



2009/2010

Shasta County

Grand Jury Final Report

With Responses

2009/2010
Shasta County
Grand Jury Final Report



Shasta County

GRAND JURY

P. O. BOX 992086
REDDING, CA 96099-2086
VOICE MAIL: (530) 225-5098

The Honorable Stephen H. Baker
Presiding Judge of the Superior Court
1500 Court Street
Redding, CA 96001

June 28, 2010

Dear Judge Baker

On behalf of the 2009/2010 Grand Jury, and in accordance with the laws of the State of California, the Grand Jury's final report is respectfully submitted. Our report represents thousands of hours interviewing, researching,

As Foreperson, I would like to express my gratitude to my fellow Grand Jurors for their hard work, integrity, dedication and for the time and energy they devoted to this important community service.

We could not have accomplished these tasks without the advice and counsel of Senior Deputy County Counsel, Dave Yorton. We also wish to thank District Attorney, Gerald Benito, Melissa-Fowler-Bradley and her staff from the Superior Court and Megan Dorney of the County Administration Office. We would also like to thank the many City and County government officials who generously gave of their time in answering questions and preparing documents.

It has been a real pleasure and honor for me to serve on the Shasta County Grand Jury. I sincerely hope our efforts will have a positive impact on the government entities we reported on.

Sincerely,

Dale Trudeau
Foreperson

Table of Contents

Letter to Judge Baker	
Table of Contents	4
Your Shasta County Grand Jury	5
Shasta County Grand Jury Members	7
Grand Jury Committees	7
Summary of 2009/2010 Grand Jury Activities	7
Response to the Grand Jury	8
Shasta County Grand Jury Final Report	9

REPORTS

Audit and Finance Committee

Audit of Shasta County Accounts: <i>“No Exceptions Noted”</i>	9
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City Committee

City of Redding Wastewater Treatment Plants, <i>“The Choice is Clear”</i>	10
Response to Wastewater	15
City of Redding Business Improvement Districts: <i>“To Tax or Not To Tax”</i>	16
Committee Informational Reviews	17
Redding Electric Utility Reserve Fund Loans: <i>“City of Redding Piggy Bank”</i>	

Criminal Justice Committee

Shasta County Law Enforcements Agencies: <i>“Use of Deadly Force”</i>	19
Employee Theft at the Sheriff’s Office	24
Grand Jury’s Visits to Public prisons in Shasta County	27
Shasta County Office of the Sheriff Budget	27
Shasta County Justice Center - Main Jail	28
Sugar Pine Conservation Camp #9	28
Shasta County Juvenile Hall	29
Shasta Area Safety Communications Agency	30

Local Districts and Agencies Committee

Anderson Fire Protection District: <i>“Since You Asked”</i>	31
Gateway Unified School District: <i>“Good Ol’ Boys will be Good Ol’ Boys!”</i>	37
Local Districts and Agencies Administration: <i>“Board Membership 101”</i>	48

Shasta County Committee

Animal Control: <i>“Its for the Animals”</i>	110
Committee Informational Reviews	119
Environmental Health: <i>“Restaurant Rating System”</i>	
Listing of Shasta County Grand Jury investigations from 1993-2009	120

Your Shasta County Grand Jury

Authority to Act

In California, the state constitution requires each county to maintain at least one empanelled Grand Jury. Here in Shasta County, as elsewhere in California, Title 4 of the California Penal Code and other state laws and statutes govern and guide Grand Juries. More specifically, Sections 925 et. seq. of the California Penal Code authorizes the Grand Jury to investigate and report on the operations of any department or municipal agency within the county. The Shasta County Grand Jury functions as an arm of the Judicial Branch of the government, operating under the guidance of the presiding judge of the Superior Court of Shasta County. In this capacity, the Grand Jury inquires into and investigates, when necessary, the operations of local government agencies and officials insuring that activities are valid and services are efficiently and legally provided.

All communication with the Grand Jury is confidential. Information provided to the grand jury to support a complaint is carefully reviewed to determine what further action, if any, is required. If it is determined that the matter is not within the investigative authority of the grand jury no further action is taken. If the matter is within the legal scope of the grand jury's investigative powers and warrants further inquiry, the grand jury will contact and interview those individuals who may be able to provide additional information. During an investigation all information and evidence will be considered, however, a review may not result in any action or report by the grand jury. The section of the California Penal Code, which governs grand jury investigations, restricts the release of investigation results. The presiding judge in a public report may release results of the investigations.

Areas of Empowerment

Acting on its own initiative or responding to a written complaint, the Grand Jury:

- May investigate aspects of county and city government's departments, officials' functions and duties, service districts, and special districts funded in whole or in part by public funds. Almost any entity that receives public money may be examined.
- May review criminal investigations and return indictments for crimes committed in the county. When an indictment has been voted on the case proceeds through the Criminal Justice System. The decision of whether or not to present criminal cases to the Grand Jury is made by the county District Attorney.
- May bring formal accusations against public officials for willful misconduct or corruption in office. These accusations can lead to removal from office.

The Grand Jury must inquire into the condition and management of all the adult or juvenile detention or correctional facilities within the county. The jury is not allowed to continue an oversight from a previous panel. If the jury wishes to look at a subject which a prior panel was examining, it must start its own investigation and independently verify all information. It may use information obtained from the prior jury but this information must be verified before it is used by the current jury.

Confidentiality of the Grand Jury exempts the jury from the requirements of the open meeting law (Brown Act). Direction and action taken requires that 12 of 19 members of the Grand Jury agree. This ability to internally police itself allows the Grand Jury to operate completely independent of external pressures. The desired result is a self-directed body of citizens that has the power to pursue unlawful conduct to its very source, including local government itself.

Citizen Complaints

The Grand Jury reviews all complaints and investigates when appropriate. Each complaint is treated confidentially. The complainant may be asked to appear as a witness. A complaint form may be obtained by contacting:

Shasta County Grand Jury

P.O. Box 99286

Redding Ca. 96099-2085

(530) 225-5098 or online at www.co.shasta.ca.us

Why should you serve?

As a citizen you will have an opportunity to make a difference. You will become involved with other interested citizens in learning more about city and county governments and special districts. The Grand Jury issues informational reports about local government agencies performance. A challenging year of investigations, interviews and deliberations will give you an education and unique experience.

To be a Grand Juror

The Shasta County Grand Jury is composed of 19 concerned county citizens. Prospective jurors should; be willing to work as a team member, understand small group dynamics, and be willing to work in a collaborative manner to reach consensus. Although not essential, access to a computer and the ability to research topics on the internet will be helpful to the prospective juror. Prospective jurors apply in April/May for the coming fiscal year. The presiding judge selects 30 names. To preserve continuity, the presiding judge may select a few jurors to continue into a second term, however jurors may not serve more than two consecutive terms. The balance of the jurors are randomly selected by a drawing.

Prospective Grand Jurors

An application to serve on the Grand Jury may be requested from the following address:

Shasta County Superior Court

Courthouse room 205

1500 Court Street

Redding, Ca. 96001 or on line at www.co.shasta.ca.us

2009/2010 Shasta County Grand Jury

Dale Trudeau, Foreperson

Cathy Arentz	Richard Kalford
Jim Berg	Samuel Kekaha
Joyce Bianchini	Al Parker
Karen David	Lesla Donnelly
Marion Schmitz	Harla Hanford
Ronald Sechrist	Andy Hobbs
Stan Smith	Colleen Hopper
Susan Thorsteinson	Al Jensen
Harry Tully	

Grand Jury Committees

Audit and Finance
City Government
Continuity
County Government
Criminal Justice
Editorial
Information Technology
Local Districts and Agencies

Summary of 2009/2010 Grand Jury Activities

Agencies, Departments and Districts toured	24
Autopsies attended	3
Committee meetings held	141
Complaints received	44
Criminal Hearings held	0
Interim Report	0
Final Report	1
Governmental Board Meetings attended	65
Indictments	0
Joint Audit Committee Meetings attended	3
Meetings of Full Grand Jury	28
Number of interviews conducted in the course of investigations	95
Citizen Reviews with Shasta County District Attorney	0

Responses to the Grand Jury Final Report

Section 933.5 of the California Penal Code requires that public agencies respond to the final report of the Grand Jury no later than 90 days if the respondent is a governing body or 60 days if the respondent is an elected official. The responses must be sent to the presiding judge of the Superior Court of Shasta County. The respondents are required to comment on the findings and recommendations contained in the report. The respondent must indicate whether the respondent agrees with the finding, disagrees wholly or partially with the finding, has implemented the recommendation, plans to implement the recommendation in the future, will further analyze and study the recommendation, or will not implement the recommendation and, if not, provide an explanation as to why it will not be implemented.

Copies of Grand Jury Reports and the required responses made by responsible governmental agencies may be found on the Shasta County Grand Jury webpage. Electronic copies of reports and responses date back to the 2001/02 Grand Jury report at www.co.shasta.ca.us

The Grand Jury investigates and reports on the operations of any department or municipal agency within the county. - Section 925 et seq. of the California Penal Code

At the time this report was compiled, the information contained therein was accurate to the best of the Grand Jury's knowledge. However, some facts may have changed since the original compilations were filed. Whenever possible, the report has been updated.

When there is a perception of a conflict of interest involving a member of the Grand Jury, that member is required to recuse herself or himself from any investigation involving such a conflict and from voting the acceptance or rejection of the related subject.

AUDIT and FINANCE COMMITTEE

***Overview:** The Audit and Finance Committee is required by law to annually examine the financial accounts and records Shasta County. This examination is conducted in conjunction with the annual audit required by Government Code 25250.*

Audit of Shasta County Accounts

“No Exceptions Noted”

Penal code section 925 requires the grand jury to annually examine the financial 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 to employ an auditor for both of these purposes.

A Joint Audit Committee consists of members of the Grand Jury Audit and Finance Committee, the Grand Jury Foreperson, the Chairperson and Vice Chairperson of the Shasta County Board of Supervisors, the County Administration Officer, the Budget officer, County Counsel, the Treasurer/Tax Collector and the Auditor/Controller.

As part of the Joint Audit Committee, the Audit and Finance Committee monitors the contract auditor, Gallina, LLP, and reviews its report. Gallina indicated everything was in order and found no concerns. Gallina also reported that the controls in place for the County are working well.

The Joint Audit Committee, met three times during the year to receive the reports and to consider the renewal of the Gallina, LLP, contract for an additional year. It was also discussed that since the contract is between the County of Shasta, the Shasta County Grand Jury, and Gallina, LLP, the liability policies maintained by the contractor indicate that the Grand Jury should be named as an additional insured. This was accomplished.

The final result of the auditors report was an “unqualified opinion”, meaning no exceptions were noted.

Due to the degree of complexity with county finances and the different accounting and reporting requirements, it is no small feat for a government entity to receive an unqualified opinion on their audit.

CITY COMMITTEE

***Overview:** The City Committee investigated the City of Redding's wastewater treatment and disposal plants and the expenditure of approximately \$100 million to upgrade and expand both facilities. Based on a citizen's complaint, the committee reviewed procedures followed by the City of Redding in establishing Business Improvement Districts (BID) asking the question "are assessments imposed by a BID considered a tax as defined by the State of California?" Finally, the committee reviewed the status of Redding Electric Utility loans to the City of Redding and the general fund as it relates to the purchase and subsequent sale of the Stratte property.*

City of Redding Wastewater Treatment

777 Cypress Ave. Redding, CA. 96001 – (530) 224-6069

The Choice is Clear

Reason for Inquiry

The City of Redding (City) has embarked on an approximately \$100 million improvement and expansion project at its two wastewater treatment plants. The City's wastewater system has not been the subject of a comprehensive examination in at least a decade. For these reasons, the Grand Jury decided to investigate.

Background

Wastewater Utility is one of the divisions under the Municipal Utilities Department of the City of Redding. The wastewater department consists of a collection system, two wastewater treatment plants (Clear Creek and Stillwater), an industrial wastewater component, and a compliance unit. A director heads the department, a manager oversees the daily operations, and each component (i.e., collection, plants, compliance and industrial waste) has a supervisor and staff. Staffing at the plants includes certified laboratory technicians.

The Clear Creek plant is undergoing a multi-year, multi-phase, \$80 million modification and expansion. This project is expected to be completed in 2012. Financing is through a series of low interest loans from the California State Revolving Fund to be repaid over 20 years.

One engineering firm completed a facilities plan (initial design), and another completed the final design. A branch of that second firm was hired to manage construction.



Before

After

The Stillwater expansion is being designed and is expected to be ready to go out to bid in the spring of 2010. The first two phases are expected to cost about \$8 million each.

The City maintains two water collection systems. Sewer water goes to either of the two treatment plants. Storm drain water flows directly into our creeks and streams, and at times into the sewer system. Because storm drain water is not treated, it is very important for the community to be careful what it puts into the system. For example, washing cars in a driveway or on the street allows detergents and other chemicals to flow into the storm drains.

Four hundred and twenty miles of sewer lines and 17 pumping stations make up the collection system. Because the collection piping is gravity flow, deteriorated pipes enable groundwater to leak into (infiltrate) the system. Influent to the plants is composed of sewage plus inflow and infiltration. Inflow is storm water, which enters the system through openings, such as sewer manholes and roof gutters plumbed directly into collection piping. Infiltration is ground water leaking into the system through faulty piping.

Fixed flow meters measure flow rates at various locations in the system in order to detect leaks. The City has recently acquired portable flow meters to augment these measurements during rain events. When infiltration is suspected, the pipes are checked by the use of TV cameras and smoke testing in order to find and repair defective pipes.

Property owners are responsible for maintaining their connection (lateral) to the sewer system. Currently many homes still have rain gutters plumbed directly into their lateral. This and infiltration (leaks) into faulty laterals contribute approximately three fourths of the total influent, causing an undue burden on the treatment plants. Inflow and infiltration are common problems in most communities. Some communities have attempted to solve this issue through ordinances that require property owners to inspect and repair faulty laterals prior to property sale or transfer.

The Clear Creek Treatment Plant is located on Metz Road south of Redding. In dry weather the treatment plant processes about 8 million gallons per day (mgd) and two to two and one-half times as much in rainy weather. Flows, greater than this, are diverted to storage ponds. However, the pond storage capacity is scheduled for reduction, from 126 million gallons to 96 million gallons, because some of the ponds are being converted to solids processing and handling basins as part of the upgrade. Inflows during a heavy rain event can go as high as 50 mgd. When that occurs, the excess over 16 mgd must be stored; but because of storage reduction, it is conceivable the plant could be overwhelmed during a heavy 3-4 day storm.

The Clear Creek Treatment Plant operates under a permit issued by the California Regional Water Quality Control Board (Board); that permit has expired, but the state is allowing continued operation, pending renewal.

The City expects to treat more sewage daily to compensate for the decreased storage and future growth. Clear Creek could process 40 mgd of raw sewage daily, except the tertiary filters (final filtering stage) limit the processing capability to 16 mgd. In order to compensate for this limitation the City proposed to blend unfiltered effluent with the filtered by bypassing the filters (blending) during periods of heavy rain. Without filtering all the effluent (water discharged into the river), the water would contain more suspended solids than when properly filtered. Resolution 68-16 of the State Water Resources Control Board (SWRCB) states that once an approved level of quality of discharged water is achieved, plant modifications that would degrade (downgrade) performance to a lower level are not permitted. The Board has stated that blending will not be allowed in the new permit; and if it occurs under other than emergency circumstances, the City will be fined.

Recently, the City of Redding received a \$19 million low interest loan (\$2 million may be forgiven) from Federal Stimulus Money. These monies along with savings realized by not modifying additional storage ponds could pay for tertiary filtration improvements, which could resolve the issue of blending.

The Stillwater Treatment Plant, located off Airport Road, processes about 2.5 mgd and has storage capacity for rainy periods. Part of the rework plan is to run a 6-inch pipe from the Stillwater plant to the Clear Creek plant (six to seven miles) to move suspended solids for processing at a single location resulting in cost reduction.

Once sewage reaches either plant, it goes through the headwork's where large solids are screened out. At Clear Creek, solids larger than six millimeters are processed through macerators, which are similar to very large garbage disposers. The macerated solid material is dewatered and compacted. The liquid sewage is clarified by letting it sit in large basins where the solids settle and floating material is skimmed off. Both types of removed material are pumped through the solids treatment processing equipment, added to the macerated solids and then sent to a landfill or used for commercial applications. Interviewees indicated that the recently installed macerators require an excessive amount of maintenance.

The liquid sewage goes through aeration, further clarification, and then tertiary filtration prior to being disinfected with chlorine. The final steps are to neutralize the chlorine with sulfur dioxide and discharge the effluent into the Sacramento River. The discharged water is cleaner than required by federal, state and county regulations. The Stillwater plant process is slightly different but produces the same desired results.

The entire process is monitored by an electronic system which checks inflows and outflows, temperatures, biochemical oxygen demand and total suspended solids. Laboratory technicians measure pH and biological, bacteriological, and heavy metals content. The quality of the river water is tested above and below the point of discharge. All data are logged and reported to the state, county and Environmental Protection Agency (EPA). Both plants are staffed ten hours a day with an operator on call after hours. When a problem occurs, the monitoring system alerts an operator who responds to correct the problem. The division manager has the ability to access the monitoring system remotely.

There are numerous rules and regulations that cover training, safety, and operating procedures. Compliance must be documented to the EPA, state, and county. Within the last year, the city hired a compliance officer whose job is to ensure that appropriate records are kept and reported. The Grand Jury found that some forms in the procedure manual were not being used; however, locally generated forms were being utilized. Still, other forms were not completed in a timely manner. The compliance officer is working to clear up the deficiencies.

The Industrial Waste Division identifies new and existing businesses which have the potential for discharging hazardous waste, i.e. heavy metals. This division works with these businesses to ensure that maximum allowable levels of discharged materials are not exceeded. Restaurants are included because of grease and food particulates. Results of routine testing are reported to federal and state agencies.

Findings

1. The City of Redding Wastewater Treatment facilities are financially self-supporting.
2. Both plants were clean and relatively odor free.
3. Staff was friendly, cooperative and knowledgeable.
4. In accordance with Resolution 68-16 the State Water Resource Control Board will cite the City if it uses blending under non-emergency conditions.

5. Several engineers stated that if it came down to blending effluent or dumping raw sewage during high inflow, both of which could result in a fine, the City would elect to blend.
6. Employees stated that additional filtration capacity would alleviate the need for blending; however, additional filtration was removed from the original facility plan due to cost.
7. At this writing, the project plan is being modified to include additional filtration which should eliminate the need to blend.
8. The City failed to secure the Board's written approval for the blending process in the initial design.
9. The City has no staff engineers that are expert in wastewater treatment technology. Consequently, it has no in-house capability to fully evaluate the merits of engineering designs.
10. Construction oversight was assigned to a division of the company that performed the engineering design. This created at least an appearance of a conflict of interest.
11. The City has a program to repair collection mains to reduce inflow and infiltration, but none to address faulty or improperly plumbed laterals. Implementing a program would reduce the problem caused by rain and groundwater.
12. The macerators (grinders) installed within the last two years require excessive maintenance. The manufacturer's warranty has expired; however, the firm is re-engineering the unit at no cost to the City, at least this time.
13. There is a comprehensive procedures manual which includes operational data forms that are not being utilized. However, required information is gathered and recorded, utilizing locally generated forms.
14. The Clear Creek plant emits a significant amount of methane gas which is flared (burned) on site.

Recommendations

1. The City should insure that major proposed changes to the treatment plants or the collection system are approved in writing by the Board prior to implementation.
2. The City should try not to hire one division of a company to oversee the work of another division within that same firm.
3. The Grand Jury recommends the procedures manual be updated so only the forms that are currently used are in the manual.
4. The Grand Jury recommends the City enforce an ordinance requiring property owners with rain gutters connected directly to their lateral to disconnect them.
5. The City should adopt an ordinance requiring property owners to inspect and repair laterals prior to sale or change of ownership.

6. The City should explore methods for using locally generated methane gas more profitably.

Responses Required

- The Redding City Manager as to findings 4, 7, and 11.
- The Redding City Council as to recommendations 1 through 6

Method of Inquiry

The Grand Jury interviewed the following:

- Municipal Utilities Director, City of Redding
- Municipal Utilities Manager, City of Redding
- Three representatives of the Regional Water Quality Board
- Five civil engineers
- Five wastewater treatment plant operators
- Five Municipal Utilities Division supervisors

The Grand Jury toured both City of Redding wastewater treatment plants.

The Grand Jury reviewed approximately 1,200 pages of manuals, reports, meeting minutes and information on several web sites.



Settling Basin

CITY OF REDDING



OFFICE OF THE CITY MANAGER

777 Cypress Avenue, Redding, CA 96001

P.O. Box 496071, Redding, CA 96049-6071

530.225.4060 FAX 530.225.4325

July 8, 2010

B-080-600-800

A-1

Kurt Starman, City Manager

Barry Tippin, Assistant City Manager

The Honorable Stephen H. Baker
Presiding Judge
Shasta County Superior Court
1500 Court Street, Room 205
Redding, CA 96001

Dear Judge Baker:

The 2009/2010 Shasta County Grand Jury Final Report (the Report) includes a section titled "City of Redding Wastewater Treatment - The Choice is Clear." This section of the Report includes 14 findings and 6 recommendations. The Grand Jury has requested that the City Manager of the City of Redding respond to findings 4, 7, and 11. The purpose of this letter is to respond to that request.

Finding No. 4

In accordance with Resolution 68-16 the State Water Resource Control Board will cite the City if it uses blending under non-emergency conditions.

Response to Finding No. 4

The respondent agrees with this finding. The California Regional Water Quality Control Board may cite the City of Redding if it violates the conditions of its permit.

Finding No. 7

At this writing, the project plan is being modified to include additional filtration which should eliminate the need to blend.

Response to Finding No. 7

The respondent agrees with this finding. The City of Redding may modify the expansion plans for the Clear Creek Wastewater Treatment Plant. These modifications would eliminate the need to blend under non-emergency conditions. It is anticipated that the City Council of the City of Redding will consider these proposed modifications in the near future.

Business Improvement Districts

777 Cypress Ave. Redding, CA. 96001 – (530) 224-6069

To Tax or Not to Tax

Reason for Inquiry

The Grand Jury received a complaint that stated, “City of Redding created two illegal motel taxes without a vote of the people.” The complainant demanded refunds of monies, plus interest, to the “victims.”

Background

The Property and Business Improvement District Law of 1994 establishes Streets and Highways Code Sections 36600-36671, which addresses the formation of business improvement districts (BID). A BID may be formed by cities, counties, or joint power agencies and has the authority to assess certain businesses within their district. Many BIDs have been established throughout the state, especially in San Francisco. A BID is proposed when a group of business owners approaches a governmental entity to pass a resolution authorizing a public hearing on the formation of a BID. Fifty percent of the businesses affected must agree to the formation of the BID and the proposed assessment. Upon completion of these steps, a final resolution is passed establishing the BID.

In Redding, three BIDs have been established. The first, Downtown Redding Business Improvement District was formed in 1997. Its goal is to create a catalyst for continued revitalization of the downtown area.

The second, Hilltop Hotel BID (HHBID), was started on December 6, 2005, for a five year term, with an assessment rate of 1.5% of gross short-stay (less than 30 days) income. It affects hotels and motels in the Hilltop Drive area. The funds collected from HHBID are being used to make infrastructure improvements only within the district. Redding Electric Utility and the Redding Redevelopment Agency participated in the project.

The third BID was started on July 1, 2008, for a one-year term at 1% of gross short-stay income and was renewed through July 1, 2010. This BID is named Tourism Marketing BID (TMBID) and includes all motels and hotels within the City of Redding.

Short-term guests are charged fees, which cover the assessments for both BIDs.

Findings

1. Streets and Highways Code 36601(d), states that BID assessments are not taxes.
2. Assessments do not require voter approval. Both legal counsels concurred.

Conclusion

The Grand Jury concludes that the assessments in the BIDs are not taxes and need not be returned.

Method of Inquiry

The Grand Jury reviewed the following:

- City of Redding Resolution 2005–164, which created the Hilltop Hotel Business Improvement District (HHBID)
- City of Redding Resolution 2008–56, which created the Tourism Marketing Business Improvement District (TMBID)
- California Constitution Article 13c, section 2
- Streets and Highways Code Sections 36600-36671
- Copies of bills from three hotels and motels

The Grand Jury interviewed the following:

- Senior Deputy Shasta County Counsel
- Member of Redding City Attorney’s Office
- Two Hilltop Drive hotel owners via telephone
- Three Hilltop Drive hotel/motel managers

At times, a Grand Jury may embark on an inquiry or investigation only to find that the agency or operation is functioning properly. In these instances a full report may not be warranted, however, the information gathered may be beneficial to Shasta County residents. An abbreviated version of that information is presented.

