

Shasta County Grand Jury

2002-03 Reports

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ANDERSON UNION HIGH SCHOOL DISTRICT

REASON FOR INVESTIGATION:

California Penal Code section 933.5 empowers the Grand Jury to investigate and report on the operation of any special purpose assessing or taxing district in the county. During the year, the Grand Jury received two citizens' complaints regarding Anderson Union High School District operations.

Anderson Union High School District
1471 Ferry St
Anderson, CA 96007
(530) 378-0568

BACKGROUND:

Anderson Union High School District (AUHSD) is located in southern Shasta County. The District has approximately 2,450 students in five high schools. These high schools are Anderson Union, West Valley, North Valley, Oakview, and New Technology (a charter school emphasizing electronic technology). The District, in cooperation with Shasta County, also operates a school in the county jail for inmates wishing to obtain a high school diploma. At present, New Technology High School is located on the campus of Anderson High School. The District has recently acquired real estate where New Technology High School will be re-located. The District is governed by a board of five elected trustees. The District headquarters is located on the campus of Anderson High School.

The annual budget for Anderson Union High School District for the fiscal year 2002-2003 was \$17,018,546.

METHOD OF INVESTIGATION:

The Grand Jury toured the campuses and offices of four schools in the District and visited the District headquarters. During the tour of the Shasta County Jail, the Grand Jury also observed the school located in that facility. The Grand Jury interviewed the following:

- Current District Superintendent
- Former District Superintendent
- Member of the Board of Trustees
- Four teachers
- Local newspaper publisher
- Shasta County Sheriff's Detective
- Shasta County Assistant District Attorney
- Shasta County Social Worker
- Past and present district business managers

The Grand Jury reviewed the following documents:

- Previous Shasta County Grand Jury Reports
- Three years of AUHSD certified audits
- Two years of AUHSD STAR 9 test results
- Five year history of enrollment figures for all school districts in Shasta County

- California Education Code (applicable sections)
- Minutes from AUHSD Board of Trustees meetings, June 2001 thru June 2002
- Articles appearing in local newspaper pertaining to AUHSD from March 2002 to August 2002
- Applicable court and investigative records
- Two Citizen Complaints with attachments
- Anderson Union High School District Policy and Procedures Manual
- AUHSD Budget for Fiscal Year 2002/2003
- Three years of Annual School Reports from Anderson and West Valley High Schools

FINDINGS:

1. While investigating two citizens' complaints, the Grand Jury found that the Superintendent and the District complied with relevant sections of both District policy and the California Education Code in a timely manner.
2. During the tour of four campuses, the Grand Jury found the facilities to be in good repair and well maintained.
3. The California Department of Education publishes the Academic Performance Index (API) for each school in the state annually. The API is an index designed to measure the school's overall academic performance. Test scores, socio-economic factors, and location (rural or urban) determine the API. For the 2001/2002 school year, Anderson High School had an API of 645. West Valley High School had an API of 698. The average API of all comprehensive high schools in Shasta County was 706. When the California Department of Education compared Anderson High School and West Valley High School to 100 other similar schools in California, both ranked above average.
4. The California Education Code requires districts such as AUHSD to maintain a 3% budgetary reserve for economic uncertainties. As of July 2002, the District had accumulated a reserve of approximately 13.5% of its annual budget. In March of 2003, the Board of Trustees decided to use approximately \$500,000 of this reserve in order to retain 11 teachers and some classes which would otherwise have been eliminated due to state budget cuts.
5. During fiscal year 2001/2002, the Anderson Union High School District had a financial deficit of \$697,688. A deficit of \$114,603 is projected for 2002/2003. Adequate funds were available from the reserve to cover the deficits.
6. According to Shasta County Office of Education information, AUHSD has experienced declining enrollment over the past four years, as have most other districts within the county.
7. During the investigation of a citizen's complaint, the Grand Jury found the District's administering of certain grant funds to be in order.
8. AUHSD provides a benefit to the elected Board of Trustees in the form of a paid health insurance policy. The cost of this comprehensive, family health insurance policy is \$9,324 per year per Trustee. Some Trustees have

- declined the benefit. Other school districts in Shasta County that were contacted by the Grand Jury do not offer this benefit to their board members.
9. The Grand Jury conducted random checks of the credentials held by certain administrators of AUHSD and found the credentials held to be the proper ones for the current assignment.
 10. Early in the investigation, the Grand Jury interviewed the publisher of a local newspaper in Anderson. The newspaper had published several articles critical of AUHSD. These articles were of both the editorial and hard news type. During the interview, the publisher provided the Grand Jury with several allegations and “facts” in both written and verbal form regarding the District. These statements, if true, would indicate improper acts. The Grand Jury spent considerable time and effort attempting to corroborate these allegations and “facts”. The Grand Jury ascertained that nearly all of the “facts” and allegations were unfounded.

RECOMMENDATIONS:

1. The Board of Trustees of AUHSD should examine the policy of providing health insurance to themselves for what has traditionally been an elective, volunteer position. Eliminating this benefit could result in a potential savings to the District of nearly \$47,000 per year if all trustees participated.

RESPONSE REQUIRED:

Anderson Union High School District Board of Trustees



Anderson Union High School District

1469 Ferry St., Anderson, CA 96007 • (530) 378-0568 • FAX (530) 378-0834

Dennis J. Boyle, Superintendent

September 16, 2003

Shasta County Grand Jury
Mr. John Long, Chair
P.O. Box 992086
Redding, CA 96099-2086

Dear Mr. Long:

This letter is in response to the Shasta County Grand Jury request made on July 7, 2003. The request read as follows:

The Board of Trustees of the AUHSD should examine the policy of providing health insurance to themselves for what has traditionally been an elective, volunteer position. Eliminating this benefit could result in a potential savings to the District of nearly \$47,000 per year if all trustees participated.

The AUHSD Board of Trustees delegated the research regarding remunerations, reimbursements and other benefits for members of boards of trustees to the Assistant Superintendent, Randy Palomino, who gathered the following information.

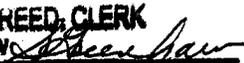
Since 1984, Board Policy 9250 (a) and (b) has created the opportunity for board members to receive health and welfare benefits for each board member who requests them. This policy has been in effect for over 19 years.

Throughout the north state a number of school districts, 12 of 29 surveyed, provide members of their board of trustees the opportunity to receive partial to full benefits. It is a practice that is in effect in a number of school districts and does not remain solely the practice of the AUHSD. As a side, of the 29 school districts surveyed, approximately 50% of those schools have an enrollment of less than 1000 students.

In a second and separate survey conducted throughout the State of California, 12 of 15 school districts that responded do provide members of the Board of Trustees the opportunity to receive partial to full benefits.

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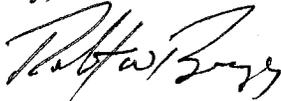
OCT 10 2003

ANN REED, CLERK
By S. Greenhaw 
Deputy Clerk

In addition, the AUHSD Board of Trustees believes that the task of being a school board member carries an enormous responsibility involving many hours of reading, study, questioning, representation, meeting the public, being called away from their work and home, taking phone calls at any time of the day, and making critical decisions, many of which can be very unpopular to small and large numbers of people who they either represent or employ.

To help compensate for their hours of dedication to the task of representing their community and to provide a benefit that will continue to attract in the future outstanding members of the community to serve on our board, our present Board of Trustees will maintain as it has for the past 19 years, this benefit in the AUHSD. This goes with the understanding that any expense in the AUHSD may be reviewed at any time whenever economic conditions warrant.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Bragg", written in a cursive style.

Bob Bragg
AUHSD Board President

BB/gm

**FINANCIAL AUDIT OF THE RETIRED SENIOR
VOLUNTEER PROGRAM
AND
SHASTA COUNTY AUDITOR-CONTROLLER'S CLAIMS
APPROVAL PROCESS**

REASON FOR INQUIRY:

California Penal Code section 925 authorizes the Grand Jury to investigate and report on the operations and records of the officers, departments, or functions of the County. A copy of a Report on the Financial Transactions Audit of the Retired Senior Volunteer Program was forwarded by the Office of the Auditor-Controller to the Grand Jury for review.

Retired Senior Volunteer Program
1670 Market Street, Suite 300
Redding, CA 96001
(530) 225-5803
<http://rsvponline.org>

Shasta County Auditor-Controller
Shasta County Courthouse, Room
104
Redding, CA 96001

BACKGROUND:

The Retired Senior Volunteer Program (RSVP) is administered by the Community Action Agency, a division of the Shasta County Department of Housing and Community Action. RSVP provides grants to qualified agencies and organizations for the purpose of engaging persons 55 and older in volunteer service. The program is primarily funded by an annual grant from the Corporation for National and Community Service.

In May 2002, the Shasta County Administrative Officer requested that the Internal Audit Division of the Shasta County Auditor-Controller's Office conduct an audit of the financial transactions of RSVP. The audit fieldwork was completed in August 2002. Due to the nature of the audit findings, a personnel-related investigation began and the matter was also referred to the Redding Police Department and the Shasta County District Attorney's Office. No criminal charges were filed. The former Director of the Department of Housing and Community Action, which oversees RSVP, retired in April 2002. The Program Manager, who managed RSVP and other programs during this period, resigned in September 2002.

The Auditor-Controller is the chief accounting officer of the county and is responsible for supervision and payment of all county claims. The financial audit of RSVP disclosed numerous inappropriate claims which were processed by the Auditor-Controller's Office.

METHOD OF INVESTIGATION:

The Grand Jury visited the RSVP office and the office of the Auditor-Controller of Shasta County. The Grand Jury interviewed the following:

- Current Director of Department of Housing and Community Action
- Financial Analyst, Department of Housing and Community Action

- Shasta County Auditor-Controller
- Assistant Auditor-Controller
- Supervising Accountant, Auditor-Controller's Office
- Three current and one former employee of the Auditor-Controller's Office
- Former Shasta County District Attorney
- County Administrative Officer
- County Budget Officer
- Two members of the Shasta County Board of Supervisors
- One Shasta County Department Head
- Other Shasta County employees
- Tehama County Auditor-Controller
- Glenn County Director of Finance

The Grand Jury obtained and reviewed the following documents:

- County of Shasta Report on Financial Transactions Audit of Retired Senior Volunteer Program, Adult Literacy Program, and Cesar Chavez Day Programs
- Department of Housing and Community Action Organizational Chart
- Community Volunteer Center/RSVP Advisory Council meeting minutes and agendas
- County of Shasta Internal Control Standards Manual
- County of Shasta Office of the Auditor-Controller Procedures Guideline
- Weekly lists of claims to be approved by the Board of Supervisors for payment by the Auditor-Controller
- County claim forms
- Training information provided to new employees of the Auditor-Controller's Accounts Payable Division
- Accounts Payable Division Job Duties, Shasta County Auditor-Controller

FINDINGS:

1. The Supervising Accountant of the Internal Audit Division of the Auditor-Controller's Office who conducted the audit of the financial transactions of RSVP was thorough, professional, and accurate in performing the Audit.
2. RSVP is fiscally and operationally dependent on the County. County employees have authority over the program's financial transactions and oversee all RSVP related activities. Although not authorized by the Shasta County Board of Supervisors, until late 2002, RSVP conducted business under the following titles: a) Community Volunteer Center (CVC/RSVP), b) Service and Volunteerism Coalition (SVC), and c) Positive Action with Students (PAWS), a program of the Trinity County Office of Education and/or Lewiston Elementary School. RSVP did not have authorization from the Shasta County Board of Supervisors or the Trinity County Board of Supervisors for the administration of an RSVP program in Trinity County.
3. The Financial Transactions Audit of RSVP noted significant instances of noncompliance with certain provisions of laws, regulations, contracts,

- grants, and County policies and procedures. These instances occurred under the direction of the former RSVP Program Manager and under the authority of the former Director of the Department of Housing and Community Action. The former RSVP Program Manager was maintaining checking accounts outside the Shasta County Treasury with total balances of over \$50,000. Two of the accounts had not been authorized by the Board of Supervisors. The unauthorized accounts were being improperly utilized to deposit revenue from various sources while related expenses were being paid out of the Shasta County Treasury with grant funds. Accumulated funds diverted from grant-funded programs were used by RSVP employees to purchase certificates of deposit in violation of California Government Code section 27000 and County policy. Donations to civic organizations, youth groups, and other non-profit organizations were made in violation of county policy and grant award guidelines. Certain payments benefited the former Program Manager's children's youth organizations and school in Trinity County.
4. On February 23, 2001, a grant application was submitted to the State by the Community Action Agency on behalf of RSVP for \$66,087 to provide a Cesar Chavez Day program at Lewiston Elementary School in Trinity County. The Shasta County Board of Supervisors approved the funding on April 3, 2001. Expenditures were paid for by Shasta County under this grant to the Trinity County Office of Education and to Lewiston Elementary School. Most of these expenditures were not authorized by contract or purchase order and did not include supporting documentation. The terms and conditions of the grant prohibited a grant recipient's employees from receiving or creating the appearance of having received personal benefit, either directly or indirectly, for themselves or family members. During this time the former RSVP Program Manager lived in Trinity County and her children attended Lewiston Elementary School. Some of the money was later deposited to the PAWS bank account in Trinity County by the former Program Manager of RSVP. The audit concluded that most of the transactions under this grant violated Shasta County policies regarding contracts, purchase orders, and safeguarding of assets. Another Cesar Chavez Day grant for \$56,977 was applied for and approved by the Shasta County Board of Supervisors on March 26, 2002. Some of these funds were also deposited to the PAWS account and were used by the former Program Manager to pay for limousine transportation for a PAWS scavenger hunt, which was not an approved grant activity.
 5. Fifteen of the claims listed in the audit as questionable claims were reviewed by the Grand Jury and several of the claims reflected obvious invoice splitting, where multiple, numerically consecutive invoices for less than \$500 were attached to a single claim form. Invoice splitting, which is prohibited by County policy, involves submitting claims for payment for goods or services on multiple invoices in order to avoid the necessity of obtaining purchase orders. Other claims were submitted for promotional items, meals, and staff retreats which did not have advance Board of

Supervisors' approval, as required by County policy. The audit revealed claims totaling more than \$60,000 that were improperly paid out of Shasta County funds for recognition and promotional items, retreats, golf shirts, bath robes, and a greenhouse project at the Lewiston Elementary School. All of these improper claims were submitted by the former RSVP Program Manager, approved by the former Department Head, and audited and processed by the Accounts Payable Division of the Auditor-Controller's Office. Most were presented as board claims to the Board of Supervisors for final approval.

