to severe financial restrictions.

BACKGROUND

Local Agency Formation Commissions were established by the California State Legislature under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Each county Local Agency Formation Commission (LAFCO) is an independent agency that serves as watchdog over city and special district boundaries. LAFCO's three main purposes are to discourage urban sprawl, encourage orderly governmental boundaries, and preserve open-space and prime agricultural land.

Shasta LAFCO serves a vital function to the citizens of Shasta County, yet many people may have never heard of it. Recently, the City of Anderson annexed land into its city limits. Where did it go to do that? Shasta LAFCO. In 1993, Shasta Lake City became an official incorporated City; this year, Mountain Gate Community Services District revised its service area in northern Shasta County. Where did they turn? Shasta LAFCO. Shasta LAFCO, through its responsibilities, affects cities, fire districts, water districts, cemetery districts, and all other independent special districts located within Shasta County. Every citizen in Shasta County is impacted by the actions of Shasta LAFCO.

The 2015/16 Shasta County Grand Jury began this investigation due to recent concerns over activities of Shasta LAFCO Executive Officers, financial problems, a class action lawsuit filed against Shasta LAFCO, and other ongoing legal battles.

METHODOLOGY

- Interviewed members of Shasta LAFCO Administrative and Legal staff
- Interviewed a member of Shasta LAFCO's Commission
- Interviewed a member of the City of Anderson's Administrative staff
- Reviewed Governor's Office of Planning and Research LAFCO Municipal Service Review Guidelines

- Reviewed California Government Code Sections 56000-57550 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000)
- Reviewed Shasta LAFCO 2013/14, 2014/15, and 2015/16 budgets
- Reviewed Shasta LAFCO's five year Proposed MSR/SOI Update Plan & Cost Estimate
- Reviewed Shasta LAFCO's Policies & Procedures
- Reviewed Shasta LAFCO's Commission meeting minutes January 2014 - April 2015 (the most recent available)
- Attended Shasta LAFCO Commission and Finance Committee meetings
- Visited Shasta LAFCO's office in Redding

DISCUSSION

Shasta LAFCO is comprised of seven commissioners, with four alternates. Two members and one alternate are appointed by the Shasta County Board of Supervisors, two members and one alternate are selected collectively by elected officials representing the cities of Redding, Anderson and Shasta Lake, and two members and one alternate are selected from the legislative bodies of independent districts within Shasta County. The seventh member and one alternate are selected from the general public by the other Commission members. Each member serves a four year term. The office is run by a contracted Executive Officer, contracted legal counsel, and two part-time office staff.

Over the past two years, Shasta LAFCO has experienced difficulties with its Executive Officers. During this period, two Executive Officers have come and gone, leading to lawsuits and complaints filed with the California Labor Board. Effective in April, 2015, Shasta LAFCO's contracted legal counsel stepped in to also serve as the interim Executive Officer. In January, 2016, Shasta LAFCO entered into a six month contract for Executive Officer duties with Planwest Partners, a firm located in Eureka. Planwest Partners provides similar services for the LAFCOs of Humboldt, Del Norte, and Mendocino counties. Government Code Section 56384 only requires a LAFCO to have an Executive Officer and legal counsel. Shasta LAFCO has complied with this requirement.

A major obligation for every LAFCO is to conduct Sphere of Influence (SOI) reviews every five years for each entity it serves in its respective county. An SOI is the physical boundary and service area of a district or city. Before LAFCO can review an SOI, it must first complete a Municipal Service Review (MSR). An MSR is a comprehensive study conducted to determine the adequacy of services being provided by a district or city. Existing law requires that SOIs be reviewed every five years and updated, if necessary. Because MSRs must be completed for each SOI update, MSRs must also be updated at least every five years.

During the years 2001 to 2012, Shasta LAFCO was not conducting SOI or MSR updates as required. Minutes from multiple Shasta LAFCO Commission meetings reflect that there have been discussions of concern over meeting deadlines for those reviews, as well as concerns regarding the financial viability of Shasta LAFCO. However, no action was taken to address those concerns. As a result, in 2013, a class-action lawsuit was filed against Shasta LAFCO to compel it to complete the required reviews and updates. Shasta LAFCO spent the majority of 2014 racing to complete approximately 50 overdue reviews. The last of those reviews was finally completed in early 2015.

Due to the large volume of additional work related to the updates, Shasta LAFCO did not have sufficient funds to complete the fiscal year ending June 30, 2015. To cope, it drastically

restricted hours it was open to the public and reached an agreement with contracted legal counsel to delay payment of approximately $30,000 in legal fees until the next fiscal year. To cover these payments, while continuing operations in the 2015/16 fiscal year, Shasta LAFCO chose to reduce many costs across the board, the most severe cut being $40,000 from its personnel budget.

California Government Code Section 56381(a) requires, in part, that, "At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter." With reduced staffing costs, Shasta LAFCO is only open to the public from 12:30 p.m. to 6:30 p.m., Monday through Thursday. By Shasta LAFCO making itself unavailable to the public in such a way, it is not fulfilling its purposes and programs. This is evidenced by frustrations voiced by City of Anderson staff in dealing with Shasta LAFCO during its recent land annexation, as well as by the failure of Shasta LAFCO staff to provide all requested documents to the Grand Jury for its investigation.

General operations of Shasta LAFCO are funded as follows: Shasta County contributes $62,000 (1/3), the three cities share their portion of $62,000 (1/3), and the districts share their portion of $62,000 (1/3), for total funding of $186,000. In addition, Shasta LAFCO charges fees for services it provides. The Grand Jury reviewed the most recent fee schedule, last updated in 2013, which may not accurately reflect changes in costs to provide services. Shasta LAFCO is not evaluating its fee structure, including its methodology for determining fees, cost of services versus fees, services that ratepayers are receiving for which they are paying, and availability of reasonable emergency reserves, among others.

There are additional funding and cost saving opportunities available to Shasta LAFCO. The LAFCO MSR Guidelines allow Shasta LAFCO to charge for the MSRs it prepares. Options could include allocating costs based on the size of a district, their budget, or revenue sources. Shasta LAFCO could also develop a cost estimate and negotiate on a case by case basis. It could also charge only some districts or cities for the MSR, and then give those paying entities priority in scheduling the reviews. The Grand Jury acknowledges that some smaller districts could struggle to pay additional money for their MSR. However, the above are examples of options for arranging charges for reviews without "gouging" small districts.

In 2015, Shasta LAFCO established a five year plan to ensure that all entities receive their MSRs within the required time, and at no additional cost to them. The plan is to stagger the reviews over a five year period, with no reviews beginning until 2017/18. In that year, Shasta LAFCO will prepare 17 MSRs, followed by 18 in 2018/19, and the remaining 17 in 2019/20. By staggering the reviews, and only preparing them in the final three years, Shasta LAFCO anticipates being able to build up cash reserves sufficient to cover all costs.

This approach appears reasonable until considering that Shasta LAFCO is building reserves by not being open to the public. It is also not taking into consideration potential challenges with Executive Officers who oversee the MSR process. Given the recent history with Shasta LAFCO Executive Officers, it may be a risky approach to assume that there will not be problems in 2017, 2018, or 2019. Charging for MSRs would allow Shasta LAFCO to begin preparing them in the current year and each subsequent year without creating a backlog and the possibility of another class-action lawsuit should unanticipated problems arise in the future.

In addition, Shasta LAFCO has potential cost savings available, also outlined in detail in the LAFCO MSR Guidelines. These include joint agency practices such as shared insurance

coverages, shared facilities, and availability of excess capacity to serve customers of other agencies, among many others. Minutes from 2014 and 2015 Shasta LAFCO Commission meetings show discussion of moving to shared facilities with Shasta Regional Transportation Agency. This has potential to save money on rent and shared employees while providing public access to Shasta LAFCO offices during normal business hours.

Although there has been discussion, Shasta LAFCO has not taken action on improving its hours of operation and public access. Shasta LAFCO staff asserts that current hours are sufficient because of the low volume of activity. However, if it was again fully staffed, Shasta LAFCO could actually provide services to other LAFCO offices and receive reimbursement, further offsetting costs. Also, the California Association of Local Agency Formation Commissions will host a county LAFCO's website at no charge. Taking advantage of this would allow Shasta LAFCO to save additional money.