REU Reserve Fund Loans

to the

City of Redding

The City of Redding’s Piggy Bank

In 1972 the Redding Electric Utility (REU) was tapped by the Redding City Council, acting as the board of the Redevelopment Agency, to make an advance (loan) to the Agency’s Midtown Project Fund. The purpose for the \$550,000 loan bearing three percent interest, on principal balance only, was to erect a parking structure for the new midtown mall (Promenade). Two year later an additional loan for \$550,000, called the Parking Fund Loan, was made for the same purpose. The loan balances as of June 30, 2009, were \$576,155 and \$550,056, respectively. Some city officials reported that it is unlikely that these loans will ever be repaid.

In March 2004, the Redding City Council arranged a \$1,500,000 loan from REU to the general fund for the purpose of buying a property outside the city's sphere of influence. The stated intent was to preserve open space between Redding and Anderson and to present an appealing entry to the city. This parcel (the former Stratte property) is 82 acres west of I-5 and south of South Bonneyview Road. Eighty percent of the property is located in a one-hundred year flood plain. At the time of purchase only a "restricted" appraisal was obtained, meaning no formal appraisal was completed, only a willing buyer and a willing seller agreement. Escrow closed two weeks later in 2004, with interest payments deferred until the 2008-09 fiscal year. In 2009, a \$200,000 payment was made. The property was sold on March 2, 2010, for \$1,575,000. The proceeds transferred to REU were \$1,418,000, which according to city officials yielded a small profit.

It is legal for the Redding City Council to authorize such advances of funds (loans) from the electric utility's reserve fund to any city entity. (Proposition 218 precludes such loans from utilities other than gas and electric.) Currently, there is approximately \$34,000,000 in the REU reserve fund. This is more than 20% of REU's current operating budget of \$140,000,000, which is the level the Redding City council has mandated as a minimum. Despite two consecutive annual rate increases (2009-2010) of 7.8%, the reserve fund is expected to drop due to the increased cost of purchased power. The Redding City council has latitude with the reserve fund and could use it as a big piggy bank, if so inclined.

CRIMINAL JUSTICE COMMITTEE

Overview: The Criminal Justice Committee begins their segment of this report with a review of Shasta County Law Enforcement Agencies' policies and procedures on the "Use of Deadly Force." The report is a little technical, providing information that is not normally read by the average citizen. This is followed with informational articles discussing the Grand Jury's mandated visits.

Shasta County Law Enforcement Agencies "Use of Deadly Force"

Background

Shasta County has five law enforcement agencies within its boundaries: the Shasta County Sheriff's Department, Shasta County District Attorney's Investigations Unit, Shasta County Marshal's Office, Anderson Police Department and the Redding Police Department. Each of these agencies is governed by their own internal Use of Force policies, procedures, and protocols.

This inquiry excludes State (California Highway Patrol et. al.) and Federal Law Enforcement agencies (FBI, ATF, DEA, et. al.) since they fall outside the jurisdiction of the Shasta County Grand Jury.

City of Shasta Lake is a "contract" city, i.e., it contracts with the Shasta County Sheriff's Department to provide law enforcement services.

The use of force by law enforcement personnel is a matter of critical concern both to the public and to the law enforcement community. Officers, on a daily basis, are confronted with unique situations that may involve the use of force to carry out their duties.

The use of a firearm is one of the most serious acts in which a law enforcement officer will engage. It has the most far-reaching consequences for all parties involved. Therefore, it is imperative that the officer act within the boundaries of legal guidelines, ethics, good judgment, and accepted practices. Further, the officer must be prepared by training, leadership, and direction to act wisely whenever using a firearm in the course of duty.

It is the ultimate objective of every law enforcement encounter to minimize injury to everyone involved. In many cases, a critical incident (e.g. an in-progress bank robbery, a homicide, a hostage / SWAT

situation) within the county may require a multi-agency response involving officers from the various county agencies.

It was the intent of this Grand Jury to review all five agencies' Use of Force policies, specifically the Use of Deadly Force, to determine if there is countywide uniformity and continuity in the training and application of these policies.

The use of a firearm is expressly considered deadly force; however, other force might also be considered deadly if the officer reasonably anticipates and intends that the force applied will create a substantial likelihood of causing death or very serious bodily injury. Law enforcement officers may employ reasonable force in only three specific instances: 1) effect an arrest, 2) to prevent an escape, or 3) to overcome resistance.

California Penal Code Section 835a, titled "Use of Force to Effect Arrest, Prevent Escape, or Overcome Resistance" reads:

"Any peace officer who has reasonable cause to believe that the person to be arrested has committed a public offense may use reasonable force to effect the arrest, to prevent escape, or to overcome resistance.

A peace officer who makes or attempts to make an arrest need not retreat or desist from his efforts by reason of the resistance or threatened resistance of the person being arrested; nor shall such officer be deemed the aggressor or lose his right to self-defense by the use of reasonable force to effect the arrest, or to prevent escape or to overcome resistance. (Added by Stats. 1957, c 2147, p. 3807, § 11.)"

Officers are trained by their respective agencies that the use of deadly force may be applied only under the following conditions:

- to protect him/herself or others from what he/she reasonably believes is an imminent threat of death or serious bodily injury
- to effect an arrest or prevent the escape of a suspected felon when the officer has probable cause to believe the suspect has committed or intends to commit a felony involving the inflicted or threatened inflicting of serious bodily injury or death and the officer reasonably believes that there is an imminent or future potential risk of serious bodily injury or death to others if the suspect is not immediately apprehended
- to overcome resistance

This is an enormous power without which peace officers would be unable to protect their communities and enforce the laws. With that power comes enormous responsibility and accountability. An officer must have an understanding of, and an appreciation for, the limitations placed on their authority.

As a matter of course, use of deadly force incidents are intensely investigated and reviewed by the law enforcement agency involved, by an independent law enforcement agency not involved in the incident, and by the District Attorney's office.

Each of the five Shasta County law enforcement agencies has a specific, well defined protocol addressing officer involved shootings or deaths at the hands of law enforcement officers.

Over the years, court decisions (both state and federal) have had a dramatic influence on use of force policies. Federal and state case laws now dictate that the "reasonable officer" standard applies when determining whether the force used by an officer was reasonable or not. This legal standard states that reasonable force must be judged from the perspective of a reasonable officer on the scene at the time of the incident. In other words, a jury must place themselves 'in the officer's shoes' at the time the force was used and take into account only what the officer knew, or should have known, at that particular time. (Graham v. Connor (1989) 490 U.S. 389, 109 S Ct. 1865, 104 L.Ed.2d 443) Any interpretation of reasonableness must allow for the fact that officers are often forced to make split-second decisions about the amount of force to apply in circumstances that are tense, uncertain, and rapidly evolving.

As already mentioned, each of the five law enforcement agencies within Shasta County have their own department/agency Use of Force Policy. However, they all contain the core elements as prescribed by the California Penal Code.

As an example, Redding Police Department's Use of Force Policy reads as follows:

“1. Firearms may be discharged by members of this department in the performance of their duties under the following circumstances:

A. In the defense of themselves or other persons from the imminent, actual or perceived threat of death or serious bodily injury. When possible, officers should issue a warning of their intent to use deadly force.

1) Included in the definition of self-defense is the use of deadly force while an assault with a deadly weapon using a vehicle is actually being committed. Officers shall not intentionally step into, and/or stand in the path of a vehicle, creating circumstances where use of deadly force becomes necessary.

2) Once an officer no longer perceives a threat, deadly force is no longer justified.

B. To prevent a crime where the suspect's conduct places a person or persons in danger of death or serious bodily injury.

C. To apprehend a fleeing felon suspected for a violent crime involving the use or threatened use of deadly force or where there are other circumstances which reasonably create a threat of death or serious injury to the officer or others if apprehension is delayed.”

The remaining sections in the Redding Police Department's Use of Force Policy do not refer to situations that relate to this report.

While officers have a duty to use a reasonable degree of force to protect human life, the use of deadly force is not justified merely to protect property interests.

All Shasta County law enforcement agencies routinely update their Use of Force training policies to reflect changes in Court decisions.

An example of a well-organized, consistent training program regarding the Use of Force can be found in the Shasta County Sheriff's Office Training Overview. Each member of the Shasta County Sheriff's Office that is assigned a handgun goes through an 8-hour Weapons Familiarization Course before being issued a weapon. This course consists of a review of supporting case law, range safety, and deadly force policy. Then the deputies qualify at the shooting range with their handgun, shotgun, and rifle.

After being assigned to their respective patrol duties, each deputy must re-qualify during six range events per year. These include three qualification shoots and three dynamic, reality based shoots that incorporate physical exertion into the scenario.

Each of the five county agencies provided their policies for review. All policies were found to be fundamentally uniform. Although specific wording differed, the core contexts were consistent.

These policies appropriately provide the basic guidelines governing the use of firearms so that officers can be confident in exercising judgment as to the use of deadly force. These policies are also used as an administrative guide for decision making before an incident and as a standard for administrative judgment of the propriety of an action taken.

Two recent, high-profile shooting incidents are examples of law enforcement's appropriate use of deadly force. On December 7, 2009, a suspect was shot and killed following a bank robbery at a Plumas Bank in Redding. The Shasta County Critical Incident Protocol was initiated, involving numerous law enforcement agencies to investigate and determine the propriety of the shooting. Since officers from the Redding Police Department were directly involved in the shooting, the incident was investigated by the Shasta County Sheriff's Office. The District Attorney monitored the investigation and opined on the legality of the shooting. After reviewing all the information, the District Attorney concluded the officers were justified in using deadly force. This finding was based on reviewing the facts through the eyes of a reasonable officer facing the same or similar circumstances (*Graham v. Connor* supra. 490 U.S. 389) and determining whether a reasonable officer would have felt fear of death or serious bodily injury given those same facts. In this case, the suspect was described by a bank teller as being armed with a handgun; and during the resulting chase, when the suspect pointed the gun at the officers, they also reasonably believed the suspect was armed with a deadly weapon. The fact that it turned out to be a BB gun was not a factor when analyzing the situation. The question was, did the officers at the time of the shooting have a reasonable fear of death or serious bodily injury to themselves or others? The District Attorney concluded the shooting by each officer was justified.

The second case involved the shooting death of the Burney U.S. Bank robber by a Sheriff's Office SWAT team member. Again, the Officer Involved Critical Incident Protocol was implemented, with Redding Police Department the lead investigating agency. The District Attorney monitored the investigation and applied the same reasonableness standard mandated by the law. His findings were based on the information the officers had received and their observations, which included the facts that the suspect had already shot two people, fired at arriving deputies, and was holding hostages at gunpoint. The District Attorney's finding concluded the shooting of the suspect was justified.

In both cases, the District Attorney commended the involved officers for their skill, training, execution of plans, and bravery.

The District Attorney's finding and conclusions regarding the shooting incidents mentioned above may be found on the Shasta County District Attorney's web site, www.da.co.shasta.ca.us, then accessing the Press Releases tab.

The law enforcement agencies in this county have comprehensive use of force policies and firearms training programs that are consistent and legally compliant with State and Federal law pertaining to the use of deadly force.

Responses Required:

- None

Method of Inquiry:

The Grand Jury visited the following:

- City of Anderson Police Captain
- Shasta County District Attorney's Chief Investigator
- Shasta County Marshal
- Shasta County Sheriff /Coroner
- Shasta County Sheriff's Administrative Training Sergeant
- The City of Redding Chief of Police

The Grand Jury reviewed the following:

- Anderson Police Department Use of Force Policies, including Non-Deadly Force Applications, Pain Compliance Techniques, Carotid Restraint, Shasta County Multi-Agency Officer Involved Critical Incident, Department Shooting Policy, Leg Restraint Policy, Oleoresin Capsicum Spray (Pepper Spray), Pepper Ball System, Kinetic Energy Projectiles and Handcuff Policy
- The Office of the District Attorney's Firearms Policy (Use of Deadly Force) and use of Oleoresin Capsicum (Pepper Spray)
- Shasta County Marshal's Office Use of Force Policy, including Non-Deadly Force Applications, Use of Deadly Force, Pain Compliance / Control Hold Techniques, Batons, Chemical Agents, Hand Held Stun Devices, Carotid Restraint
- Shasta County Sheriff's Office Use of Force Review 2010, including Use of Force Training, Use of Force Policy, TASER Policy, K-9 Policy, Active Shooter Training Outline, Bank Robbery Response Protocol, Non-Deadly Force Applications, Pain Compliance Techniques, Carotid Restraint, Active Shooter Training and Bank Robbery Response

- Redding Police Department's Use of Firearms/Critical Incident Investigation Guidelines/Administrative Procedures for Officer-Involved Shooting and Other Critical Incidents, which also includes the Multi-Agency Critical Incident Protocol, the Use of Force Reporting Guidelines, the Less Lethal Force Policy (Projectile Weapon, Leg Restraints, Chemical Agents, Police K-9, TASER, and Carotid Restraint) and the Special Weapons and Tactics (SWAT) Team Policy
- Applicable Case Law:

Tennessee v Garner (1985) 471 U.S. 1, 105 S.Ct. 1694, 85 L.Ed. 2d 1

Graham v. Connor (1989) 490 U.S. 389, 109 S.Ct. 1865, 104 L.Ed.2d 443

Smith v. City of Hemet (9th Cir. 2004) 356 F.3d 1138 (Smith I)

Above case laws can be viewed on the internet by querying any of the case names, e.g. Tennessee v Garner.

Employee Theft at the Sheriff's Office

Background

On November 25, 2009, a former senior civilian clerk working for the Shasta County Sheriff's Office was arrested and charged with misappropriation of public funds, embezzlement by a public officer, and grand theft. This clerk worked for the sheriff's records division for 19 years and had been committing these criminal offenses since the spring of 2007. On January 15, 2010, this clerk was convicted for stealing \$15,363 from fees that citizens had paid for permit renewals to carry a concealed weapon (CCW), fingerprinting services, and copies of Sheriff's Office investigative reports.

Having accepted a plea bargain, the clerk received a sentence of 270 days in jail and five years probation, and ordered to pay approximately \$80,000 in restitution, which included court costs and the Sheriff's investigative time.

The Grand Jury's intent was to review the procedures that allowed these thefts to continue without detection for over three years and to review the new procedures, implemented since, to prevent this from happening again.

The senior clerk was a respected, experienced records employee, who was considered the resident expert in the CCW permitting process and one to whom most of the other clerks deferred in this regard. This clerk was also responsible for making appropriate computer entries, collecting and processing money, and filing CCW paperwork with the Department of Justice and the Shasta County accounting department.

The first signs of a problem surfaced between December 2008 and February 2009. During an audit of issued CCW permits, a number of irregularities and errors were found in the CCW permit files. In January 2009, co-workers discovered improper, missing, and misfiled documentation of CCW permits. When questioned by her civilian supervisor about these errors, this senior clerk offered a simple "clerical error" excuse. The senior clerk admitted to her supervisor that these circumstances could look like someone was stealing money, but she "swore" that was not the case. No further inquiries were made into these "clerical errors". The civilian supervisor decided to handle the matter "in-house." Nothing further was done - - no audit, no review of procedures, and no notification up the chain of command to a sheriff's supervisor. As a result, the thefts continued.

Four months later, other clerks started to notice suspicious activity, including files missing the correct copy of CCW transaction receipts and missing or misfiled copies of applications. One clerk discovered that the senior clerk was not processing CCW permits through the computer system properly and instead was using the "print-screen" option to print receipts. Again, the supervisor met with the senior clerk and this time told her not to use the 'print screen' option to print receipts because a 'dishonest employee' could use this method to generate a receipt report for the citizen, delete the receipt information, and pocket the fee. Again, the senior clerk was counseled to follow the proper procedure; and again, nothing further was done.

One month later, another clerk found partially shredded CCW permits in the waste can and additional paperwork missing from the files. This clerk conducted a review of CCW permit files and found that a number were not in compliance with procedures. Finally, Sheriff's Office Supervisors were contacted. A criminal investigation was initiated, resulting in the senior clerk's arrest and felony conviction.

During the ensuing investigation, it was discovered that the senior clerk would accept CCW fees, log into the computerized CCW receipt program, and enter the transaction information as required. However, the senior clerk would not send the transaction information electronically but would, instead, give the citizen a "print screen" copy as a receipt. This defeated the accounting process by not generating a proper paper trail. The senior clerk admitted having used this avoidance technique since the spring of 2007.

The Grand Jury found a number of problems with the CCW processing procedures, the most glaring being the consistently inadequate supervision. For a number of reasons, this senior clerk was allowed to do pretty much as she pleased in regards to the CCW permitting process. This resulted in her manipulating the system and costing the County tens of thousands of dollars that are unlikely to be recovered.

The Sheriff's Office has instituted significant changes in policy and procedures to ensure a crime such as this does not reoccur. Examples of these policy and procedure changes include the following:

- Clerks are required to balance the books by reconciling cash to the paper reports which are subsequently reviewed and approved by a supervisor.
- All monies received are locked in a cash drawer.

- An appointment procedure to balance the workload has been established.
- Clerks are cross trained to be proficient in all aspects of CCW processing.
- The print screen function on all computers has been disabled.
- Only a supervisor can void a transaction.
- All paper reports and files are only filed after daily reconciliation.
- Weekly audits with all files being checked for accuracy are conducted.

The 103 plus page Redding Police Department's criminal report was detailed and comprehensive, clearly presenting enough compelling evidence to warrant the indictment and conviction of the senior clerk for the crimes charged.

Finding

1. The CCW processing procedures were inadequate.
2. Supervision of clerks was inadequate.
3. A senior clerk was allowed to continue her criminal behavior despite the early warning signs.
4. Office policies and procedures have been modified to preclude future occurrences.

Recommendations:

None

Responses Required:

None

Methods of Inquiry

The Grand Jury interviewed the following:

- Shasta County Sheriff's Service Officer, CCW Specialist
- Civilian Shasta County Sheriff Department's Records Clerks

The Grand Jury reviewed the following:

- Redding Police Department criminal report
- Shasta County Sheriff Department's Case Handling Procedures
- California Department of Justice Standard Application For License to Carry A Concealed Weapon (CCW)
- Shasta County Office of the Sheriff Application Process for Obtaining a CCW Permit/License
- Shasta County Office of the Sheriff Completing a Concealed Weapons Application
- Shasta County Office of the Sheriff Approved Firearms Courses for CCW Applicants

The California Penal Code 919(b) states that the grand jury shall inquire into the condition and management of the public prisons within the county. The 2009/2010 Shasta County Grand Jury toured the following facilities to fulfill that obligation. Additionally, the Grand Jury visited other functions aligned to Shasta County Law Enforcement operations.

The Sheriff's Office Budget

Was closing a floor of the jail necessary?

Due to the declining economy and decline in revenues, the Sheriff's Office has made expenditure reductions, including, but not limited to, reductions in personnel, overtime restrictions, and demotions and reassignments of employees to previous positions. When faced with a continued reduction in revenue during the fiscal year 2009 - 2010, the Sheriff's Office was directed to cut 10% from its budget. Some of the changes include the following:

- reducing jail custodial deputies from five to three per week
- decommissioning 11 vehicles
- reducing jail and patrol overtime
- reducing building and grounds maintenance
- denying accrued leave compensation
- closing the work release program
- closing the Burney substation to the public
- leaving 21 positions vacant
- closing one floor of the jail

All these measures have a harmful effect on the Sheriff's Office ability to provide comprehensive public safety services to the citizens of Shasta County; however, the Sheriff and his staff had to address this fiscal reality.

Closing a floor of the jail was arguably the most controversial action taken by the Sheriff - an action that drew criticism from both the general public and county officials. However, after examining the Sheriff's Office budget data, the Grand Jury found that closing a floor of the jail enabled the Sheriff to reduce his budget by nearly \$2 million, while still maintaining minimum patrol service levels through transfers and reassignments. Any other course of action would have resulted in additional personnel reductions in enforcement units, an unacceptable course of action since the Sheriff's Office was already down 21 positions.

Shasta County Justice Center – Main jail

On October 16, 2009, the Grand Jury conducted its annual site visit and inspection of the Shasta County Jail. This inspection included the in-take processing area, holding cells, laundry, kitchen, law library, and inmate housing areas.

The Grand Jury members talked to several male inmates as to their general welfare and treatment by the jail's staff. Those interviewed had no complaints, adding that the staff treated them with respect. The inmates were appreciative of the newly installed commissary computer system that allows them to make commissary purchases, automatically deducted from their personal accounts, in a timely and efficient manner.

The jail was found to be clean and adequately staffed. Appropriate security measures were in place to ensure the safety of the staff and inmates.

Sugar Pine Conservation Camp

Driving east along Highway 299 about 30 miles outside of Redding, tucked back in the hills surrounded by ranchettes, you'll find Sugar Pine Conservation Camp #9, a California Department of Fire (Cal Fire) and California Department of Corrections facility. The camp is a minimum-security facility that may house as many as 120 trustee inmates during peak fire season. The camp's primary mission is to provide a work force for statewide wildfire suppression. During off-season, the camp maintains at least an 85% crew strength, including three fire crews. Each fire crew consists of one Cal Fire Captain and 15 inmate firefighters. During peak fire season as many as seven crews are maintained.

Being selected and assigned to Sugar Pine Conservation Camp is, in fact, a reward for an inmate. Inmates are selected from the High Desert State Prison near Susanville and must have less than one year remaining on their sentences. Only inmates who are serving sentences for non-violent crimes may participate. Once assigned to the camp, any inmate violating camp rules is immediately returned to prison.

When not fighting a fire, crews are used to clear firebreaks throughout the Shasta County area. During normal day-to-day operations, crews are housed in dormitories, fed in the mess hall, and work in the various shops repairing and maintaining vehicles and equipment. During times when crews respond to wild fires, they may be housed in tent cities at forward staging areas near the fire. Inmates are assigned to and trained for specific jobs. In many cases, this learned skill is beneficial to the inmate as they transition back into society. Off-duty time may be spent learning new skills such as cabinet making for other state agencies.

Overall, the facility and equipment were well maintained. Dormitories, shops, and mess hall were clean and well organized.

Shasta County Juvenile Hall

Built more than half a century ago, the Shasta County Juvenile Hall was designed to hold approximately 50 juveniles. Today, the facility averages 30 to 35 juveniles with an average stay of seventeen days. Twenty full-time staff members provide supervision 24/7.

The Grand Jury's tour included the entire facility from the in-take area to classrooms. To insure that the juveniles' education is not interrupted, they are required to attend classes during incarceration. The school is staffed by a part-time principal, two credentialed teachers, and three teacher's aides. The curriculum follows the State of California curriculum guidelines.

Jurors also toured the high security wing and the medical facility. At times, high security offenders are co-mingled with other juveniles, with appropriate supervision. A closed-circuit television system allows officers and support personnel to observe the juveniles in public areas.

California Forensic Medical Group (CFMG), under contract with Shasta County, provides urgent medical and dental care for the detainees. Each week a nurse is on site five days and a physician two days. On-call medical assistance is available 24 hours a day, including weekends. In addition, Shasta County Mental Health provides counseling. Jurors expressed concern with confidentiality and effectiveness of counseling time since an employee must be present with the juvenile being counseled.

The food services supervisor is also the Regional Occupational Program (ROP) supervisor. Currently lessons are focused on developing menus and learning proper cleaning techniques. Eventually, the food supervisor plans to establish a similar catering program such as the one that existed at Crystal Creek Regional Boys' Camp. While medical adjustments are made to detainees' diets, vegetarian or religious choices are not offered.

The jurors toured the outside recreation areas, including a field that had been used for gardening and is being considered as part of the facility's planned expansion.

Shasta Area Safety Communications Agency

SHASCOM

The 2009-2010 Shasta County Grand Jury completed its annual tour of the Shasta Area Safety Communications Agency (SHASCOM) facility. SHASCOM is a joint powers agency that handles 911 emergency dispatches for the Shasta County Sheriff's Office, the Redding Fire Department, Redding Police Department, Probation Department, the District Attorney's Investigative Office and three emergency medical service (EMS) companies. It also has reverse-911 capability for use in evacuations for floods, fires and other emergency incidents within the county.

This year's Grand Jury also chose to interview the public safety personnel dispatched by SHASCOM. With customer-service in mind, interviews were conducted with several members of the agencies mentioned above. These interviews included line officers, supervisors and administrative officers.