6. Under the direction and oversight of the current Director of the Department of Housing and Community Action, RSVP now appears to be adhering to County policies and fulfilling the mandates of the program. The current Director has instituted policy changes that should prevent a recurrence of inappropriate expenditures of RSVP funds and has attempted to recover a portion of the misappropriated funds.
7. The County accounts payable process begins when a vendor bills a county department for goods or services. Department staff prepare a claim for submittal to the Department Head or other authorized personnel for approval. The claim is then sent to the Accounts Payable Division of the Auditor-Controller's Office, where the claims are date stamped and audited. As stated by the Auditor-Controller in his response to the 2001/2002 Grand Jury Report, the auditing process involves reviewing for compliance with County policies, regulations, contracts, government codes, purchasing policies, resolutions, and all other applicable requirements. It also involves auditing to ensure that duplicate payments are not processed, the authorized signature has been obtained, the mathematical calculations are correct, and proper account codes are used. The Auditor-Controller's Procedure Guidelines state that if a claim is found to be a correct and appropriate county charge, the Auditor-Controller's Office issues a check.
8. The Grand Jury determined that the accounts payable clerks in the Auditor-Controller's Office are well trained to verify account numbers and invoice numbers, check mathematical computations, verify signatures, and perform other clerical functions. However, not all clerks are sufficiently trained to determine the validity or appropriateness of claims presented to them and thus departments are able to "side-step" the rules, avoiding compliance with County policy without it being noticed. According to employees in the Auditor-Controller's office, the accounts payable clerks are not trained or do not have time to check to see if a lease or agreement exists which authorizes the payment, or to assure proper format and timeliness of contracts. The Department has a high rate of staff turnover and new clerks receive only one full day of training followed by limited supervision. The clerks are under constant pressure to meet deadlines and to process claims in a timely manner. The audited claims are routinely categorized and forwarded to data entry without further review by supervisory staff.

9. During the claims auditing process, if the accounts payable clerk is unable to determine that an expenditure has been previously authorized by purchase order, contract, ordinance, resolution, statute, or other order of the Board of Supervisors, it becomes a "board claim." Each week the Auditor prepares a computerized list of these board claims and sends one copy to the Board of Supervisors' office for review by members of the Board. The approval of board claims is listed on the consent calendar of every regularly scheduled meeting of the Board of Supervisors. In fiscal year 2001/2002, the Auditor-Controller's Office processed 23,532 board claims, or an average of over 400 per week. The Grand Jury reviewed four lists of board claims and found the task tedious and therefore difficult to perform in a diligent manner. Many of the claims the Supervisors are being asked to review are for routine departmental expenses in amounts of \$20 or less, and some are for less than a dollar.
10. The Grand Jury believes that most of the expenditures on the board claims lists either already have been or could be authorized by blanket purchase order, contract, resolution, or order of the Board. California Government Code section 29741 allows the Board to give the Auditor-Controller authority to allow a claim if the expenditure has been authorized by ordinance or other order of the Board. This statute has been incorporated by resolution into County Policy 2-201, which allows the Board of Supervisors to adopt procedures for the approval of most claims by the Auditor-Controller without the necessity of Board consideration. It is possible that the Auditor-Controller is not applying these clauses correctly and is sending to the Board some claims that the Auditor-Controller has authority to approve. For example, there have been hundreds of board claims for payment to a bottled water company that supplies drinking water to various County departments. If there is not an existing contract or blanket purchase order with the vendor, one could be entered into, eliminating the need for multiple entries on the board claims list. County Policy 5-101 allows County Department Heads to purchase items for less than \$500 under a blanket purchase order and County Policy 2-201 allows claims for such purchases to be approved by the Auditor-Controller after sufficient review for adherence to County policy. Moreover, it appears that some claims for expenditures already approved through prior ordinance, contract, or resolution, but which were not identified as such during the claims auditing process, repeatedly appeared on board claims lists.
11. The Grand Jury obtained information from seven other counties in the State, all of which have delegated the authority of approving and paying claims to the Auditor-Controller through resolution or other action of the Board. It appears that Shasta County's process of categorizing some claims as board claims requires less scrutiny by the Auditor-Controller's staff because if there is no obvious reference on the claim to a purchase order, contract, or other authorization, the claim is simply passed on to the Board for approval. This practice may save time during the initial steps of

- the process, but the time required for thorough review by members of the Board of Supervisors and the week-long delay in getting payments to vendors results in inefficiency.
12. California Government Code section 29747 requires the Auditor-Controller to prepare a list of all claims allowed by the Auditor-Controller, showing the date allowed, warrant number, name of claimant, and amount allowed. The list is required to be certified by the Auditor-Controller and one copy filed in the office of the Board of Supervisors, which is not currently being done.
 13. The 2001/2002 Grand Jury recommended that the Auditor-Controller process claims for payment in a timely manner and that the Board of Supervisors authorize an outside contract auditor to conduct a management audit of the Auditor-Controller's Office. On October 8, 2002, the Board of Supervisors voted to authorize such an audit. As of June 1, 2003, the management audit had not been conducted.

RECOMMENDATIONS:

1. The Board of Supervisors should hold County Department Heads responsible for ensuring that claims authorized by them represent valid, legal, and appropriate county expenditures.
2. The Auditor-Controller should conduct on-going training and additional assistance to all county employees who are involved in preparing and authorizing claims.
3. The Auditor-Controller should require all claims submitted for payment that are authorized by blanket purchase order, contract, ordinance, resolution, or other order of the Board of Supervisors to reference that authorization and provide documentation. Instructions for preparing claims, as listed in the Auditor-Controller's Procedure Guideline, should include this requirement.
4. The Auditor-Controller should ensure that all claims approved for payment by his office represent appropriate and valid county expenditures by:
 - a) ensuring that clerks in the Accounts Payable Division are adequately trained to watch for claims that represent invoice splitting or other intentional means of avoiding compliance with County policies, to verify the legality and validity of all claims, and to ensure that previously approved contracts or other methods of authorization are still timely; and
 - b) establishing procedures for supervisors in the Auditor-Controller's Office to review processed claims to ensure that approved claims meet all requirements.
5. The Auditor-Controller should review board claims lists to ensure that the claims do not represent expenditures that have already been approved by the Board of Supervisors by way of contract, ordinance, resolution, or other order of the Board.
6. The Auditor-Controller should review typical board claims lists and submit appropriate proposals for blanket purchase orders or other Board authorization so as to eliminate routine departmental expenses from

- becoming board claims, as allowed by California Government Code section 29741. This would ensure that only those claims which deserve special attention by the Board of Supervisors appear on the board claims list and would, therefore, expedite the claims paying process so that vendors are paid in a timely manner.
7. As prescribed by California Government Code section 29747, the Auditor-Controller should ensure that the Board of Supervisors is provided with a copy of the list of all claims that have been allowed by the Auditor-Controller. This process would enable the Supervisors to remain aware of all county expenditures.
 8. The Board of Supervisors should require the County Administrative Officer to hire an outside auditor to perform a management audit of the Auditor-Controller's Office as was approved by the Board on October 8, 2002. The audit should include a review of personnel practices and delegation of staff assignments in the Accounts Payable Division.

RESPONSE REQUIRED:

Shasta County Board of Supervisors as to Recommendations 1 and 8
Shasta County Auditor-Controller as to Recommendations 2 through 7

RESPONSE INVITED:

Director, Department of Housing and Community Action



SHASTA COUNTY

BOARD OF SUPERVISORS

1815 Yuba Street, Suite 1
Redding, California 96001
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

FILED

OCT 21 2003

ANN REED, CLERK
By S Greenhaw *S. Greenhaw*
Deputy Clerk

DAVID A. KEHOE, DISTRICT 1
IRWIN FUST, DISTRICT 2
GLENN HAWES, DISTRICT 3
MOLLY WILSON, DISTRICT 4
PATRICIA A. "TRISH" CLARKE, DISTRICT 5

The Honorable Monica Marlow
Presiding Judge, Shasta County Courts
1500 Court Street, Room 205
Redding CA 96001

October 7, 2003

Re: Response of Board of Supervisors to Fiscal Year 2002/2003 Grand Jury Report

Dear Judge Marlow:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2002/2003 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 to Findings & Recommendations

✓ **A. Financial Audit of Retired Senior Volunteer Program (RSVP) and Shasta County Auditor-Controller's Claims Approval Process.**

The Board of Supervisors concurs with the 13 findings of the Grand Jury regarding the financial audit of the Retired Senior Volunteer Program and the Auditor-Controller's claims approval process.

Recommendations and Responses:

Recommendation #1.

The Shasta County Board of Supervisors should hold County department heads responsible for ensuring that claims authorized by them represent valid, legal, and appropriate County expenditures.

Response to Recommendation #1.

The Board of Supervisors concurs with this recommendation and affirms that this is the current policy. All department heads have access to the County Administrative Manual, Personnel Manual, and other resources regarding County policies and procedures and understand the implications and the personal liability for fraudulent claims.

Recommendation #8.

The Shasta County Board of Supervisors should require the County Administrative Officer to hire an outside auditor to perform a management audit of the Auditor-Controller's Office as approved by the Board on October 8, 2002. The audit should include a review of personnel practices and delegation of staff assignments in the Accounts Payable Division.

Hon. Monica Marlow, Presiding Judge
Response to FY 2002/2003 Grand Jury Report
October 7, 2002 - Page 2

Response to Recommendation #8.

The Board of Supervisors concurs with this recommendation. A contract has been signed with Rose Accountancy Corporation for this purpose. The Grand Jury Audit Committee will be included in the entrance and exit interviews. The entrance interview is scheduled for October 23, 2003.

B. Shasta County Main Jail.

Recommendations and Responses:

The Board of Supervisors concurs with the 6 findings of the Grand Jury regarding the Shasta County Main Jail.

Recommendation #4.

The Sheriff's Department should be more aggressive in recruiting qualified personnel to apply for vacancies in the department. The Sheriff should report monthly to the Board of Supervisors on the progress in filling these vacancies.

Response to Recommendation #4.

The Board concurs with this recommendation. The County Administrative Officer is currently working with the Sheriff and Undersheriff to transfer positions from the closed Annex to the Main Jail. The recommendation will be to support the Sheriff's request to add 5 Sheriff's Service Officers to the Main Jail, currently unfunded vacant positions. The recommendation to report monthly to the Board of Supervisors should be left to the Sheriff's discretion.

Recommendation #5.

The County and the Sheriff's Department should pursue funding for the relocation of the kitchen and laundry, and for renovations to add additional beds to the Jail, as recommended by the recent feasibility study.

Response to Recommendation #5:

This recommendation will not be implemented at this time due to funding considerations. Certainly, in the future, if funding permits, remodeling the lower level of the Jail to create dorms and relocating the laundry and kitchen would provide the maximum number of beds for the most reasonable cost. Staffing continues to be a major cost factor, in addition to the remodeling costs and new location for kitchen and laundry.

C. Western Shasta Resource Conservation District (WSRCD).

Recommendations and Responses:

Shasta County will not respond to the 13 findings as they relate to a Special District with a separate governing Board.

Hon. Monica Marlow, Presiding Judge
Response to FY 2002/2003 Grand Jury Report
October 7, 2002 - Page 3

Recommendation #2.

The Shasta County Board of Supervisors should support WSRCD's efforts to discourage illegal trash dumping at the Vietnam Veterans' Memorial Bridge (over Clear Creek) through cooperation in construction and maintenance of fencing at the site.

Response to Recommendation #2.

Although an appropriate fence has been designed, the cost may exceed \$100,000, not including the on-going maintenance cost. Supervisor Irwin Fust, in whose district the bridge is located, has met with WSRCD and developed the following recommendations to the Board of Supervisors and the Grand Jury:

- 1) Establish a monitoring plan, including signs (example attached) to identify and discourage illegal dumping.
- 2) Encourage the District Attorney to vigorously prosecute any individual who practices such illegal dumping.
- 3) Announce a "community clean-up" of the area to be held on Saturday, October 25, 2003.
- 4) Acknowledge that the bridge is now receiving more daily usage and therefore offending parties are more susceptible to being identified.
- 5) Maintain close contact with WSRCD staff to educate the public regarding salmon habitat restoration and gravel replacement projects.
- 6) If the above steps do not curb or eliminate the problem, then work with the WSRCD to secure grants for installation of the fence.