As part of this investigation, the Grand Jury reviewed Shasta LAFCO's Policies & Procedures. This review revealed that portions have not been updated for over fifteen years and that they do not reflect current Shasta LAFCO operations. For example, Section 3 of Chapter 1 requires monthly Board meetings to be held on the first Thursday of the month, at 3:00 p.m., in the Shasta County Board of Supervisors Chambers. In reality, the monthly meetings are held at 9:00 a.m., and the location changes month to month between city and county facilities. Although this approach is equitable and provides equal access to all throughout the County, it is not reflective of currently stated policy. Having current and updated policies and procedures will help Shasta LAFCO staff stay on track and assist new Commissioners in familiarizing themselves with Shasta LAFCO.

FINDINGS

F1. Shasta LAFCO failed to take timely action over concerns regarding meeting deadlines for Municipal Service and Sphere of Influence Reviews and financial instability, resulting in a class-action lawsuit and budgetary crisis.

F2. Shasta LAFCO violated Government Code Section 56381(a) when it made sharp decreases to staffing in its 2015/16 budget without first finding that reduced staffing will nevertheless allow the Commission to fulfill the purposes and programs required of Shasta LAFCO.

F3. Shasta LAFCO has not updated its fee schedule since 2013, leaving the possibility that it is not charging sufficient fees for its services.

F4. Shasta LAFCO has failed to take advantage of additional revenue sources by not charging for Municipal Service or Sphere of Influence Review updates.

F5. Shasta LAFCO has exposed itself to potential future risk of litigation by adopting its current five year plan to conduct Municipal Service and Sphere of Influence Review updates without consideration of recent instability of the Executive Officer position.

F6. Shasta LAFCO is not fulfilling its purposes and programs due to severe budgetary restrictions, partially because it has failed to sufficiently explore and act on all cost saving opportunities.

F7. Shasta LAFCO's actions violate its own Policies & Procedures, because their policies and procedures have not been updated to reflect their actual practices.

RECOMMENDATIONS

R1. The Grand Jury recommends that Shasta LAFCO take action within 30 days of becoming aware of financial or staff concerns, and complete a comprehensive review of contracted Executive Officer performance at least bi-annually, commencing no later than December 31, 2016.

R2. The Grand Jury recommends that Shasta LAFCO revise its budget to return to prior year staffing levels to allow the Shasta LAFCO office to be open Monday through Friday, 9:00 am – 5:00 pm, and to fully comply with Government Code Section 56381(a) no later than September 30, 2016.

R3. The Grand Jury recommends that Shasta LAFCO review its current Fee Schedule and make revisions as needed no later than December 31, 2016.

R4. The Grand Jury recommends that by no later than December 31, 2016, Shasta LAFCO establish a fee schedule to charge for Municipal Service and Sphere of Influence Review updates.

R5. The Grand Jury recommends that by no later than December 31, 2016, Shasta LAFCO revise its five year plan for Municipal Service and Sphere of Influence Review updates to begin completing them in the 2016/17 fiscal year.

R6. The Grand Jury recommends that Shasta LAFCO engage in cost saving efforts such as shared office space and personnel costs, shared insurance costs, reimbursement for costs from other agencies for providing them with assistance, and turning to the California Association of Local Agency Formation Commissions for hosting its website no later than December 31, 2016.

R7. The Grand Jury recommends Shasta LAFCO updates its Policies & Procedures no later than March 31, 2017.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following response is required:

From the following governing body (within 90 days):

- Shasta Local Agency Formation Commission: **F1, F2, F3, F4, F5, F6, F7 and R1, R2, R3, R4, R5, R6, R7**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

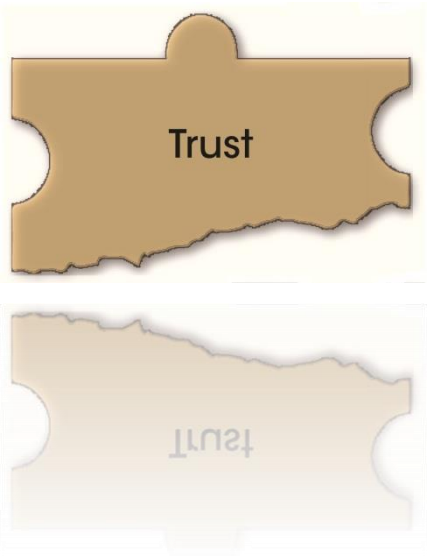
INVITED RESPONSES

The Grand Jury invites the following response:

NONE

Shasta County Sheriff's Office
Trust Matters

SUMMARY



The Shasta County Sheriff's Office is responsible for overseeing and administering eight trust accounts. These accounts hold money that does not belong to the Sheriff's Office or Shasta County. Examples include State of California gun permit and fingerprinting fees collected at the Sheriff's Office, cash deposited by or on behalf of inmates at the county jail, wage garnishments, and court collection fees. The Sheriff's Office also maintains a trust account for cash seized as evidence related to an investigation. The Sheriff's Office is not, however, responsible for cash or property seized under State of California or Federal asset forfeiture processes. The 2015/16 Shasta County Grand Jury investigated procedures relating to five of the trust accounts, as well as asset forfeiture activity. The Grand Jury identified several areas for management to make improvement. However, the Sheriff's Office staff has made progress over the last three years and is dedicated, hard-working, and conscientious.

BACKGROUND

The 2012/13 Shasta County Grand Jury investigated the reconciliation processes of some Sheriff's Office trust accounts. That Grand Jury identified multiple accounts that had not been reconciled for years, and noted the Sheriff's Office did not have policies and procedures relating to trust account reconciliations. In response, the Sheriff indicated he would put a plan in place to bring reconciliations current, and ensure they continue on a regular, on-going basis.

The 2015/16 Grand Jury conducted an investigation to determine if the Sheriff implemented the plan. The Grand Jury also explored whether monies belonging to inmates were being improperly used. This was inspired by a 2014 case where the Los Angeles County Sheriff's Department inappropriately used monies belonging to inmates to fund the Sheriff's general operations.

METHODOLOGY

- Interviewed two Shasta County Sheriff's Office Sergeants
- Interviewed 11 Shasta County Sheriff's Office clerical/fiscal employees
- Interviewed two high ranking members of the Shasta County Treasurer-Tax Collector's Office
- Interviewed two high ranking members of the City of Anderson Administration
- Interviewed a Gallina LLP Audit Partner
- Reviewed Shasta County Sheriff's Office Reconciliation Policies and Procedures

- Reviewed Shasta County Sheriff's Office Trust Account reconciliations from December 2013 - January 2015
- Reviewed asset forfeiture records of the City of Anderson (asset forfeiture administrator for all county law enforcement agencies)
- Reviewed California Government Code Section 50050
- Reviewed California Government Code Section 26881
- Reviewed California Health and Safety Code Section 11489
- Reviewed California Department of Justice 2013 and 2014 Asset Forfeiture Reports
- Inspected Shasta County Sheriff's Office impound yard
- Inspected Shasta County Sheriff's Office Crime Scene Investigation Offices
- Inspected Shasta County jail cash kiosk

DISCUSSION

The Grand Jury investigated the processes related to asset forfeiture procedures as well as the following Sheriff's Office Trust Accounts (excluding property), as outlined in the Sheriff's Office Trust Accounts Table:

Sheriff's Office Trust Accounts Table			
Trust Fund	**Activities**	**Date**	**Balance**
Sheriff's Trust Administration Fund	Gun permit, fingerprint, and background check fees; Cash held as evidence	10/31/2015	$151,356.99
Wage Garnishment Fund	Cash seized to be paid to a creditor	10/31/2015	$170,189.65
Sheriff's Inmate Funds	Inmates' cash, as recorded	10/31/2015	$9,244.60
Inmate Bank of America Account	Inmates' cash, on deposit at the bank	10/31/2015	$9,244.60
Sheriff Unclaimed Property Fund	Checks paid to inmates when released from jail that have not been cashed	10/31/2015	$9,529.36

Sheriff's Trust Administration Fund

This fund holds gun permit and fingerprinting fees collected by the Sheriff's Office to be paid to the State of California for its services, including FBI background checks. The Sheriff's Office also holds unclaimed money seized as evidence related to investigations. Sheriff's Office staff currently prepares monthly reconciliations of this fund. The reconciliations are up to date, noting approximately $1,500 in outstanding items, some dating back to 2005, that have not been cleared. The Auditor-Controller has occasionally conducted a "surprise" audit of the reconciliations; however, it has been more than one year since the last surprise audit.