Currently, SHASCOM has 34 dispatcher positions but has six vacancies, with ongoing recruitment. Dispatchers are trained extensively in a variety of assignments, such as call taking, and dispatching law enforcement, fire, and medical personnel.

One concern of interviewed sources was the lack of Emergency Medical Dispatching (EMD) capability, where EMD trained dispatchers provide pre-arrival medical instructions to citizens calling for emergency medical assistance. Recently, all dispatchers completed initial EMD training (obtained through a grant), with the program anticipated to be operational in May 2010.

When asked the question, "Are you satisfied with SHASCOM's service?" answers were mostly positive. Some interviewees suggested that better communications service would be available by having dispatchers exclusively assigned to only one type of dispatching, such as dedicated police dispatching. However, even though this could conceivably enhance a dispatcher's skill in that specific area, it is more efficient and practical to have a number of dispatchers available to handle a wider variety of assignments. Dispatchers are required to be proficient in all dispatch assignments. With reduced staffing levels, vacations, illnesses, etc., many dispatchers are forced to work overtime; it makes sense to have all available dispatchers cross trained.

During these interviews, the Grand Jury received several compliments about SHASCOM services, including improvements in training, modernized equipment, and a higher level of professionalism. The consensus of the interviewees was that there has been a noticeable improvement in SHASCOM's overall service.

LOCAL DISTRICTS and AGENCIES

Overview: At the request of the Anderson Fire Protection Board, the Local Districts and Agencies Committee investigated the handling of placing an Anderson Fire Protection Chief on administrative leave. The committee also investigated the Gateway Unified School District and conducted a review of eight years of Local Districts and Agencies reports, findings and recommendations identifying a serious need for Board member's training.

Anderson Fire Protection District

1925 Howard Street, Anderson, CA 96007 (530) 378-6699

Since You Asked . . .

Background

In the summer of 2009, a member of the Anderson Fire Protection District (AFPD) Board requested that the Grand Jury “investigate the proper handling of placing the chief on paid administrative leave”.

The AFPD serves an area of approximately ten square miles including the City of Anderson. The AFPD is an independent district with its own taxing authority. It is not governed by the City of Anderson, but until recently four of the five AFPD Board members were appointed by the City Council, the fifth by the Shasta County Board of Supervisors. Three of the five were also members of the City Council. As a result of the passage of a ballot measure, the Board became elective in 2009.

The AFPD is staffed by a combination of paid and volunteer firefighters, one full-time office worker and one part-time, totaling 25-30 employees. In 2006, the Chief, who had held that position for ten years, resigned. Temporary replacements filled this position until a permanent chief could be hired. A nationwide search yielded numerous applicants and three finalists were chosen. These finalists were interviewed by three separate Board-appointed panels. The Board then authorized a pre-employment investigation of the leading candidate by the acting Chief of the AFPD, who was trained and experienced in conducting this type of investigation. He was given no specific instructions by the Board.

Based on a favorable verbal report from the investigator and the interview panels, the Board hired the new chief in October 2007. And then the trouble began....

Employees began witnessing numerous alleged violations of policies, procedures, and illegal acts committed by the new chief. The alleged offenses include, but are not limited to, the following:

- threatening firefighters and office staff with dismissal if they complained to the Board
- misusing district property, funds, and staff for personal gain
- purchasing items without authorization

- publicly berating and bullying firefighters and office staff
- sexual harassment
- downloading pornographic images to district computers (238 images)
- knowingly furnishing alcohol to a minor at the conclusion of a training event
- driving a district vehicle while under the influence of alcohol on several occasions
- providing the Board with an invalid out of state training certificate
- failure to complete training required by the State of California

After six months, the Board conducted a required evaluation of the new Chief. However, the evaluation was superficial and no written records were kept. This was the only performance review conducted.

Although Board members assert that they had an open door policy to hear any perceived grievances, the Chief had no trouble circumventing this policy by threatening firefighters and office staff with dismissal if they complained to the Board.

Finally, in May 2009, in frustration, a group of firefighters and office staff ignored the Chief's threat and voiced their concerns to a member of the Board at a secret meeting held outside of Shasta County. The next evening the Board met in closed session and placed the Chief on paid administrative leave. Upon advice of legal counsel, the Board immediately commissioned an investigation of the alleged misdeeds of the Chief. This investigation was conducted by a former Anderson police chief, who was an experienced but unlicensed investigator. California Business and Professional Code 7523 requires this type of investigation to be performed by an employee of the district, an employee of counsel, or a licensed investigator. When this was brought to the attention of the Board, it changed the status of the investigator from independent contractor to district employee.

The results of the investigation, which cost approximately \$41,500, were presented to the Board in June 2009. After reviewing the entire report, rather than dismissing the Chief per the advice of counsel, the Board asked for the Chief's resignation. During subsequent negotiations, the Chief tendered his resignation. Again, based upon the advice of counsel, the Board agreed to have the report sealed, only to be opened by a court order.

The Shasta County Grand Jury's original request for a copy of the sealed report was denied by the Board, citing the Firefighters Bill of Rights (AB 220). The Grand Jury then subpoenaed and received an un-redacted copy. A Redding newspaper also requested a copy of the taxpayer-funded report under the Freedom of Information Act. The Board denied both requests on advice of counsel. This decision by the Board exposed the district to the probability of being assessed the newspaper's legal costs should the newspaper prevail in court. In December 2009, a court order was issued to release a redacted version of the report to the newspaper. In January 2010, a judgment was entered in Shasta County Superior Court requiring the District to reimburse the newspaper \$16,623 for legal fees.

Findings

1. When the Board advertised to fill the position of fire chief, the search committee failed to clarify the State of California's certification requirements.

2. The Board accepted a verbal, rather than a written, report of the pre-employment investigation.
3. Training certificates presented at time of hire were from out of state. The Board did not follow up with the Chief to assure that state-required certificates were completed. (After the fire Chief was placed on administrative leave, the investigation revealed that the out-of-state certificate(s) were invalid.)
4. The Board exercised little scrutiny of the day-to-day activities in the fire hall. Consequently, it was unaware of many of the alleged misdeeds of the Chief and the deteriorating morale of firefighters and staff.
5. The District's purchasing policies were not monitored by the Board. Items were purchased without authorization.
6. The Board conducted only one cursory performance review of the chief and failed to keep a written record of it.
7. The Board, on advice of counsel, chose not to undertake the investigation of the allegations themselves.
8. The Board, unaware of investigator licensing requirements, erred by hiring an independent, unlicensed investigator at the time the Chief was placed on administrative leave.
9. The Board erred in allowing the chief to resign, rather than dismissing him for cause.
10. The Board erred in agreeing with the Chief's stipulation to seal the investigation report.
11. The Board's acceptance of legal counsel's recommendations to hire an investigator, accept the resignation, and seal the report appears to have backfired because of resultant costs (\$58,000 plus legal expenses) of tax payers' money.
12. Board members lacked training in matters concerning their duties and responsibilities. Consequently they relied heavily on legal counsel.

Recommendations

1. When advertising for new employees, the Board must clearly list required certifications and qualifications in the advertisement.
2. The Policies and Procedures Manual needs to be revised and enforced by the Board to ensure certification is current and valid for all firefighters and emergency medical technicians prior to and during employment.
3. The Board needs to exercise closer oversight of the operational and fiscal activities of the District.
4. The Board should establish a method for employees to confidentially report misconduct to the Board.
5. The Board should consider contacting the California Special Districts Association regarding training for all Board members. To reduce costs, the Board should consider consolidating training with other special district and agency boards.

Responses Required

- Anderson Fire Protection District Board as to recommendations 1 through 5

Method of Inquiry

The Grand Jury interviewed the following:

- five Anderson Fire Protection District Board members
- current Anderson Fire Protection District employees and volunteers
- two investigators

The Grand Jury reviewed the following:

- Anderson Fire Protection District Policies and Procedures Manual
- Anderson Fire Protection District Board minutes
- Anderson Fire Protection District budget and expense report 2008-2009
- Anderson Fire Protection District employment advertisement for Chief
- Tulsa Fire-Rescue EMS Certificate
- employment agreement with the former Chief
- investigator's employment records, statement of services, and report on the former Chief
- fax from Oklahoma State Department of Health dated 7/29/09
- Grand Jury subpoena for documents
- numerous newspaper articles

The Grand Jury attended the following:

- two Board meetings of the Anderson Fire Protection District
 - two Shasta County Superior Court hearings
-



ANDERSON FIRE PROTECTION DISTRICT

1925 Howard Street. Anderson, CA 96007
Bus: (530)-378-6699 Fax: (530) 378-6697

July 13, 2010

B - 1

The Honorable Stephen Baker
Presiding Judge of the Superior Courts
1500 Court Street
Redding, CA 96002

RE: Response to 2009/2010 Grand Jury Report
Pursuant to California Penal Code 993(c)

Dear Judge Baker:

As a public agency with an elected board whose members took office on December 8, 2009, and which sets policies for its agency operations, we find the recent Grand Jury Report particularly misguided and having little facts to support the Grand Jury's conclusions. The report is based on information gathered without having heard from one of the key witnesses, the District's legal counsel. Even the finest organizations, with the strongest of internal controls, can get a bad employee from time to time. What matters is how the agency deals with it. The Anderson Fire Protection District dealt with it as swiftly and appropriately as possible. The Grand Jury put too much blame on the Board and the agency's legal counsel for some of the issues with the former Fire Chief (Piccinini). In fact, the target should have been Piccinini himself. Below are our Responses to the five "Recommendations of the Grand Jury."

Recommendations of the Grand Jury:

1. **"When advertising for new employees, the Board must clearly list required certifications and qualifications in the advertisement."**

Response: The Fire Chief is hired directly by the Board of Directors. Similar to other agencies, there are no pre-established job qualifications for the Fire Chief. Rather, those qualifications are established each time the position is filled, based on current state laws, trends in the job market place, and particular needs of the District at the time. Once established, these qualifications are, and will continue to be, included in any job advertisements and recruiting materials.

The remainder of the employees is hired by the Fire Chief. Each position at the District has an adopted job description which includes the specific requirements for the job. These job requirements are, and will continue to be, included in any job advertisements and recruiting materials.

Board to ensure certifications is current and valid for all firefighters and emergency medical technicians prior to and during employment.”

Response: The District agrees that all employee certifications required for employment should be current and valid at all times and the District presently does, and will continue, to monitor the status of these certifications through a tracking system.

3. **“The Board needs to exercise closer oversight of the operational and fiscal activities of the District.”**

Response: The Fire Board agrees there should be more interfacing and interactivities between the Board and both the volunteer firefighters and paid staff. This will be achieved by having numerous committees that involve the Fire Board, the Fire Chief and his staff, as well as the many volunteers. Concerning the operational activities of the District, per an Employment Agreement between the current Fire Chief and the Anderson Fire Protection District, the “Employee (Fire Chief) is responsible for all daily operations, non-emergency operations, and emergency operations of the Employer. Employee (Fire Chief) shall however, keep the Employer informed of all situations which might extend beyond the operations of the organization.”

4. **“The Board should establish a method for employees to confidentially report misconduct to the Board.”**

Response: It is customary that at least one of the board members talks to staff and volunteers on a weekly if not daily basis. On many occasions, the Board communicates with all paid staff as well as volunteers. The current Board of Directors is keenly aware of the misconduct of the former Fire Chief. Board members continue to work on creating a trustworthy and open relationship with the paid staff and volunteers while still remaining professional in their conduct. Additionally, we will be surveying other districts to see what policies they might have in place.

5. **“The Board should consider contracting the California Special Districts Association regarding training for all Board members. To reduce cost. The Board should consider consolidating training with other special district and agency boards.”**

Response: The Board currently is working through our Fire Chief to get consolidated training with other special district boards in Shasta County. California Special Districts Association does have training for fire districts but regularly holds them in the southern part of the state. Due to the cost of travel, meals, lodging, and the registration fees, it is cost prohibitive for smaller districts such as ours to send one or two members at a time to these training seminars.

Sincerely,



Marsha Kelley, Chairwoman – Board of Directors
Anderson Fire Protection District

Gateway Unified School District

Good Ol' Boys Will Be Good Ol' Boys!

School Boards and their Counsels

Recently, a school board president stated that the role of a school district board is to provide citizen oversight to the instructional program and the business of the district. To support the latter responsibility, typically, a board retains a lawyer to advise them on legal matters. The role of legal counsel is different from that of the board. The obligation of counsel is to advise the board and district employees of their duties and powers and to represent the district in legal matters. In addition, counsel alerts the board as to any action that may be of questionable legality.

Usually, but not always, the obligations of boards and their counsels are in concert. Sometimes, issues are not clear-cut and actions are not black or white. In those gray cases of questionable propriety, counsel's advice may focus on avoiding the board's exposure to public questioning and possible litigation. In contrast, the board's oversight responsibility compels it to investigate such matters, whether controversial or not, and to attempt to set right any wrongs committed. Such a situation developed in the Gateway Unified School District (GUSD) in 2008.

Background

In 2002, the principal of Central Valley High School (CVHS), a career educator with 27 years experience, was chosen to become the Superintendent of Gateway Unified School District. To staff his new team, he chose a colleague to become Director of Education and Educational Services. He had previously recruited this former special education teacher to leave the teaching ranks to be his assistant principal at CVHS. He was impressed by her intelligence, drive, and commitment to educating young students.

The chief business officer (CBO) of a district manages district finances and reports to the superintendent. For a variety of reasons, between the years of 2005 and 2008, GUSD experienced a disproportionate number of turnovers in its CBOs—five in four years. In 2008, the superintendent persuaded his CVHS colleague to shift jobs and become the new CBO. This was somewhat unorthodox since she had no previous business or financial experience. He believed that she was very bright, dedicated, and determined. He also thought she shared his vision on how to run a school district.

To prepare her for her new responsibilities, GUSD paid over \$6,500 for her enrollment in courses in managing school finances at the University of Southern California. This was an intensive program taught by experts and demanded efforts nearly equal to another full-time job.

Typically, a CBO's responsibility in managing finances is to see that projects - including construction projects - are budgeted accurately, the prescribed bidding process is followed, contracts are obtained, costs are tracked, and progress and difficulties are reported to the board in a timely manner. Within months of assuming her new position, the CBO began questioning the business practices of GUSD. In particular, she was disturbed by what she saw as unbudgeted and undisciplined spending by the superintendent. At GUSD, the superintendent retained complete management and fiscal control of all construction projects.

California Public Contract Code Sections 20111 and 22002 mandate that school districts solicit competitive bids from potential suppliers for public projects, including construction projects of \$15,000 or more and for equipment purchases of more than \$76,700. There are some exceptions to these

requirements, but only if specified conditions are carefully met. The CBO wrote that, in her opinion, some GUSD purchasing practices were illegal. Specifically, bidding laws were violated in the following two examples.

- In 2008, GUSD approved the sale of the former Central Valley Intermediate School site to the City of Shasta Lake, contingent upon demolishing and removing all buildings, footings, paving, etc, on the property. In 2009, GUSD signed a no-bid contract for \$275,650 to do the demolition work and site clean-up prior to the sale. Public Contract Codes 22002 and 20111 require a school district to seek competitive bids for demolition projects involving \$15,000 or more.
- In 2009, GUSD approved the purchase of a school bus in a no-bid contract. California Public Contract Code Section 20118 permits school districts to avail themselves of competitive bid contracts negotiated by other public agencies, a procedure referred to as piggybacking. Section 20118 requires that the items mutually purchased must be identical. Section 20118 reads, in part, if the property to be purchased: "...complies with the specifications set forth in the contract...", piggybacking is permitted. No mention is made of items that are similar or "more or less the same". In this case the specifications were substantially different, resulting in a cost difference of 22 %.

The CBO challenged these and other purchasing practices. She also noted unbudgeted spending by the superintendent. Her questioning of some of these practices was resented by the superintendent, and a hostile relationship developed.

In 2002, GUSD passed a bond measure for \$22 million that funded numerous construction projects to upgrade facilities. By 2006, these funds were depleted; however, several projects had not been completed. Financing for \$6 million was negotiated in 2006 to finish these projects. This type of financing for school districts is referred to as Certificates of Participation (COP). In 2007, a second COP for \$4 million was secured. The first COP was to be repaid from developer fees and the second from revenue from the local redevelopment agency. Both sources of revenue had been overestimated by the Board's financial advisors, inasmuch as the downturn in the economy was not predicted. According to the CBO, the necessity of these loans was evidence of the superintendent's undisciplined spending. In 2008, because of the combination of California's financial crisis, reduced income from developer fees, and declining enrollment, fiscal projections indicated that the district could eventually be unable to repay the COPs possibly leading to insolvency. If a district becomes insolvent, the state assumes control of the district.

To provide an infusion of cash for the purpose of paying down debt which would forestall the possibility of insolvency, the Board developed a \$19 million bond, GUSD Measure G. Article 13A, Section 1 (b) and Article 16, Section 18 (b), of the California Constitution authorizes school districts to incur bonded indebtedness for the sole purpose of "construction, reconstruction, rehabilitation, or replacement of school facilities". It specifically forbids using bond funds for salaries and other operating expenses. The Grand Jury heard expert testimony that servicing debt is considered an operating expense.

The Grand Jury reviewed documentation and heard testimony that, from the beginning, the real reason to float the bond issue was to partially repay the two COPs. This intention was disguised to make the GUSD Measure G more attractive to voters. The ballot measure read, in part, "To improve the quality of education, renovate and construct classrooms and school facilities including libraries and cafeterias; upgrade outdated heating, ventilation and air conditioning systems; make health and safety improvements; improve student access to computers and modern technology; and improve handicapped accessibility..." No mention was made of paying down incurred indebtedness. These actions would appear to violate California Education Code 7054 which requires that ballot informational material provided by a school district must provide a fair and impartial presentation of relevant facts to aid voters

in making an informed decision. The CBO wrote her objections to the Board as to how the bond measure was handled.

The bond measure passed in November 2008. In July 2009, a portion of the bond fund was received and deposited in an escrow account. In November 2009, \$1 million of the bond fund was used to make a payment on the 2006 COP, an apparent violation of the state constitution forbidding the use of bond money to pay operating expenses.

In two written memos to the GUSD Board, the CBO requested an opportunity to present her concerns in person. The superintendent also wrote a memo to the Board complaining that some board members were working in concert with the CBO; and if the Board did not dismiss the allegations, he would consider legal action. The Board responded to the CBO's request by twice scheduling, and subsequently canceling, the requested meetings. On advice of district counsel, a long-time professional associate of the superintendent, the Board then voted to commission an independent investigation of the CBO's allegations. Subsequently, on the advice of the district counsel, the Board hired the same law firm that employed the district counsel. This law firm specializes in representing and defending school districts. The Board did not execute a separate contract for this specific project and did not ensure a separation of conflicting interests. As previously noted, the district counsel is retained, in part, to warn the Board against committing illegal acts. This action of the Board meant that a member of the same law firm was hired to evaluate whether the district did, in fact, conduct illegal acts.

The report of the investigator concluded that the superintendent and the district did nothing illegal and recommended that the CBO be chastised for her activism. The Board, whose president had been a GUSD superintendent and is a long-time colleague of the superintendent, accepted the findings of the investigation and made no further inquiries.

Following correct procedures and having failed to have her concerns addressed by either the GUSD superintendent or Board, the CBO wrote to the Shasta County Superintendent of Schools (SCSS) asking him to request an Assembly Bill 139 Extraordinary Audit (AB 139 audit). In her request, the CBO provided extensive documentation supporting her allegations.

An AB 139 audit is designed to detect fraud, misappropriation, and other illegal practices. Since AB 139 audits are funded by the State of California, the issues raised by the CBO could have been resolved at no cost to the district. An AB 139 audit can be requested only by the county superintendent of schools. A state agency, Fiscal Crisis & Management Assistance Team (FCMAT), evaluates, authorizes and may conduct an AB 139 audit.

California Education Code 1240(b) assigns the responsibility of fiscal oversight for school districts to the county superintendent of schools. In exercising this responsibility, and in response to the CBO's request, in May 2009 the SCSS forwarded to Fiscal Crisis & Management Team the documentation he received from the CBO along with the investigator's report. He asked FCMAT to comment on whether there was enough evidence to justify an AB 139 audit. FCMAT replied that it had not been provided with enough information to make a determination: "Based on a strict review of only the documents provided, FCMAT could not specifically identify elements that by themselves, absent any other supporting information, appeared to constitute fraud, misappropriation or other illegal practices. It is important to note that FCMAT did not conduct an audit of the matters brought forth..., nor did FCMAT attempt to verify the accuracy of any of the statements made by the parties identified in the various documents."

According to the chief executive officer of FCMAT, the threshold of evidence to justify an AB 139 Extraordinary Audit is deliberately set very low. Nevertheless, the SCSS, a long-time colleague of the

GUSD superintendent, declined to request an AB 139 audit. In his June 2, 2009, reply to the CBO, he justified his decision by stating, "...based on the determination of FCMAT that the documents provided do not constitute fraud, misappropriation, or other illegal practices ... I have determined that there is not significant evidence to conduct an AB 139 audit"

In May 2009, the Gateway Teachers' Association passed a resolution asking the SCSS to request an AB 139 audit. In June 2009, this request was also denied by the SCSS, who stated that no new information had been provided.

In June 2009, the GUSD superintendent retired. One of the first actions of the new superintendent was to request that the Board replace the CBO. This request was made although the new superintendent had conducted only one brief interview with the CBO and had no working relationship with her. Even though the CBO had not been allowed to present her concerns in person to the Board, and was well regarded before making her allegations, the Board nevertheless relieved her of her position as CBO and assistant superintendent. Instead, she was offered a job as a teacher in the district at approximately half her previous compensation. She rejected the reassignment offer and resigned.

The Board, at the suggestion of the SCSS, contracted with FCMAT to conduct a management practices review in 2010. A management practices review (not the same as an AB 139 audit) will analyze and suggest improvements to the District's business practices. It will also examine specific areas of GUSD's fiscal procedures such as budget development and accounting practices. Purchasing procedures and bond management, where illegality had been alleged, are excluded in the contract. A management practices review does not assess possible fraud, misallocation, or other illegal practices. Thus, without the completion of an AB 139 audit, questions of illegality of GUSD bond management and purchasing practices will remain unresolved.

Findings

1. After conducting 25 interviews of the principals involved and reviewing voluminous documentation, the Grand Jury concludes that GUSD purchasing and bond management practices did not conform to pertinent state regulations.
2. The GUSD Board violated its responsibility to its constituents by not allowing the CBO the opportunity to present and defend her case before the board.
3. The GUSD Board's decision to hire the District Counsel's law firm to conduct an impartial investigation appears to be an error of judgement because of a potential conflict of interest.
4. An impartial and comprehensive method for resolving the dispute is an AB 139 Extraordinary Audit by FCMAT. This would result in little or no cost to the district. Had it been done, it would have saved GUSD the significant cost incurred by the 430-page investigative report.

Recommendations

1. The Shasta County Superintendent of Schools should immediately request an AB 139 Extraordinary Audit of GUSD to be conducted by FCMAT.
2. The GUSD Board should receive training on how to provide effective fiscal oversight, with special emphasis on how and when to exercise independent thinking versus when to only accede to the direction of the superintendent or the advice of counsel.

3. When disputes occur, the GUSD Board should conduct its own inquiries and research, instead of relying solely on advice of counsel prior to formulating a plan of action.

Responses Required

1. Shasta County Superintendent of Schools as to Finding 1 and Recommendation 1
2. Gateway Unified School District Board as to Findings 1-4 and Recommendations 2 and 3.

Method of Inquiry

The Grand Jury conducted 25 interviews:

- Six GUSD Board members (One member declined.)
- A retired GUSD superintendent
- Four past GUSD Chief Business Officers
- Several current and former staff members of the GUSD office
- Two executive officers of the Fiscal Crisis and Management Assistance Team (FCMAT)
- Two administrators of the Shasta County Office of Education
- One member of the Measure G Bond Oversight Committee

The Grand Jury reviewed the following:

- Six years of GUSD Board minutes
- Numerous documents and correspondence from several involved individuals
- Investigation report by the GUSD counsel's law firm
- California Public Contract Code and California Education Code
- GUSD 2008 Annual Audit
- GUSD Measure G bond issue and supplementary documentation
- Several newspaper articles

The Grand Jury attended GUSD Board meetings



SHASTA COUNTY OFFICE OF EDUCATION

Providing assistance and leadership to the districts in Shasta County and ensuring all students have equal access to a quality education

Superintendent
Tom Armelino

Board of Education
Linda Bradford
Diane Gerard
Rhonda Hull
Steve MacFarland
Linda McBride
William Stegall
Susan Wilson

C-1

August 23, 2010

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court St., Rm. 205
Redding, CA 96001

RE: Response of Shasta County Superintendent of Schools to 2009-10 Shasta County Grand Jury Report

Dear Judge Baker:

The Shasta County Superintendent of Schools appreciates the opportunity to respond to the Grand Jury 2009-10 report titled Gateway Unified School District.