This concludes the response of the Shasta County Board of Supervisors to the FY 2002/2003 Grand Jury Report.

Sincerely,



PATRICIA A. "TRISH" CLARKE, Chairman
Board of Supervisors
County of Shasta

Attachment

Copy:

Members, Grand Jury

Ann Reed, County Clerk



SHASTA COUNTY

OFFICE OF THE AUDITOR-CONTROLLER

Courthouse, Room 104
Redding, California 96001
Phone (530) 225-5771

RICK GRAHAM
AUDITOR-CONTROLLER

CONNIE REGNELL
ASST. AUDITOR-CONTROLLER

August 28, 2003

Honorable Monica Marlow
Presiding Judge, Superior Court
1500 Court Street, Room 205
Redding, CA 96001

Presiding Judge Marlow,

Penal Code Section 933 requires elected officers to respond to Grand Jury findings and recommendations that pertain to matters under their control. The response to the 2002/2003 Grand Jury Final Report is filed in compliance with that requirement.

I regard highly the purpose of the Grand Jury. My response has been prepared to represent current procedures and clarify implemented major procedural changes of authority as described in thousands of Government Code, legislation and policies.

Respectfully,

A handwritten signature in cursive script, appearing to read "Rick Graham".

Rick Graham
Auditor-Controller
Shasta County

RECEIVED

SEP 22 2003

Administrative Officer
Shasta County

Before I begin, the committee's responsibility was to report conditions identified during a requested audit and offer recommendations that would deter the event happening again. I concur, and my response will ensure the reader the conditions existing during the report period have been addressed and represent current procedure under my authority.

My response is attentive to the accountability of my office, and is as follows: These conditions were noted in 1999, when taking office. The procedures recommended are a mirror of the current procedures within the realm of my responsibility. Each of my responses will address the cash management controls, training, and recognition of staff, that has resulted in numerous successful independent audits, Official Statements, and recognition from the California State Controllers Office, Office of Criminal Justice & Planning and Federal Grantors.

It is most important that when directing the many procedures, that availability of allocated positions by the Board of Supervisors is 26 FTE, of which less than 50% process more than 37,000 claims, journals and deposits each month. Internal audit procedures are set to the availability of staff, and are reviewed by Independent Auditors.

Grand Jury Findings: 1-13

Auditor Response to Findings 1-7, 9,12 & 13 - Agree

Auditor Response to Finding 8: Disagree

All accounts payable staff are well trained and are provided ample time to audit claims for policy compliance.

Auditor Response to Finding 10: Disagree; offer clarification of Grand Jury's understanding of responsibility

The Auditor-Controller agrees that many claims that appear on the weekly Board List could be processed internally if appropriate authorization is obtained in advance of purchase. However, it is not the function of the Auditor-Controller to issue purchase orders or request resolutions on behalf of department heads. It is however, the practice of this office to recommend to departments available policy and procedures that could expedite the payment process. That recommendation frequently includes the possibility of the department requesting a board resolution or purchase order.

Auditor Response to Finding 11: Disagree

The accounts payable process for auditing a claim is virtually the same for every claim that enters the office. The auditing process involves auditing for compliance with County policies, government codes, purchasing policies, resolutions and contracts. It also involves auditing to ensure that duplicate payments are not processed, the authorized

signature has been obtained, the mathematical calculations are correct and proper account codes are used. The time required to audit a claim for payment is the same whether it has prior authorized Board approval, or is being placed on the weekly Board list.

The Grand Jury stated that they "obtained information from seven other counties in the State, all of which have delegated the authority of approving and paying claims to the Auditor-Controller", to this I must respond, the issue of eliminating the weekly Board list is visited from time to time. County Counsel opinion, dated March 2000, is as follows: "There are two methods set forth in state law for the approving of claims for payment against the County. The first, at Government Code sections 29700-29710, requires the Board of Supervisors to approve claims. The second procedure, set forth in Government Code sections 29740-29749, allows the Board of Supervisors to adopt procedures for the approval of most (but not all) claims by the Auditor without the necessity of board consideration and allowance. I note that our board has adopted these procedures for the Auditor's approval of claims. They are contained in Policy 2-201 of the Administrative Manual. I have reviewed that policy and the relevant code sections and see no way to delegate additional approval authority to the Auditor." The current weekly Board list contains approximately 10% of all claims processed for Shasta County.

RECOMMENDATIONS

Grand Jury Recommendation 2: The Auditor-Controller should conduct on-going training and additional assistance to all county employees who are involved in preparing and authorizing claims.

Auditor Response: Agree: Implemented 1999.

The Auditor-Controller began the exercise of documenting, preparing guidelines, conducting County wide training, including Shasta County Departments, Special Districts, and independent agencies upon taking office in 1999. Annual year-end process meetings have been conducted for all departments beginning May 2001. Multiple open meetings have been conducted specific to Special Districts, budget worksheet preparation, and the claims process.

The Auditor-Controller has successfully, trained staff, fiscal officers, accountants, and clerks, for the Federal Governments Requirement to be compliant with GASB34 - The greatest change in Financial Reporting ever required by the Federal Government, California State Controller and all Federal Grant Administrators. This training resulted in a "Clean Opinion" on Shasta County's annual independent financial statements and a successful Official Offering, that yielded the County of Shasta Board of Supervisors the availability of a \$45,000,000 Bond Offering.

The Auditor-Controller's office continues to provide ongoing training to any and all departments, special districts, and staff, especially when we are made aware of staffing changes. Further, the Auditor-Controller notifies departments daily of the process and procedures required, referring many to the Accounting Procedure Manual that is

published on Shasta County's intranet. The Accounting Procedure Manual has documented step-by-step procedures for processing financial records with the Auditor-Controller's office.

Grand Jury Recommendation 3: The Auditor-Controller should require all claims submitted for payment that are authorized by blanket purchase order, contract, ordinance, resolution, or other order of the Board of Supervisors to reference that authorization and provide documentation. Instructions for preparing claims as listed in the Auditor-Controller's Procedure Guideline, should include this requirement.

Auditor Response: Agree, but not recommended

The Auditor-Controller's Accounting Procedure Manual could be updated to require all claims to "provide documentation" as to what authority is utilized. However, this requirement would surely delay the processing of vendor payments. It suggests that any claim received without noted authority would be returned to the department for compliance. Currently, the Auditor's staff works in conjunction with departments to provide a quick payment to vendor.

Grand Jury Recommendation 4: The Auditor-Controller should ensure that all claims approved for payment by his office represent appropriate and valid county expenditures by:

- a. ensuring that clerks in the Accounts Payable Division are adequately trained to watch for claims that represent invoice splitting or other intentional means of avoiding compliance with County policies, to verify that previously approved contracts or other methods of authorization are still timely; and
- b. establishing procedures for supervisors in the Auditor-Controller's Office to review processed claims to ensure that approved claims meet all requirements.

Auditor Response: Agree

The Auditor-Controller can not arbitrarily approve claims for payment. The Auditor's responsibility is to ensure the Board of Supervisor's adopted policies are followed. Shasta County Policy 2-201, authorizes the County Auditor to approve certain claims allowed by Government Code Section 29740. The accounts payable staff is trained to comply with this policy. Claims that do not comply, or compliance is questionable, are placed on the weekly Board list for the approval of the Board of Supervisors.

In response to the Grand Jury's statement regarding "claims that represent invoice splitting or other intentional means of avoiding compliance with County policies", Government Code Section 29702, clearly places the responsibility of authorizing a claim

at the department head level. Each claim is certified, by department head authorization, to its' validity.

At this time, the limited number of allocated staff and supervisors deputized to audit claims does not provide supervisors the time necessary to review each audited claim without substantially delaying payment to vendors.

Grand Jury Recommendation 5: The Auditor-Controller should review board claims lists to ensure that the claims do not represent expenditures that have already been approved by the Board of Supervisors by way of contract, ordinance, resolution, or other order of the Board.

Auditor Response: Agree; Current practice

The Auditor-Controller deputizes all staff authorized to audit claims. The legality and importance of this responsibility is fully explained at time of delegation.

Grand Jury Recommendation 6: The Auditor-Controller should review typical board claims lists and submit appropriate proposals for blanket purchase orders or other Board authorizations so as to eliminate routine departments expenses from becoming board claims, as allowed by California Government Code section 29741. This would ensure that only those claims which deserve special attention by the Board of Supervisors appear on the board claims list and would, therefore, expedite the claims paying process so that vendors are paid in a timely manner.

Auditor Response: Agree; Current practice to functional extent possible.

It is the policy of the Auditor-Controller to regularly advice departments of policy and procedures that will assist in expediting the payment to vendors. It is not the function of the Auditor-Controller to negotiate purchase orders or request resolutions on behalf of departments, although the recommendation to the submitting department is frequently presented.

Grand Jury Recommendation 7: As prescribed by California Government Code section 29747, the Auditor-Controller should ensure that the Board of Supervisors is provided with a copy of the list of all claims that have been allowed by the Auditor-Controller. This process would enable the Supervisors to remain aware of all county expenditures.

Auditor Response: Further research required

The Auditor-Controller and County Administrative Officer concur that the intent of motion made and passed by the Board of Supervisor, February 24, 1956, was to eliminate

the need of a duplicate list of allowed claims to be filed with the clerk. The CAO will be presenting a resolution to the Board for approval and clarification.

CRYSTAL CREEK REGIONAL BOYS' CAMP

REASON FOR INQUIRY:

California Penal Code section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

Crystal Creek Regional Boys' Camp
P.O. Box 578
Shasta, CA 96087
(530) 245-6694

BACKGROUND:

Crystal Creek Regional Boys' Camp is a minimum security work facility for male juveniles age 13 to 18 and is licensed by the State Board of Corrections. It is located approximately 20 miles west of Redding and encompasses 50 acres, which are leased from the Federal Government. The camp was built in the 1950's and was previously used by the U. S. Forest Service and the California Conservation Corps. The facility was opened as a juvenile camp in June 1995, and is administered by the Shasta County Probation Department. The 60 bed facility serves 17 rural counties for the detention and treatment of juvenile offenders, referred to as cadets. Emphasis is placed on education, work ethics and counseling to facilitate personal awareness, self-esteem and employment skills. The goal of Crystal Creek Camp is to return each juvenile to his community as a responsible, productive, drug free individual.

The annual budget for the Crystal Creek Camp for the fiscal year 2002-2003 was \$1,389,584. The Crystal Creek staff includes the following employees:

- Division Director
- Two supervising TAC (Teach-Advise-Counsel) officers
- Eleven TAC officers
- Two cooks and one extra help cook
- Three teachers
- Three teacher aides
- Two Deputy Probation Officers
- One "Success Program" Deputy Probation Officer
- One secretary
- One nurse (20 hours per week)
- One marriage/family/child counselor (24 hours per week)
- One drug and alcohol counselor (24 hours per week)

METHOD OF INQUIRY:

The Grand Jury toured the Crystal Creek Regional Boys' Camp on October 31, 2002. The Division Director provided an orientation about the camp and informational handouts. The Grand Jury reviewed the following documents:

- Cadet Orientation Manual
- Crystal Creek Annual Budget
- Crystal Creek General Information 2002 handout

The Grand Jury conducted the following interviews:

- Crystal Creek Regional Boys' Camp Division Director
- Three cadets at the camp

FINDINGS:

1. During the Grand Jury tour of the facility, the kitchen, where the cadets prepare all the meals, and the dining hall were found to be clean and well organized. The barracks were also neat and clean. While touring the classroom facilities the Grand Jury talked with two instructors and was impressed with their enthusiasm. The equipment warehouse and workshop were well organized and efficiently maintained.
2. The average daily population of the camp is 42, with the average length of stay being six months.
3. Approximately 50% of the cadets are from Shasta County; other cadets come from Modoc, Tehama, Lassen, Trinity, Siskiyou, San Benito, Yolo, Glenn, Contra Costa, Placer, El Dorado, Tuolumne, Humboldt, Mono, and Amador counties. These counties pay from \$58 to \$75 per day, per cadet to Shasta County. Recent construction of juvenile correctional facilities in some of these counties has resulted in fewer boys being sent to the Crystal Creek Camp. This has had a negative fiscal impact on the camp. A significant reduction in camp population from other counties could result in closure of the camp.
4. Cadets are at the camp for a variety of felony or misdemeanor convictions; approximately 30% were convicted of gang-related offenses, and approximately 70% were convicted of drug-related offenses.
5. During the past year, three classrooms have been remodeled, including the removal of asbestos.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

COMMENDATIONS:

The Grand Jury commends the Camp Director and the staff for their commitment, hard work and professionalism.

IMPLEMENTATION OF THE SMALLPOX VACCINATION PROGRAM IN SHASTA COUNTY

REASON FOR INQUIRY:

California Penal Code section 925 requires the Grand Jury to investigate and report on the operations, accounts and records of the officers, departments or functions of the County. Section 925 allows the investigation to be on a selective basis each year. In reviewing the Public Health Department, the Grand Jury became interested in the way the County was handling the federally mandated program for preparedness for bioterrorist threats, in particular the smallpox vaccination program.