Government Code Section 50050 allows the county to notify the last known owner of cash that the county has in its possession. If funds have been held for at least three years and are not claimed, the county may then publish notice, and eventually take ownership of any unclaimed funds (escheatment). Of the balance in the Sheriff's Trust Administration Fund, over $131,000 is unclaimed funds. One case represents $105,000, and the Sheriff's Office expects it to be settled (adjudicated), leaving approximately $26,000 that has potential to be escheated to the County. Cash held as evidence was historically kept at the Crime Scene Investigations building in one of three safes and was only being deposited with the Treasurer-Tax Collector once per year. However, beginning in 2015, cash is deposited monthly. Non-cash items are still held at the Crime Scene Investigations building.

Once a case is adjudicated, any money or property being held as evidence related to that case may potentially be available for escheatment. Sheriff's Office staff has access to court records to determine if a case has been adjudicated. Depending on the outcome of the case, staff can then either begin the process of notifying the last known owner that they can pick up their cash or property, or the escheatment process can begin. It is the responsibility of Sheriff's Office staff to monitor the cases to know when to begin the notification or escheatment process. The Grand Jury noted a backlog of cases dating back from the 1990's through 2012 that has not been addressed. Due to lack of staffing, the Sheriff's Office has not had the opportunity to clear the held assets. Determination should be made whether to return evidence from the backlog to the legal owner or be escheated to the County.

There is no legal guidance, authority, or Sheriff's Office policies and procedures directing how to deal with cash and property from an adjudicated case. Many times a judgment call will be required. Given the amount of old unclaimed cash and property still held from before 2012, the cost of a temporary part time employee could be funded by successfully escheating these items. The Sheriff's Office does, however, have a process in place to monitor new cases.

Wage Garnishment Fund

One duty of the Sheriff's Office is to process and serve paperwork to citizens whose wages are to be garnished. Garnishment could occur due to failure to pay child support, a court-ordered judgment, tax liens, or various other reasons. As an example, when an employer withholds garnished wages, it submits the funds to the Sheriff's Office. The Sheriff's Office deposits the money in the Wage Garnishment Fund, which is the source of funds paid out to the entity that initiated the garnishment. The Sheriff's Office uses *Sirron*, an internal computer program, for the garnishment process.

Sheriff's Office staff records garnishment deposits in *Sirron*, with the cash deposited at the Treasurer-Tax Collector's Office, and recorded in the County's *ONESolution* computer finance program. When paying out garnishment proceeds, Sheriff's Office staff records payments in *Sirron*, with checks generated by the Auditor-Controller and recorded in *ONESolution*. There is no monthly reconciliation of activity between *Sirron* and *ONESolution* to ensure that Sheriff's Office records agree with finance records. A reconciliation of the two programs would reduce potential for error or fraud.

When Sheriff's Office staff receives a new wage garnishment order, they enter the information into *Sirron*, including names and addresses of both the person whose wages are garnished and the entity that receives the garnished funds. The same employee who receives payments and requests checks from the Auditor-Controller also has access to change the names and addresses in *Sirron*. This allows potential for abuse, such as changing an address to another address or a

post office box, thereby creating the risk of improper diversion of funds to an unauthorized entity or individual. There is currently no oversight of the name and address change process.

On occasion, the Sheriff's Office is instructed by a court or other entity to hold funds received rather than pay them out (for example, when a person has filed for bankruptcy). There are also times when a payment is returned due to an insufficient or incorrect address. These dollars then remain in the Garnishment Trust Fund. Sheriff's Office staff is not tracking these funds or following up on any that may need to be paid to another entity. The money remains in the Garnishment Fund unless the Sheriff's Office receives notice or inquiry about it.

Sheriff's Inmate Fund

Sheriff's Office staff at the county jail uses *Keefe Commissary (Keefe)*, a program to track money deposited by inmates. This includes money in the possession of an arrestee at the time of incarceration, or funds deposited on behalf of an inmate by a friend or family member. Money is deposited using secure kiosks located in the jail. Once a person is incarcerated at the Shasta County jail, *Keefe* assigns them an account number. An inmate maintains the same account number, even if booked and released multiple times. The inmate can then use the money from their *Keefe* account to make purchases through the jail commissary.

When a person is booked into jail and has previously been in custody, the booking officer counts and documents in the presence of that inmate, and on camera, any cash that the inmate has in their possession. The officer then deposits the cash into the inmate's *Keefe* account using the kiosk. The inmate immediately has access to their money by using their *Keefe* account. However, when a person is booked into jail for the first time, they do not have a *Keefe* account. In this case, the arresting officer follows the same procedure with any cash that the individual has in their possession, but is unable to deposit it using the kiosk, since there is no account number for that individual. Instead, the officer places the cash in a sealed envelope in an on-site safe. Sheriff's Office fiscal staff then receives a booking sheet from the officer and creates a new account in *Keefe*. The booking officer then removes the cash from the safe and deposits it using the kiosk and the new account number. There is no reconciliation between the booking sheet and the Keefe reports from the kiosk to ensure that the amount of cash recorded on the booking sheet agrees with the amount of cash deposited.

Inmate Bank of America Account

Cash deposited in the kiosks is counted and deposited daily into a dedicated Bank of America account. Sheriff's Office staff removes the cash from the kiosks daily, and each kiosk generates a detailed report of transactions and balances for that day. Once the Sheriff's Office employee removes the cash from the kiosk, they count it. A second employee then verifies that the amount matches the *Keefe* report. A third employee then takes the deposit to Bank of America. The Bank of America account is controlled by the Sheriff's Office, without oversight or assistance from the Treasurer-Tax Collector.

Sheriff's Office staff conducts monthly reconciliations between the Bank of America account and the *Keefe* program. Reconciliations are up to date, and the Auditor-Controller also reviews the reconciliations. The Grand Jury noted several small outstanding items, totaling approximately $220 dating to 2012, which have not been cleared from the reconciliations. These outstanding items include transactions such as a bank deposit error in the amount of $20.05 on October 22, 2012, which should be resolved.

During the investigation, the Grand Jury did not note any activity that indicates inmate funds are used inappropriately, or to fund operations of the Sheriff's Office.

Sheriff Department Unclaimed Property Fund

Prior to January 2016, inmates released from county jail received a check equal to the cash they had on deposit with their *Keefe* account. Inmates routinely failed to cash the checks, leaving them outstanding on the Sheriff's Office reconciliation records. After two years, the cash from any check not cleared by the bank can be transferred to the county (escheated) for use by the Sheriff's Office. Sheriff's Office staff is up to date with depositing eligible money with the Treasurer-Tax Collector, who has annually published required notice and escheated the funds to the Sheriff's Office for its use.

In January 2016, the Sheriff's Office began issuing prepaid debit cards, rather than writing checks to clear *Keefe* accounts for inmates being released. An inmate with cash in their *Keefe* account now receives a prepaid VISA debit card instead. This eliminates the need to track any uncashed checks, avoids the escheatment process, and eliminates fraudulent activity related to checks previously issued. The previous check-issuing process consumed unnecessary time and resources of multiple county departments, which is now mitigated by issuing prepaid debit cards. Although the county will no longer receive escheatment monies, the financial benefit of the escheatment funds has not materially improved the Sheriff's Office budget, or fully offset escheatment costs.

The Sheriff's Office had just begun issuing debit cards during this investigation, so the Grand Jury was not able to assess the process. However, the Sheriff's Office shared the policies and procedures and expected processes relating to the debit cards, which do provide an adequate level of protection from fraud, if they are followed in practice.

Trust Account Observations

The Grand Jury noted some policies and procedures relating to the oversight and reconciliation processes of Sheriff's Office trust funds are incomplete or outdated. There are no policies and procedures for the Sheriff's Trust Administration or Wage Garnishment funds. The Sheriff has not implemented his plan from 2013 to create trust fund reconciliation policies and procedures.