SHASTA COUNTY SUPERINTENDENT OF SCHOOLS:

GATEWAY UNIFIED SCHOOL DISTRICT

FINDING:

1. After conducting 25 interviews of the principals involved and reviewing voluminous documentation, the Grand Jury concludes that GUSD purchasing and bond management practices did not conform to pertinent state regulations.

Response The Shasta County Superintendent of Schools has not been provided the “voluminous documentation” that the Grand Jury received or heard the testimony of the 25 witnesses that were relied upon by the Grand Jury to make this finding. Therefore, the Shasta County Superintendent of Schools does not agree or disagree with this finding.

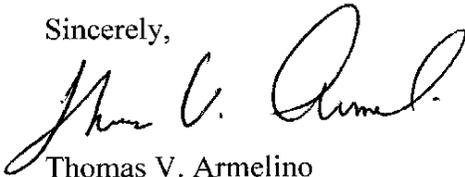
RECOMMENDATION:

1. The Shasta County Superintendent of Schools should immediately request an AB 139 Extraordinary Audit of GUSD to be conducted by FCMAT.

Response The Shasta County Superintendent of Schools does not intend to implement this recommendation. In order for a county superintendent to call for an AB-139 Extraordinary Audit, a certain minimum legal threshold of evidence must be shown.

Education Code section 1241.5 (b) allows a county superintendent to review or audit the expenditures and internal controls of any school district in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred. Seven financial experts reviewed all of the available evidence and each one of them concluded that the evidence was insufficient to justify an AB 139 Extraordinary Audit. In addition to the expertise of his staff, the Shasta County Superintendent of Schools requested the opinion of FCMAT. FCMAT is an independent state agency and the state expert which conducts AB 139 Extraordinary Audits. All of the documents provided by the person who requested the AB 139 Extraordinary Audit, as well as an additional report conducted by an independent investigator were sent to FCMAT to review. At the conclusion of FCMAT's review the Shasta County Superintendent of Schools, and his Assistant Superintendent of Administrative Services and Director of Business Services, both CPA's, and former school district CBO's and auditors, spoke directly with the Deputy Executive Officer of FCMAT. In this conversation the Deputy Executive Officer of FCMAT, after speaking with the Chief Executive Officer of FCMAT, stated that based on the documentation provided by the person who requested the AB 139 Extraordinary Audit, they did not detect fraud, misappropriation, or other illegal practices. If the state authority on AB 139 Extraordinary Audits and five other financial experts do not feel sufficient evidence has been presented to justify the Shasta County Superintendent of Schools decision to call for an AB 139 Extraordinary Audit, he will not authorize the expenditure of taxpayer money on an audit that does not meet the legal requirements. If the Grand Jury has received the opinion of a school financial expert to support its recommendation, or additional evidence that should be considered, they should forward that information to the Shasta County Superintendent of Schools for consideration.

Sincerely,



Thomas V. Armelino
Shasta County Superintendent of Schools



C-2

Gateway Unified School District
Committed To Good Citizenship And Life-Long Learning

4411 Mountain Lakes Blvd. ■ Redding, CA 96003 ■ (530) 245-7900 ■ FAX (530) 245-7920
www.gateway-schools.org

August 20, 2010

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court Street, Room 205
Redding, CA 96001

Re: Response of Gateway Unified School District to 2009/2010
Shasta County Grand Jury Report

Dear Judge Baker:

The Gateway Unified School District provides the following response to the Grand Jury 2009/2010 report as follows:

A. As to the section entitled "Gateway Unified School District:"

FINDING:

1. After conducting 25 interviews of the principals involved and reviewing voluminous documentation, the Grand Jury concludes that GUSD purchasing and bond management practices did not conform to pertinent state regulations.

RESPONSE:

The Gateway Unified School District (GUSD) disagrees wholly with the finding.

As school financial laws are complex, the School District hires and generally relies upon experts in school financial matters to advise the School District. Since the former CBO raised issues of financial

improprieties, GUSD has become aware of many independent experts who have reviewed these issues and found no evidence of illegal or improper practices by GUSD.

2. The GUSD Board violated its responsibility to its constituents by not allowing the CBO the opportunity to present and defend her case before the board.

RESPONSE:

The Gateway Unified School District disagrees wholly with the finding.

The School Board chose to hire a school financial expert to discuss with and investigate the former CBO's highly technical concerns. For the most part the members of the Board lack the background and expertise to objectively evaluate her claims. The investigator had this knowledge. Further the investigator was able to spend many hours meeting with her and others, time generally not available at Board meetings.

The former CBO was never prevented from addressing the Board. All School Board meetings have a public comment session where anyone, including the former CBO, can address the Board on any subject. The School District never prevented the former CBO from exercising this right, she simply chose not to do so.

3. The GUSD Board's decision to hire the District Counsel's law firm to conduct an impartial investigation appears to be an error of judgment because of a potential conflict of interest.

RESPONSE:

The Gateway Unified School District disagrees wholly with the finding.

The attorney hired to conduct the investigation has an impeccable reputation. While a member of the same 60-attorney law firm as the School District's general counsel, the two lawyers did not know each other prior to the investigator being hired. Further, the investigation was not reviewing any of the advice provided to GUSD by the District's general counsel. The District's general counsel does not advise the School District on financial and bond management practices. There was no conflict of interest.

4. An impartial and comprehensive method for resolving the dispute is an AB139 Extraordinary Audit by FCMAT. This would result in little or no cost to the district. Had it been done, it would have saved GUSD the significant cost incurred by the 430-page investigative report.

RESPONSE:

The Gateway Unified School District disagrees wholly with the finding.

While GUSD has no ability to order a AB-139 extraordinary audit, GUSD concurs with the Shasta County Superintendent of School's decision there is insufficient evidence to meet the legal threshold for ordering such an audit. It is GUSD's understanding the available information has been reviewed by FCMAT and they concluded the evidence was insufficient to call for an audit.

While it is true an AB-139 extraordinary audit would not involve any direct monetary costs to GUSD, only to taxpayers, there would be a substantial investment of time by employees. This diversion of resources to respond to a comprehensive audit would be a serious distraction from the employees' regular duties which would suffer as a result.

RECOMMENDATIONS:

2. The GUSD Board should receive training on how to provide effective fiscal oversight, with special emphasis on how and when to exercise independent thinking versus when to only accede to the direction of the superintendent or the advice of counsel.

RESPONSE:

The recommendation requires further analysis.

A variety of different training options are made available Board members on a regular basis. In the future when training programs are reviewed, GUSD will take into consideration the Grand Jury's suggestion the training include providing effective fiscal oversight.

3. When disputes occur, the GUSD Board should conduct its own inquiries and research, instead of relying solely on advice of counsel prior to formulating a plan of action.

RESPONSE:

GUSD agrees Board members should conduct its own inquiries and research, but disputes they have in the past relied solely upon the advice of counsel prior to formulating a plan of action.

Each member of the Board exercises their own independent judgment in deciding matters that become before the Board. However, the Board must

consider and vote on a wide-ranging number of issues that involve complex Government Code, Education Code, Public Contract Code and Health and Safety Code issues that are beyond the knowledge of any one person or Board member. Issues that come before the Board include student expulsion, hiring, firing, and layoff of classified, certificated and administrative personnel, the school budget, developer fees, bond measures, public contracts, Brown Act issues, negotiations with unions, litigation issues and finance issues to name a few. As most of these areas have complex laws that must be followed, the School Board must seek out the advice of attorneys and other experts. Failure to obtain such advice would surely cause the District to quickly find itself in violation of numerous laws.

B. Response to Grand Jury Article Entitled "Local Districts and Agencies:"

RECOMMENDATIONS:

2. The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by the CSDA.

RESPONSE:

The recommendation requires further analysis.

A variety of different training options are made available Board members on a regular basis. In the future when training programs are reviewed, GUSD will take into consideration the Grand Jury's suggestion the training program developed by CSDA.

Sincerely,



Robert Hubbell
Superintendent,
Gateway Unified School District

Local Districts and Agencies

“Board Meetings – 101”

Prologue

For local governance to succeed, district and agency board members have a responsibility to their constituents to make informed decisions. Historically in Shasta County, some of these decisions have resulted in the loss of hundreds of thousands of taxpayers' dollars. Two examples of this type of loss are reported in this 2009-2010 Grand Jury Report (see Gateway Unified School District and Anderson Fire Protection District). This loss of taxpayer dollars was not due to wanton negligence or intentional wrongdoing, but rather due to poor training and questionable guidance. This report departs from the traditional grand jury report in that it analyzes seven years of publicly recorded Shasta County Grand Jury reports which document the results of investigations conducted using well-established investigative practices and procedures.

Required responses to this report are also handled in a non-traditional manner. Each local district board and agency board identified at the end of this report are required to respond to recommendation number two.

Background

The following are summaries of previous Grand Jury reports. Copies of recent Grand Jury reports are available on-line at www.co.shaster.ca.us. The 2009-2010 Shasta County Grand Jury has not independently confirmed previous grand jury findings but cites these reports for reference purposes. However, this Grand Jury has completed its own studies of two districts that have serious problems.

The 2002-2003 Shasta County Grand Jury reported that a fire protection district continued to employ a fire chief who had two sexual harassment accusations filed against him. One accusation was settled for \$50,000. The grand jury recommended that the board members of that fire district attend a workshop pertaining to the responsibilities of directors and, also, receive training on conflicts of interest.

The 2003-2004 Grand Jury investigated two community service districts. The first district had no procedure manual, made salary advances, failed to maintain subsidiary ledgers of customer deposits, had no water master plan, and spent investment funds for operating expenses - to mention just a few of the deficiencies. The second district had multiple violations of safety codes, inaccurate accounting, and an incomplete and outdated procedures manual. Also, the fire chief was married to a board member. This same board member's business received payment from the district for emergency lock repairs.

The 2004-2005 Grand Jury investigated two fire protection districts, a school district, an irrigation district, three charter schools, and three mosquito districts. The first fire district illegally increased its ambulance fees and tried to stop Cal Fire from responding to medical calls in its area. The second fire district had not held a board election in 17 years. Additionally, it had an inadequate policy and procedure manual, inappropriate record keeping, no strategic plan, and an overall lack of funding. An extensive investigation on a school district's expenditure of \$22 million in bonds revealed creative ways to obtaining competitive bids. The irrigation district investigation exposed Brown Act violations, lack of decorum at board meetings, and slow decision making by the board. The report on three charter schools

highlighted the pros and cons of charter schools and the need for more financial expertise in operating them. Of the three mosquito districts investigated, only one was ready for West Nile Virus, well run, and solvent. It was commended by the Grand Jury.

The 2005-2006 Grand Jury revisited a fire district (2004-2005) and one community service district (2003-2004). The fire protection district was asked to review the Brown Act and to rescind its ordinance illegally raising ambulance fees. The community service district was encouraged to implement the five recommendations not acted upon from the 2003-2004 Grand Jury report.

The 2006-2007 Grand Jury visited a community services district for a third time. This time, the findings and recommendations dealt with board problems (altering minutes, ethics training, inadequate public notification, and lack of education as to board responsibilities [Brown Act and applicable laws]).

The 2007-2008 Grand Jury visited a fire protection district for a third time. This time the Grand Jury found that the board was about to misuse a funding source to build a new fire hall. That plan was dropped. Additionally, a school district's staff was criticized for failing to provide records as mandated by the California Public Records Act.

The 2008-2009 Grand Jury investigated a previously commended (2004-2005) mosquito district and found the board of trustees to have been remiss in their duties. The jury recommended that four of them consider resigning. The board agreed to the district paying legal fees of a manager who was sued for sexual exploits with another employee of the district. Incredibly, the board then voted a large salary increase for the manager thirty days before his retirement. This action gave a considerable boost to his retirement compensation. Investigation of another community services district revealed shortcomings typical of many local districts:

- incomplete municipal service reviews
- expenditures exceeding revenues
- incomplete Governmental Accounting Standards Board Statement No. 34
- credit card misuse
- Brown Act violations
- inadequate training
- inadequate or incomplete policy and procedure manual
- deteriorated infrastructure

The 2009-2010 Grand Jury has reported on its investigations of a fire protection district and a school district. The fire district had the following issues: sexual harassment, drinking on the job, downloading pornography on district computer, misuse of district funds and equipment, spending in excess of \$41,000 for an investigation without consideration of alternative actions, and a board that failed to question the legal advice it received. A school district was revisited for the same complaints which had been levied against it in 2004-2005. Now, as then, no wrongdoing could be proven; but suspicious purchasing

practices without competitive bidding continued. The Board was given some questionable (based on outcome) legal advice, which it failed to question. This action resulted in significant cost to the District. A community services district imploded in 2010 after ignoring the recommendations of the 2008-2009 Grand Jury.

What is apparent to this Grand Jury is that these districts and agencies spent thousands of dollars to correct problems which might have been avoided if their boards had received better training and exercised sufficient oversight. Since 2002, a considerable amount of taxpayers' money has been spent for investigations, attorneys' fees, and payouts for legal settlements. Currently, there are minimal requirements to be a board member. The State of California requires biannual ethics training and the annual filing of Form 700 Statement of Financial Interests for all board members. The Grand Jury learned from board member interviews that these minimal requirements are not always met.

Some board members have access to limited training (e.g. the Brown Act) for their position, but that training is minimal, and all too often, nonexistent. With their lack of training, board members are understandably reluctant to ask appropriate questions. When board members are queried why many are untrained, their usual response is lack of money and time. If board members were better trained, they would be better able to properly fulfill their responsibilities.

Most board members are responsible citizens volunteering to do their civic duty, but many are reluctant to ask pertinent questions when an issue is presented. During Grand Jury interviews with board members it was discovered that many know very little about their district or its operations. They often take the advice or recommendations of a manager, superintendent, or attorney rather than exercising independent thinking. This frequently results in counsel directing the board's actions.

In some cases, taking the advice of counsel to avoid one lawsuit has resulted in a lawsuit from a different entity. Case in point: an attorney advised a school board not to interview a person concerned about misuse of school funds lest the superintendent's "due process" be violated, thereby precipitating a law suit. Consideration of the complainant's "due process" was ignored. Then the board, per advice of counsel, commissioned a costly outside study without doing any investigation or inquiry on its own. Coincidentally, the person hired to do the investigation worked for the same law firm as the district's attorney. One event led to another, resulting in a separate, civil law suit. Better informed and trained board members would have the confidence to question their attorney's advice.

In conclusion, training is strongly recommended for all board members in the county. The training should be ongoing and include the Brown Act, ethics training, finance, insurance, purchasing, interpersonal relationships, independent thinking, decision making, and governance training.

The California Special Districts Association (CSDA) is an organization whose membership is made up of local districts throughout the state. Membership fees are based on a district's annual budget. However, a district need not belong to CSDA to take advantage of its training programs. Many courses are offered by CSDA, and a seminar could be tailored to local districts and agencies in Shasta County. This training would address the topics listed in the previous paragraph. The estimated cost of this seminar to each district would be \$75 per attendee, providing there were at least 25 in attendance from the north state. The cost to each district could be less, based on total attendance. Backing by the Board of Supervisors would increase the public's awareness of the importance and need for training. The Grand Jury conservatively

estimates that over the last seven years at least \$200,000 has been needlessly spent due to questionable decisions. Considering that the grand juries have reviewed only approximately 25% of the county's districts and agencies, how much more has actually been spent?

Findings

1. Emphasis is needed from the Shasta County Board of Supervisors to make the public aware of the necessity for local board members ongoing training.
2. Investigations of the 2009/2010 Grand Jury and previous grand juries revealed that local districts and agencies board members are not adequately trained. Some are unaware of their duties and responsibilities.
3. Many training courses for board members are available from California Special Districts Association and other state agencies.

Recommendations

1. Although the Board of Supervisors has no direct authority over local districts and agencies, the Grand Jury recommends that the Shasta County Board of Supervisors pass a resolution supporting and encouraging CSDA or other professional board training.
2. The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA.

Methods of Inquiry

- interviewed all members of the Shasta County Board of Supervisors
- interviewed nine members from district boards
- reviewed seven grand jury final reports from 2002 through 2009 upon which 20 districts were reported
- reviewed a copy of The Fire Fighters' Bill of Rights
- attended board meetings of four districts
- reviewed minutes from numerous districts' board meetings
- reviewed two extensive investigative reports
- conducted ten interviews with past and current employees from various districts and agencies

Responses Required

1. Shasta County Board of Supervisors as to finding 1 and recommendation 1
2. All of the following Shasta County local districts and agencies as to recommendation 2

Cemetery Districts

Anderson Cemetery District
Burney Cemetery District
Cottonwood Cemetery District
Fall River Mills Cemetery District
Halcumb Cemetery District
Manton Joint Cemetery District
Millville Cemetery District
Pine Grove Cemetery District

Mosquito Districts

Burney Basin Mosquito Abatement District
Pine Grove Mosquito Abatement District
Shasta Mosquito and Vector Control District

Conservation Districts

Fall River Resource Conservation District
Western Shasta Resource Conservation District

Fire Districts

Anderson Fire Protection District
Burney Fire Protection District
Castella Fire Protection District
Cottonwood Fire Protection District
Fall River Mills Fire Protection District
Happy Valley Fire Protection District
McArthur Fire Protection District
Millville Fire Protection District
Shasta Lake Fire Protection District

Water Districts

Anderson Cottonwood Irrigation District
Bella Vista Water District
Burney Water District
Cottonwood Water District
Shasta County Water Agency
Crag View Water Agency

Community Service Districts

Centerville Community Services District
Clear Creek Community Services District
Fall River Mills Community Services District
Igo-Ono Community Services District
Mountain Gate Community Services District
Shasta Community Services District

Other Districts

Shasta Area Safety Communications Agency
Mayers Memorial Health Care District
Shasta County Air Quality Management District
Keswick Community Services Area

School Districts - Shasta County, California

Anderson Union High School District

Bella Vista Elementary School District

Black Butte Union School District

Cascade Elementary School District

Castle Rock Elementary School District

Columbia Elementary School District

Cottonwood Union Elementary School District

Enterprise Elementary School District

Fall River Joint Unified School District

French Gulch-Whiskeytown Union Elementary
District

Gateway Unified School District

Grant Elementary School District

Happy Valley Union School District

Igo-Ono-Platina School District

Indian Springs Elementary School District

Junction Elementary School District

Millville Elementary School District

Mountain Union School District

North Cow Creek School District

Oak Run Elementary School District

Pacheco Union School District

Redding School District

Shasta Union Elementary School District

Shasta Union High School District

Shasta-Trinity Regional Occupational Program

Whitmore Elementary School District



Brenda Haynes, President
Shawn Kreps, Vice President
Robert Blankenship, Director

Anderson-Cottonwood Irrigation District

2810 Silver Street, Anderson, Ca. 96007
(530) 365-7329 – Fax: (530) 365-7623
www.andersoncottonwoodirrigationdistrict.org

D-17

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c

September 17, 2010

The Honorable Stephen H. Baker
Presiding Judge of the Superior Court
1500 Court Street
Redding, California 96001

Re: Response to 2009/2010 Grand Jury Report

Dear Judge Baker:

Anderson-Cottonwood Irrigation District and its Directors are appreciative of the work of the 2009/2010 Shasta County Grand Jury in investigating and compiling its report and recommendations. As required by California Penal Code Section 933.05, the District offers the following response to the Grand Jury's recommendation that Local Districts and Agencies implement a "Board Meetings —101" program:

Recommendation No. 2: The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA [California Special Districts Association].

The District generally agrees with the finding that local district and agency board members are sometimes inadequately trained or do not have a good understanding of their duties and responsibilities. However, the District has elected to not implement the recommendation, as written, because it is unnecessarily broad in scope, is unwarranted, and not cost effective given the fact that the District has training opportunities available from other vendors.

While the District will not implement the recommendation, as written, the District nonetheless will continue to provide its Directors with ongoing training materials and opportunities that are convenient and cost effective, but not necessarily limited to those developed by the California Special Districts Association.

The District believes that board member training should not be limited solely to programs sponsored by CSDA. Rather, the District will continue to participate in training sessions sponsored by the Association of California Water Agencies (ACWA), Northern California Water Agencies (NCWA), and sessions arranged by its General Counsel, Minasian Law Firm, in addition to those offered by CSDA or other vendors. Typically, training sessions are included without charge as a benefit of membership in NCWA and ACWA.

The District currently offers training materials to its Directors related to the Brown Act, legislative procedures, District policies, and ethics. The District also receives notices, instructions, and policy summaries regarding pertinent issues from its legal counsel on a regular basis. District staff receives detailed training in finance, legal, purchasing, and other business-related aspects of the District's operations and the Directors rely upon staff and legal counsel for guidance on these matters.

The District will continue offering its Directors and staff pertinent education and training opportunities in the form of workshops and seminars that are convenient and cost effective. The Board of Directors has also asked its staff to draft a policy outlining the District's goal to provide ongoing training and continuing education for board members and staff. The Board has asked that a draft of that policy be presented to the Board for consideration and possible adoption no later than February 2011.

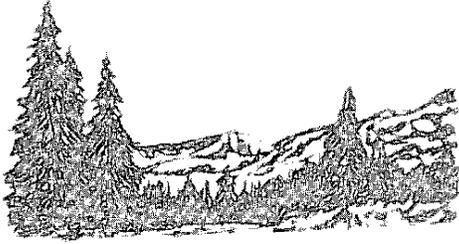
Please contact General Manager/Secretary Stan Wangberg if you have any comments or questions regarding this response.

Sincerely,



Brenda L. Haynes,
President, Anderson-Cottonwood Irrigation
District Board of Directors

REC 8-19-10 (RMA)



Anderson Union High School District

1469 Ferry St., Anderson, CA 96007 • (530) 378-1234

Tim Azevedo, Superintendent

D.24

Dale Trudeau, Foreperson
Shasta County 2009/2010 Grand Jury
P. O. Box 992086
Redding, CA 96099-2086

July 14, 2010

Dear Mr. Trudeau,

The Board of Trustees of the Anderson Union High School District has received the Grand Jury report entitled "Local District and Agencies: Board Meeting 101." The findings in the report do not apply to this district. The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA." CSDA is the California Special Districts Association. We are not aware of any school district that belongs to the CSDA organization.

However, our school district receives services from the California School Boards Association (CSBA) and the Association of California School Administrators (ACSA). Our current board has received training in Board/Superintendent relations, responsibilities of the Superintendent and the Board, as well as highlights of the Brown Act. Also, Anderson Union High School District regularly makes updates to board policies, as prepared and recommended by CSBA.

Respectfully,

Richard Urban
President, AUHSD Board of Trustees

Tim Azevedo
Superintendent



BELLA VISTA ELEMENTARY SCHOOL DISTRICT

22661 Old Alturas Road
Bella Vista, CA 96008
530-549-4415 530-549-4506 fax

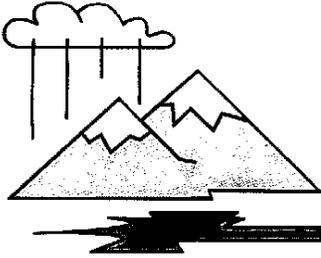
D.25

Randy Mitchell
Randy Peltier

TO: Shasta County Grand Jury
FROM: Charlie Hoffman, Superintendent *CH*
DATE: September 29, 2010
RE: Local Districts & Agencies Administration Response

- I. The Bella Vista Elementary School District Administration and Board of Trustees agrees with the recommendation of the Grand Jury that training for Board Members is important and should occur.
- II. The Bella Vista Elementary School District has implemented, and intends to continue to implement, the Grand Jury's recommendation of training for Board Members. The trainings attended by Board Members are conducted by third party experts and occur both locally and out of the area. The trainings are not free of cost, but are viewed by the Bella Vista Elementary School District Board and administration as worthwhile.