Shasta County Public Health Department

2650 Breslauer Way
Redding, CA 96001
(530) 225-5591

BACKGROUND:

In the year 2002, federally mandated programs brought new challenges to Shasta County, creating a need to add new programs to the Public Health Department. The Shasta County Public Health Department is responsible for preparing our county for bio-terrorist threats in compliance with the federal government program. One of the steps in this process was the establishment of the county-wide Bioterrorism Response Advisory Committee (BRAC).

The mission statement for BRAC states that it is “a multi-disciplinary group consisting of key partners, stakeholders and agencies committed to collaborating on integrated planning in order to strengthen Shasta County’s ability to prepare for and respond to the threat of bioterrorism, outbreaks of infectious disease and other public health emergencies.”

The Federal Centers for Disease Control and Prevention (CDC) earmarked funding for bioterrorist preparedness. The California Department of Health Services received these funds early in 2002 and is distributing them to local agencies.

METHOD OF INVESTIGATION:

The Grand Jury interviewed the Shasta County Public Health Director three times and the Shasta County Public Health Officer once. The Grand Jury attended the workshop presented to the Board of Supervisors by the Shasta County Public Health Officer and Public Health Director. The Grand Jury reviewed the following documents:

- Information from the Centers for Disease Control in Atlanta, Georgia, on implementing the smallpox vaccination program nationwide
- Information about smallpox from the National Academies of Science, Institute of Medicine

- “Smallpox Questions and Answers” document from the State of California Department of Health Services
- The County of Shasta Annual Report for the Year Ending December 31, 2002
- Shasta County Public Health BRAC Overview

FINDINGS:

1. As part of Phase I of the National Smallpox Vaccination Program, the Shasta County Health Department received 200 doses of smallpox vaccine the week of February 24, 2003. By the end of that week, the Department began implementing Phase I by inoculating 11 front-line responders. This included workers in hospital emergency rooms and response team members who volunteered for the program. Shasta County will have two response teams that will include nurses, epidemiologists, interpreters, and mental health specialists. This first phase may include as many as 400 vaccinations. Phase II will begin shortly after Phase I and will broaden to include other health providers, first responders and volunteers. This group is estimated at between 3,000 and 6,000 persons in Shasta County. In Phase III, smallpox inoculations will be offered to the general population; however, due to potential health risks, universal inoculation is not currently being recommended.
2. During the course of the review of the Shasta County Public Health Department, the Grand Jury found that this Department has been very proactive in implementing the County’s compliance with the Federal Smallpox Vaccination Program. The Department has implemented a series of programs which include participating in the Department of Health Services “Train the Trainer” series for smallpox vaccination programs; working with County Counsel and Support Services on liability and worker’s compensation issues; facilitating a county advisory committee; formulating a comprehensive education program in the form of community presentations and media releases; and soliciting the potential volunteers for the response teams.
3. The Shasta County Public Health Department was commended at a state conference for being at the “top of the curve” statewide in implementing the smallpox vaccination program. In the first week there were only 111 vaccines given in the state, 11 of which were in Shasta County. The extensive screening, educating, and monitoring by the Public Health Officer appears to have created a safe inoculation procedure for the volunteers thus far.
4. There appears to be sufficient evidence that a potential threat of a bioterrorist attack exists, even in rural counties. This evidence comes from the federal government and historical examples, such as the salmonella poisoning in The Dalles, Oregon in 1984; the production of ricin toxin in Minnesota in 1991; the release of sarin gas in a Tokyo subway in 1995; the finding of Shigella in muffins in Texas in 1996; and the 2001 incidence of mail containing anthrax. The Shasta County Public

Health Department's job is not risk assessment, but rather it is bioterrorism preparedness.

5. On January 28, 2003, at the Public Health Department's request, the Shasta County Board of Supervisors took steps to encourage employees and volunteers to take part in the Smallpox Vaccination Program. The Board extended the Paid Release From Duty Program to allow County employees to take up to 24 hours of release-from-duty time, rather than sick leave, should they experience vaccination reactions serious enough to interfere with their work. The Board also agreed to reimburse employees for their co-payment for vaccination-related medical consultations. Finally, the Board agreed to include vaccination volunteers in the County's workers' compensation program so that their medical bills could be covered if they were to suffer adverse reactions to the vaccine. The following was stated by one of the County Supervisors during the meeting: "... when we're pursuing the public good and we place volunteers and employees in harm's way, there's a reciprocal responsibility on the part of the county to provide ... assistance to the people." The Grand Jury found this to be prudent county policy.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

SHASTA COUNTY AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2002

REASON FOR INQUIRY:

California Government Code section 25250 requires the Board of Supervisors to examine and audit all county financial accounts. California Penal Code section 925 requires the Grand Jury to annually examine the accounts and records of the county. California Penal Code section 926 allows the Grand Jury to enter into a joint contract with the Board of Supervisors to employ an auditor for both of these purposes.

BACKGROUND:

Shasta County has established a Joint Audit Committee whose function is to select and contract with the independent auditor and to receive the auditor's report. The Joint Audit Committee consists of: members of the Grand Jury Audit and Finance Committee, Chairperson and Vice-Chairperson of the Board of Supervisors, Foreperson of the Grand Jury, County Administrative Officer, County Budget Officer, County Counsel, Treasurer-Tax Collector, and Auditor-Controller. The Joint Audit Committee works closely with the independent contract auditor to ensure that a thorough and objective audit is undertaken each year with regard to the funds, records, and accounts of the County.

The annual audit is conducted by an independent auditor in accordance with generally accepted auditing standards (the standards applicable to financial audits contained in *Government Auditing Standards*) issued by the Comptroller General of the United States. It is performed to obtain reasonable assurance that the general-purpose financial statements prepared by the County are free of material misstatements. The audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the general-purpose financial statements. The audit also includes assessing the accounting principals used and significant estimates made by management. The audit does not emphasize overall management, nor comment on the sources from which the County accumulates revenue or makes expenditures.

METHOD OF INQUIRY:

The Grand Jury reviewed the following documents:

- County of Shasta Annual Audit Report for Fiscal Year Ended June 30, 2002
- County of Shasta Joint Powers Financing Authority Report for Fiscal Year Ended June 30, 2002
- County of Shasta Management Report for Fiscal Year Ended June 30, 2001
- County of Shasta Management Report for Fiscal Year Ended June 30, 2002
- County of Shasta Treasury Oversight Committee Report for Fiscal Year Ended June 30, 2002
- Joint Audit Committee Policies and Procedures

FINDINGS:

1. The independent auditing firm of Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants and Consultants, from Rancho Cucamonga, California, was selected to complete the County audit for fiscal year ended June 30, 2002. The contract between the County and the firm gives the County the option of extending the term of the contract for additional periods.
2. Fiscal year 2001-2002 was the first time the County has applied Government Accounting Standards Board (GASB) Statements No. 34, 37 and 38 to the financial statements. These required governmental changes in financial statement reporting makes the County's financial records more understandable.
3. The following financial highlights were reported by the Shasta County Auditor/Controller in the Management Discussion and Analysis section of the annual audit report:
 - The assets of the County exceeded liabilities at the close of the 2001-2002 fiscal year by \$141,522,580 (*net assets*). Of this amount, \$75,226,034 (*unrestricted net assets*) may be used to meet on-going obligations to citizens and creditors, \$6,527,746 is restricted for specific purpose (*restricted net assets*), and \$59,768,800 is invested in capital assets, net of related debt. The County's total net assets increased by \$13,335,146 over the prior year.
 - The County's governmental funds included combined fund balances of \$79,134,119, an increase of \$9,324,821 in comparison with the prior year.
 - The County's unreserved fund balance for the general fund was \$30,776,832, or 23 percent of total general fund expenditures.
 - The County's investment capital assets increased by \$1,406,151.
 - The County's long-term debt decreased by \$1,352,789 in comparison with the prior year. The decrease resulted primarily from scheduled principal retirements of lease revenue bonds and certificates of participation.
4. The contract auditor reported that the Board of Supervisors revised the County's budget many times. Over the course of the year, each time a grant or specific revenue enhancement is made available to a County program that requires new appropriations, a budget amendment is required. The mid-year review is the formal process by which each department is analyzed for expense and revenue trends. Adjustments are recommended where indicated and monitored for the remainder of the year. Differences between the original budget and final amended budget resulted in a \$6,946,714 increase in appropriations. Even with these adjustments, actual expenditures were \$10,911,019 below final budget amounts. Revenues were \$1,622,847 above final budget amounts.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

SHASTA COUNTY DETENTION ANNEX AND WORK RELEASE FACILITY

REASON FOR INQUIRY:

California Penal Code section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

Shasta County Detention Annex/
Work Release Facility
2490 Radio Lane
Redding, CA 96001
(530) 245-6086

BACKGROUND:

The Detention Annex, originally a fire hall, was built in the 1960's. It was remodeled and opened as a detention facility by the Shasta County Sheriff's Office in 1982. The Detention Annex, which was closed in January 2003, was a medium security jail facility for men, operated by the Shasta County Sheriff's Office. The facility included an office, workshop, laundry room, four dorms with televisions, dining area, day room/library, and recreation area.

The Sheriff's Office Work Release Program, which is separate from the Detention Annex, utilizes the labor of both men and women. Various jobs within the program include gardening, painting, constructing needed buildings, roofing, picking up trash along the highways, or helping with community projects. If an inmate is given the opportunity to work in this program, he or she must sign a written agreement which states the rules and regulations for participation. A violation of this agreement will result in a warrant for the inmate's immediate arrest and any days missed will be added to his or her sentence.

The annual budget for the Detention Annex/Work Release Facility for fiscal year 2002-2003 was \$1,501,359.

METHOD OF INQUIRY:

The Grand Jury toured the Detention Annex /Work Release Facility on October 22, 2002. The Grand Jury reviewed the following documents:

- Sheriff's Work Program – Rules and Regulations
- Shasta County Sheriff's Office Work Release Program Application and Agreement
- 2002/2003 Detention Annex /Work Release Budget

The Grand Jury interviewed the following:

- One Captain
- One Deputy
- One Lieutenant

FINDINGS:

1. The Sheriff closed the Detention Annex in January of 2003 as a result of serious staffing shortages within the Department due to the retirement of seasoned officers and the large number of newly hired personnel. The purpose of this

action was to make staff available to supplement the Main Jail and Sheriff's Patrol with experienced officers. The Detention Annex inmates were moved to the Main Jail, or if eligible, to the Home Electronic Confinement Program or to the Work Release Program, which continues to operate at the same location. When the Detention Annex is open, it's 66-bed capacity helps relieve population loads at the Main Jail, where inmates are released early if capacity limits are reached. The Sheriff has been unable to estimate when sufficient staff might be recruited, hired and trained so as to allow for the reopening of the Annex.

2. At the time of the Grand Jury tour in October 2002, the Detention Annex was neat, clean, well organized, and appeared to be adequately staffed. Inmates had scheduled visiting privileges and the use of monitored telephones. The maximum number of inmates housed at the annex was 66, with an average population of 47 adult males. There was an inmate count every hour.
3. The types of violations for inmates housed at the Detention Annex included minor assaults, burglary, embezzlement, and felony substance abuse offenses. The length of stay was up to one year. Criteria for being assigned to the Detention Annex could include overflow of medium security risk prisoners from the Main Jail or an inmate who was completing the end of his sentence.
4. Inmates had the opportunity to receive care at a medical clinic held three times a week at the Detention Annex facility. If an emergency occurred, inmates received care at the Main Jail or at a local hospital.
5. The Work Release Program provides labor for public projects for Shasta County, the City of Redding, and other local entities for little or no cost. A Deputy provided the Grand Jury with a list of current and completed projects and it appears that this program saves the County and City thousands of dollars annually.
6. The Grand Jury observed hundreds of bicycles which are repaired and/or distributed to those in need within Shasta County as part of the Work Release Program.

RECOMMENDATIONS:

1. The Sheriff's Department should re-open the Detention Annex as soon as additional staff becomes available.

RESPONSE REQUIRED:

Shasta County Sheriff

SHASTA COUNTY JUVENILE HALL

REASON FOR INQUIRY:

California Penal Code section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

Shasta County Juvenile Hall
2680 Radio Lane
Redding Ca. 96001
(530)225-5827

BACKGROUND:

The Shasta County Juvenile Hall was built in 1958 to detain juveniles between the ages of 10 and 18. The facility provides space for the Juvenile Probation Office, Juvenile Court, Detention Unit A, and Housing Units B and C. Unit A houses maximum-security juveniles and contains eight single occupancy "wet" cells, which include a toilet, sink, and drinking fountain. Housing Units B and C, added to the facility in 1988, provide 6000 square feet of additional space, including double occupancy "dry" cells with centrally located restrooms for each Unit. There is a dayroom for general population dining, inclement weather recreation, and daily orientation. Outdoor facilities include basketball and volleyball courts, a vegetable garden, and an animal husbandry area.

Juvenile Hall is designed to house up to 60 juveniles. The average daily population is 55, with the average length of stay being 21 days. The typical population ratio of boys to girls is 4:1.

Juveniles housed in Units B and C attend school in three portable classrooms adjacent to the facility. Basic subjects are taught approximately five hours a day, five days a week. The classrooms provide an opportunity for the juveniles to attend school in an atmosphere that simulates the public school structure. Juveniles in Unit A are confined to the dayroom for school instruction.