Further, California Government Code Section 26881 requires a county controller to exercise general oversight, including a review of departmental internal controls, over the methods of maintaining accounts of all funds held in the county treasury. However, the Shasta County Auditor-Controller has not taken steps to ensure that Sheriff's trust accounts are regularly reconciled, or that proper internal controls are in place. Monthly reviews of the Inmate Fund reconciliation and periodic surprise audits of another trust fund account do not provide adequate oversight. Shasta County does receive an external annual financial audit, but this external audit does not include a review of trust accounts, since the funds in those accounts do not belong to the county.

Asset Forfeiture

Multiple law enforcement agencies often assist in investigations that result in assets being seized. When the case is adjudicated, funds are dispersed to the cooperating agencies according to a matrix outlined in California Health and Safety Code Section 11489. For cases involving federal agencies, the distribution process is different. This investigation focused only on state asset forfeiture cases; specifically, asset forfeitures made by the Shasta County Sheriff's Office.

The Grand Jury identified that the role of City of Anderson, as their inter-agency contribution, is to manage cash assets seized through asset forfeiture for all law enforcement agencies located within Shasta County. When one of these agencies leads an investigation that results in the seizure of cash, the cash is deposited into a City of Anderson bank account. City of Anderson

staff deposits all asset forfeiture money in an interest-bearing account and tracks all associated cases. Once a case is adjudicated, the District Attorney's Office sends a letter to the City of Anderson with instructions as to how to distribute the funds based on the matrix. City of Anderson staff reconciles the asset forfeiture accounts, and reconciliations are up to date. The Grand Jury reviewed the most recent year-end reconciliation, which agreed with the City of Anderson's financial statements.

In addition to cash, there is other property seized through asset forfeiture. The Grand Jury received a detailed list of these items, including vehicles, and inspected the yard where the vehicles are kept. The Grand Jury identified multiple types of vehicles that were not on the asset list and noted several items on the list were not present in the yard. There is no specific Sheriff's Office management oversight assigned to monitor the progress of its pending asset forfeiture cases. Without management oversight, there is potential for the Sheriff's Office to miss out on cash proceeds it is due, or for items being held as evidence to disappear.

FINDINGS

F1. Sheriff's Trust Administration Fund and Inmate Bank of America Account reconciliations contain old, outstanding reconciling items that should be resolved.

F2. Cash and property from adjudicated cases are not being returned to the legal owners or escheated to the Sheriff's Office, because there is no Sheriff's Office staff working on the backlog of cases involving seized evidence, and there are no policies directing appropriate disposal of assets.

F3. There are no monthly reconciliations between activity in *Sirron* and *ONESolution*, therefore it is undetermined if one system reconciles with the other.

F4. There is no monitoring of old unpaid accounts in the Wage Garnishment Fund, leaving the potential for the Sheriff's Office to not remit monies due to claimants.

F5. There is not a process to review address changes entered by employees in *Sirron*, leaving potential for fraud or errors to occur.

F6. There is potential for loss of cash from new inmates being booked in Shasta County jail because there is no reconciliation between *Keefe* reports and booking sheets.

F7. There are no policies and procedures for the Sheriff's Trust Administration or Wage Garnishment Funds relating to administering and reconciling the accounts, resulting in staff having no guidelines to administer the funds.

F8. There is insufficient supervision over trust fund reconciliation processes, leaving the potential for fraud or errors to occur.

F9. There is insufficient oversight of all Sheriff's Office cash and property held as asset forfeiture, or in assets held in evidence, leaving the potential for fraud and errors to occur.

COMMENDATIONS

The Grand Jury commends the Shasta County Sheriff's Office staff for initiating the debit card process, saving time and money.

RECOMMENDATIONS

R1. The Grand Jury recommends the Sheriff's Office clears all old outstanding items in the Sheriff's Trust Administration Fund and the Inmate Bank of America Account by December 31, 2016.

R2. The Grand Jury recommends the Sheriff's Office hires temporary staffing by December 31, 2016, and implements a plan to clear the backlog of cases involving cash and property held in evidence by June 30, 2017.

R3. The Grand Jury recommends the Auditor-Controller and the Sheriff's Office initiate a process to reconcile the activity and balances between *Sirron* and *ONESolution*, and ensure that ongoing monthly reconciliations of the new process occur by December 31, 2016.

R4. The Grand Jury recommends the Sheriff's Office initiates a monthly review of old unpaid accounts in the Wage Garnishment Fund by September 30, 2016.

R5. The Grand Jury recommends the Sheriff's Office immediately initiates a monthly process where a separate employee reviews address changes made in *Sirron*.

R6. The Grand Jury recommends the Sheriff's Office initiates a process by September 30, 2016, to reconcile all cash deposited in *Keefe* to the booking sheets for inmates booked for the first time into the Shasta County jail.

R7. The Grand Jury recommends the Sheriff's Office creates policies and procedures by December 31, 2016, for the Sheriff's Administration Trust Fund and Wage Garnishment Fund accounts relating to administration and reconciliation of the accounts.

R8. The Grand Jury recommends the Auditor-Controller and the Sheriff's Office ensure all Sheriff's Office trust account reconciliations occur monthly, with old outstanding items cleared, by December 31, 2016.

R9. The Grand Jury recommends the Auditor-Controller initiates a plan by December 31, 2016, to conduct more frequent surprise audits of assets held as evidence.

R10. The Grand Jury recommends the Sheriff's Office assigns specific management personnel by September 30, 2016, to be responsible for the oversight of all aspects of assets held under asset forfeiture and in evidence.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following responses are required:

From the following elected county officers (within 90 days):

- Shasta County Sheriff-Coroner: **F1, F2, F3, F4, F5, F6, F7, F8, F9, and R1, R2, R3, R4, R5, R6, R7, R8, R9, R10**
- Shasta County Auditor-Controller: **F3 and R3, R8, R9**

INVITED RESPONSES

The Grand Jury invites the following response:

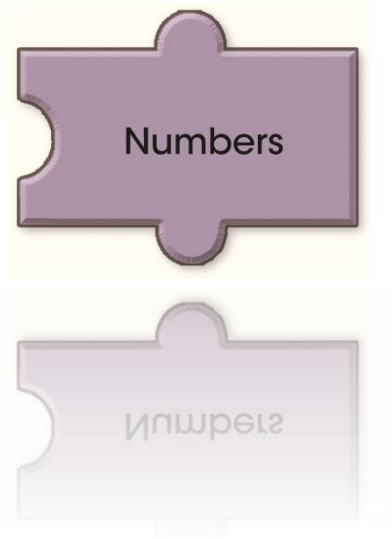
NONE

Released May 26, 2016

Shasta County Joint Audit Committee
Numbers Matter

SUMMARY

When the Shasta County Board of Supervisors entered into a multi-year, $434,000 contract in 2015 for annual audit services, it failed to adhere to the County's competitive procurement policy, the policies and procedures of the Shasta County Joint Audit Committee (as members of the Joint Audit Committee), and governmental "best practices". Further, the Joint Audit Committee did not authorize the Shasta County Auditor-Controller to negotiate the contract with the same company that has provided audit services to the County for the last eleven consecutive years. The Grand Jury also noted that the Joint Audit Committee has not actively engaged the Grand Jury Foreperson in the committee proceedings during the current term of the Grand Jury. Lastly, although the Auditor-Controller commendably maintains a fraud detection hotline, calls to the hotline go directly to the Auditor-Controller's office, leaving the potential for selective tip investigation and follow-up.



BACKGROUND

Penal Code Section 925 requires the Grand Jury to annually examine the accounts and records of the County. In addition, Government Code Section 25250 requires the Board of Supervisors to conduct an annual audit of all County accounts. This audit is conducted by a "contract auditor" pursuant to Government Code Section 31000. Penal Code Section 926 allows the Grand Jury to enter into a joint contract with the Board of Supervisors to employ an auditor for both of these purposes. For many years, a Joint Audit Committee has been used to negotiate and monitor such a joint contract.

The 2015/16 Shasta County Grand Jury began this investigation after reviewing documents associated with the Shasta County Joint Audit Committee (Committee) and county audit contracts. According to the Committee's governing Policies and Procedures, the goal of the Committee is "to ensure that a thorough and objective audit is undertaken each year with regard to the funds, records and accounts of the County." As part of its role on the Joint Audit Committee, the Grand Jury identified departures from Shasta County's County Policy, Joint Audit Committee Policies and Procedures, and Governmental Financial Officers Association "best practices" relating to implementation of an audit services contract.