RECEIVED
OCT 06 2010
BY: *SH*



BELLA VISTA WATER DISTRICT

11368 E. STILLWATER WAY • REDDING, CALIFORNIA 96003-9510
TELEPHONE (530) 241-1085 • FAX (530) 241-8354



· DIRECTORS ·

BOB NASH
JEFF O. STEF

.L

Secret

0-18

August 25, 2010

The Honorable Stephen H. Baker
Presiding Judge of the Superior Court
1500 Court Street
Redding, CA 96001

Re: Response to 2009/2010 Shasta County Grand Jury Report

Dear Judge Baker:

On behalf of the Bella Vista Water District (District), we wish to express our thanks and appreciation for the work of the 2009/2010 Shasta County Grand Jury. As required by California Penal Code Section 933.05, the District offers the following response to Local Districts and Agencies "Board Meetings — 101."

Recommendation No. 2: The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA.

The District generally agrees with the finding that local districts and agencies board members are not always adequately trained and some are unaware of their duties and responsibilities. However, the recommendation will not be implemented because it is not warranted, reasonable or cost effective. The District will continue to implement the intent of the Grand Jury recommendation by providing ongoing training materials and opportunities that are convenient, cost effective, but not necessarily limited to those developed by CSDA.

Beginning in 2008 District staff began providing a "Directors Resource CD" compilation to new and existing Directors on a compact disk. This comprehensive compilation includes essential District documents, policies, reports, contracts, etc., as well as applicable regulations, codes and legislation, including the Brown Act. Additionally, the Directors Resource CD includes useful internet resource links and copies of relevant trainings and presentations. A copy of the index of the most recent edition, updated in January 2010, is attached. This form of training is self paced, cost effective and serves as an ongoing reference. Additional training workshops and seminars that are both convenient and cost effective are encouraged by the District's Board and such opportunities are routinely provided to Board members in their monthly meeting materials or in other communications from the General Manager.

The Honorable Stephen H. Baker
August 25, 2010
Page 2

Although CSDA offers useful training programs, most of their training seminars are held in Southern or Central California and only occasionally in Sacramento. Travel, lodging and related expenses makes this form of training uneconomical and overly burdensome. The District believes that board member training should not be limited solely to CSDA, but may be from but not necessarily limited to, CSDA; the Association of California Water Agencies (ACWA); the ACWA Joint Powers Insurance Authority (ACWA/JPIA); the American Waterworks Association (AWWA); California Rural Water Association (CRWA); the Rural Communities Assistance Corporation (RCAC); our legal consortium Liebert, Cassidy and Whitmore; the District's general legal counsel and others providing the curriculum discussed in the Grand Jury Report.

The District appreciates this opportunity to respond to relevant portions of the 2009/2010 Shasta County Grand Jury Final Report. We believe the Grand Jury system helps strengthen the provision of local government services in California and we are pleased to offer our comments.

Please do not hesitate to contact me if you have any questions or require additional information regarding this matter.

Sincerely,



Lynette Blaisdell, President
Bella Vista Water District Board of Directors

Enclosure

c: Shasta County 2009/2010 Grand Jury (hard copy)
via email: (grandjury@co.shasta.ca.us)

**BELLA VISTA WATER DISTRICT
DIRECTOR'S RESOURCE CD
Revised: January 16, 2010**

Section 1:	FORMATION OF DISTRICT
Section 2:	MISSION STATEMENT, GOALS
Section 3:	BOARD OF DIRECTORS AND STANDING COMMITTEE APPOINTMENTS
Section 4:	AUDITED FINANCIAL STATEMENTS, BUDGET
Section 5:	POLICY MANUAL, POLICIES
Section 6:	PLANS, PROGRAMS
Section 7:	DESIGN AND CONSTRUCTION STANDARDS
Section 8:	HUMAN RESOURCES
Section 9:	MASTER PLAN
Section 10:	WATER SERVICE CONTRACTS
Section 11:	WATER QUALITY REPORTS
Section 12:	RATE STUDIES
Section 13:	CAPITAL FACILITIES FINANCING CORPORATION
Section 14:	REDDING AREA WATER COUNCIL (RAWC)
Section 15:	WEB SITE REFERENCES
Section 16:	GLOSSARY OF TERMS, COMONLY USED ACRONYMS
Section 17:	TRAINING, REFERENCES, GUIDES
	a. Robert's Rules of Order
	b. ACWA Ballot Measures Guidelines
	c. ACWA Ballot Measures FAQ
	d. ACWA Guidelines for Conduct
	e. ACWA Open and Accessible
	f. AG Conflicts of Interest
Section 18:	LAWS

8-18-10

The Board of Trustees of Black Butte Union Elementary School District has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meetings-101." The findings in the report do not apply to this District. The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA." CSDA is the California Special Districts Association. No school district belongs to CSDA. This District does receive services from CSBA, the California School Boards Association, and SSDA, Small School District Association. This Board of Trustees has already received, within the last year, training in the following areas:

- Conflicts of interest of board members
- Labor relations under the Educational Employment Relations Act (Government Code section 3540 et seq.)
- Highlighted of the Brown Act (Government Code sections 54950 et seq)
- Board/Superintendent relationships between school boards and superintendents including specific responsibilities of superintendents and specific responsibilities of school boards

In addition, board members of this District have attended workshops presented by the California School Boards Association (CSBA), and the Small School Districts Association (SSDA) on the following topics:

CSBA: November 30 – December 2, 2006

- Role and Responsibilities of the Governance Team
- Legal Issues and the Brown Act
- School Finance
- Board and Superintendent Relations

*BLACK BUTTE
ELEM. SCHOOL
DISTRICT*

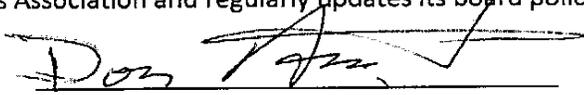
SSDA: March 28, 2008

- Keys to Successful Board-Superintendent Relations
- The Brown Act
- Effective Personnel Practices
- Essential Ingredients for Positive Results and Work Relationships

D-26

Black Butte Union Elementary School District also subscribes to board policies prepared by the California School Boards Association and regularly updates its board policies as recommended by CSBA.

Don Aust

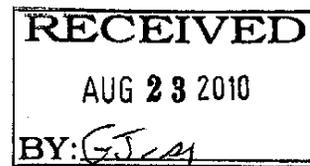


Superintendent

Carolyn Henning



Board President



Black Butte Union Elementary School District
7752 Ponderosa Way
Shingletown, CA 96088
530-474-3125

BURNEY BASIN MOSQUITO ABATEMENT DISTRICT

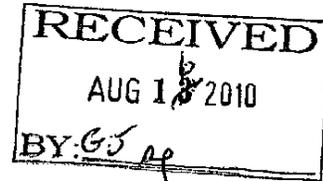
Michael S. Churney, Manager
PO Box 1049
Burney, CA 96013

D-6



August 11, 2010

The Honorable Stephen H. Baker
Presiding Judge of the Superior Court
1500 Court Street
Redding, CA 96001



RE: Response to 2009/2010 Grand Jury Report
Pursuant to California Penal Code 993(c)

Dear Judge Baker,

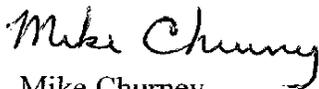
On behalf of the Burney Basin Mosquito Abatement District (BBMAD), we wish to take this time to respond to recommendation 2 in the report, as well as question some of the statements that were made regarding matters that involved the Burney Basin Mosquito Abatement District.

The statements of concern are in the summary of the 2004-2005 Grand Jury report. The last two sentences read, "Of the three mosquito districts investigated, only one was ready for West Nile Virus, well run, and solvent. It was commended by the Grand Jury". These comments are far from being accurate and lack total professionalism on the Grand Jury's part. It tells us that, although they may have read the report, they did not spend the time to comprehend what was in the report. Nor did they investigate the method of inquiry. Had this been done, they would have discovered that the 2004-2005 Grand Jury only toured the Shasta Mosquito and Vector Control District (SMVCD) and that no one toured the facilities of the other two Districts. The only inquiry conducted for the BBMAD was to look at the adopted budget for the year and to interview the Manager. We do not know how the 2009-2010 Grand Jury could conclude based on what was written in the 2004-2005 report that the BBMAD was not prepared for West Nile Virus (WNV). Like many other Mosquito Districts in the State of California, the BBMAD has been and always will be prepared for WNV. We do not know what SMVCD does that makes them more prepared than what we do. They do surveillance; we do surveillance. They submit dead birds for testing; we submit dead birds for testing. They have chickens for testing; we have chickens for testing. The only difference is that they have more revenue, thus more man power. Since when does more revenue automatically correlate into being more prepared? Since neither the 2004-2005 Grand Jury nor the 2009-2010 Grand Jury visited our facility, nor did they question our operations, how did they reach the conclusion that the BBMAD was not well run? Were they merely editorializing? It certainly was not based upon facts. We also question the comment on solvency. We challenge you to read the 2004-2005 report and conclude that the BBMAD is not solvent. How did the 2009-2010 Grand Jury reach this conclusion? Next is the sentence, "It was commended by the Grand Jury." This implies that only the SMVCD was commended, when in reality, all three Districts were commended as was stated in the original report.

Over the years we have seen our revenues nearly cut in half from one year to the next, yet we have faced the challenge and have gotten through it. We have over 3,300 acres of wild rice within the District boundaries and very limited funding available. Yet we still have not had a diagnosed human case of WNV. In fact, if you were to look at the 2004-2005 Grand Jury's reply to the responses, you would read, "The Grand Jury accepts the responses and acknowledges the financial constraints of small districts. We applaud the districts for the low prevalence of West Nile cases in Shasta County compared to other north state counties." Our adult mosquito counts in the populated areas continue to be low because of our control efforts. We may not have state of the art equipment or facilities, but we have provided the residents with quality mosquito control over the years. We do not understand where the size of the district, whether it's financial, square miles, or personnel, automatically equates into being better run, more solvent, and better prepared. Please explain.

At this time we would like to respond to recommendation 2 of the report concerning adoption of an ongoing training program developed by CSDA. We are assuming that they are referring to the Special District Leadership Academy series of which there are four modules. The current costs to sign up for all four modules range from \$820.00 to \$1,180.00 per person no matter what the financial size of the district. Whether or not this training would be beneficial is unknown. What is known is that the cost would put another financial burden on our district at a time when we are seeing the State raid our coffers while property assessment values continue to fall. We currently receive ethics training as required by law. Members of this Board have also attended workshops in the past that covered areas such as the Brown Act and Conflict of Interest. The Board of Trustees of the Burney Basin Mosquito Abatement District has always encouraged it members to attend training whenever it was feasible. We will continue to support this concept. The problem lies with accessibility. Being from the eastern part of Shasta County, one is not always provided training locally. Whenever they have had local training, the workshops have been well attended. We would suggest that some entity try to schedule such workshops throughout Shasta County. We believe that biennially would suffice. It is our belief that these would be well attended in eastern Shasta County. In order to make this Grand Jury recommendation work, we feel that two areas need to be addressed. First is the cost. Preferably no more than the \$75.00/person as was suggested within the report. Next is accessibility. They should be held in outlying areas as well so that individuals won't have to travel 150 miles round trip. Although live training may be the preferred method, as an alternative, we will present Board members copies of the Brown Act and any other pertinent information which can be obtained via the internet. Please keep in mind that we are not opposed to the concept of training, we simply encourage consideration of the two points mentioned above to help make this feasible.

Respectfully,


Mike Churney
Manager/BBMAD


Walt Caldwell
President
BBMAD Board of Trustees



Burney Cemetery

D-2

Board of Directors

Joseph F. Churney III
Robert Sales
George Mathews
Jackie Young, Manager

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June 22, 2010

TO: Shasta County Grand Jury
P.O. Box 992086
Redding, Ca. 96099-2086

RE: Local District and Agencies Administration

Grand Jury Members,

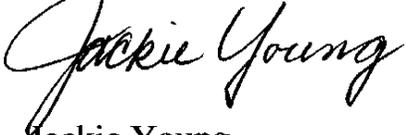
Thank you for the valuable information received today. I have read your concerns and findings and appreciate the reminder of issues referred to. The Burney Cemetery District is a special district and we fall under all of these guidelines of concern.

Burney Cemetery District has been insured for the past 7 years by Golden State Risk Management Authority (GSRMA). This agency have been totally supportive, keeping our district in compliance with the following:

- Ethics training for staff and board members.
- Sexual Harassment training for staff and board members.
- Online safety training for staff and board members helping us to maintain standards accepted by OSHA.
- Brown Act training for staff and board members.
- District staff and as many board members who can, attend annual PCA, Public Cemetery Alliance conferences, which GSRMA hosts and information is shared. They always have speakers who motivate and give insight to issues facing special districts.

Burney Cemetery District is not a member of CSDA due to their membership fees. As you are aware special districts struggle financially and this is a cost the board felt was unnecessary. We feel we receive adequate training from Golden State Risk Management Authority and the Public Cemetery Alliance

Again, Thank you for the information received,

A handwritten signature in cursive script that reads "Jackie Young".

Jackie Young
Manager, Burney Cemetery District

Cascade Union Elementary School District

D-27



Trustees:

Jeffrey L. Carr
Jim Carroll
Leila G. Dumore
Les McMullen
Terri Quigley

1645 West Mill Street
Anderson, California 96007
(530) 378-7000 FAX (530) 378-7001

Mike Michelon
District Superintendent

August 13, 2010

The Honorable Stephen H. Baker
Presiding Judge of the Superior Court of Shasta County
1500 Court Street, Suite 205
Redding, CA 96001

Dear Honorable Judge Baker:

Please accept this correspondence as the official response from the Cascade Union Elementary School District required by the 2009/2010 Grand Jury Report regarding Local Districts and Agencies (pg. 18).

Recommendation 2 suggests that all districts and agencies adopt an ongoing training program developed by CSDA. Our district took a proactive approach to board member training during the 2009/2010 school year by having our legal counsel, L. Alan Swanson, present a "New Board Member Workshop" to all of our trustees. The training took place on January 7, 2010, which was obviously well before the release of the Grand Jury Report. The agenda included four main areas: 1) Board/Superintendent Relations; 2) Conflicts of Interest of Board Members; 3) Highlights of the Brown Act, The Open Meeting Law; and, 4) Overview of Labor Negotiations. There was also a question and answer period for Issues Confronting School Districts.

We will continue to actively pursue trainings for our board members so that they are knowledgeable and skilled about their roles and responsibilities. We will most likely use the California School Boards Association (CSBA) trainings, since they are specific to the work our Board does. Please feel free to contact me at 378-7000 if you have any questions or need further clarification.

Sincerely,

Mike Michelon
District Superintendent





Castle Rock Union Elementar

P.O. Box 180 • Castella, CA 96017 • Phone (5

D-28

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August 10, 2010

The Shasta County Grand Jury
Att: Mr. Dale Trudeau, Foreperson
P.O. Box 992086
Redding, CA 96099-2086
(530) 225-5098

Dear Mr. Trudeau and members of the 2009-2010 Shasta County Grand Jury:

The Castle Rock Union Elementary School District Board of Trustees have received your correspondence of June 23, 2010, have reviewed it, and we are submitting the following response as per your request.

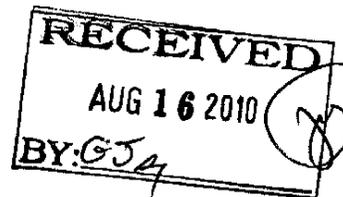
The District has in the past made available to its Board members various training, classes and workshops and will continue to do so through the California School Boards Association (CSBA) and other sources. When selecting training for its members in the future, the District will take into consideration the topics suggested by the Grand Jury.

We will refer back to your "Board Meetings—101" report and information as needed, and we have directed our superintendent/principal to evaluate and monitor those aspects of Board duties, responsibilities and oversight that you have addressed, and to report to the Board any areas where more Board training may be required.

Thank you for your diligence and for your efforts on behalf of the citizens of our county.

Sincerely,

James Cross
School Board President
Castle Rock Union Elementary School District





D-19

COMMUNITY SERVICES DISTRICT

September 7, 2010

The Honorable Stephen H. Baker
Presiding Judge of the Superior Court
1500 Court Street
Redding, CA 96002

Dear Judge Baker,

The Board of Directors appreciates the additional effort taken by the 2009/2010 Grand Jury in addressing the subject of training for our community minded citizens who choose to put themselves in the sometimes unenviable position of making critical decisions which affect their neighbors, the taxpayers. We feel that these types of independent reviews provide all agencies, which deliver a wide variety of services within Shasta County, with invaluable information to make sure that adopted policies and procedures are consistent with current laws and regulations. We have reviewed the information provided the Findings and Recommendations of the report and offer the following comments:

Findings

1. Emphasis is needed from the Shasta County Board of Supervisors to make the public aware of the necessity for local board members ongoing training.

Response: We concur with the finding. While we appreciate the tremendous workload of our Supervisors, as a suggestion, maybe they could make time in their busy schedules to visit the agencies within their District to encourage board members to take advantage of the multitude of training opportunities locally and within a short travel distance from our County.

2. Investigations of the 2009/2010 Grand Jury and previous grand juries revealed that local districts and agencies board members are not adequately trained. Some are unaware of their duties and responsibilities.

Response: Based on the limited information provided in the Grand Jury reports and the various media articles, the appearance is that some board members and management may not be properly trained and/or do not clearly understand the duties and responsibilities of their positions.

3. Many training courses for board members are available from California Special Districts Association and other state agencies.

Response: We concur. CSDA has an excellent training program for board members and managers. Their Special District Leadership Academy provides four modules addressing Governance Foundation, Setting Direction/Community Leadership, Board's Role in Finances and Fiscal Accountability, and Board's Role in Human Resources. The Association also provides classroom and webinar courses in Ethics Training, the Brown Act, Board Members and Manager Relationship, etc. The major drawback for some of these programs is that they are located mainly in Southern California.

The Association of California Water Agencies (ACWA) and ACWA's Joint Powers Insurance Authority (ACWA/JPIA) also have training programs in these same areas throughout the State. ACWA provides Ethics Training sessions at both of their Spring and Fall Conferences. The JPIA has an extensive video lending library and both ACWA and CSDA have online courses, webinars, and Bookstores where agencies can purchase paperback books and training CD's.

The California Rural Water Association (CRWA) and the Rural Community Assistance Corporation (RCAC) are a couple of other organizations which also provide training resources.

Recommendations

1. Although the Board of Supervisors has no direct authority over local districts and agencies, the Grand Jury recommends that the Shasta County Board of Supervisors pass a resolution supporting and encouraging CSDA or other professional board training.

Response: We concur.

2. The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA.

Response: The Centerville Community Services District is currently a member of ACWA, ACWA/JPIA, and CSDA agencies. The District's annual O&M Budget always contains a funding line item for Travel and Training purposes. Our Board members, management, and staff attend as much training as possible, within the budget parameters, on an annual basis utilizing the services provided by these organizations.

In addition to the training available to our Board of Directors and management at the different industry trade groups each of our Board of Directors upon election are given an orientation by the District Manager into, among other topics, the Brown Act requirements, Fiscal Responsibility, Fiduciary Role of the Board, Ethics and an overview of the District's Operating Policies and Procedures. Upon joining the Board, each Director is provided a binder of resource information regarding these and other topics to help prepare them for their role as a Board member. Also, our District has retained experienced and qualified legal counsel that is present at every monthly meeting, and available individually to Board members and management to help guide us through legal and ethical matters related to the District activities. Additionally, our financial statements are audited annually by qualified Certified Public Accountants in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States.

While we support an ongoing training program for all local districts and agencies within Shasta County, we believe it would be cost prohibitive to accomplish such a program limited only to the resources of CSDA. On the idea on attending a CSDA seminar addressing any of the topics discussed in the Background section of the report, our District would definitely be in favor of this action.

Please thank the members of the Grand Jury for their devotion to the Shasta County Communities and their continued efforts to ensure that agencies comply with the State of California's laws and regulations in providing service to their constituents.

Sincerely,



Walt Richison
Board President

0-29

Board of Trustees
Walter Albert, President
William Bania
James Luna
Penny Steiner
Charles Van Hoosen



Columbia School District
Kids First!

10140 Old Oregon Trail, Redding, California, 96003
530-223-1915 FAX 530-223-4168

August 18, 2010

At its regularly scheduled Board Meeting on August 17th, 2010, The Board of Trustees of the Columbia Elementary School District reviewed the Grand Jury's report entitled "Local District and Agencies. The Board appreciates the Grand Jury's efforts to improve all Boards effectiveness, but we respectfully reply that the findings in the report do not apply to this District.

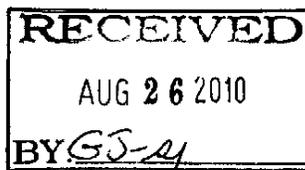
The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by the California Special Districts Association (CSDA). While CSDA may be a fine organization, it is not the only one that trains boards. This District does receive services from the California School Boards Association (CSBA) and the law office of Lozano & Smith. This Board of Trustees has already received, within the last year, training in the following areas:

- Conflicts of interest of board members
- Labor relations under the Educational Employment Relations Act (Government Code section 3540 et seq.)
- Highlights of the Brown Act (Government Code sections 54950 et seq)
- Board/Superintendent Relations, and Evaluation of Administrative Personnel
- Roles and Relationships between School Boards and Superintendents (including specific responsibilities of superintendents and specific responsibilities of school boards)

In addition, board members of this District have attended workshops presented by the California School Boards Association on a variety of topics at annual and regional conferences. This District is a member of the California School Boards Association (CSBA) and subscribes to its board policies program, which provides timely update advisement with appropriate legal and ed code citations. In addition, two years ago, this Board completed a thorough policy review through CSBA. This included professional and legal support. Thorough scrutiny of all CESD's policies is calendered for Board review on a timely revolving basis to ensure policies are relevant, legal and current.

Sincerely,

Frank Adelman, Superintendent



COTTONWOOD CEMETERY DIS'

D-3

Post Office Box 1007 Cottonwood, Ca 9
Telephone 530-347-3621 Fax 530-347-0473 E-mail col

August 17, 2010

Shasta County
Grand Jury
P.O.Box 992086
Redding, Ca 96099-2086

Dear Grand Jury:

We are writing in response to the Grand Jury recommendations concerning local districts and agencies within Shasta County.

Response to Recommendations:

#1. The Shasta County Board of Supervisors appoints members to cemetery boards of trustees. Before these appointments are made there needs to be an interview process to establish the candidates qualifications and knowledge of the position as well as training required to perform their duties effectively.

#2. The Board of Trustees of the Cottonwood Cemetery District is in agreement that ongoing training is essential to the successful operation and administration of a district and have agreed that the establishment of a policy for that training would be in the best interest of the district.

Although CSDA is an outstanding organization the Public Cemetery Alliance offers training specifically designed for cemetery districts. This training is offered at no charge to cemetery districts and membership in the Alliance is never a requirement.

With Best Regards,

Bonnie Coleman, Chairman

Board of Trustees

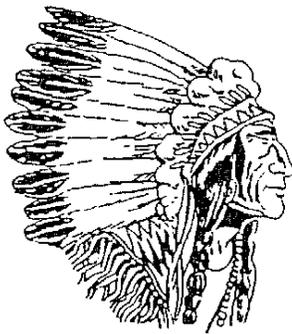
Cottonwood Cemetery District

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AUG 28 2010
BY: GJ-24

TRUSTEES
Bonnie Coleman
John Helfrich
Randy Armstrong

Arnie Brinton
Manager
Arnett Spoon
Assistant Manager

Member
**PUBLIC
CEMETERY
ALLIANCE**



COTTONWOOD UNION SCHOOL DISTRICT

D. 30

August 5, 2010

Presiding Judge of the Superior Court
P.O. Box 992086
Redding, CA 96099-2086

Dear Judge:

This is in response to the report authored by the Shasta County Grand Jury for the 2009/2010 year. The Shasta County Grand Jury had findings and made recommendations in regards to local districts and agencies board members. I am responding specifically to recommendation #2 which states, "The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA."

The Cottonwood Union School District Board of Trustees discussed this report and recommendation at its July 20, 2010, regular board meeting. The District is currently and has been for a number of years been a member of the California School Boards Association (CSBA). CSBA offers training in all of the areas mentioned in the report. The District has in the past made available to its Board members various training, classes and workshops and will continue to do so through CSBA and other sources. When selecting training for its members in the future, the District will take into consideration the topics suggested by the Grand Jury.