The California Forensic Medical Group (CFMG), under contract with Shasta County, provides medical care for detainees in Juvenile Hall. One full time nurse is on site five days a week and a physician visits the facility twice a week. On-call medical care is available 24 hours a day as needed.

The Juvenile Hall annual budget for fiscal year 2002/2003 was \$1,768,796. In April 2003, the Shasta County Board of Supervisors approved an increase of approximately \$60,000 to the budget for the remainder of fiscal year 2002/2003 for eight additional group counselors.

The Juvenile Hall facility staffing consists of:

- One Division Director
- Four supervising group counselors
- Twenty-six full-time group counselors (eight added in April 2003)
- Eleven extra-help group counselors
- One Food Service Supervisor
- Two full-time cooks
- Three extra-help cooks
- One secretary

- Five full-time teachers
- Five teacher aides
- One nurse

METHOD OF INQUIRY:

The Grand Jury toured the Shasta County Juvenile Hall on October 21, 2002. There were two subsequent interviews conducted with the Division Director. The Grand Jury conducted a follow-up tour on April 1, 2003. The Grand Jury reviewed the following documents:

- Juvenile Hall Orientation Manual
 - Minimum Standards for Local Juvenile Facilities Information Digest
 - Forms involved in the booking process
 - Response from Shasta County Probation Department to consultant review
 - Draft Response from Shasta County Probation Department to State Board of Corrections Annual Review

FINDINGS:

1. During the tour of the Juvenile Hall, the Division Director stated that approximately 80 to 90 percent of the juveniles were there because of drug related problems.
2. While touring the facility the Grand Jury noticed an unkempt cell with a curtain covering the cell door window, making it difficult to monitor activities within the cell. The Division Director informed the Grand Jury that the cell was assigned to an unstable individual, and the staff was working closely with this person on how to follow the housekeeping rules.
3. In December 2002, the California Forensic Medical Group (CMFG) lost its medical accreditation for Juvenile Hall due to several violations, including medical documentation and response time of on-call nurses. In April 2003, the Division Director of Juvenile Hall stated that the accreditation would be re-applied for when the violations are corrected in approximately 90 days. During the interim period, CFMG continues to provide medical care at Juvenile Hall.
4. In December 2002, two consultants were retained by Shasta County to review the operation of Juvenile Hall. On April 1, 2003, the Grand Jury revisited Juvenile Hall to discuss the progress of the review. The Division Director discussed with and showed the Grand Jury several changes that had been implemented as a result of the review, including:
 - a) Installation of breakaway sprinkler heads in all cells
 - b) Removal of all curtains from cell windows
 - c) Replacement of all mattresses in the cells
 - d) Replacement of worn furniture in the day room
 - e) Elimination of security breaches by re-routing all teachers, cooks, nurses, and institutional personnel through the intake door.

As of the writing of this report in May 2003, the final report from the consultants was not yet available to the Grand Jury.

5. In April 2003, the State Board of Corrections conducted its annual two-day review of Juvenile Hall. Representatives from the Board of Corrections met with the County Administrative Officer, the Shasta County Court Administrator, and the Presiding Juvenile Court Judge to identify issues of concern. The review disclosed a staffing shortage, which has been resolved by placing eight probation officers at the Juvenile Hall as additional group counselors. The Shasta County Board of Supervisors approved funding for the eight additional positions and once recruiting is complete and the positions are filled, the eight probation officers will return to their regular assignments within the Probation Department.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

SHASTA COUNTY MAIN JAIL

REASON FOR INQUIRY:

California Penal Code section 919 mandates that the Grand Jury annually inquire into the condition and management of all public prisons located within the County.

Shasta County Main Jail
1655 West Street
Redding, CA 96001
(530) 245-6100

BACKGROUND:

The Shasta County Main Jail opened in August of 1984 for the detention of adult males and females. The jail was designed to house a maximum of 237 inmates. During the next ten years most cells were double bunked to increase the jail capacity. In April of 1993, the Sheriff sought an inmate population cap through Shasta County Superior Court Order No. 11528. This order provided an increase in jail population to 381, and also authorized the early release of inmates when the jail population grew to within 10% of capacity. The Sheriff's Office provides a quarterly report to the Shasta County Superior Court detailing early release of inmates to avoid overcrowding. Until January of 2003, another facility, the Detention Annex, was utilized to house inmates convicted of less serious crimes. Alternative programs to incarceration include work release, home electronic confinement, community parole and supervised own recognizance. Inmates sentenced to state prison are housed at the Main Jail awaiting transportation.

The first floor of the jail is dedicated to administration, inmate intake, medical and dental clinics, booking and processing, and public contact. The next three floors house the inmates. There are twelve housing units, each of which houses up to 32 inmates. The food and laundry services are located in the basement.

The 2002/2003 annual budget for the jail was \$9,023,341. Staffing at the Main Jail on January 1, 2003, was as follows:

- One Captain
- One Lieutenant
- One Administrative Secretary
- Five Sergeants
- Twenty-five male Deputies and nine female Deputies
- Ten Correctional Officers
- Twenty-five Service Officers
- One Support Service Manager
- Eight cooks/laundry officers

METHOD OF INVESTIGATION:

The Grand Jury toured the facility on September 17, 2002, and visited the facility on four other occasions. The Grand Jury interviewed the following:

- Shasta County Sheriff/Coroner
- Shasta County Undersheriff

- One Captain
- One Lieutenant
- One Sergeant
- Two Deputies
- One Correctional Officer
- Three members of the Board of Supervisors
- Shasta County Administrative Officer
- Director of Department of Support Services
- Two members of the Medical staff

The Grand Jury reviewed the following documents:

- Shasta County Main Jail tour and inspection fact sheet
- Shasta County Main Jail weekly food service menu
- Shasta County Main Jail Security Audit (prepared by California State Board of Corrections)
- California Board of Corrections Audit Points
- California Forensic Medical Group (CFMG) Nursing Psychiatric Assessment Sheet and Medical Pre-Screening Forms
- Shasta County Sheriff's Office Interdepartmental Memoranda:
 - 1) Inmate clothing and linen exchange
 - 2) Twenty-five security actions taken since an assault on an officer which took place June 22, 2002
 - 3) California Board of Corrections security audit response
 - 4) Internal Security Review Results - ten written responses from concerned staff
- Shasta County Sheriff's Office Main Jail Hierarchy Report
- Community Corrections General Plan
- Shasta County Main Jail Policy and Procedure Manual
- Quarterly Court Cap Release information
- Shasta County Jail Food Service Relocation and Inmate Capacity Expansion Preliminary Architectural Feasibility Study
- Shasta County Sheriff's Office News Releases

FINDINGS:

1. During the past year, several incidents have occurred which underscore safety concerns at the jail. On June 5, 2002, an inmate worker escaped through the front door of the jail and was later apprehended. On June 22, 2002, two inmates severely beat a Correctional Officer with a hand-made weapon during an attempted escape. On November 17, 2002, one of those inmates committed suicide in his cell with an instrument fashioned out of a razor blade. On January 7, 2003, an inmate was mistakenly released from the jail after impersonating another inmate. On January 11, 2003, an inmate attempted suicide by hanging.
2. The Shasta County Sheriff requested the California State Board of Corrections to perform a Security Audit on the Main Jail in October of 2002. The report provided several conclusions, including the following:

- a) The Main Jail was designed as a Type II facility to house all classifications of inmates. The jail has been housing a progressively higher classification of inmates (more serious offenders) for longer periods of time. The jail has some physical limitations that are cause for concern in terms of the safety and security of staff and inmates due to the increasingly dangerous inmates being incarcerated there. The kitchen and laundry areas are both located in the basement, where there is a lack of security staff. County employed food service workers also perform security functions.
 - b) Classification of inmates ensures the appropriate housing and programming of inmates, and is intended to maintain the security of the facility and the safety of inmates and staff. The classification level of inmates has risen over the past several years, which makes finding suitable inmate workers more difficult. The current classification practice allows the assignments of persons with potentially lengthy jail sentences, and who therefore pose higher safety and escape risks, to be inmate workers, primarily in the kitchen. Increasing jail population and court imposed capacity restrictions serve to exacerbate the situation by requiring the early release or transfer of less serious offenders.
 - c) The security audit also addressed the issues of staffing levels, communications, and security. The audit provided 24 recommendations for improvements at the jail, many of which have been implemented.
3. The Shasta County Jail is currently operating at minimum staffing levels. These levels are inadequate to safely monitor the activities of a near capacity and increasingly dangerous inmate population. The Shasta County Main Jail staff works a 12-hour day with four days on, and three days off. It was reported to the Grand Jury early in 2003 that some of the staff were working as many as 40 hours of overtime per week and that all security staff were working at least some mandatory overtime each week. This leads to fatigue, decreased productivity, and low morale, all of which become safety issues in a jail setting. The total overtime hours in the custody unit due to staffing shortages in 2002 was 12,492 hours at time-and-a-half, resulting in a cost of \$312,300.

There appear to be two reasons for the shortage of staff: 1) there currently are not enough positions allocated to provide for adequate staffing and, 2) the Department has been unable to recruit, hire, and train enough staff to fill the already authorized positions due, in part, to a shortage of qualified applicants.

One result of the staffing shortages has been to leave the individual module control rooms on each housing unit floor un-staffed during the night shift. Service Officers, who have no contact with inmates, work in the central control room at night, which limits their ability to monitor inmates, Deputies, and Correctional Officers assigned to the housing units on different levels. There are no call buttons in the inmate cells and sounds from the housing areas go unheard if there is no one in the module control rooms on each

level. Security staff patrol the housing units during the night with only two, or sometimes three, Deputies or Correctional Officers assigned to eight housing units.

The Sheriff's Department is in the process of phasing out the use of Deputy Sheriffs in the Main Jail in favor of using Correctional Officers. This plan will be phased in over a four year period and calls for Correctional Sergeant positions and eventually a Correctional Lieutenant in order to create a career ladder for those interested in the corrections field. A resulting factor of this change is a cost saving to the County because Correctional Officers are paid less than Deputy Sheriffs. However, as the transition proceeds, it is imperative that sufficient staff is available to allow for adequate training. One of the recommendations of the Security Audit was to conduct a comprehensive staffing analysis, which the Board of Corrections was expected to complete by May of 2003.

4. In July of 2002, the Shasta County Sheriff's Office solicited input regarding security issues from several personnel working in the Main Jail. Ten written responses from concerned staff were returned to administration. There were several suggestions for improvements, including:
 - a) increase module control room coverage to 24 hours a day, seven days a week
 - b) increase staffing so there would always be a two-person prowler/rover team
 - c) modify the shower curtains so inmates cannot hide behind them
 - d) install food ports on all maximum-security cell doors
 - e) increase staffing or decrease inmate movement during the hours of 8am-5pm
 - f) reconfigure security cameras and have them cleaned regularly
 - g) improve screening of inmate workers and searching of intakes (new detainees)
 - h) serve boneless chicken, as bones can be made into weapons
5. In January 2003, the Sheriff closed the Detention Annex because of serious staffing shortages in Field and Custody personnel, retirement of seasoned officers, and the large number of newly hired personnel. This action allowed for staff to supplement the Main Jail and Patrol with experienced officers. When the Detention Annex is open, its 66-bed capacity helps lower the jail population. When crowding occurs at the Main Jail, inmates are released early due to capacity limits, as mandated by court order. During the past year, there was an average of approximately 30 inmates booked per day and an average daily population of approximately 350 inmates. The highest daily population reported to the Grand Jury was 378 on January 14, 2003. It was reported to the Grand Jury that the Sheriff expects about 800 early releases this year due to capacity limits.
6. A preliminary architectural feasibility study for the food service relocation and inmate capacity expansion for the Shasta County Jail was conducted in September 2001. The study reported that renovating the basement and moving the food service and laundry areas to an off-site location would provide up to 64 additional beds at an estimated cost of \$1,350,000. Renovating the third floor and relocating Superior Court Departments 1 and 2 to the Courthouse would provide up to 128 additional beds at an estimated cost of \$2,250,000.

RECOMMENDATIONS:

1. The Sheriff's Department should consider the recommendations made in the Board of Corrections Security Audit regarding the classification level of inmates allowed to work in the kitchen and laundry area.
2. The Sheriff's Department should continue to evaluate other recommendations made in the Board of Corrections Security Audit and to monitor the success of changes already implemented as a result of the Audit.
3. The Sheriff's Department should be more aggressive in recruiting qualified personnel to apply for vacancies in the Department. The Sheriff should report monthly to the Board of Supervisors on the progress in filling these vacancies.
4. The Sheriff's Department should analyze the results of the comprehensive staffing analysis and request additional staff positions as indicated. The Board of Supervisors should consider and support requests made by the Department to increase staffing positions at the jail in order to improve the level of staff and community safety.
5. The County and the Sheriffs Department should pursue funding for the relocation of the kitchen and laundry, and renovations to add additional beds to the jail, as recommended by the feasibility study.