METHODOLOGY

- Interviewed a member of the Shasta County Administration
- Interviewed an audit partner of Gallina LLP
- Interviewed a member of the Shasta County Auditor-Controller's Office
- Interviewed a member of the Shasta County Board of Supervisors

- Reviewed Joint Audit Committee meeting agendas and minutes from 2012 to present
- Reviewed the Joint Audit Committee Policies and Procedures
- Reviewed Audit Contracts between Shasta County and Gallina LLP dated April 3, 2012, (for fiscal years 2011/12 through 2015/16), and June 9, 2015 (for fiscal years 2015/16 through 2019/20)
- Reviewed the Governmental Financial Officers Association Best Practices Publication, Audit Procurement
- Reviewed Shasta County Code 3.04
- Reviewed Shasta County Procurement Policy 6-101
- Reviewed various Shasta County Board Resolutions and supporting Staff Reports

DISCUSSION

Shasta County Joint Audit Committee

Shasta County citizens benefit from the presence of a Joint Audit Committee (Committee), which conducts oversight of the annual audit process utilized by Shasta County departments. Membership of the Committee includes two members of the Board of Supervisors, County Executive Officer, Administrative Fiscal Chief, County Auditor-Controller, County Treasurer-Tax Collector, and members of the Shasta County Grand Jury. Meetings are open to the public and notice of all Committee meetings is posted in advance.

While neither California Penal Code Section 925(a) nor California Governmental Code Section 25250 require the formation of a Joint Audit Committee, Shasta County has maintained it as a useful tool for many years to help ensure adequate oversight of services provided to the County. Other California counties use similar committees, with El Dorado County forming its Joint Audit Committee just last year. The Committee serves as a vital watchdog over Shasta County governmental operations associated with the audit function.

The Joint Audit Committee Policies and Procedures were last revised in 2012 and signed by the Chairperson of the Board of Supervisors and the Foreperson of the 2012/13 Grand Jury. These policies and procedures indicate that the Grand Jury is to enter into (along with the County) the annual audit contract and approve the audit contract; the Grand Jury Foreperson is to jointly chair the Joint Audit Committee with the Chairperson of the Board of Supervisors as specified in the Committee's “Membership and Officers” policy. However, the most recent contract for audit services did not include the Grand Jury as a party to the contract. Also, neither the Board of Supervisors nor the Joint Audit Committee obtained a “formal approval and signature” from the Grand Jury.

The Chairperson of the Board of Supervisors as designated co-chair of the Joint Audit Committee does not actively lead the meetings, instead allowing the County Executive Officer to act as Chair of the Committee. Additionally, as co-chair of the Committee, the Chairperson of the Board of Supervisors has not involved the Foreperson in any aspect of preparing for or running the Committee meetings. As such, the Joint Audit Committee and its members are not adhering to the Committee's formal policies and procedures.

Audit Contract

On June 9, 2015, the Board of Supervisors entered into a multi-year contract with Gallina LLP, an independent Certified Public Accounting firm, for audit services. The Governmental Financial Officers Association, a widely-respected organization that represents public finance officials

throughout the United States, agrees that "best practices" are to engage contract audit services under multi-year contracts. Doing so allows for greater continuity, minimizes disruption, and allows for cost savings.

Rather than exercising a remaining one-year extension option on an existing contract, the Auditor-Controller negotiated a new contract on behalf of Shasta County. While there was no apparent pressing time concern for a new contract, the Auditor-Controller deemed it an appropriate time for negotiations, netting a $7,000 savings to the County General Fund over the 5-year contract period. The Grand Jury applauds the cost-saving efforts, but the procurement method violates the Joint Audit Committee Policy and Procedures and County Policy 6-101.

Section 5.3 of Shasta County Policy 6-101 dictates the county's competitive procurement process for personal services. The County Policy states, "While state law generally does not require bidding or other competitive procurement practices when the county is negotiating personal services agreements, departments are *strongly encouraged* to use competitive procurement practices when choosing the consultant or contractor who will provide the services, and should always use competitive procurement if the agreement is for a controversial or unique project, or for a project that is of particular interest to the Board of Supervisors or to the public. The Board Report, with respect to any personal services agreement, should describe the department's competitive procurement efforts (and if the agreement was "sole sourced," it must contain a brief justification for doing so)".

The Grand Jury notes that a contract for audit of public records is unique and of interest to the public, and therefore competitive procurement rules apply.

In ratifying the new contract, the Board of Supervisors did not ensure that County Policy 6-101 was followed regarding competitive procurement on the $434,000 five-year audit contract. As reflected above, for services contracts, County Policy 6-101 specifies that the Board of Supervisors Board Report "should describe the department's competitive procurement efforts (and if the agreement was "sole sourced," it must contain a brief justification for doing so)".

The Grand Jury reviewed the Resolution and its supporting Staff Report that were presented to the Board of Supervisors on June 9, 2015, for approval with the contract, and found no discussion regarding competitive procurement. Subsequently, county administrative staff stated to the Grand Jury that by signing the contract, the Board of Supervisors was waiving the competitive procurement requirement. However, a member of the Board of Supervisors stated he/she did not understand they were waiving that requirement.

The "Functions of the Joint Audit Committee" policy also calls for the Committee to initiate the Request For Proposal (RFP) process to retain the services of a contract auditor. The Committee then recommends a proposed audit contract and forwards it to the Board of Supervisors and Grand Jury for formal approval and signature. The Committee discussed a proposed contract for audit services during its May 20, 2015, meeting; however, there was no committee approval to negotiate a new contract or formal approval of actions to be taken by the Auditor-Controller. The Auditor-Controller did not have Committee approval to negotiate directly with the audit contractor without issuing an RFP. Furthermore, neither the Auditor-Controller nor the Committee obtained formal approval of the contract from the Grand Jury as dictated under Committee policy.

The Governmental Financial Officers Association "best practices" recommend a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract. It acknowledges the frequent lack of competition among audit firms, and recommends that in such cases the governmental entity actively seek participation of all qualified firms. Shasta County has engaged the same auditors for the last eleven years, with no rotation of audit

firms. With the new contract, the current audit firm will have conducted audits of Shasta County for sixteen consecutive years. The Grand Jury interviewed county administrative staff who stated that the audit firm rotates audit staff periodically. However, rotating staff does not sufficiently cover the audit firm rotation best practice.

As with the Board of Supervisors, the Auditor-Controller did not follow County Policy 6-101, Joint Audit Committee Policies and Procedures, and did not appear to have considered the Governmental Financial Officers Association recommended "best practices" when they negotiated a new multi-year contract for audit services and audit firm rotation.

Fraud Hotline

The Grand Jury recognizes the Auditor-Controller's Office for establishing a fraud hotline, also known as the "whistleblower hotline". By calling the hotline, county employees or members of the public may anonymously report known or suspected fraudulent activities of county operations or personnel. Callers may leave a message on a secure voice mail, which is only accessible to the Auditor-Controller and one Auditor-Controller staff member. For example, a party reporting suspected or known fraud of a person in the Auditor-Controller's office only has the option to leave a message with the Auditor-Controller's fraud voice mail. Therefore, no *independent* person or entity, either within or outside of county operations, is watching the watcher. This provides the opportunity for such a complaint to be ignored or deleted without any investigation. Implementing a procedure that would ensure all fraud hotline messages are simultaneously and independently delivered to multiple recipients, such as the Auditor-Controller and County Executive Officer, would address this concern. Additionally, the fraud hotline number is not readily available or conspicuously posted on the Shasta County website. As a result, it is logical to conclude that few, if any, county residents or county employees are aware of the existence of the hotline. The Grand Jury had to call the Auditor-Controller's office to obtain the number (530-245-6648).

FINDINGS

F1. The Joint Audit Committee's current practices fail to follow its "Functions of the Joint Audit Committee" and "Membership and Officers" Policies and Procedures as they relate to the role of the Grand Jury and the RFP process.

F2. The Chairperson of the Board of Supervisors, as one of the Joint Audit Committee Co-Chairs, is not including the Grand Jury Foreperson as the other Co-Chair, as required.

F3. The Board of Supervisors failed to adhere to County Policy 6-101 when it did not ensure competitive procurement requirements were followed for a multi-year contract for audit services.