Sincerely,

Robert Lowden
Superintendent

RECEIVED
AUG 16 2010
BY: GJ 4

COTTONWOOD UNION SCHOOL
DISTRICT OFFICE
20512 WEST FIRST STREET
COTTONWOOD, CA 96022
TELEPHONE (530) 347-3165

*
Robert Lowden, Superintendent

EAST COTTONWOOD
ELEMENTARY SCHOOL
3425 BRUSH STREET
(mailing) 20512 WEST FIRST STREET
COTTONWOOD, CA 96022
TELEPHONE (530) 347-3071

*

73

NORTH COTTONWOOD
ELEMENTARY SCHOOL
19920 GAS POINT ROAD
(mailing) 20512 WEST FIRST STREET
COTTONWOOD, CA 96022
TELEPHONE (530) 347-1698

*

WEST COTTONWOOD
JUNIOR HIGH
20512 WEST FIRST STREET
COTTONWOOD, CA 96022
TELEPHONE (530) 347-3123

*
Douglas Geren, Principal



D-31

1155 MISTLETOE LANE
REDDING, CA 96002

PHONE: 530-224-4100
FAX: 530-224-4101

WWW.EESD.NET

BRIAN N. WINSTEAD, ED.D
SUPERINTENDENT

GOVERNING BOARD
SCOTT SWENDIMAN
SHERRYL COBB
ART CUHLLAR
GLORIA VALLES
JILLIAN WYLAND

OUR SCHOOLS

ALV MESA
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BOULDER CREEK
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SCHOOL

LOUIE STREET
COMMUNITY DAY
SCHOOL

FASSIN VILLAS
ELEMENTARY
SCHOOL

MISTLETOE
ELEMENTARY
SCHOOL

PARSONS
JUNIOR HIGH
SCHOOL

ROTTER
ELEMENTARY
SCHOOL

SUNSHINE MEADOWS
ELEMENTARY
SCHOOL

July 20, 2010

Mr. Dale Trudeau, Foreperson
Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau and Members of the Grand Jury:

The Enterprise Elementary School District Governing Board appreciates the concern expressed in the 2009/2010 Grand Jury Report regarding the expertise and training of members of governing boards within the county and herein responds to the Grand Jury's findings and recommendations.

School districts (including this district) do not belong to the California Special Districts Association. Instead, they receive training opportunities and board-related information from the California School Boards Association (CSBA).

The Enterprise Elementary School District has made available to its Board members various trainings, classes, and workshops on pertinent topics including Conflict of Interest, Brown Act, and Board/Superintendent relations. Our board members have attended these trainings, and we will continue to offer them opportunities through the California School Board Association (CSBA) as well as other sources.

Sincerely,

Brian N. Winstead
Superintendent

BNW/cep

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JUL 21 2010
BY: GJY

FALL RIVER JOINT UNIFIED SCHOOL DISTRICT



August 11, 2010

D-32

Superior Court of California, County of Shasta
Court Administration Office
1500 Court Street, Room 205
Redding, CA 96001

Re: Response to the Grand Jury Final Report

The District has in past made available to its Board members various training, classes and workshops and will continue to do so through the CSBA and other sources. When selecting training for its members in the future, the District will take into consideration the topics suggested by the Grand Jury.

Sincerely,

Teri Vigil, Board President
Fall River Joint Unified School District

Fall River Resource Conservation District

D-8

Post Office Box 83
McArthur, CA 96056



Telephone/Fax: (530) 426-4444
e-mail fallriverrcd@fallrivercd.com

August 3, 2010

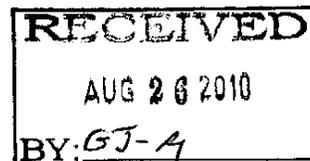
Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Re: Letter from the Fall River Resource Conservation District Board of Directors

Dear Grand Jury,

The Fall River Resource Conservation District has and continues to work diligently on updating its policy and procedure manual. Within the last two years, the financial policies, purchasing policy and conflict of interest policy were up-dated, as well as establishing a fraud prevention policy within the manual. Currently the personnel policies are being reviewed and up-dated. Finances and all expenditures are reviewed monthly by our 7 member board. Profit/loss statements, bank reconciliation reports, and financial forecasts are provided to the board monthly. No check is authorized without a board member's signature. An audit is conducted yearly by a professional CPA. In response to "Board Meetings- 101", the Fall River Resource Conservation District Board accepts the responsibility for continuous training. More money was placed in the budget for this coming fiscal year to attend seminars/training courses. Due to financial constraints, however, the board asks that seminars and training courses be provided in Redding. More board members from special districts in our county would be able to attend, if training was provided closer to the special districts residing area.

The Fall River Resource Conservation District recognizes the importance for continuous training and will provide training/education to all board members. Education topics of interest include the Brown's



Act, ethics training, human resource, board responsibility, and strategic planning. All proof of education will be placed in each board member's file for reference.

Thank you for your report and assistance in this matter.

Fall River Resource Conservation District Board of Directors

DIANE KEMPLEY, Ed.D.
Superintendent

July 26, 2010

0-33 -

Dale Trudeau, Forman
Shasta County 2009/2010 Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau:

The French Gulch-Whiskeytown School District Board of Trustees is in receipt of your letter dated June 23, 2010 requesting a response to your Grand Jury Final Report. We appreciate the efforts you have made on behalf of our citizens and our District's constituents.

The French Gulch-Whiskeytown School District Board of Trustees has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meeting 101" and while the alleged impropriety appears to be specific to only one of the 25 school districts in Shasta County, we would like to assure you the findings in the report do not apply to the French Gulch-Whiskeytown School District.

The French Gulch-Whiskeytown School District Trustees are provided on-going training on a variety of subjects, including but not limited to: The Board's role and responsibility, Brown Act, Board Policies, School Finance, Governance Standards, Qualities of an Outstanding Board, Public Statements, Conflict of Interest, Board/Superintendent Relationship. If an appointment to the Board exists, all potential candidates are given an orientation to the function of a Board member, to assure all candidates understand the seriousness of the role.

The French Gulch-Whiskeytown School District Board of Trustees wholeheartedly understands their role and takes their obligation to serve our constituents very seriously. We are not hesitant to ask questions or take action necessary to maintain a high ethical standard.

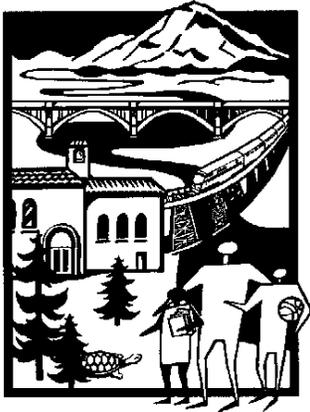
Thank you for the recommendation to California Special Districts Association (CSDA), however because a "fee" is charged for this service we feel it is best to utilize an organization that specifically directs their training to school districts. We will keep CSDA in mind for the future.

Again, thank you for your time and effort.

Sincerely,

Kris Exparza
President

The New Millennium Partnership



**REDDING
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Tradition of Excellence Since 1853

**SHASTA UNION
ELEMENTARY
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**FRENCH GULCH-
WHISKEYTOWN
SCHOOL DISTRICT**



**IGO-ONO-
PLATINA UNION
SCHOOL DISTRICT**

EDUCATION CENTER
5885 East Bonnyview Road
P.O. Box 992418
Redding, CA 96099-2418
(530) 225-0011
(530) 225-0015 Fax
<http://redding.echalk.com>



C-2

Gateway Unified School District
Committed To Good Citizenship And Life-Long Learning

4411 Mountain Lakes Blvd. ■ Redding, CA 96003 ■ (530) 245-7900 ■ FAX (530) 245-7920
www.gateway-schools.org

August 20, 2010

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court Street, Room 205
Redding, CA 96001

Re: Response of Gateway Unified School District to 2009/2010
Shasta County Grand Jury Report

Dear Judge Baker:

The Gateway Unified School District provides the following response to the Grand Jury 2009/2010 report as follows:

A. As to the section entitled "Gateway Unified School District:"

FINDING:

1. After conducting 25 interviews of the principals involved and reviewing voluminous documentation, the Grand Jury concludes that GUSD purchasing and bond management practices did not conform to pertinent state regulations.

RESPONSE:

The Gateway Unified School District (GUSD) disagrees wholly with the finding.

As school financial laws are complex, the School District hires and generally relies upon experts in school financial matters to advise the School District. Since the former CBO raised issues of financial

improprieties, GUSD has become aware of many independent experts who have reviewed these issues and found no evidence of illegal or improper practices by GUSD.

2. The GUSD Board violated its responsibility to its constituents by not allowing the CBO the opportunity to present and defend her case before the board.

RESPONSE:

The Gateway Unified School District disagrees wholly with the finding.

The School Board chose to hire a school financial expert to discuss with and investigate the former CBO's highly technical concerns. For the most part the members of the Board lack the background and expertise to objectively evaluate her claims. The investigator had this knowledge. Further the investigator was able to spend many hours meeting with her and others, time generally not available at Board meetings.

The former CBO was never prevented from addressing the Board. All School Board meetings have a public comment session where anyone, including the former CBO, can address the Board on any subject. The School District never prevented the former CBO from exercising this right, she simply chose not to do so.

3. The GUSD Board's decision to hire the District Counsel's law firm to conduct an impartial investigation appears to be an error of judgment because of a potential conflict of interest.

RESPONSE:

The Gateway Unified School District disagrees wholly with the finding.

The attorney hired to conduct the investigation has an impeccable reputation. While a member of the same 60-attorney law firm as the School District's general counsel, the two lawyers did not know each other prior to the investigator being hired. Further, the investigation was not reviewing any of the advice provided to GUSD by the District's general counsel. The District's general counsel does not advise the School District on financial and bond management practices. There was no conflict of interest.

4. An impartial and comprehensive method for resolving the dispute is an AB139 Extraordinary Audit by FCMAT. This would result in little or no cost to the district. Had it been done, it would have saved GUSD the significant cost incurred by the 430-page investigative report.

RESPONSE:

The Gateway Unified School District disagrees wholly with the finding.

While GUSD has no ability to order a AB-139 extraordinary audit, GUSD concurs with the Shasta County Superintendent of School's decision there is insufficient evidence to meet the legal threshold for ordering such an audit. It is GUSD's understanding the available information has been reviewed by FCMAT and they concluded the evidence was insufficient to call for an audit.

While it is true an AB-139 extraordinary audit would not involve any direct monetary costs to GUSD, only to taxpayers, there would be a substantial investment of time by employees. This diversion of resources to respond to a comprehensive audit would be a serious distraction from the employees' regular duties which would suffer as a result.

RECOMMENDATIONS:

2. The GUSD Board should receive training on how to provide effective fiscal oversight, with special emphasis on how and when to exercise independent thinking versus when to only accede to the direction of the superintendent or the advice of counsel.

RESPONSE:

The recommendation requires further analysis.

A variety of different training options are made available Board members on a regular basis. In the future when training programs are reviewed, GUSD will take into consideration the Grand Jury's suggestion the training include providing effective fiscal oversight.

3. When disputes occur, the GUSD Board should conduct its own inquiries and research, instead of relying solely on advice of counsel prior to formulating a plan of action.

RESPONSE:

GUSD agrees Board members should conduct its own inquiries and research, but disputes they have in the past relied solely upon the advice of counsel prior to formulating a plan of action.

Each member of the Board exercises their own independent judgment in deciding matters that become before the Board. However, the Board must

consider and vote on a wide-ranging number of issues that involve complex Government Code, Education Code, Public Contract Code and Health and Safety Code issues that are beyond the knowledge of any one person or Board member. Issues that come before the Board include student expulsion, hiring, firing, and layoff of classified, certificated and administrative personnel, the school budget, developer fees, bond measures, public contracts, Brown Act issues, negotiations with unions, litigation issues and finance issues to name a few. As most of these areas have complex laws that must be followed, the School Board must seek out the advice of attorneys and other experts. Failure to obtain such advice would surely cause the District to quickly find itself in violation of numerous laws.

B. Response to Grand Jury Article Entitled "Local Districts and Agencies:"

RECOMMENDATIONS:

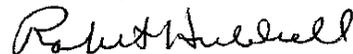
2. The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by the CSDA.

RESPONSE:

The recommendation requires further analysis.

A variety of different training options are made available Board members on a regular basis. In the future when training programs are reviewed, GUSD will take into consideration the Grand Jury's suggestion the training program developed by CSDA.

Sincerely,



Robert Hubbell
Superintendent,
Gateway Unified School District

D.34



Grant Elementary School District
"Preparing Students for the Future"

John Krinkel
Superintendent

8835 Swasey Drive
Redding, CA 96001
(530) 243-4952
Fax (530) 243-7014

Internet: www.Grantesd.k12.ca.us

August 19, 2010

Dear Grand Jury;

The Board of Trustees of Grant Elementary School District has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meetings-101." The findings in the report do not apply to the Grant Elementary School District. The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA." CSDA is the California Special Districts Association. No school district belongs to CSDA. This District does receive services from CSBA, the California School Boards Association. This Board of Trustees has already received, within the last year, training in the following areas:

- Conflicts of interest of board members
- Labor relations under the Educational Employment Relations Act (Government Code section 3540 et seq.)
- Highlights of the Brown Act (Government Code sections 54950 et seq)
- Board/superintendent relations, and evaluation of administrative personnel
- Roles and relationships between school boards and superintendents including specific responsibilities of superintendents and specific responsibilities of school boards

In addition, board members of this District will attend workshops presented by the California School Boards Association on the following topics:

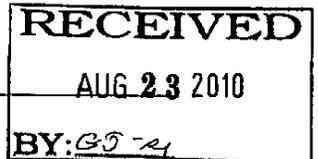
- Highlights of the Brown Act
- Conflicts of interest of Board members
- Board/Superintendent relations and evaluations of administrative personnel
- Labor Relations under the Educational Employment relations Act

This District also subscribes to board policies prepared by the California School Boards Association and regularly updates its board policies as recommended by CSBA.

Sincerely,

Camile Woodstrom
President to the Board

John V. Krinkel
Secretary to the Board



Board of Trustees
Chuck Aukland, Brenda Meline, Galen Schmidt, Camile Woodstrom, Ronald Zufall



D-14

Happy Valley Fire Protection

17441 Palm Avenue Anderson, California 96004
Chief Joseph L. Vasquez
email – joehappyvalleyfire@com-pair.net
Phone (530) 357-2345 Fax (530) 357-4165

July 22, 2010

Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

RE: Response to the 2010 Grand Jury report,

Dear Grand Jury,

The Happy Valley Fire Protection District Board of Directors has reviewed the Grand Jury report and the recommendations.

The Happy Valley Fire Protection District is a member of the Fire District Association of California (FDAC) and has been for several years. We receive ongoing information regarding fire district laws and regulations, annual conferences and workshops for Board members and staff. We also receive a FDAC Handbook with annual updates that has just about any information a special district would need. Our Board members receive Brown Act information and Ethics training on an ongoing basis along with filing annual 700 forms.

When workshops have been available in the Redding area in the past, some of our board members and staff have attended these workshops. If workshops or conferences were scheduled in the Redding area more often, then we feel that more of our members and staff could attend. In regards to us joining CSDA, we feel that we receive the same services from FDAC at a much lower price for membership.

Years ago Shasta County had a special district representative that worked with all the districts in the county informing them on new rules and regulations such as: auditing, brown act, budgeting and many other important topics. If this position still existed today, we may not be having these issues.

Sincerely,

John McDonald, Board President

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AUG 16 2010
BY: GJM



0.35

July 26, 2010

Dale Trudeau, Forman
Shasta County 2009/2010 Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau:

BOARD of TRUSTEES
Barbara Jackson
John Pappas
Ted James
Les James
Marveen Simpson

The Happy Valley District Board of Trustees is in receipt of your letter dated June 23, 2010 requesting a response to your Grand Jury Final Report. We appreciate the efforts you have made on behalf of our citizens and our District's constituents.

HAPPY VALLEY
ELEMENTARY
17480 Palm Ave.
Anderson, CA 96007

The Happy Valley District Board of Trustees has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meeting 101" and while the alleged impropriety appears to be specific to only one of the 25 school districts in Shasta County, we would like to assure you the findings in the report do not apply to the Happy Valley School District.

Janet Tufts
Principal
530-357-2111
Fax: 530-357-4193

The Happy Valley School District Trustees are provided on-going training on a variety of subjects, including but not limited to: The Board's role and responsibility, Brown Act, Board Policies, School Finance, Governance Standards, Qualities of an Outstanding Board, Public Statements, Conflict of Interest, Board/Superintendent Relationship. If an appointment to the Board exists, all potential candidates are given an orientation to the function of a Board member, to assure all candidates understand the seriousness of the role.

HAPPY VALLEY
PRIMARY
16300 Cloverdale Rd.
Anderson, CA 96007

The Happy Valley School District Board of Trustees wholeheartedly understands their role and takes their obligation to serve our constituents very seriously. We are not hesitant to ask questions or take action necessary to maintain a high ethical standard.

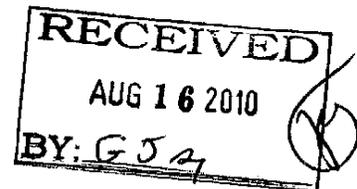
HAPPY VALLEY
DISTRICT OFFICE
16300 Cloverdale Rd.
Anderson, CA 96007

Thank you for the recommendation to California Special Districts Association (CSDA), however because a "fee" is charged for this service we feel it is best to utilize an organization that specifically directs their training to school districts. We will keep CSDA in mind for the future.

Janet Tufts
Superintendent
530-357-2134
Fax: 530-357-4143

Again, thank you for your time and effort.

Sincerely, 
Ted James
President



D.20

Igo- Ono Community Service District
P.O. Box 92
Igo, CA 96047
396-2332

August 10, 2010

Shasta County Grand Jury
Mr. Steven Baker
1500 Court St.
Redding, CA 96001

Dear Mr. Baker;

This letter is in response to the Grand Jury report dated June 23, 2010
We are a very small district, irrigation water is our only function.

We do belong to the SDRMA and will attend any training that is put on
Locally, it is to expensive for us to travel to Sacramento for training. I
understand this is going to be offered soon.

Sincerely;



Lois Campbell, Secretary

D-36

July 26, 2010

Dale Trudeau, Forman
Shasta County 2009/2010 Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau:

The Igo-Ono-Platina Union School District Board of Trustees is in receipt of your letter dated June 23, 2010 requesting a response to your Grand Jury Final Report. We appreciate the efforts you have made on behalf of our citizens and our District's constituents.

The Igo-Ono-Platina Union School District Board of Trustees has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meeting 101" and while the alleged impropriety appears to be specific to only one of the 25 school districts in Shasta County, we would like to assure you the findings in the report do not apply to the Igo-Ono-Platina Union School District.

The Igo-Ono-Platina Union School District Trustees are provided on-going training on a variety of subjects, including but not limited to: The Board's role and responsibility, Brown Act, Board Policies, School Finance, Governance Standards, Qualities of an Outstanding Board, Public Statements, Conflict of Interest, Board/Superintendent Relationship. If an appointment to the Board exists, all potential candidates are given an orientation to the function of a Board member, to assure all candidates understand the seriousness of the role.

The Igo-Ono-Platina Union School District Board of Trustees wholeheartedly understands their role and takes their obligation to serve our constituents very seriously. We are not hesitant to ask questions or take action necessary to maintain a high ethical standard.

Thank you for the recommendation to California Special Districts Association (CSDA), however because a "fee" is charged for this service we feel it is best to utilize an organization that specifically directs their training to school districts. We will keep CSDA in mind for the future.

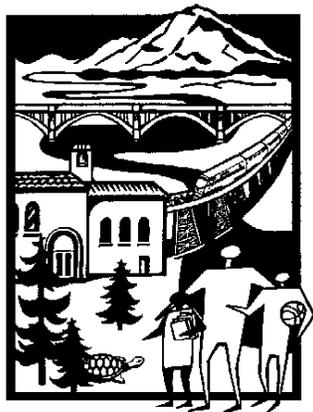
Again, thank you for your time and effort.

Sincerely,



Annette Paulo
President

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BY: GJ-24



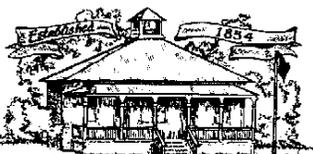
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Tradition of Excellence Since 1853

**SHASTA UNION
ELEMENTARY
SCHOOL DISTRICT**



**FRENCH GULCH-
WHISKEYTOWN
SCHOOL DISTRICT**



**IGO-ONO-
PLATINA UNION
SCHOOL DISTRICT**

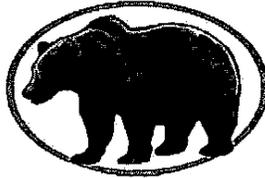
EDUCATION CENTER
5885 East Bonnyview Road
P.O. Box 992418
Redding, CA 96099-2418
(530) 225-0011
(530) 225-0015 Fax
<http://redding.echalk.com>

The New Millennium Partnership

Indian Springs School District
25299 BIG BEND ROAD ♦ P. O. Box 70 ♦ BIG BEND, CA 960
Phone: (530) 337-6219 ♦ Fax: (530) 337-6456

0.37

Board of Trustees:
Doug Wakefield, President
Joyce Hebert, Clerk
Nick Adams, Member
Stephen Lyon Member
Fred Newell, Member



Su

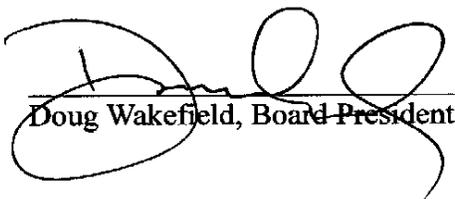
September 9, 2010

The Board of Trustees of Indian Springs Elementary School District has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meetings-101." The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA." CSDA is the California Special Districts Association. No school district belongs to CSDA. This District does receive services from CSBA, the California School Boards Association. Accordingly, the Superintendent is directed to contact CSBA and the Shasta County Office of Education to determine what training programs are available for the Board of Trustees and the administration as referenced in the Grand Jury report in the following areas:

- Conflicts of interest of board members
- Labor relations under the Educational Employment Relations Act (Government Code section 3540 et seq.)
- Highlights of the Brown Act (Government Code sections 54950 et seq)
- Board/superintendent relations, and evaluation of administrative personnel
- Roles and relationships between school boards and superintendents including specific responsibilities of superintendents and specific responsibilities of school boards

Indian Springs Elementary School District also subscribes to board policies prepared by the California School Boards Association and regularly updates its board policies as recommended by CSBA.

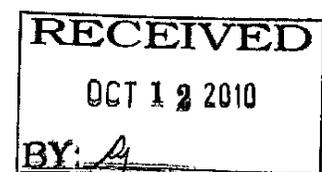
Sincerely,

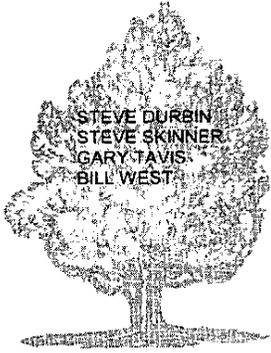


Doug Wakefield, Board President



Patrick Bloom, Superintendent





Junction School District

9087 DESCHUTES ROAD
PALO CEDRO, CALIFORNIA 96073
(530) 547-3274
FAX # (530) 547-4080
Web Page: www.junctionsd.net
AN EQUAL OPPORTUNITY EMPLOYER

D-36

Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

October 4, 2010

Dear Mr. Trudeau:

The Junction Elementary School District discussed the Grand Jury's letter of June 23, 2010 at its August 24, 2010 meeting as agenda item XIV (B). The Board's response is indicated below.

The Board of Trustees of this District has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meetings-101." The findings in the report do not apply to this District. The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA." CSDA is the California Special Districts Association. No school district belongs to CSDA. This District does receive services from CSBA, the California School Boards Association. This Board of Trustees has already received, within the last year, training in the following areas:

Conflicts of interest of board members

Labor relations under the Educational Employment Relations Act (Government Code section 3540 et seq.)

Highlights of the Brown Act (Government Code sections 54950 et seq)

Board/superintendent relations, and evaluation of administrative personnel

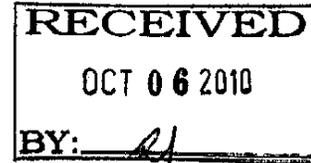
Roles and relationships between school boards and superintendents including specific responsibilities of superintendents and specific responsibilities of school boards

In addition, board members of this District will attend workshops presented by CSBA this Fall. The workshops are currently scheduled by the Shasta County Office of Education and other Shasta County School Districts.