RESPONSES REQUIRED:

The Shasta County Board of Supervisors, as to Recommendations 4 and 5
Shasta County Sheriff, as to Recommendations 1 through 5



SHASTA COUNTY

BOARD OF SUPERVISORS

FILED

OCT 21 2003

ANN REED, CLERK
By S. Greenhaw, *S. Greenhaw*
Deputy Clerk

1815 Yuba Street, Suite 1
Redding, California 96001
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

DAVID A. KEHOE, DISTRICT 1
IRWIN FUST, DISTRICT 2
GLENN HAWES, DISTRICT 3
MOLLY WILSON, DISTRICT 4
PATRICIA A. "TRISH" CLARKE, DISTRICT 5

The Honorable Monica Marlow
Presiding Judge, Shasta County Courts
1500 Court Street, Room 205
Redding CA 96001

October 7, 2003

Re: Response of Board of Supervisors to Fiscal Year 2002/2003 Grand Jury Report

Dear Judge Marlow:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2002/2003 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 to Findings & Recommendations

A. Financial Audit of Retired Senior Volunteer Program (RSVP) and Shasta County Auditor-Controller's Claims Approval Process.

The Board of Supervisors concurs with the 13 findings of the Grand Jury regarding the financial audit of the Retired Senior Volunteer Program and the Auditor-Controller's claims approval process.

Recommendations and Responses:

Recommendation #1.

The Shasta County Board of Supervisors should hold County department heads responsible for ensuring that claims authorized by them represent valid, legal, and appropriate County expenditures.

Response to Recommendation #1.

The Board of Supervisors concurs with this recommendation and affirms that this is the current policy. All department heads have access to the County Administrative Manual, Personnel Manual, and other resources regarding County policies and procedures and understand the implications and the personal liability for fraudulent claims.

Recommendation #8.

The Shasta County Board of Supervisors should require the County Administrative Officer to hire an outside auditor to perform a management audit of the Auditor-Controller's Office as approved by the Board on October 8, 2002. The audit should include a review of personnel practices and delegation of staff assignments in the Accounts Payable Division.

Hon. Monica Marlow, Presiding Judge
Response to FY 2002/2003 Grand Jury Report
October 7, 2002 - Page 2

Response to Recommendation #8.

The Board of Supervisors concurs with this recommendation. A contract has been signed with Rose Accountancy Corporation for this purpose. The Grand Jury Audit Committee will be included in the entrance and exit interviews. The entrance interview is scheduled for October 23, 2003.

✓ **B. Shasta County Main Jail.**

Recommendations and Responses:

The Board of Supervisors concurs with the 6 findings of the Grand Jury regarding the Shasta County Main Jail.

Recommendation #4.

The Sheriff's Department should be more aggressive in recruiting qualified personnel to apply for vacancies in the department. The Sheriff should report monthly to the Board of Supervisors on the progress in filling these vacancies.

Response to Recommendation #4.

The Board concurs with this recommendation. The County Administrative Officer is currently working with the Sheriff and Undersheriff to transfer positions from the closed Annex to the Main Jail. The recommendation will be to support the Sheriff's request to add 5 Sheriff's Service Officers to the Main Jail, currently unfunded vacant positions. The recommendation to report monthly to the Board of Supervisors should be left to the Sheriff's discretion.

Recommendation #5.

The County and the Sheriff's Department should pursue funding for the relocation of the kitchen and laundry, and for renovations to add additional beds to the Jail, as recommended by the recent feasibility study.

Response to Recommendation #5:

This recommendation will not be implemented at this time due to funding considerations. Certainly, in the future, if funding permits, remodeling the lower level of the Jail to create dorms and relocating the laundry and kitchen would provide the maximum number of beds for the most reasonable cost. Staffing continues to be a major cost factor, in addition to the remodeling costs and new location for kitchen and laundry.

C. Western Shasta Resource Conservation District (WSRCD).

Recommendations and Responses:

Shasta County will not respond to the 13 findings as they relate to a Special District with a separate governing Board.

Hon. Monica Marlow, Presiding Judge
Response to FY 2002/2003 Grand Jury Report
October 7, 2002 - Page 3

Recommendation #2.

The Shasta County Board of Supervisors should support WSRCD's efforts to discourage illegal trash dumping at the Vietnam Veterans' Memorial Bridge (over Clear Creek) through cooperation in construction and maintenance of fencing at the site.

Response to Recommendation #2.

Although an appropriate fence has been designed, the cost may exceed \$100,000, not including the on-going maintenance cost. Supervisor Irwin Fust, in whose district the bridge is located, has met with WSRCD and developed the following recommendations to the Board of Supervisors and the Grand Jury:

- 1) Establish a monitoring plan, including signs (example attached) to identify and discourage illegal dumping.
- 2) Encourage the District Attorney to vigorously prosecute any individual who practices such illegal dumping.
- 3) Announce a "community clean-up" of the area to be held on Saturday, October 25, 2003.
- 4) Acknowledge that the bridge is now receiving more daily usage and therefore offending parties are more susceptible to being identified.
- 5) Maintain close contact with WSRCD staff to educate the public regarding salmon habitat restoration and gravel replacement projects.
- 6) If the above steps do not curb or eliminate the problem, then work with the WSRCD to secure grants for installation of the fence.

This concludes the response of the Shasta County Board of Supervisors to the FY 2002/2003 Grand Jury Report.

Sincerely,



PATRICIA A. "TRISH" CLARKE, Chairman
Board of Supervisors
County of Shasta

Attachment

Copy:

Members, Grand Jury

Ann Reed, County Clerk



SHASTA COUNTY

Office of the Sheriff



August 29, 2003

Jim Pope
SHERIFF-CORONER

Larry Schaller
UNDERSHERIFF

The Honorable Monica Marlow, Presiding Judge
Shasta County Superior Court
1500 Court Street, Room 205
Redding, CA 96001

Dear Judge Marlow:

As Sheriff, I welcome the recent Grand Jury report and their concerns for the safety and delivery of service concerning the Custody Division. Operating a safe and secure Main Jail is my primary objective. I am very proud of the dedication and professionalism of our Custody staff and their performance under very difficult circumstances. Both the Custody Internal Audit initiated by my office and the Board of Corrections Audit I requested have generated valuable recommendations. Additionally, I commend the '02-'03 Grand Jury's professional diligence in executing their responsibilities.

DETENTION ANNEX

Recommendation #1 - Re-open the Detention Annex as soon as additional staff becomes available.

Response - I concur with this finding. The Detention Annex served as an extension of the Jail and housed inmates of a lower classification and escape risk. The Jail continues to house inmates who pose a greater threat of re-offending or are a flight risk. We were forced to close the Detention Annex due to staffing level shortages and to ensure an adequate number of seasoned personnel in the jail and on patrol. Since this closure, which took place in January 2003, budgetary concerns regarding funding for local law enforcement complicate the reopening the Detention Annex in a timely manner. The built-in cost increases to the Sheriff's Office '03-'04 budget are approximately \$1.7 million, which includes: Worker's compensation, liability and health insurance increases, vehicle fleet costs, retirement and salary expenses, Facility Management and Information Systems, etc. The cost to reopen the annex is about \$700,000, which is not budgeted due to the foregoing budgetary increases.

Additionally, increased staffing recommendations by the Board of Corrections for the Main Jail will necessarily take precedence over the timing of reopening the Detention Annex. I do not foresee funding to reopen the annex before '04-'05 (if then). I have scheduled a meeting including the Courts, District Attorney, Police Chiefs, Chief Probation Officer, defense counsel, and the County Administrator to discuss the short-term implications and long-term alternatives.

SHASTA COUNTY JAIL

Recommendation #1 - Consider the recommendations made in the Board of Corrections Security Audit regarding the classification level of inmates allowed to work in the kitchen and laundry.

Response - I concur that the lowest classification of inmate worker would provide for a safer work environment and strive to achieve this in the Jail setting. Of the 24 recommendations made in the Security Audit, many have been implemented. One of those recommendations implemented was the continuous monitoring of the classification of inmate workers within the kitchen and laundry area. This is presently being done every weekend with continual review of inmate workers taking place. The Shasta County Jail typically houses those offenders who are awaiting trial on felony charges and have a propensity to re-offend or flee.

Misdemeanants are also kept in the Main Jail and it is from this pool that first selection of inmate workers takes place. Unfortunately, this pool is small and not all misdemeanants qualify for worker status. Health clearances, physical ability, and the desire to work are a few of the factors involved. As the lower level of inmate classification is screened the jail has no choice but to review those in higher classifications for worker status. This is typically done with close scrutiny and, once again, weekly review. Additionally the jail has added a minimum of hourly security checks and requires an officer present anytime the kitchen sally port gates are opened. Cutting implements in the kitchen have been tethered to their workstations by lock.

The offsite production of food and laundry services has been reviewed. It is felt that offsite services would aid in the introduction of contraband and weapons to the Jail and only serve to undermine the self-contained environment the jail provides and are cost prohibitive unless collocated with a minimum/medium security facility. This point has become somewhat mute with the January 2003 closing of the Detention Annex.

Recommendation #2 - Continue to evaluate other recommendations made in the Board of Corrections Security Audit and monitor the success of changes already implemented as a result of the audit.

Response - I concur with this recommendation. As mentioned earlier, many of the 24 recommendations made in the Security Audit have been implemented or are continuously reviewed. Cameras have been upgraded or added, food port doors have been installed, an

additional officer on night shift has been added, the number of enrousters reduced, visiting times realigned, the two-tier housing system implemented, shifts begin at the same time, incident logs have been placed on mod levels, visitor identification and many other security improvements have been implemented. The Main Jail staff continually work with the Board of Corrections staff on improving safety for both staff and inmates within the jail. These improvements were reviewed with the same Board of Corrections team during the Shasta County Jail's biennial inspection during April 2003. This biennial report will be available to the incoming Grand Jury.

Recommendation #3 - The Sheriff should be more aggressive in recruiting personnel to apply for vacancies in the department. The Sheriff should report monthly to the Board of Supervisors on the progress in filling vacancies.

Response- My staff continues to work very closely with County Personnel to expedite the hiring process. Presently, the Sheriff's Office continually seeks applicants for the position of Sheriff's Service Officer and Correctional Officer. The Shasta County Personnel Department maintains a continuous open application process for these positions. This assists in the transition of Deputy Sheriff's to the field from the custody setting. Due to the application process, testing time, backgrounds and screening, delays do occur. We continue to work to minimize delays in these areas. Additionally, numerous weeks of training are required for new hires.

My staff aggressively seeks the best candidates for the job to hire personnel in a timely manner. We are in close communication with the Personnel Department and the County Administrative Officer concerning the allocation of staff and hiring. The Sheriff's Office's 24-hour staffing responsibilities have been exempted from the County hiring freeze by the County Administrator. The peak impact of cumulative retirements, hiring and training has passed. We have adequate eligibility lists and backgrounds completed to fill current and pending vacancies. The uncertain results of \$500,000 Rural County Law Enforcement funds for Shasta County and \$68,000 funding for Standards for Training for Corrections (S.T.C.) will be determined by mid-September. Current vacancies will be stabilized at that time.

Because of the full cooperation of County Personnel, the County Administrator, and our recruitment has stabilized, I respectfully disagree with the recommendation to report monthly to the Board of Supervisors on filling vacancies. The Board has full authority over funding. Staffing decisions remain my responsibility.

Recommendation #4 - The Sheriff's Office should analyze the results of the comprehensive Staffing Analysis and request additional staff positions.

Response - I concur and agree that to provide a safer and more secure environment with the present classification of inmate housed at the Shasta County Jail, staffing should be increased. The Board of Corrections Staffing Analysis was reviewed by the Sheriff's Office and

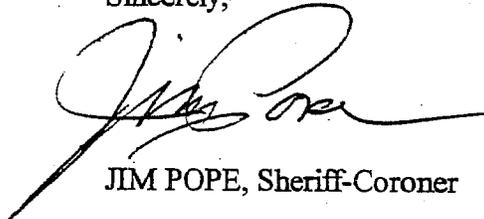
recommendations on staffing increases, consistent with the BOC's recommendations have been discussed with the County Administrator's staff and will be presented to the Board of Supervisors requesting incremental increases until accomplished.

Recommendation #5 - The Sheriff should pursue funding for the relocation of the kitchen and laundry, and renovations to add additional beds to the Jail as recommended in the feasibility study.

Response - I concur with this recommendation; however, due to limited funding and fiscal budgetary concerns at the Federal, State and County level, this project will most likely not occur during the next several years. With the loss of bed space at the annex, the available bed space at the jail has become a premium. Certainly, the addition of bed space to the Shasta County Main Jail would serve to strengthen public confidence, and provide a safer and more secure community. Accountability, and the desire to correct behavior in offenders, is paramount to my office. At present the Board of Corrections has no funding base for such improvements and none are seen on the horizon. We are, however, continually looking for alternatives to funding in this area to increase the holding capacity of the Shasta County Jail.

In closing, I offer my highest compliments to the efforts and work product of the '02-'03 Grand Jury. They have had, and will continue to have my full cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Pope", written over a horizontal line.

JIM POPE, Sheriff-Coroner

SERVICE

With Pride and Excellence

JP:dj

cc: Doug Latimer, County Administrative Officer
Don Van Buskirk, Captain
Grand Jury

SHASTA COUNTY PUBLIC GUARDIAN

REASON FOR INQUIRY:

California Penal Code section 925 requires the Grand Jury to investigate and report on the operations, accounts and records of the officers, departments or functions of the County.

Shasta County Public Guardian
1615A Continental Street
Redding, CA 96001
(530) 225-5103

BACKGROUND:

The Public Guardian is a division of the Shasta County Social Services Department. The Public Guardian's mission is to serve elderly and dependent adults fairly, promptly, and with courtesy at all times. The Public Guardian aids people through either probate conservatorships or Lanterman-Petris-Short Act (LPS) conservatorships, which are established by the Superior Court. The LPS Act was passed by the state legislature in 1969 to protect individuals with mental disabilities.