F4. The Auditor-Controller failed to follow Joint Audit Committee Policies and Procedures and County Policy 6-101 by not issuing a Request for Proposal for a multi-year contract for audit services, or providing justification for not doing so.

F5. The Auditor-Controller maintains a fraud hotline accessible only by the Auditor Controller and one other staff member in his office, allowing the possibility for selective complaint (tip) investigation.

F6. The telephone number for the fraud hotline is not posted or available on the Shasta County web page or the associated Auditor-Controller Office's page, making it difficult for employees or the public to report fraud via the hotline number.

RECOMMENDATIONS

R1. The Grand Jury recommends the Board of Supervisors immediately requests the Joint Audit Committee to adhere to its "Functions of the Joint Audit Committee" and "Membership and Officers" policies and procedures.

R2. The Grand Jury recommends the Board of Supervisors instructs its Chair, as Co-Chair of the Joint Audit Committee, to actively engage the Grand Jury Foreperson as an equal Co-Chair of the Joint Audit Committee within 30 days of each new Grand Jury empanelment and on a regular basis throughout each term.

R3. The Grand Jury recommends the Board of Supervisors adheres to County Policy 6-101.

R4. The Grand Jury recommends the Auditor-Controller follow the Joint Audit Committee Policies and Procedures as well as County Policy 6-101 when negotiating a new contract for audit services.

R5. The Grand Jury recommends the Auditor-Controller work with the County Executive Officer to develop a fraud hotline voicemail messaging system that ensures that all fraud hotline messages are simultaneously and independently forwarded to both the County Executive Officer and Auditor-Controller, no later than August 31, 2016.

R6. The Grand Jury recommends the Auditor-Controller and County Executive Officer ensure that the fraud hotline telephone number is displayed in a prominent location on the Shasta County website and in all county employee facilities no later than August 31, 2016.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following responses are required:

From the following governing body (within 90 days):

- Shasta County Board of Supervisors: **F1, F2, F3, F4, F5, F6 and R1, R2, R3, R5, R6**

From the following elected county officer (within 90 days):

- Shasta County Auditor-Controller: **F4, F5, F6 and R4, R5, R6**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

The Grand Jury invites the following response:

From the following individual (within 60 days):

- Shasta County – County Executive Officer: **F5, F6 and R5, R6**

Agendizing Grand Jury Reports and Responses
Public Awareness Matters

SUMMARY

Reports are the primary way for a Grand Jury to communicate with the community. Therefore, it is important that both the reports and the responses to the reports are discussed within full public view. The 2015/16 Shasta County Grand Jury wanted to determine how a governing body discussion regarding Grand Jury reports is held when the reports and responses are placed on a consent calendar.

All governing bodies must, at a minimum, place any response to Grand Jury reports on their consent calendars. However, this process means that a public discussion by the members of the governing body is unlikely to be held regarding either the report or the response. In order to encourage open and public dialogue about Grand Jury report topics, it is recommended that all responses to Grand Jury reports be placed on the responding governing bodies' regular calendars. Further, it is recommended that members of the governing body engage in a public discussion regarding the reports and the proposed responses.

The Grand Jury surveyed and reviewed agendas of Shasta County government agencies that were required to respond to any Grand Jury report since 2010. Of the 67 total special districts, one placed its response on a consent calendar; 20 did not place their responses on any agenda ("agendize"), did not send required responses, or both. The City of Redding City Council and the Shasta County Board of Supervisors placed their report responses on their consent calendars three times and four times, respectively, over the past six years. Both the City of Anderson City Council and the City of Shasta Lake City Council placed all report responses on their regular calendars over that time period.

BACKGROUND

County Grand Juries are tasked with examining city or county governments, special districts (such as cemetery, water, fire, and school), local agency formation commissions (LAFCOs), housing authorities, joint powers authorities (JPAs), and non-profit agencies established by or operated on behalf of a public entity within their counties' borders. In other words, the Grand Jury's job is to help ensure a transparent and efficient government that operates in the best interests of the people it serves.

After investigations are concluded, Grand Juries often provide written reports evaluating the actions of governmental agencies and some of the reports include findings and recommendations for improvements. This element is the only non-confidential communication that Grand Juries have with the public. In order to serve the citizens of the community, it is important that government agencies provide transparency by agendizing their response(s) to each Grand Jury report on the regular agenda and engage in full discussion regarding any proposed responses.

If a public government agency is required to respond to a Grand Jury report, pursuant to the provisions of California Penal Code Section 933(c), the governing body of that agency has 90

days to submit a governing body-approved response to the Presiding Judge of the Superior Court. California Government Code Sections 54950-54963, more commonly known as the Ralph M. Brown Act, require any public entity governing board action to only be taken at a public meeting in which the action was placed on the agenda (i.e., "agendized"). This ensures the public has proper notice of the items to be considered by the governing body, and provides interested persons with ample opportunity to attend the meeting to observe and/or participate in a discussion about any action taken.

A public governing board may agendize an item to be acted on at a public meeting by including it on either a consent calendar or the regular meeting calendar. The generally accepted guide for proper public meeting procedure is "Robert's Rules of Order". It refers to a consent calendar (or consent agenda) as a process to quickly approve a group of non-controversial topics by placing them on a list of items (the consent calendar) to be adopted all at once. This section of the agenda will usually be heard at the beginning of a public meeting, and the items within it will not be individually identified or described. One vote is held on all of the items on the consent calendar.

The regular calendar, however, separates each issue to be reviewed for potential governing body commentary and public scrutiny. Each item is discussed and voted on independently. In Shasta County, any public governing body member can choose to pull an item off their own consent calendar and place it on the regular calendar for discussion, as this is the only section of the calendar where open discussion by the members of the governing body can be held. Any member of the public can request an item be moved from the consent calendar to the regular calendar as well, but it is up to a member of the board or council to approve the request.

METHODOLOGY

- Reviewed all available agendas, minutes, staff reports, correspondence, and official responses regarding discussion of any Grand Jury reports from every local district, joint powers authority, school district, city council, and county board since 2010
- Reviewed all available video recordings of City of Anderson, City of Shasta Lake City, and City of Redding Council meetings where Grand Jury reports were agendized since 2010
- Reviewed 2005-2006 Marin County Grand Jury's report titled "Agendizing Responses to Grand Jury Reports" and all received responses
- Reviewed Penal Code Section 933(c)
- Reviewed Government Code Sections 54950 – 54963 (Brown Act)
- Interviewed one Shasta County Board of Supervisors Member
- Interviewed four City of Redding City Council Members

DISCUSSION

Special Districts

The Grand Jury reviewed all the documentation identified above to determine which special districts, if any, were in full compliance of the Brown Act and the California Penal Code as they relate to Grand Jury reports. There were 40 local districts/agencies, 26 school districts, and one joint powers authority (JPA) reviewed for a total of 67. Of these, 42 entities prepared their required responses and placed those responses on their regular calendars. Only one entity placed its report response on its consent calendar since 2010. Of the remaining, 13 did not issue any

required response and did not agendize the Grand Jury reports at all. Another seven districts sent responses but did not at any point agendize or publicly approve those responses.

Shasta County Board of Supervisors

The Board of Supervisors has staff draft responses to Grand Jury reports for signatory approval. Placing the responses on the consent calendar does not allow open discussion among the board members regarding the response. The Board of Supervisors has accepted all but one staff recommended response without changes for the past six years. Dialogue was not held at the meetings to explain its responses. Since there was no discussion, there is no clear indication how the Board of Supervisors or county staff concluded that the responses were complete and correct.

The only time in the past six years when public dialogue about a Grand Jury report was held by the Board of Supervisors was at its August 17, 2010 meeting. One Supervisor had an issue with the wording of a recommendation response. The County Executive Officer (CEO) explained the legal requirements of Grand Jury report responses, and a slight change to the language was approved. The 2012, 2014, and 2015 Grand Jury report responses were all placed on the Board's consent calendar without any public discussion by the Board of Supervisors or county staff.

City of Redding City Council

Redding City Council has staff draft responses to Grand Jury reports for signatory approval. The Redding City Council has accepted every staff recommended response without changes for the past six years. Dialogue was not held at the meetings to explain its responses. Since there is no discussion, there is no clear indication how the Redding City Council or city staff concluded that the responses were complete and correct.