Sincerely,

Biff Barnes

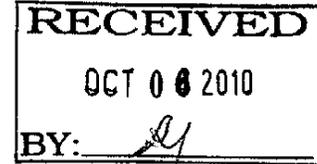
Superintendent



MANTON JOINT CEMETERY DIST.
PO BOX 621
MANTON CA 96059
(530) 474-3415

D-4

September 9, 2010



Shasta County
Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Re: Grand Jury Report

Dear Shasta County Grand Jury Members:

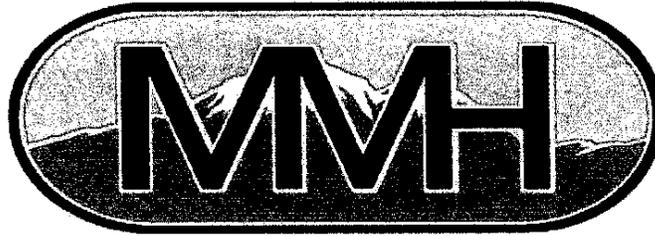
We have received the Shasta County Grand Jury report dated June 23, 2010. The report was discussed at the last Manton Joint Cemetery District meeting on August 9, 2010. The Manton Joint Cemetery District's board of trustees agrees that the district would benefit from more training.

The Manton Joint Cemetery District is pursuing the issue of more training. The district is also obtaining information about joining CSDA. The Manton Joint Cemetery District is committed to offering the highest standards and practices.

Sincerely,

A handwritten signature in black ink, appearing to be "George Swetzer".

George Swetzer
Manton Joint Cemetery District Chairman



D-23

Chief Executive Officer

Matthew Rees

Mayers Memorial Hospital

September 14, 2010

Board of Directors

Michael D. Kerns, President
Jim Hamlin, Vice President
Gail McClung, Secretary
Allen Albaugh, Treasurer
Brenda Brubaker, Director

Shasta County Grand Jury
P. O. Box 992086
Redding, CA 96099-2086

Dear Grand Jury Members:

The Mayers Memorial Hospital District board of directors appreciates receiving the report for Local Districts and Agencies "Board Meetings – 101" from the Shasta County Grand Jury and its recommendation that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA. As district board members, we strive to be successful in our governance duties and take the responsibility very seriously—both fiscally and ethically.

The Mayer Memorial Hospital District (MMHD) board of directors recognizes the benefits the California Special Districts Association (CSDA) provides in education and training, among many other services crucial to special districts management and operational effectiveness. However, as a healthcare special district it's important to be closely connected with those that include healthcare district law and legislation specific to the industry. MMHD, for many years now, has acquired memberships through the California Hospital Association (CHA), Association of California Hospital Districts (ACHD), and the Governance Institute—all with similar benefits as the CSDA but specific to healthcare.

Again, we appreciate the recommendation to adopt the CSDA training program but find it more beneficial and effective that we remain aligned with organizations that provide us with education, training as well as updates on key policy issues, legislation, regulations, and legal developments pertaining specifically to healthcare districts.

Sincerely,

Michael D. Kerns, President
Board of Directors

Millville Cemetery District

PO Box 86
Millville CA 96062
(530) 547-5649

D-S

August 31, 2010

Shasta County Grand Jury
P. O. Box 992086
Redding, CA 96099-5098

Dear Dale Trudeau, Foreperson

The Millville Cemetery District board of directors would like to respond to the Grand Jury recommendations that they receive training from the California Special Districts Association.

Presently the Millville Cemetery District receives ethics training and harassment training from our insurance carrier Golden State Risk Management Authority. They provide training at no cost via the internet from Target Safety. The Shasta County Board of Supervisors and the Redding Record Searchlight last provided training on the Brown Act for local government officials. The secretary of the board and the superintendent attended the training and shared their findings at the next board meeting. Each board member has a copy of the Brown Act and any changes or updates to this are brought to the attention of board by the Northern Cemetery Alliance newsletter and The California Association of Public Cemeteries newsletter.

The district boards of directors are kept informed of changes to the California Health and Safety Code that affect the district by the above newsletters. These newsletters also provide information about new government legislation and regulations affecting the cemetery district.

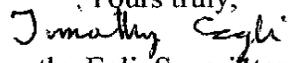
The board members are of the opinion that they are serving the district as form of their civic duty and do not take any form of compensation for their services.

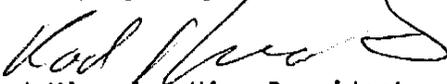
Ethics training compliance will be before the end of the 2010 calendar year. Other training will be done when made available by our insurance carrier. We anticipate training on the Brown Act and cemetery board governance will be available in the near future.

The Millville Cemetery District has always been fully answerable to the taxpayers and residents of the district. We hope that we are also fulfilling our training obligations by doing the above.

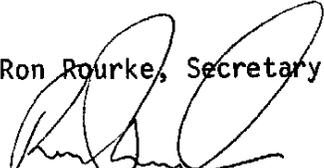


Dean Franks, President

Yours truly,

Timothy Egli, Superintendent


Rod Miranda, VicePresident

RECEIVED
SEP 08 2010
BY: GJg


Ron Rourke, Secretary

Millville Elementary School

8570 Brookdale Road . Millville . California . 96062

530 . 547. 4471 Fax 530 . 547. 3760

www.shastalink.k12.ca.us/millville

Doc 9-27-10 (8)

D-39

Shasta County Grand Jury

P.O. Box 992086

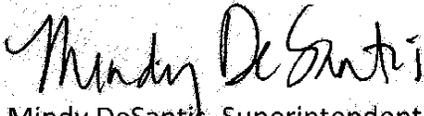
Redding, CA 96099-2086

September 21, 2010

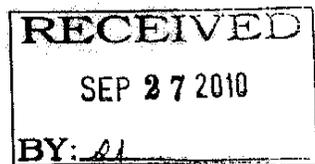
The Millville Elementary School District Board of Trustees has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meetings- 101."

The Board appreciates the efforts made by the Grand Jury; the findings by the Grand Jury are duly noted.

Sincerely,



Mindy DeSantis, Superintendent/Principal
Millville Elementary School District



"A Great Place to Learn"

REC - 7-10

0-15

Millville Fire Protection District
P. O. Box 32, Millville, CA 96062
(530) 547-5521, 547-4304

Board members
Bob Buick, Chairman
Craig Dowling
John Kessinger
Steve Goedert
Jim Hawley
Exec. Officer, Chief
Devon Tassen

July 16, 2010

Mr. Dale Trudeau, Foreperson
Shasta County Grand Jury
P. O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau,

We received the grand jury report and the recommendations will be considered. We would appreciate our district being notified of any training that would benefit our district board members.

Sincerely,



Devon Tassen
Chief Executive Officer

R-8-24-10

Mountain Gate Community Services District

Grand Jury Report
Local Districts and Agencies
“Board Meeting -101”

Board of Directors Response

August 10, 2010

Board of Directors

Gary Gunter

Cary Park

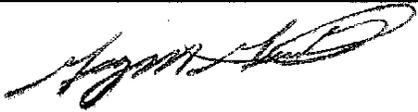
Greg Peterson

Joan Anderson

David Selby

GRAND JURY RESPONSE
AUGUST 10, 2010

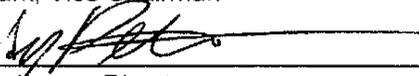
Findings and Recommendations	Response required from the Mountain Gate CSD Board of Directors
<p>Recommendation #2: The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA.</p>	<p>Response #2: 2. The recommendation has not yet been implemented, but will be implemented in the future. At a Board Meeting of July 13, 2010 the Board directed staff to bring a Resolution for a Board Training Policy back to the Board for approval at the next Board Meeting. Resolution 2010-19 To adopt a Board of Directors Training Policy is waiting for approval.</p>



Gary Gunter, Chairman of the Board



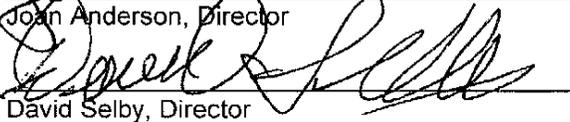
Cary Park, Vice Chairman



Greg Peterson, Director

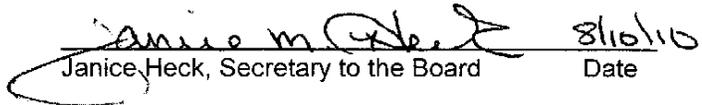


Joan Anderson, Director



David Selby, Director

Attest:



Janice Heck, Secretary to the Board

8/10/10

Date

S E A L

MOUNTAIN UNION ELEMENTARY SCHOOL

D. 40

Montgomery Creek School
P.O. Box 368
Montgomery Creek, CA 96065
Phone: (530) 337-6214 FAX: (530) 337-6215
Bruce Katz, Superintendent/Principal

July 9, 2010

Dale Trudeau, Foreperson
Shasta County 2009/2010 Grand Jury
PO Box 992086
Redding, CA 96099-2086

Dear Dale Trudeau,

Thank you for the opportunity to review and respond to the Grand Jury report released to the public on June 28, 2010.

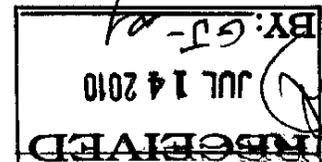
Please find attached an approved resolution of the Mountain Union Elementary School District to adopt an ongoing training program for Board members. In the past, members of the Mountain Union Elementary School District Board of Trustees have enthusiastically taken advantage of training opportunities organized by the California School Boards Association. Therefore, this resolution officially states an ongoing practice that is already in place. It also expands the number of resource agencies from which ongoing training may be developed or organized.

Finally, thank you to the members of the Shasta County 2009/2010 Grand Jury for dedicating your time and efforts to improving the standards by which the County of Shasta's Local Districts and Agencies operate.

Sincerely,



Alice R. Hoveman
Confidential Administrative Assistant



MOUNTAIN UNION ELEMENTARY SCHOOL DISTRICT

Montgomery Creek School
P.O. Box 368
Montgomery Creek, CA 96065
Phone: (530) 337-6214 FAX: (530) 337-6215
Bruce Katz, Superintendent/Principal

RESOLUTION #2010-2011-01

RESOLUTION OF THE GOVERNING BOARD OF THE MOUNTAIN UNION ELEMENTARY SCHOOL DISTRICT ADOPTING AN ONGOING TRAINING PROGRAM FOR SCHOOL BOARD MEMBERS

Whereas, the Grand Jury of Shasta County released to the public on June 28, 2010 a report relative to the operations of local districts including the Mountain Union Elementary School District; and

Whereas, the local districts including the Governing Board of the Mountain Union Elementary School District are required to respond to the findings and recommendations of the Grand Jury of Shasta County report released on June 28, 2010; and

Whereas, the Governing Board of the Mountain Union Elementary School District wholeheartedly agrees that there is a need for ongoing training for local district's board members; and

Whereas, the Governing Board of the Mountain Union Elementary School District agrees that inadequately trained board members of local districts and agencies may result in excessive and unnecessary expense to a local district,

Now, therefore, be it resolved, that the Governing Board of the Mountain Union Elementary School District agrees to adopt an ongoing training program for Board members that are organized by and available through agencies such as the California School Boards Association, the California Special Districts Association, and other state agencies:

I, Gerry Long, President, and Bruce Katz, Secretary of the Governing Board of the Mountain Union Elementary School District of Shasta County, State of California, certify that this Resolution proposed by Theresa Robbins, seconded by Maliinda Martin, was duly passed and adopted by the Board, at an official and public meeting this 7th day of July, 2010, by the following vote:

Ayes: 4

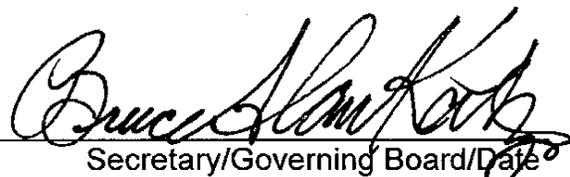
Noes:

Abstain:

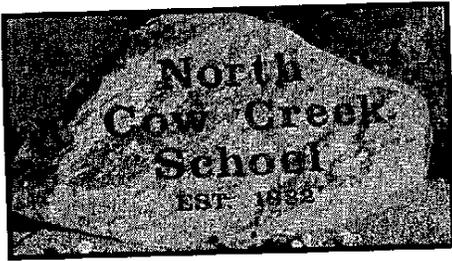
Absent: 1



President/Governing Board /Date



Secretary/Governing Board/Date



NORTH COW CREEK
2008
*California Distinguished
School*

Tom Mancuso, Superintendent/Principal
10619 Swede Creek Road
Palo Cedro, CA 96073

Phone (530) 549-4488
Fax (530) 549-4490
www.shastalink.k12.ca.us/nccs

August 18, 2010

D-41

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court Street
Redding, CA 96001

“Board Meetings 101”

Dear Judge Baker

During it's regular August board meeting the Board of Trustees of North Cow Creek Elementary School reviewed the Grand Jury report entitled “Local District and Agencies: Board Meetings-101.” The findings in the report do not apply to this District.

The Grand Jury “recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA.” CSDA is the California Special Districts Association. No school district belongs to CSDA. This District does receive services from the California School Boards Association (CSBA). This Board of Trustees has already received, within the last year, and every year, training in the following areas:

- Conflicts of interest of board members
- Labor relations under the Educational Employment Relations Act (Government Code section 3540 et seq.)
- Highlights of the Brown Act (Government Code sections 54950 et seq)
- Board/superintendent relations, and evaluation of administrative personnel
- Roles and relationships between school boards and superintendents including specific responsibilities of superintendents and specific responsibilities of school boards

This District also subscribes to board policies prepared by the California School Boards Association and regularly updates its board policies as recommended by CSBA.

The District will continue to make available to its Board members various training, classes and workshops through the Shasta County Office of Education, the CSBA and other sources. In the future when selecting training for its members, the District will take into consideration the topics suggested by the Grand Jury.

Sincerely,

Tom Mancuso
Superintendent/Principal

Pacheco Union School District



Superintendent: Steven Mitrovich

D-42

Prairie Elementary School
20981 Dersch Rd.
Anderson, CA 96007
(530) 365-1801
Principal: Deidra Hoffman

Trustees
Candice Asnicar
Chris Carmona
Kathy Mongold
Larry Solberg
Melissa Swanson

I
~~(530) 365-1801~~
Principal: Jason Provence

August 22, 2010

Shasta County Grand Jury
Mr. Dale Trudeau, Foreperson
P.O. Box 992086
Redding, CA 96099-2086

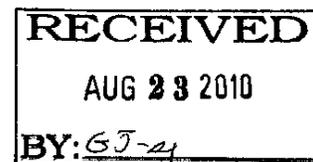
Dear Mr. Trudeau:

The Pacheco Union Elementary School District (P.U.E.S.D.) Board of Trustees appreciates the interest of the Grand Jury in good governance. The Grand Jury report supports the concept that school board members need to have ongoing professional training in the execution of their responsibilities as elected officials.

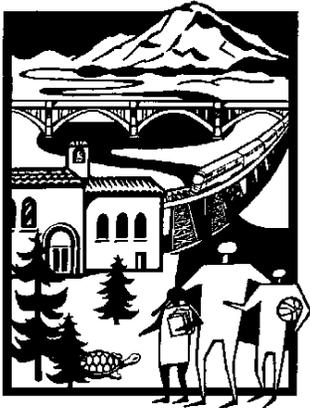
The P.U. E. S.D. Board of Trustees participate in various trainings, classes, and workshops through the California School Board Association and Lozano Smith. The Board has adopted a Governance Handbook that will be modified and adapted over time. As the Grand Jury has suggested, the Board will continue to participate in trainings and classes and will carefully consider the topics suggested by the Grand Jury.

Sincerely,

Steven Mitrovich
Superintendent/Board Secretary



20981 Dersch Road * Anderson, CA * CA 96007
Phone: (530) 365-3335 Fax: (530) 365-3399
Site: <http://www.pacheco.k12.ca.us>



**REDDING
SCHOOL
DISTRICT**

Academic Excellence Since 1873



Tradition of Excellence Since 1853

**SHASTA UNION
ELEMENTARY
SCHOOL DISTRICT**



**FRENCH GULCH-
WHISKEYTOWN
SCHOOL DISTRICT**



**IGO-ONO-
PLATINA UNION
SCHOOL DISTRICT**

EDUCATION CENTER
5885 East Bonnyview Road
P.O. Box 992418
Redding, CA 96099-2418
(530) 225-0011
(530) 225-0015 Fax
<http://redding.echalk.com>

D.43

July 26, 2010

Dale Trudeau, Forman
Shasta County 2009/2010 Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau:

The Redding School District Board of Trustees is in receipt of your letter dated June 23, 2010 requesting a response to your Grand Jury Final Report. We appreciate the efforts you have made on behalf of our citizens and our District's constitutes.

The Redding School District Board of Trustees has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meeting 101" and while the alleged impropriety appears to be specific to only one of the 25 school districts in Shasta County, we would like to assure you the findings in the report do not apply to the Redding School District.

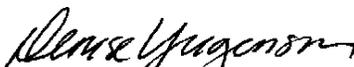
The Redding School District Trustees are provided on-going training on a variety of subjects, including but not limited to: The Board's role and responsibility, Brown Act, Board Policies, School Finance, Governance Standards, Qualities of an Outstanding Board, Public Statements, Conflict of Interest, Board/Superintendent Relationship. If an appointment to the Board exists, all potential candidates are given an orientation to the function of a Board member, to assure all candidates understand the seriousness of the role.

The Redding School District Board of Trustees wholeheartedly understands their role and takes their obligation to serve our constituents very seriously. We are not hesitant to ask questions or take action necessary to maintain a high ethical standard.

Thank you for the recommendation to California Special Districts Association (CSDA), however because a "fee" is charged for this service we feel it is best to utilize an organization that specifically directs their training to school districts. We will keep CSDA in mind for the future.

Again, thank you for your time and effort.

Sincerely,


Denise Yergenson
Vice President

The New Millennium Partnership



SHASTA COUNTY OFFICE OF EDUCATION

Providing assistance and leadership to the districts in Shasta County and ensuring all students have equal access to a quality education

Superintendent
Tom Armelino

Board of Education
Linda Bradford
Diane Gerard
Rhonda Hull
Steve MacFarland
Linda McBride
William Stegall
Susan Wilson

C-1

August 23, 2010

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court St., Rm. 205
Redding, CA 96001

RE: Response of Shasta County Superintendent of Schools to 2009-10 Shasta County Grand Jury Report

Dear Judge Baker:

The Shasta County Superintendent of Schools appreciates the opportunity to respond to the Grand Jury 2009-10 report titled Gateway Unified School District.

SHASTA COUNTY SUPERINTENDENT OF SCHOOLS:

GATEWAY UNIFIED SCHOOL DISTRICT

FINDING:

1. After conducting 25 interviews of the principals involved and reviewing voluminous documentation, the Grand Jury concludes that GUSD purchasing and bond management practices did not conform to pertinent state regulations.

Response The Shasta County Superintendent of Schools has not been provided the “voluminous documentation” that the Grand Jury received or heard the testimony of the 25 witnesses that were relied upon by the Grand Jury to make this finding. Therefore, the Shasta County Superintendent of Schools does not agree or disagree with this finding.

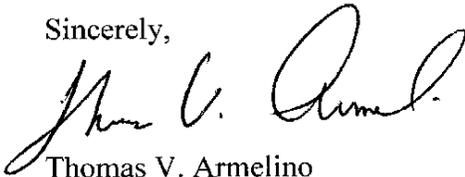
RECOMMENDATION:

1. The Shasta County Superintendent of Schools should immediately request an AB 139 Extraordinary Audit of GUSD to be conducted by FCMAT.

Response The Shasta County Superintendent of Schools does not intend to implement this recommendation. In order for a county superintendent to call for an AB-139 Extraordinary Audit, a certain minimum legal threshold of evidence must be shown.

Education Code section 1241.5 (b) allows a county superintendent to review or audit the expenditures and internal controls of any school district in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred. Seven financial experts reviewed all of the available evidence and each one of them concluded that the evidence was insufficient to justify an AB 139 Extraordinary Audit. In addition to the expertise of his staff, the Shasta County Superintendent of Schools requested the opinion of FCMAT. FCMAT is an independent state agency and the state expert which conducts AB 139 Extraordinary Audits. All of the documents provided by the person who requested the AB 139 Extraordinary Audit, as well as an additional report conducted by an independent investigator were sent to FCMAT to review. At the conclusion of FCMAT's review the Shasta County Superintendent of Schools, and his Assistant Superintendent of Administrative Services and Director of Business Services, both CPA's, and former school district CBO's and auditors, spoke directly with the Deputy Executive Officer of FCMAT. In this conversation the Deputy Executive Officer of FCMAT, after speaking with the Chief Executive Officer of FCMAT, stated that based on the documentation provided by the person who requested the AB 139 Extraordinary Audit, they did not detect fraud, misappropriation, or other illegal practices. If the state authority on AB 139 Extraordinary Audits and five other financial experts do not feel sufficient evidence has been presented to justify the Shasta County Superintendent of Schools decision to call for an AB 139 Extraordinary Audit, he will not authorize the expenditure of taxpayer money on an audit that does not meet the legal requirements. If the Grand Jury has received the opinion of a school financial expert to support its recommendation, or additional evidence that should be considered, they should forward that information to the Shasta County Superintendent of Schools for consideration.

Sincerely,



Thomas V. Armelino
Shasta County Superintendent of Schools



SHASTA LAKE FIRE PROTECTIC

D-16

4126 ASHBY COURT SHASTA LAKE, CA 96019-9215 (530) 275-7474

August 10, 2010

Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

RE: Grand Jury letter dated June 23, 2010 – Local Districts and Agencies Administration

Shasta County 2009/2010 Grand Jury;

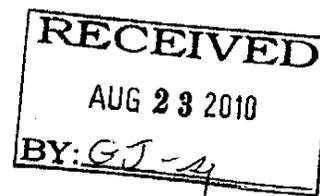
The Shasta Lake Fire Protection District believes it is very important to have proper training for all of its board members. This letter will outline the commitment the District has made to ongoing board training. Shasta Lake Fire has a current training program. This training usually last six hours and covers the following:

- Field trip of District boundaries
- Field trip of all three stations
- Tour of all District apparatus and the ICS typing of that apparatus
- Introduced to District employees
- Review of rank structure of the District
- Complete budget review
- Provided copies of the Brown Act, SLFPD Policies and Procedures manuals and the Fire Districts Association of California hand book
- Training on Fire District Law in the Health and Safety Code provided for in California code from the web site: <http://www.leginfo.ca.gov/calaw.html>

This can generate a lot of questions by new board members and they are encouraged to meet with the Chief. They are always reminded that the Fire Chief works for them. The SLFPD also hosts an annual budget workshop covering all aspects of the budget process.

The district board attends training every two years in ethics. The City of Shasta Lake sponsors the class and it includes:

- The Brown Act
- Laws Relating to Financial Gain
- Laws Relating to Perquisites
- Laws Relating to Open Government
- Public Records Act
- Fairness and Due Process
- Sexual Harassment



The Fire Districts Association of California and the California Special Districts Association host board training programs which our board members have attended. With new web based classes it will be even easier to keep updated.

The Shasta Lake Fire Protection District maintains a high level of training for all members of the organization. We remain committed to the protection of this District with a highly trained, informed and involved board of directors.

Sincerely,

A handwritten signature in cursive script that reads "Adrian Rogers".

Adrian Rogers, Fire Chief
Shasta Lake Fire Protection District



D-7

BOARD OF TRUSTEES

SHASTA MOSQUITO AND VECTOR CONTROL DISTRICT

19200 Latona Road, Anderson, CA 96007
Telephone: (530) 365-3768 Fax: (530) 365-0305
Web: shastamosquito.org

PRESIDENT
Larry Mower
Anderson

VICE PRESIDENT
Bob Michiels
REDDING

SECRETARY
Henry Hurlhey
SHASTA LAKE

John Dunlap
SHASTA COUNTY

Gary Hergert
SHASTA COUNTY

ADMINISTRATION
Peter Bonkrude
Manager

July 21st, 2010

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court Street
Redding, CA 96001

Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Subject: Response to the 2009/2010 Grand Jury Findings and Recommendations

Dear Judge Baker and Members of the Grand Jury:

Pursuant to Section 933 of the California Penal Code, The Shasta Mosquito and Vector Control District (the "District") Board of Trustees provides the following response (*in italics*) to the findings and recommendations of the 2009-2010 Grand Jury Report concerning the District's operations:

Recommendation 2: The Grand Jury recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA. This recommendation is based upon the Report Finding 2, as listed below and followed with a response from SMVCD:

Finding 2: Investigations of the 2009/2010 Grand Jury and previous grand juries revealed that local district and agencies board members are not adequately trained. Some are unaware of their duties and responsibilities.