Probate conservatees are typically people whose mental and physical problems are associated with the aging process. The typical conservatee often lives alone, may have a large estate, and/or may have been determined to be unable to resist fraud or undue influence. Conservatees are often referred to the Public Guardian by Adult Protective Services, as well as hospitals, family members and community organizations. The probate conservatorships last for an indefinite time, usually until the conservatee dies or the court terminates the conservatorship.

LPS conservatorships serve people who are gravely disabled as a result of a mental disorder or are mentally impaired by chronic alcoholism or drug addiction. Referrals come from the mental health system. The LPS conservatorship is automatically terminated after one year, but may be renewed annually at a court hearing.

Through conservatorship, the Public Guardian protects and cares for the conservatee by providing support including housing or hospitalization, medical care and psychiatric treatment. The Public Guardian may also have the power to manage the conservatee's estate, which includes accessing the conservatee's funds, paying debts, applying for entitlements (such as social security, medicare and other benefits), and keeping benefits and entitlements in force. The Public Guardian may also be granted the authority to sell or dispose of personal property, as allowed by California Probate Code section 2591.

METHOD OF INVESTIGATION:

The Grand Jury visited the office of the Public Guardian on three occasions, toured the facility, and conducted interviews with the following:

- Department Deputy Director
- Program Manager

- Deputy Public Guardian
- Service Aide
- Account Clerk

The Grand Jury obtained and reviewed the following documents:

- Department Organizational Charts
- Public Guardian Budget
- Department Mission Statement
- Department Employee Roster
- Department Employee Job Descriptions
- Lanterman-Petris-Short Act (LPS) (California Welfare and Institutions Code sections 5350-5371)
- Handbook for Conservators, 2002 Revised Edition, published by the Judicial Council of California, Chief Justice Ronald M. George, Chair

FINDINGS AND OBSERVATIONS:

1. The Public Guardian Office, under the current Program Manager, appears to be staffed with dedicated, committed, professional individuals who take pride in their work.
2. The Grand Jury observed the Public Guardian office to be neat, orderly, secure, and professional in appearance.
3. The Public Guardian maintains the strictest confidentiality of all client records. In accordance with State mandates, members of the Grand Jury were denied access to client records.
4. Public Guardian employees commented that the caseloads were “heavy, but manageable”. The current caseload of the Public Guardian Office is approximately 50 to 60 clients per Deputy Public Guardian. The consensus among Public Guardian employees was that the Public Guardian Office needs one additional Deputy Public Guardian and one additional administrative clerical person on staff.
5. The turnover rate among Public Guardian Office employees is near average for divisions within the Shasta County Social Services Department.
6. An annual review of Public Guardian client files for compliance to policy, procedures, and proper client care is performed by the Shasta County Department of Social Services. In addition, the Superior Court reviews conservatorships annually, and the Public Guardian Office interviews clients on a regular basis to ensure that their needs are being met.

RECOMMENDATIONS:

1. Due to current budget constraints, additional hiring is unlikely. Therefore, the Public Guardian should review case assignments, clerical duties and management responsibilities in order to improve workload issues.

RESPONSE REQUIRED:

None

RESPONSE INVITED:

Shasta County Department of Social Services

SHASTA LAKE FIRE PROTECTION DISTRICT

REASON FOR INQUIRY:

California Penal Code section 933.5 provides that the Grand Jury may investigate and report on the operations of any special purpose assessing or taxing district located wholly or partly within the county. The Grand Jury investigated three complaints alleging misconduct by the Fire Chief and the Board of Directors of the Shasta Lake Fire Protection District.

**Shasta Lake Fire Protection District
4126 Ashby Court
Shasta Lake, CA 96019-9215
(530) 275-7474**

BACKGROUND:

In 1939, a group of concerned citizens of the Central Valley area organized and, after many fund-raisers, were able to form the Central Valley Fire Department. In September of 1940, the Fire Department was abolished and the Central Valley Fire Protection District was created to establish a source of funding. In 1965, the District's first paid firefighters were hired. In 1994, the Central Valley Fire Protection District and the Summit City Fire Department merged to become the Shasta Lake Fire Protection District ("SLFPD" or the "District").

The District operates under the guidelines of its By-Laws and Rules and Regulations, last revised April 13, 1998. The District is governed by a five-member Board of Directors (the "Board") who are elected to four year staggered terms. Nine full-time paid staff and approximately twenty volunteers operate the fire department. The paid staff consists of a fire chief, two battalion chiefs, one engineer, five firefighters, plus several part-time and seasonal firefighters. Throughout the remainder of this report, reference to "employees" includes both paid and volunteer staff, unless otherwise specified.

METHOD OF INQUIRY:

The Grand Jury interviewed the following:

- SLFPD Fire Chief
- Former SLFPD Fire Chief
- Four current Members of the SLFPD Board of Directors
- Three former Members of the SLFPD Board of Directors
- Two SLFPD Battalion Chiefs
- Three current SLFPD employees
- Two former SLFPD employees
- Four SLFPD Volunteer Firefighters
- Shasta County Fire Marshall
- Representatives of another local fire district
- Representative of a commercial trucking company
- Several persons who operate businesses located in the District

- Private Attorney
- Certified Public Accountant
- Former SLFPD Private Industry Council worker
- Former SLFPD fire safety program participant

The Grand Jury attended three regularly scheduled Shasta Lake Fire Protection District board meetings. Additionally, the Grand Jury reviewed the following documents:

- SLFPD 2002/2003 annual budget
- SLFPD Financial Statements and Independent Auditor's Report dated June 30, 2002
- The California Fire District Administration Handbook
- Job posting for the position of SLFPD Fire Chief dated January 9, 2001
- "Shasta Lake Fire District Evaluation Review," an undated document
- "Shasta Lake Fire District Evaluation Committee Recommendations," an undated document
- Fire Protection District Law of 1987, beginning at California Health and Safety Code section 13800
- Other applicable sections of the California Health and Safety Code
- SLFPD Board of Directors Minutes and Agendas for 2001, 2002, and 2003
- Shasta Lake Fire District By-Laws and Rules and Regulations, dated April 13, 1998
- California Government Code sections 54950-54962, The Ralph M. Brown Act (the "Brown Act")
- Diagram dated December 6, 2002, of a training session accident
- California Vehicle Code section 1806 relating to accident reporting
- Documents from the court file of Shasta County Superior Court Case No.144808
- Various District letters to SLFPD employees
- SLFPD safety inspection records
- Personal Property Lease dated June 10, 2002
- Documents from the U. S. Department of Labor regarding requirements for overtime pay for firefighters
- Shasta Lake Fire Department Volunteers Association financial records from November 5, 2002, to April 9, 2003

FINDINGS:

1. The Grand Jury toured one of the three fire stations in the Shasta Lake Fire Protection District in September of 2002. The fire station was neat, clean, and appeared to be well equipped. The personnel were professional in appearance.
2. The Insurance Service Office, which is a nationwide organization funded by property and casualty insurance companies, periodically evaluates all fire protection districts. Districts are rated on a scale of one to ten, with one being the best rating a district can receive. If a district receives a good rating, citizens within that district may pay a

lower premium on their fire insurance. The Insurance Service Office rates most properties within SLFPD as Class Four, which is considered to be a good rating.

3. The volunteers and paid firefighters who were interviewed by the Grand Jury appeared to be dedicated individuals whose goal is to make SLFPD a better place to work and a more professional organization.
4. The Independent Auditor's Report on the Financial Statements of SLFPD, dated June 30, 2002, showed an un-designated fund balance of \$362,411, which represents approximately 30% of that year's total budget. The budget for the following fiscal year, 2002-2003, was \$1,106,721, which included \$714,265 of total expenditures, a contingency reserve of \$192,456, and designated, non-available cash flow of \$200,000. California Health and Safety Code section 13902 allows a fire district board to establish a reserve for capital outlays if the purpose for which the reserve is to be used is declared. The Code section provides that if a district board finds that a previously established reserve for capital outlays is no longer required for the intended purpose, it may discontinue the reserve and transfer any balance to the district's general fund. The Grand Jury was unable to determine a legally declared purpose for the SLFPD reserve. Based on consultation with experts, the Grand Jury determined that while maintaining a reserve is a normal practice, setting aside such a large portion of the total budget by a public taxing agency appears to be unreasonable and unwarranted.
5. The SLFPD By-Laws state that, "The purpose of the Board of Directors is to conduct, manage and control all affairs of the Fire Department." However, the Board has not exercised sufficient supervisory functions in overseeing the job performance and conduct of the Fire Chief, as demonstrated by the following examples:
 - a. There have been allegations of sexual harassment against the current Fire Chief which have been reported to the Grand Jury or are a matter of public record as follows:
 - 1) In 1996, a 15-year-old female high school student working at the fire station under the Private Industry Council (PIC) program reported that the current Fire Chief, who was then a Battalion Chief, sexually harassed her by way of inappropriate touching. Some District employees reported to the Grand Jury that when the PIC program administrators investigated the allegations, the Battalion Chief intimidated the employees into signing a statement prepared by him declaring they had not witnessed the incident. Several of the employees reported to the Grand Jury that they felt threatened by possible repercussions if they refused to sign the statement.
 - 2) On January 25, 2002, a lawsuit was filed in Shasta County Superior Court alleging that on February 24, 2001, a young woman who was receiving fire safety education and training at the fire department was sexually harassed and battered by the current Fire Chief (then a Battalion Chief acting as the Fire Chief). The lawsuit also listed SLFPD as a defendant. The lawsuit stated that SLFPD "knew or should have known" that this employee had the "propensity to commit sexual battery and harassment against female persons coming into close proximity with him on the premises." SLFPD was accused of "negligently failing to properly and adequately train, supervise, monitor and/or control the activities" of this employee. In closed session at a special

meeting on January 24, 2003, the Board voted to settle the pending litigation. Court documents show that the lawsuit was settled on March 17, 2003, resulting in payment to the Plaintiff of \$50,000. Even though the Board knew of this alleged incident and the possibility of litigation, the District continued to employ this person, who was then a Battalion Chief applying for the position of Fire Chief. The March 1, 2001, minutes of a special meeting show that the Board voted to “table the Chief’s appointment until such time when the litigation problem was settled.” Thus, at least as early as March 1, 2001, the Board was aware of the allegations. During a special meeting on May 8, 2001, the Board considered whether this Battalion Chief should be disciplined for his actions, put on administrative leave until the charges were settled, or terminated. The Board voted to place a letter of reprimand in the Battalion Chief’s personnel file regarding these incidents. Nevertheless, at the regular meeting just a few days later, on May 14, 2001, the Board promoted the Battalion Chief to his current position of Fire Chief.

- 3) Other similar instances of alleged misconduct by the current Fire Chief were reported to the Grand Jury. Members of the Board knew or should have known of other alleged misconduct.
 - b. Several employees stated in interviews with the Grand Jury that the current Fire Chief lacks management expertise and people skills, that morale at the work site is low, and that the Fire Chief often uses his position of power to intimidate employees and threatens repercussions when and if challenged. For example, it was reported that the Fire Chief sometimes denies favorable work assignments to certain employees based on factors other than merit.
 - c. Numerous current and former employees reported witnessing paid staff, volunteers, and trainees being subjected to loud and out-of-control verbal abuse by the Fire Chief in front of their peers. One of the findings in the Shasta Lake Fire District Evaluation Review, prepared by an Ad Hoc Committee of the Board, stated that, “There is a real problem with their [the Chiefs’] communication skills, including a lot of in your face belittling and chewing employees out while others are around.” This finding was incorporated in the Shasta Lake Fire District Evaluation Committee Recommendations Report, prepared in 2001, as follows: “Communicate in a civil and proper manner, settle your problems and keep everything up front.”
 - d. Several persons affiliated with the District reported to the Grand Jury that employees have been told by the Fire Chief they should bring their concerns to his attention rather than go before the Board. The employees reported that when they do so, no results are achieved. The full-time firefighters have recently joined a union, which they feel is needed to represent them in communicating with management. Part-time employees and volunteers reported to the Grand Jury that they take their concerns to one of the Battalion Chiefs, who then takes the concerns to the Fire Chief, “but nothing gets done.” The employees reported that if their concerns are taken to the Board of Directors and the Board questions the Fire Chief, “They just believe whatever he says.”