On August 2, 2010, the Redding City Council agendized responses to three Grand Jury reports on its consent calendar. One letter was prepared in conjunction with the former Chief of the Redding Police Department (RPD). The responses prepared by city staff were approved without discussion. On April 17, 2012, the current RPD Chief spoke to the Redding City Council on the topic discussed in that year's report. On July 16, 2013, the Redding Electric Utility Director/Redding Assistant City Manager spoke on one of the two topics investigated in that year's reports, but the other topic was not discussed publicly.

August 19, 2014, was the only Redding City Council meeting since 2010 where every Grand Jury report response topic was publicly discussed by the Redding City Council, with the Redding City Manager leading the conversation. The video recording of the meeting revealed that the City Manager, while speaking on how city staff approaches Grand Jury report responses, stated, "As we have in the past...we try to develop a proposed response from the City Council to the Grand Jury..." The September 1, 2015, meeting included a livelier discussion. One Council Member voiced an objection to the Redding City Council's recommended response being placed on the consent calendar but did not move the item to the regular calendar for debate. The consent calendar was subsequently approved 4-1, including the response. One of the reports required a response from the Redding City Council and requested a response from the City Manager; the letters received were identical.

City of Anderson City Council

The Anderson City Council has staff draft responses to Grand Jury reports for signatory approval. The Anderson City Council has been required to respond to two Grand Jury reports since 2010; both were agendized on the regular calendar. At the July 15, 2014, meeting, the Anderson City Council accepted without changes the staff recommended Grand Jury report response. At the July 21, 2015, meeting, the Anderson City Manager opened the Grand Jury

report topic for comment and presented a staff-prepared response for approval along with the City Manager's own response. Both the content of the Grand Jury report and the draft letter were explained to the audience.

City of Shasta Lake City Council

The Shasta Lake City Council has staff draft responses to Grand Jury reports for signatory approval. The Shasta Lake City Council has only been required to respond to one Grand Jury report since 2010, which was agendized on the regular calendar. At the August 4, 2015, meeting, the Shasta Lake City Manager opened the discussion of the Grand Jury report and staff recommended response for comment. The City Manager explained the content of the report and the Council's legal requirements in responding.

FINDINGS

F1. The Shasta County Board of Supervisors discourages public awareness and open discussion of Grand Jury report responses by placing its official responses on its consent calendar.

F2. The Shasta County Board of Supervisors has failed to publicly discuss its own Grand Jury report responses, choosing instead to fully rely on county staff recommendations without any public discussion of the basis of their agreement with the county staff recommendations.

F3. The City of Redding City Council discourages public awareness and open discussion of Grand Jury report responses by placing its official responses on its consent calendar.

F4. The City of Redding City Council has failed to publicly discuss its own Grand Jury report responses, choosing instead to fully rely on city staff recommendations without any public discussion of the basis of their agreement with the city staff recommendations.

COMMENDATIONS

C1. The Grand Jury commends the City of Anderson City Council for encouraging public awareness and open discussion about Grand Jury report responses by placing its official responses on its regular calendar.

C2. The Grand Jury commends the City of Shasta Lake City Council for encouraging public awareness and open discussion about Grand Jury report responses by placing its official responses on its regular calendar.

RECOMMENDATIONS

R1. The Grand Jury recommends the Shasta County Board of Supervisors places all Grand Jury report topics and responses on its regular calendar.

R2. The Grand Jury recommends the Shasta County Board of Supervisors places its responses to this 2015/16 Grand Jury Report on its regular calendar for public discussion.

R3. The Grand Jury recommends the City of Redding City Council places all Grand Jury report topics and responses on its regular calendar.

R4. The Grand Jury recommends the City of Redding City Council places its responses to this 2015/16 Grand Jury Report on its regular calendar for public discussion.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following responses are required:

From the following governing bodies (within 90 days):

- Shasta County Board of Supervisors: **F1, F2 and R1, R2**
- City of Redding City Council: **F3, F4 and R3, R4**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

The Grand Jury invites the following response:

NONE

Shasta County Coroner's Office
Compassion Matters

"How we deal with death is at least as important as how we deal with life."
Captain James T. Kirk, "Star Trek II: Wrath of Khan"

SUMMARY

The Shasta County Coroner's Office is often overlooked yet is an essential department that serves the entire county. The responsibilities of the Coroner's Office are emotionally and physically demanding. Our local Coroner's Office is an example of efficiency amidst many challenges.

BACKGROUND

History of the Shasta County Coroner's Office

- 1873 – The first Shasta County Coroner was elected; the position remained unchanged until 1989.
- 1989 – The first Medical Examiner was hired to determine the cause of death, issue death certificates, and maintain death records for the County.
- 1992 – Sheriff Jim Pope became the first Sheriff-Coroner, which placed the responsibility with the elected Sheriff. A forensic pathologist was also hired to maintain the duties of the Coroner's Office.
- 2006 – Sheriff Tom Bosenko became the second Sheriff-Coroner and has preserved the responsibilities of the Coroner's Office. A forensic pathologist position is still utilized and a Sheriff's Office Lieutenant oversees the operations of the Coroner's Office and personnel.
- The current Coroner's Office, located at 4555 Veteran's Way in Redding, was built in 1979, with some minor renovations in 1995 and 1998.

Shasta County Coroner's Office Mission Statement

"The Shasta County Coroner's Office has the duty to conduct complete and objective medicolegal investigations of unattended, violent, unexpected, and suspicious deaths in order to determine the cause, manner, and circumstances of death. This duty is of utmost importance to the deceased individuals and their families, the safety of our community, and the pursuit of justice. This we do with courage, compassion, and great reverence for life."

METHODOLOGY

- Conducted two on-site inspections (August 2015 and October 2015)
- Reviewed the following documents:
  - Policies and Procedures Manual
  - Budgets for the past five years
  - Death and autopsy statistics for the past five years
- Interviewed key Coroner's Office personnel

DISCUSSION

The Coroner acts under the authority of California Government Code Section 27491. There are specific laws which define the Coroner's authority and give the Coroner the right and duty to investigate any death deemed necessary.

There are two general types of medicolegal (medical-legal) investigative systems in the United States:

1. Coroner systems – under this model the forensic pathologist works for the Coroner, an elected official. Frequently the Sheriff is also the Coroner. This system is currently used in Shasta County.
2. Medical Examiner (ME) systems – the ME is a forensic pathologist appointed by the state, county, or city.

Over 2,000 deaths occur annually in Shasta County. Of these, more than 300 are unattended or unnatural deaths that require a determination whether further inquiry is needed by the Coroner's Office. In these cases, a Coroner Investigator may go to the death scene, investigate the cause and manner of death, and decide if there is a need for an autopsy.

The Shasta County Coroner's Office staff consists of a lieutenant (who is the Chief Deputy-Coroner), and one office manager, and four investigators.

The current facility has the following deficiencies:

- Two of the four investigators are in a separate building located across the street due to lack of space.
- The outside door opens directly into the corridor leading to the autopsy room.
- Lack of transition area between the autopsy room and the office area allows for potential biohazard contamination.
- The remote autopsy viewing room also doubles as the grieving room.

Funding has been secured and plans are under way to build a 1,000 square foot addition to the office. The addition will include adequate office space for all staff, a transition room, a separate grieving room, and a secured storage area.

The Grand Jury found the Coroner's Office to be efficient and resourceful despite cramped conditions. The entire office was very neat and clean, and they made the most efficient use of resources and space available.

Previously, the Coroner's Office had a forensic pathologist. After the former pathologist retired, they began contracting with Forensic Medical Group for all of their forensic pathology services. On rare occasions, autopsies may be performed out of the county to accommodate the contracted pathologists' schedules. A dedicated county pathologist increases efficiency. A search is currently underway to recruit a full-time pathologist.

An x-ray machine is an essential tool in 20% to 30% of autopsies. The Coroner's Office currently uses a non-digital 1981 Bennett C835S x-ray machine. Supplies and maintenance for the machine are problematic. A newer model would provide digital copies of x-rays, better resolution, and emit less radiation. The Coroner's Office contracts with a local radiology service for portable x-rays as needed, which incurs additional cost. The Coroner's Office is looking for grants and alternative funding sources to help pay for a digital, portable x-ray machine.