Response: *The District partially disagrees with this finding. The District routinely offers Board training from CSDA, Industry Associations like the Mosquito and Vector Control Association of California and the American Mosquito Control Association*

Our Mission: "To protect the public's health from vector-borne disease and nuisance, through a comprehensive mosquito and vector control program focused on innovation, experience and efficiency".

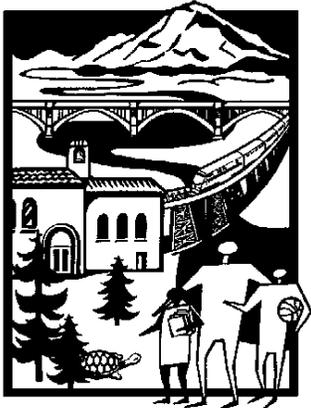
and our insurance/risk management services agency Vector Control Joint Powers Association (VCJPA). However, the District Board of Trustees agrees that training for the Board is not only valuable, but essential to the success of the District; and maintaining an ongoing training program with not only CSDA but other applicable groups will provide for a better Board and ultimately a better District. Therefore, the recommendation requires further analysis for designing a separate training program, outside of the current training opportunities and materials produced for the Board of Trustees. CSDA is one option for training opportunities, however their training can be limited both in where the training is being held and the timing of the training opportunities. Therefore the Board of Trustees will instruct staff to investigate relevant training opportunities available and provide the Board with options for discussion and/or approval in the near future. Additionally, staff will be directed to update the Shasta Mosquito and Vector Control-Board of Trustees "Trustee Manual" which provides the Board with materials explaining the Board's role in governing the District.

Sincerely,

A handwritten signature in cursive script that reads "Larry Mower".

Larry Mower,
President of the Board

Our Mission: "To protect the public's health from vector-borne disease and nuisance, through a comprehensive mosquito and vector control program focused on innovation, experience and efficiency".



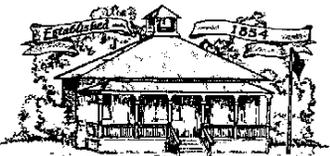
**REDDING
SCHOOL
DISTRICT**

Academic Excellence Since 1873



Tradition of Excellence Since 1853

**SHASTA UNION
ELEMENTARY
SCHOOL DISTRICT**



**FRENCH GULCH-
WHISKEYTOWN
SCHOOL DISTRICT**



**IGO-ONO-
PLATINA UNION
SCHOOL DISTRICT**

EDUCATION CENTER
5885 East Bonnyview Road
P.O. Box 992418
Redding, CA 96099-2418
(530) 225-0011
(530) 225-0015 Fax
<http://redding.echalk.com>

DIANE KEMPLEY, Ed.D.

D-44

July 26, 2010

Dale Trudeau, Forman
Shasta County 2009/2010 Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Trudeau:

The Shasta Union Elementary School District Board of Trustees is in receipt of your letter dated June 23, 2010 requesting a response to your Grand Jury Final Report. We appreciate the efforts you have made on behalf of our citizens and our District's constituents.

The Shasta Union Elementary School District Board of Trustees has reviewed the Grand Jury report entitled "Local District and Agencies: Board Meeting 101" and while the alleged impropriety appears to be specific to only one of the 25 school districts in Shasta County, we would like to assure you the findings in the report do not apply to the Shasta Union Elementary School District.

The Shasta Union Elementary School District Trustees are provided on-going training on a variety of subjects, including but not limited to: The Board's role and responsibility, Brown Act, Board Policies, School Finance, Governance Standards, Qualities of an Outstanding Board, Public Statements, Conflict of Interest, Board/Superintendent Relationship. If an appointment to the Board exists, all potential candidates are given an orientation to the function of a Board member, to assure all candidates understand the seriousness of the role.

The Shasta Union Elementary School District Board of Trustees wholeheartedly understands their role and takes their obligation to serve our constituents very seriously. We are not hesitant to ask questions or take action necessary to maintain a high ethical standard.

Thank you for the recommendation to California Special Districts Association (CSDA), however because a "fee" is charged for this service we feel it is best to utilize an organization, California School Boards Association (CSBA), that specifically directs their training to school districts.

Again, thank you for your time and effort.

Sincerely,

Roger Longnecker
President

The New Millennium Partnership



0.45



August 30, 2010

Shasta County Grand Jury
P.O. Box 992086
Redding, CA 96099-2086

RE: Grand Jury Report Dated June 23, 2010

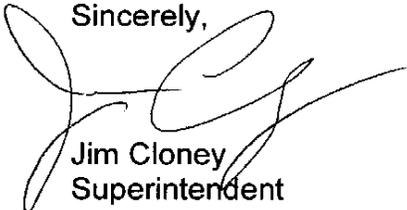
Members of the Grand Jury:

The Shasta Union High School District (SUHSD) Board of Trustees have reviewed the section of the Grand Jury report entitled, "Local District and Agencies: Board Meetings – 101" and discussed the report at their regular August 10, 2010 Board meeting.

The findings in the report do not apply to the SUHSD. The Grand Jury "recommends that all local districts and agencies within Shasta County adopt an ongoing training program developed by CSDA." CSDA is the California Special Districts Association. School Districts do not belong to the CSDA. SUHSD does, however, belong to the California School Boards Association (CSBA). Each of the current Board members in the SUHSD has participated in extensive training provided by CSBA, including completion of the CSBA Masters in Governance program. I have included a page from the fall brochure, however more detailed information may be obtained at www.csba.org.

Please contact me should you require any additional information about the SUHSD or the function of our Board of Trustees.

Sincerely,



Jim Cloney
Superintendent



James M. Schwerdt
Board President

enclosure (1)

SHASTA COUNTY COMMITTEE

Overview: The Shasta County Committee takes a hard look at the Shasta County Animal Facility discovering that no significant changes have been made in the facility. The committee then reviews issues in the Environmental Health area, specifically “how well are food handlers trained in food handling safety?”

Shasta County Animal Control

It's for the Animals

Background

The Grand Jury received a request to review the animal control facilities within Shasta County. Of the four shelters located within the county (listed below), the Grand Jury visited and reviewed the two largest.*

- Shasta County Animal Shelter *
- City of Anderson Animal Shelter
- City of Shasta Lake Animal Control
- Haven Humane Society *

Shasta County Animal Shelter

The county shelter, located on Radio Lane in Redding, is over 55 years old and provides animal services for the 3,774 square miles of unincorporated area in the county. Approximately 100,000 people live in this area serviced by the shelter. This shelter is small, outdated, and inadequate to provide the animal services required such as sheltering from inclement weather and separate housing for sick, injured, and recovering animals.

The 2006-2007 Grand Jury completed a study that recommended construction of a new animal shelter. At that time, the Shasta County Board of Supervisors explored solutions for a new animal control facility. Due to economic conditions no action was taken; however, approximately \$3 million was set aside for this purpose.

When the Grand Jury toured the shelter, they found no isolation area for sick animals. During the inspection, several sick animals were outside, unsheltered and tied to a fence.



Sick animals enjoying the outdoors, away from the urine stench...

In the kennel area, poor air circulation between the main animal population and sick animals continues to put the healthy animals at risk of contracting diseases. Having no air conditioning in the facility when the temperature exceeds 100 degrees has a potential adverse effect on the animals, workers, and the public. Due to the urine-saturated surfaces, the stench in the animal housing area cannot be eliminated by normal cleaning. This creates a potential health hazard to all involved.

Modular buildings are used for office space, customer service, and records storage. Visitor parking is limited. County Animal Control staffing currently includes three animal regulations officers, one supervisor, one receptionist, and one accountant. Officers enforce animal regulations for the entire county.

At the onset of this investigation, approximately \$3 million was still set aside toward the projected cost, which was closer to \$8 million. Due to the current economic downturn, these funds have been redirected to greater needs of the county. At this time, it is unknown if and when the funds will be replaced for the animal shelter.

Haven Humane Society

The City of Redding contracts with Haven Humane Society, which is located on Eastside Road in the City of Anderson within a few miles of the County Animal Shelter. The contract expires on September 30, 2010. Haven Humane has agreed to extend the contract to September 30, 2015, if necessary. Representatives from the City of Redding indicated that Haven Humane is doing a good job and recently gave it the city's animal licensing responsibilities.

Findings

1. The Shasta County Shelter is unhealthy and beyond repair.
2. There had been \$3 million set aside in the County's budget for replacing the shelter; however, some funds were transferred to save 16 jobs in the Sheriff's Office, and the remaining were transferred to the County general fund.
3. Clutter in the work area, such as stacks of paper on the desks, pet food dishes near doorways, and old tools and other items stacked in the back of the property- all have the potential for causing work related injuries.
4. The 2006-2007 Shasta County Grand Jury Report revealed similar findings; however, nothing has been done to improve the facility or working conditions.
5. By comparison, Haven Humane Society is larger, well maintained, well organized, and offers a wider range of services.
6. All shelters accept donations of food, blankets, pet toys and other items.

Recommendations

1. As funding becomes available, Shasta County should consider a contract with Haven Humane Society for the sheltering, care, and licensing of all county animals on a permanent basis.

2. As a first step, Shasta County should consider an agreement with Haven Humane Society to temporarily house county animals and livestock, excluding high risk animals, during periods of crowding.
3. The Shasta County animal shelter should immediately create an acceptable isolation area for high risk and sick animals.
4. Shasta County Sheriff/Coroner should retain the responsibility and enforcement of all county animal regulations.
5. Utilizing county resources, shelter personnel should organize their cluttered work areas.

Response Required

- The Shasta County Board of Supervisors as to Recommendation 1 through 5
- The Shasta County Sheriff Department as to Finding 3 and Recommendations 1 through 5

Method of Inquiry

The Grand Jury interviewed the following:

- CEO of Haven Humane Society
- Shasta County Sheriff/Coroner
- Redding Assistant City Manager
- The City of Redding Chief of Police
- Shasta County Administrative Officer
- Two members of the Shasta County Board of Supervisors

The Grand Jury toured the following:

- The Shasta County Animal Shelter
- The Haven Humane Society facility

The Grand Jury reviewed the following:

- The City of Redding Animal enforcement contract
- The Haven Humane Society proposal for a new structure
- A map of the Haven Humane Society property
- Shasta County Sheriffs Office animal shelter budget
- Haven Humane Society budget

REC 8-19-10 JRB



SHASTA COUNTY

Office of the Sheriff



August 17, 2010

Tom Bosenko
SHERIFF - CORONER

James Berg, Foreperson
Shasta County Grand Jury
P O Box 992086
Redding, CA 96099-2086

E-2

Dear Mr. Berg: *Jim!*

Attached is the Shasta County Sheriff's Office responses to the findings of the Shasta County Committee on **Animal Control: "Its for the Animals"** in the 2009/2010 Shasta County Grand Jury Final Report.

My thanks and appreciation to the 2009/2010 Grand Jury members for their commitment to serving Shasta County and its citizens. If I can be of further assistance to you in this matter or any of the Sheriff's Office activities, please feel free to contact me. I look forward to a positive working relationship with this year's Grand Jury.

Sincerely,

TOM BOSENKO
Sheriff-Coroner

TMB/bw

cc: Mayra Morris, Animal Regulations Program Manager

2009/2010

Shasta County

Grand Jury Final Report

Shasta County Animal Control

"It's for the Animals"

Findings and Recommendations and Shasta County Sheriff Responses

Findings:

3. Clutter in the work area, such as stacks of paper on the desks, pet food near doorways, and old tools and other items stacked in back of the property – all have potential for causing work related injuries.

Response: The Sheriff concurs with the finding. This finding was immediately addressed and improvements are being made. Two recent site inspections have noted marked improvements.

Recommendations:

1. As funding becomes available, Shasta County should consider a contract with Haven Humane Society for the sheltering, care, and licensing of all county animals on a permanent basis.

Response: The Sheriff disagrees with the recommendation. In his consideration, the Grand Jury's Recommendation is incongruent with two independent County feasibility studies, a 2007 Blue Ribbon Committee appointed by the Shasta County Board of Supervisors, and the 2006-2007 Shasta County Grand Jury recommendation. Often, both facilities are at or beyond capacity. Haven Humane Society does not currently have the facility to house and care for large livestock such as horses.

2. As a first step, Shasta County should consider an agreement with Haven Humane Society to temporarily house county animals and livestock, excluding high-risk animals, during periods of crowding.

Response: The Sheriff disagrees with the recommendation. The Sheriff has met with the CEO of Haven Humane Society. Often, both facilities are at or beyond capacity. Haven Humane Society does not currently have the facility to house and care for large livestock such as horses. Both facilities work together in times of emergencies such as fire evacuations.

3. The Shasta County animal shelter should immediately create an acceptable isolation area for high risk and sick animals.

Response: The Sheriff disagrees with the recommendation. The County Animal Control facility does have an isolation area for high risk and sick animals.

4. Shasta County Sheriff/Coroner should retain the responsibility and enforcement of all county animal regulations.

Response: The Sheriff concurs with the recommendation.

5. Utilizing county resources, shelter personnel should organize their cluttered work areas.

Response: The Sheriff concurs with the recommendation. Such conditions were immediately addressed and improvements are being made. Two recent site inspections have noted marked improvements.



Shasta County

D-1

BOARD OF SUPERVISORS

1450 Court Street, Suite 308B
Redding, California 96001-1680
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

DISTRICT 1
LEONARD F. MOTY, DISTRICT 2
GLENN HAWES, DISTRICT 3
LINDA HARTMAN, DISTRICT 4
LES BAUGH, DISTRICT 5

August 17, 2010

The Honorable Stephen H. Baker
Presiding Judge, Shasta County Superior Court
1500 Court St., Rm. 205
Redding, CA 96001

Re: Response of Board of Supervisors to Fiscal Year 2009-2010 Grand Jury Report

Dear Judge Baker:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2009-2010 Grand Jurors contributed to their charge. The following findings and recommendations are under serious consideration and discussions are being held regarding solutions to any unresolved problems.

RESPONSES AND FINDINGS

BOARD OF SUPERVISORS:

A. LOCAL DISTRICTS AND AGENCIES

FINDINGS:

1. Emphasis is needed from the Shasta County Board of Supervisors to make the public aware of the necessity for local board members ongoing training.

Response: The Board of Supervisors agrees with the finding that emphasis is needed from the Board of Supervisors to make the public aware of the necessity for local board members ongoing training. The Shasta County Board of Supervisors will continue to support and encourage board members to obtain ongoing training as well as provide assistance to the board members with training information.

RECOMMENDATIONS:

1. Although the Board of Supervisors has no direct authority over local districts and agencies, the Grand Jury recommends that the Shasta County Board of Supervisors pass a resolution supporting and encouraging California Special Districts Association (CSDA) or other professional training.

Response: The Shasta County Board of Supervisors will actively continue to support and encourage board members to obtain ongoing training as well as provide assistance to the board members with training information in place of a formal resolution.

BOARD OF SUPERVISORS:

B. SHASTA COUNTY ANIMAL CONTROL

RECOMMENDATIONS:

1. As funding becomes available, Shasta County should consider a contract with Haven Humane Society for the sheltering, care, and licensing of all county animals on a permanent basis.

Response: The Board of Supervisors concurs with the recommendation. The County will consider a contract with Haven Humane Society as well as any other viable alternative.

2. As a first step, Shasta County should consider an agreement with Haven Humane Society to temporarily house county animals and livestock, excluding high risk animals, during periods of crowding.

Response: The Board of Supervisors concurs with the recommendation. The County will consider a contract with Haven Humane Society as well as any other viable alternative.

3. The Shasta County animal shelter should immediately create an acceptable isolation area for high risk and sick animals.

Response: The Board of Supervisors concurs with the recommendation. The County Animal Control facility does have an isolation area for high risk and sick animals.

Page 3
August 17, 2010
The Honorable Stephen H. Baker

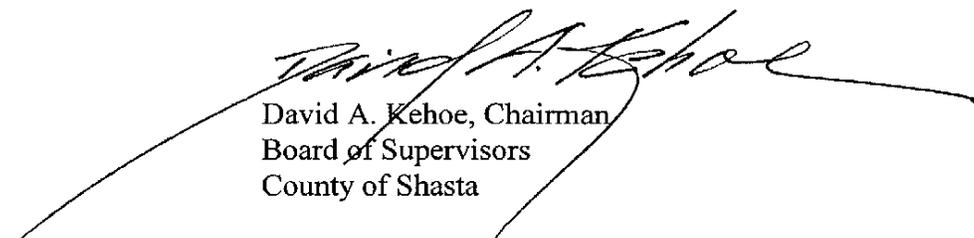
4. Shasta County Sheriff/Coroner should retain the responsibility and enforcement of all County animal regulations.

Response: The Board of Supervisors concurs with the recommendation.

5. Utilizing County resources, shelter personnel should organize their cluttered work areas.

Response: The Board of Supervisors concurs with the recommendation.

Sincerely,



David A. Kehoe, Chairman
Board of Supervisors
County of Shasta

DAK:LL/rbhl
Cc: Members of the Grand Jury

- 2006-2007 Grand Jury Report

As mentioned in the City Committee segment of this report the Grand Jury may embark on an inquiry or investigation only to find that the agency or operation is functioning properly. In these instances a full report may not be warranted, that information is presented here in an abbreviated version.

Shasta County Environmental Health

Food Safety?

The 2009-2010 Grand Jury looked into food safety and sanitation practices in Shasta County within the restaurant and food service industries. California Health and Safety Codes sections 113947 et. seq. require all food facilities to have at least one owner or an employee trained and certified in food safety. State accredited training consists of an eight hour class, costing approximately \$150. A food safety certified employee or owner is not required to be present during all operating hours but is expected to train other employees in food handling. The certified owner/employee must demonstrate to an enforcement officer that all employees have an adequate knowledge of food safety; however, no certification of their training is required.

The same state accredited training organizations offers a food handler certification course online at a cost of approximately \$20. Those interviewed agree that this should be a requirement in Shasta County.

If signed into law, an amendment to Senate Bill 602 will require all food handlers be properly trained and certified in food handling. If passed, it will become effective January 1, 2011, and all food handlers will be required to obtain the training and certification on or before July 1, 2011.

In the interim, a voluntary program would be beneficial to the public. The North State Restaurant Association is an independent body that may be capable of implementing, handling, and promoting this program. This voluntary program could be used by all restaurants to advertise their cleanliness and commitment to high standards for their customers. For food facility inspection results refer to www.co.shasta.ca.us/EHI/FrmPubInsp/

Shasta County Grand Jury

Investigative Reports 1993 -2010

Note: Dates shown as an inclusive period such as 93 – 09 indicates that the Grand Jury has conducted an investigation or review of that agency each year from 1993 through 2009.

City of Anderson

City of Anderson	06/07
Economic Development	07/08

City of Redding

Development Services Department	
Housing Division	96/97
Land Purchases	04/05
Redevelopment Agency	05/06
Redding Fire Department	05/06
Zoning and Planning	04/05
Economic Development Division (Stillwater Business Park)	07/08
Wastewater Treatment Plants	09/10
Electric Utility Department	94/95 09/10
Peaking Power Project	94/95
Finance Department	
Assessment Districts (General)	99/00
Information Technology	08/09
Police Department	1/02, 05/06, 08/09
Police Department Complaints	08/09
Police Department Facility	08/09
Red Light Enforcement Program	08/09
Public Works Department	
RABA Staging Facility	95/96
Solid Waste Utility	98/99

City of Shasta Lake

Economic Development	07/08
Electric Utilities Department	95/96

County of Shasta

Agriculture/Weights and Measures	08/09
Assessor/Recorder Office	05/06, 08/09
Auditor/Controller's Office	01/02, 08/09
Audit and Management Report	93-07

Consolidation: Auditor/Tax Collector	96/97
Employee Orientation/Training	00/01
Management Audit	03/04
Private Payroll Services	94/95
Audit – Retired Senior Volunteer Program	02/03
Board of Supervisors	
Written Complaint Policy	94/95
County Clerk’s Office	
Registrar of Voters	00/01, 03/04
County Fire Department	97/98, 06/07
County Library	96/97, 99/00
Economic Development	07/08
Mental Health Department	93/94, 97/98, 01/02, 04/05, 07/08
Planning Division	07/08
Probation Department	
Juvenile Assessment Center	00/01
P.A.C.T.	08/09
Public Health Department	
Hepatitis “A” Epidemic	95/96
Small Pox Vaccination Program	02/03
Water Fluoridation Ballot Measure	03/04
Public Works Department	
Fall River Mills and Shingletown Airports	00/01
Public Works	06/07
Sheriff/Coroner’s Office	
Animal Shelter	04/05, 06/07, 09/10
Boating Safety	93/94, 07/08
Burney Station	93/94
Crystal Creek Boy’s Camp	93-08
Firearms Confiscation	08/09
Jail Inmate Welfare Fund	97/98, 06/07
Kington Road Station	93/94
Major Crimes – Special Accounts	97/98
Property/Evidence Facility	93/94, 08/09
Shasta County Detention Annex	93-04
Shasta County Jail	93-09
Shasta County Juvenile Hall	93-09
Shasta Lake City Station	93/94
Sheriff/Patrol Division	05/06
Sugar Pine Conservation Camp	93-09
Training – Handling the Mentally Ill	04/05
Work Release Program	03/04, 05/06, 07/08
Social Services Department	95/96
Public Guardian	02/03
Adult Services	08/09
Support Services	08/09
Treasurer/Tax Collector’s Office	93/94
Investment Pool Loss	95/96
Tax Roll Reconciliation	95/96

Use Permits	04/05
Vehicle Usage	04/05
Veterans Service Office	93/94

Local Districts and Agencies

Local Districts and Agencies (Mgt of all Boards)	09/10
Anderson/Cottonwood Irrigation District	94/95, 96/97, 04/05
Anderson Fire Protection District	09/10
Burney Cemetery District	95/96
Burney Fire Protection District	00/01, 04/05, 05/06, 07/08
Burney Water District	94/95
Centerville Community Services District	05/06
Cottonwood Fire Protective District	04/05
Fall River Mills Community Service District	03/04
Halcumb Cemetery District	98/99
Mountain Gate Community Services District	08/09
Redding Area Bus Authority (RABA)	97/98, 06/07
Shasta Community Service District	94/95, 96/97, 03/04, 05/06, 06/07
Shasta Mosquito and Vector Control District	01/02, 04/05, 08/09
Shasta Lake Fire Protection District	02/03
Summit City – Fire Department	93/94
Western Shasta Conservation District (WSRCD)	02/03
Schools and School Districts	
Anderson Union High School District	93/94, 02/03
Black Butte School District	99/00
Consolidation/Unification of Shasta County Schools	05/06
Cottonwood Union School District	07/08
Gateway Unified School District	04/05
Grant Elementary School	03/04
Mountain Union School District	94/95
Oak Run Elementary School District	93/94
Pacheco Union School District	95/96
Safe School Initiative	06/07
Shasta County Office of Education	94/95
Camp Latieze	99/00
Shasta Union High School District	94/95, 95/96, 04/05
Whitmore Union Elementary District	93/94

Miscellaneous

City and County Websites	07/08
Clandestine Drug Lab Cleanup	97/98
Credit Cards – Usage by Public Entities	96/97, 03/04
Drug Asset Seizures/Forfeitures	94/95
Duration of Independent Audit Contracts	99/00
Gangs/Gang Activities (SAGE)	92/93, 06/07

Group Homes in Shasta County	97/98
Homeless – Caring for in Shasta County	98/99
Investment of Public Funds	94/95
Juvenile Crime Statistics	93/94
Law Enforcement Preparedness: Schools	00/01
Municipal Leasing/Participation	93/94
Non-Voter Approved Long Term Debt	94/95
Private Industry Council	94/95
Railroad Operations in Shasta County	01/02
Redevelopment in Shasta County	98/99
SAHCOM: Shasta Area Safety Communications	95/96, 00/01, 03/04, 05/06, 07/08
Shasta Interagency Narcotics Task Force	03/04, 06/07
Sobriety Check Points	93/94
Special Districts in Shasta County	96/97, 07/08

2009 / 2010 Shasta County Grand Jury



Photo Courtesy of T.A. Schmidt & Associates

Left to Right, Front Row: Joyce Bianchini, Andy Hobbs, Al Parker, Karen David, Harla Hanford, Colleen Hopper, Susan Thorsteinson, Lesa Donnelly, Cathy Arentz. Second Row: Dick Kalford, Samuel Kekaha, Harry Tully, Jim Berg, Stanford Smith, Dale Trudeau, Ronald Sechrist, Alfred Jensen, Marion Schmitz