During the investigation, the Grand Jury discovered the Coroner's webpage of the Shasta County website was in need of an update. When the Grand Jury brought this to the attention of the Coroner's Office staff, the website was subsequently updated. The webpage now includes the office address, the direct phone line, the Office Mission Statement, a description of the "Choices of Life" program, and references current staff.

"Choices of Life" is a program offered by the Coroner's Office directed at local troubled teens. It includes a tour of the Coroner's facility, along with a frank discussion of what can happen when poor choices are made. Referrals for this program are from the Shasta County Probation Department.

During the investigation, an incident came to the Grand Jury's attention regarding the delayed identification of a man who died on a local walking trail on December 24, 2015. His remains were taken to the Coroner's Office as a "John Doe". He was fingerprinted, but the prints were not submitted for identification in a timely manner. The lead investigator in the case used photographs of the body, and two separate individuals misidentified the deceased male. Believing that identification had been made and being unable to locate any family of the deceased to confirm identification, the investigator submitted as complete the investigation report without waiting for positive identification through fingerprint comparison. The decedent was not correctly identified by fingerprints until January 15, 2016. The Coroner's Office acknowledged their mistake; as a result, new procedures are being implemented to avoid this happening in the future. The Grand Jury has concluded that this was an isolated incident, and that the measures being taken are sufficient to avoid future occurrences of this nature.

FINDINGS

F1. The current square footage of the Coroner's Office is inadequate for their needs.

F2. The lack of a transition room between the autopsy room and the office creates the possibility for biological contamination.

F3. The lack of an on-staff forensic pathologist decreases the efficiency and continuity of investigations.

F4. The lack of a digital x-ray machine limits the investigative capabilities of the Coroner's Office.

COMMENDATIONS

C1. The Grand Jury commends the Coroner's Office staff for their commitment and compassion to performing a difficult job for the community despite the challenges they face.

C2. The Grand Jury commends the Coroner's Office for conducting the "Choices of Life" program.

C3. The Grand Jury commends the Coroner's Office for promptly updating the webpage after the need for an update was brought to their attention.

RECOMMENDATIONS

R1. The Grand Jury recommends the Shasta County Sheriff's Office uses the approved funding only for the completion of the 1,000 square foot addition to the Coroner's Office building.

R2. The Grand Jury recommends the Shasta County Sheriff's Office and Shasta County Board of Supervisors secure funding specifically for a digital, portable x-ray machine for the Coroner's Office by December 31, 2016.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following responses are required:

From the following elected county officer (within 90 days):

- Shasta County Sheriff-Coroner: **F1, F2, F3, F4 and R1, R2**

From the following governing body (within 90 days):

- Shasta County Board of Supervisors: **R2**

The Grand Jury recommends that all governing bodies place their responses to all Grand Jury Reports on their Regular Calendars for public discussion, not on their Consent Calendars.

INVITED RESPONSES

- The Grand Jury invites the following response:

NONE

Sugar Pine Conservation Camp
Partnership Matters

SUMMARY

California Penal Code Section 919 (b) mandates, "The grand jury shall inquire into the condition and management of the public prisons within the county." In June of 1988, the California Department of Corrections and Rehabilitation and the California Department of Forestry and Fire Protection (Cal-Fire) entered into a partnership to facilitate running Sugar Pine Conservation Camp, located 25 miles east of Redding in Shasta County.

BACKGROUND

Sugar Pine Conservation Camp is one of many conservation camps in California, and the only state prison in Shasta County. The camp is capable of housing up to 120 inmates that are minimum custody male convicted felons. Inmates are able to serve the last portion of their prison sentence providing community service.

The primary mission of Sugar Pine Conservation Camp is to provide inmate fire crews for fire suppression in Shasta and Trinity counties. Some additional inmate duties include:

- Providing a work force for conservation projects
- Flood prevention support
- Maintaining Highways 299 and 44 for vegetation burns and traffic safety
- Community services such as building and maintaining playgrounds for local schools and little league fields in Shasta and Trinity counties

METHODOLOGY

- Conducted on-site inspection, January 26, 2016
- Reviewed written materials provided by Sugar Pine Conservation Camp Commander
- Reviewed websites of California Department of Corrections and Rehabilitation, Cal-Fire, and Sugar Pine Conservation Camp
- Interviewed California Department of Corrections and Rehabilitation staff
- Interviewed Cal-Fire staff
- Interviewed administrative staff
- Interviewed several inmates

DISCUSSION

The California Department of Corrections and Rehabilitation and Cal-Fire have worked together over 27 years in a cooperative partnership. The Grand Jury observed that this partnership has facilitated the efficient running of the Sugar Pine Conservation Camp.

For the Grand Jury inspection, all camp staff attended a round table meeting. The Grand Jury met with:

- From Sugar Pine Conservation Camp: The Camp Commander, the Stationary Engineer, two Correctional Sergeants, and eight Correctional Officers
- From California Department of Corrections and Rehabilitation: Warden and other high-level administrative staff
- From Cal-Fire: The Battalion Chief, the Division Chief, 12 Crew Captains, two Heavy Equipment Operators, one Water and Sewer Plant Operator, and one Office Technician

Inmates are responsible for daily meal preparations, laundry, overall cleanliness, and maintenance of the camp.

The Grand Jury observed one of the twice daily, weekday transfers of inmate fire crews, from the California Department of Corrections and Rehabilitation to Cal-Fire. This was an orderly process, done with photo verification. Five crews go out daily to work in the community. The remaining inmates in camp are involved in daily work projects or upkeep of the camp.

In 2015, Cal-Fire reported Sugar Pine Conservation Camp provided the following services (in hours) to local communities:

- Fire Support/Search and Rescue 8,472 hrs
- Local Government Fire Defense Improvements 1,096 hrs
- U.S Bureaus of Reclamation and Land Management 936 hrs
- Anderson-Cottonwood Irrigation District 864 hrs
- Shasta Mosquito (Abatement District) 368 hrs

In addition, Sugar Pine Conservation Camp inmates and staff also provided 608 hours of community service on various projects within Shasta and Trinity counties. The hours provided save the state and county taxpayers an average of $1.5 million dollars annually in firefighting, fire suppression services, and projects as noted above.

The Sugar Pine Conservation Camp rehabilitation programs offered to inmates include spiritual services, Alcoholics Anonymous, G.E.D. program, college correspondence courses, music and work out areas, and a pre-release program.

Inmates can also participate in producing camp products which include woodworking, cabinet making, and engraving. Products are often donated to local charities for their community fundraising events.

The inmates are allowed visitations on weekends. Also, there are two annual on-site events sponsored by local community organizations to show appreciation to the inmates, the “Show and Shine” car show and a Christmas program.

FINDINGS

F1. Sugar Pine Conservation Camp inmates save state and county taxpayers $1.5 million dollars annually by providing firefighting and fire suppression work hours and projects.

F2. The partnership between California Department of Corrections and Rehabilitation, Cal-Fire, and camp inmates continues to allow efficient running of the camp.

COMMENDATIONS

The Shasta County Grand Jury commends the California Department of Corrections and Rehabilitation and the California Department of Forestry and Fire Protection as well as the support of local community organizations for their dedication in making this partnership work.

RECOMMENDATIONS

NONE

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the following response is required:

NONE

INVITED RESPONSES

The Grand Jury invites the following response:

NONE

2015-2016
Shasta County Grand Jury

Photograph courtesy of T.A. Schmidt & Associates

Top Left to Right: David Morris, Craig Perry, Hester Dunn, Alan Wheelus, Mitchell Houghton, Phillip Carr, Rebeccah Willburn **Bottom Left to Right:** Luz Maria (Lucha) Ortega, Valerie Coon, Jeanne Jelke, Anita Duplessis, Harold Vietti, Joan Bestor, Susan Bakke, Beverley Mills, Tracy Holcomb, Sandra Masten (**Not pictured:** Amy Reynolds)

The Marine Corps League's beautifully constructed Gazebo pictured above is designed with craftsmanship and details reminiscent of an old-fashioned band stand. This memorial to U.S. servicemen and women was dedicated in Lake Redding Park on October 1, 2013. It displays bronze seals for the U.S. Army, Marine Corps, Navy, Air Force, and Coast Guard, as well as a quote by Harry Truman thanking military veterans for their service and sacrifice. In the background is the Sacramento River Railroad Viaduct, comprised of three continuous Warren Deck Trusses, that spans 110 feet above the river.