6. The Board advertised on January 9, 2001, to fill the existing vacancy for fire chief. One of the minimum qualifications stated on the application was an Associate of Arts Degree in Fire Science. The application stated that "Only applications meeting the minimum qualifications will be accepted." The current Fire Chief, hired on May 14, 2001, does not have an Associate of Arts Degree in Fire Science, but does hold an AA Degree in General Education.
7. In January 2001, the Board gave a confidential survey to the employees of the Shasta Lake Fire Department. Attached to the survey was a letter from the Board asking that the survey be completed and returned to the Board. The letter asked for employee's assistance in formulating policy for the District and for written suggestions and criticisms. The letter stated that only the Board would see the results of the survey. After the new Fire Chief was hired in May of 2001, he was shown the confidential surveys by a member of the Board. The Fire Chief, who was a Battalion Chief at the time of the survey, was the subject of some of the criticism. Some employees reported that the Board's disclosure of this confidential information created strained working relationships.
8. The Shasta County Fire Marshall recommends that buildings occupied or visited by the public be periodically inspected by local fire departments. The Grand Jury found that SLFPD has not routinely performed building safety inspections within the District as recommended. The inspection records of one retail business, which employs approximately 50 people, show that it had not been inspected since 1991. The District's Fire Marshall, who is also a Battalion Chief, is the only one who currently performs building safety inspections for SLFPD. Several employees expressed concerns over their inability to have prior knowledge (or "pre-plans") of potentially dangerous situations because they do not have the opportunity to perform building inspections.
9. It was reported to the Grand Jury that an accident took place in 2002 during a SLFPD training session involving one of the District fire trucks and a commercial semi-trailer dolly parked on a street near Shasta Lake Industrial Park. Both the fire truck and the semi-trailer dolly incurred damage. The semi-trailer dolly was repaired on scene by SLFPD personnel and the fire truck was returned to the fire station, where all repairs were made by the fire department. The Grand Jury interviewed the company that owned the semi-trailer dolly and found that no accident had been reported to them by the SLFPD. The Grand Jury contacted the Department of Motor Vehicles (DMV) and ascertained that no accident was ever reported. At the time of the accident, California law required traffic accidents on a California street/highway or private property to be reported to the DMV within ten days if there was property damage to anyone's property in excess of \$500.00. The actual amount of damage could not be ascertained because no estimate was ever obtained, but it was reported to the Grand Jury that the damage was well in excess of \$500.
10. It was reported to the Grand Jury that the training program for paid and volunteer firefighters is insufficient, although employees indicated that the program has improved greatly since the current Training Officer, who is also a Battalion Chief, took over the training program in 2001. The Training Officer is not provided with sufficient resources to fulfill his responsibilities. For

example, equipment is sometimes not made available for training purposes and most training is done during off-duty time for both paid staff and volunteers. Furthermore, the Department does not have a basic training manual for new recruits and it was reported that the Fire Chief seldom approves expenditures of District funds to pay for fire fighting classes for employees or volunteers.

11. The District received a \$24,723 federal grant in November of 2002 to purchase training materials for the Department. The grant application required a 10% cost share from the District equaling \$2,472, and specified that the funds would be used for training purposes. The money from the grant was deposited in the Shasta Lake Fire Protection District Volunteer Association checking account rather than into the District's general funds, which are administered by the Shasta County Auditor-Controller's office. It was reported to the Grand Jury that the volunteers' checking account is not routinely audited, as is the District's general fund account. A routine audit of District funds would include a test for compliance with certain provisions of a federal grant. After the funds were deposited, a desktop computer, a laptop computer, a power point projector, and training software were purchased and paid for through the volunteer account. The new computers are reportedly being used by the Fire Chief, Battalion Chiefs, and the District employees in the course of their regular work and are not dedicated to training.
12. The Shasta Lake Fire Protection District does not currently have a Standard Operating Procedure (SOP) manual. Policy changes and directives are given verbally rather than in writing and passed on from shift to shift, which leads to confusion. At the January 13, 2003, Board meeting, the District's paid employees requested an opportunity to address the Board to request that the Department develop an SOP manual. The employees were not granted an opportunity to speak on the subject.
13. In 2003, the District was audited by the DMV on its DL 170 program. This program is an employer testing program under which certain employees are certified to give driving tests only to other District employees for their Class B firefighters' licenses. The auditor found that testing had been improperly provided to employees of other outside agencies. It was reported to the Grand Jury that such infractions could result in loss of the DL 170 program.
14. In 2003, SLFPD lost its authorization from the American Heart Association to conduct CPR training due to non-compliance with their policies. As a result, SLFPD was unable to conduct CPR training classes for a short period of time. SLFPD is now authorized to conduct the CPR classes through the National Safety Council.
15. In January 2003, the U.S. Labor Department began an investigation of SLFPD regarding failure to pay overtime as required by law. The Labor Department's ruling could require the District to remit back pay, plus penalties and interest. The Fire Chief became aware of this investigation in early 2003, yet he did not inform the Board of it at that time.
16. In accordance with the Brown Act, agendas for Board meetings are to be posted 72 hours prior to a regular meeting and 24 hours prior to a special meeting in a location freely accessible to the public 24 hours a day. Prior to three different board meetings, members of the Grand Jury attempted to find an agenda in a public place but could not locate one, except on the inside bulletin board at the fire hall, which is not

accessible to the public 24 hours a day. Several members of the public have also reported not being able to locate posted agendas.

On October 14, 2002, the Board of Directors violated the Brown Act when they invited two members of the Grand Jury to attend a closed session regarding a personnel issue to which the Grand Jury was not a critical party. On February 10, 2003, Grand Jury members were again invited to a closed session, but declined. Closed sessions cannot be open to some members of the public and not others.

Another violation of the Brown Act observed on the District agendas at least twelve times by the Grand Jury was the improper description of closed session agenda items. California Government Code section 54954.5 contains recommended language to describe closed session agenda items. The descriptions on the Boards' agendas did not follow the recommended language. For example, the agenda for October 14, 2002, reads "Closed Session" with no further description; the agenda for June 10, 2002, reads "Closed Session to discuss personal [personnel] actions;" and the agenda for January 14, 2002, reads "Closed Session for discussion on letter from District Attorney." Only matters properly disclosed on the agenda may be considered during a closed session.

17. The Grand Jury was unable to confirm whether any of the current members of the SLFPD Board of Directors have attended any type of workshop or training session pertaining to the operation of a fire district or the Brown Act. Such training sessions are available through the California Fire Department Association and other agencies. Only one of the current Directors interviewed acknowledged having ever read the California Fire District Administration Handbook, which serves as a guide to special district board members and fire chiefs.
18. The Grand Jury reviewed minutes of each regularly scheduled and special meeting of the Board from January 2001 through April 2003. Most of the minutes taken during that time were recorded by the Fire Chief, who is also responsible for reporting on District business during the meeting. The Board voted at the February 10, 2003, meeting to direct the Fire Chief to hire a secretary to take minutes in the future. As of the May 12, 2003, Board meeting, the secretary position remained unfilled.
19. The By-Laws and Rules and Regulations for SLFPD currently being used are dated April 13, 1998, and do not contain a revision to Article IV, Procedures for Disciplinary Actions, that was approved at the April 9, 2001, Board meeting. During that meeting it was also recommended by legal counsel that the Board adopt Article IX, Policy Against Discrimination and Harassment. It was noted in the minutes that this would be considered "at a future date." On March 10, 2003, the Board adopted the Fire Agencies Insurance Risk Authority's (FAIRA) Risk Management Manual and Board members indicated that they will be working with that agency to revise the By-Laws and Rules and Regulations for the District.
20. In June 2002, the District agreed to lease a water tender for a term of one year for \$1.00 per year. However, on February 10, 2003, prior to expiration of the lease and at the recommendation of the Fire Chief and at the request of the lessor, the Board voted to purchase the water tender for \$25,000. A member of the SLFPD Board of Directors is an owner and the CEO of the company that owned the water tender. This board member abstained from voting on the lease or the purchase. Nevertheless, California Government Code section 1090 prohibits a public official from having a

financial interest in any contract entered into by the body or board of which he/she is a member, even if the official does not vote on the contract. Moreover, several employees reported that, in their opinion, the water tender was not useable due to mechanical defects resulting in safety issues and that the purchase was not a prudent use of District funds.

21. The SLFPD By-Laws state there shall be five members of the Board of Directors and that members are elected by the public for terms of four years each. The By-Laws further state that if a vacancy occurs during the term of office of a Board member, the Board shall post the vacancy to allow members of the public to apply for the position. The Board then appoints a person to serve until the next election. All of the current Board members were appointed to fill incomplete terms and none have ever run for election. There has not been a Board election since sometime prior to 1987 due to a lack of candidates. As of March 2003, there was one vacancy on the Board and three of the other four members' terms expire at the end of 2003. California Government Code section 1780 states that a vacancy in an unexpired term of an elective office on the governing board of a special district shall be filled by appointment or by calling for an election within a period of 60 days. If the position is not filled as specified, the county board of supervisors may fill the vacancy within 90 days of the vacancy or order the district to call an election.
22. At a special meeting of the SLFPD Board of Directors on March 27, 2003, the Board voted to hire legal counsel to represent and advise them on District matters.
23. The Grand Jury believes that it is essential to provide those persons and bodies who are subject to a civil investigation a full opportunity to provide any and all relevant information to the Grand Jury. After compiling the results of this investigation into the above findings and conclusions, the Grand Jury requested a final interview with the members of the SLFPD Board of Directors and with the Fire Chief in order to obtain their input on the findings and conclusions. On May 23, 2003, the Board members and the Fire Chief declined a Grand Jury invitation to participate in a final interview.

RECOMMENDATIONS:

1. The SLFPD Board of Directors should evaluate the need for maintaining the current balances in their contingency reserve and designated funds, and should, if appropriate, make un-needed funds available for appropriation to the general fund.
2. The Board should evaluate the manner in which allegations of sexual harassment are handled within the Department. Disciplinary policies should be developed that specifically address this issue.
3. The Board should require the current Fire Chief to take accredited courses in anger management, leadership, communication skills, and sensitivity training, as recommended in the Shasta Lake Fire District Committee Evaluation Report. The Board should conduct performance evaluations of the Fire Chief at least annually.
4. The Board should review the qualifications for the position of Fire Chief and adhere to the stated requirements when hiring.
5. The District should maintain a regular schedule of building safety inspections. The Board should direct the District Fire Marshall to schedule time for employees to

- inspect all commercial and public buildings within the District in order to prepare pre-plans so they are familiar with safety issues before an emergency occurs.
6. The Board should require the Fire Chief to ensure that the Training Officer is allowed sufficient time and use of equipment to conduct proper training programs during regular shift hours.
 7. The Board should ensure that all grants applied for and received by the District are properly administered in accordance with the grant application and that grant funds are deposited into the appropriate District fund.
 8. The Board should direct the Fire Chief to immediately develop standard operating procedures and training manuals and to put directives in the form of written memoranda in order to improve communications and daily work procedures.
 9. The Board should require the Fire Chief to promptly report to the Board all claims, potential litigation, and investigations involving the operations of the District.
 10. The Board should institute a policy that requires the Fire Chief to report all accidents involving equipment or personnel to the Board and to proper authorities.
 11. Members of the Board should review the Brown Act and adhere to it by properly posting agendas, maintaining the privacy of closed sessions, and adhering to the recommended language when describing closed session agenda items.
 12. Members of the Board should attend a workshop pertaining to the responsibilities of directors for special districts, should receive training on conflicts of interest, and each member should review the California Fire District Administration Handbook.
 13. The Board should require someone other than the Fire Chief to record the minutes of their meetings. The Board should direct the Fire Chief to properly prepare and post the agendas of the Board meetings in compliance with the Brown Act.
 14. The Board should review, revise, publish, and make available to employees and volunteers the By-Laws and Rules and Regulations of the District, and should include the revision to Article IV that was adopted on April 9, 2001.
 15. The Board should comply with the provisions of California Government Code section 1780 in filling the current vacancy on the Board. The Board should actively advertise for members of the public to file as candidates for the next scheduled election.
 16. The Board should take a more active role in oversight of the District, as required by the By-Laws.

RESPONSE REQUIRED:

Shasta Lake Fire Protection District Board of Directors

FILED

OCT 01 2003

ANN REED, CLERK
By S. Greenhaw *S. Greenhaw*
Deputy Clerk

Shasta Lake Fire Protection District
Response to Grand Jury Report

FINDINGS

1. Shasta Lake Fire Protection District Board (hereafter SLFPD) agrees.
2. SLFPD Board agrees.
3. SLFPD Board agrees.
4. SLFPD Board agrees in part and disagrees in part. The Shasta Lake Fire Protection District maintains that its reserves are in compliance and at the direction of the Shasta County Auditor's Office. Pursuant to discussions with the Auditor's office, the District is requested to maintain at least six months dry period funding in order to cover the periods when normal expenses will accrue and there is no incoming revenue. As of the last audit, the District had fully complied and was within \$7,000 of income set aside meeting expenses. The maintaining of a reserve fund is a normal and common practice throughout fire districts within the State of California which are funded by public taxing agencies at irregular times. The Grand Jury misinterprets California Health and Safety Code Section 13902, et seq, which pertains to maintaining capital reserve accounts for undeclared purposes, whereas the dry funding account is to cover the normal ongoing expenses of the Department fully in compliance with all County and State Rules and Regulations.
5. SLFPD Board disagrees wholly. At all times, the Board has exercised sufficient supervisory function in overseeing the job performance not only of the Chief, but of all members of the Department. Pursuant to California State Law, the Board has overseen investigations into any and all allegations which they have been made aware of at any time of any harassment or possible work place environment potential violations. The Board disagrees that there was any coercion to their knowledge of any employees into signing statements either indicating they had or had not witnessed any incidents. At all times, any individuals with knowledge pertaining to the investigation were asked to come forward and speak freely.

With regard to prior litigation involving the Shasta Lake Fire Protection District as a defendant, a lawsuit was filed and was settled on the advice of counsel without any admission of liability or negligence either on the part of the District or the Chief. The Board investigated the reporting of all such incidents and took what they deemed to be appropriate action based on advice of employment counsel and the information available at that time.

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SHASTA COUNTY CLERK

RECEIVED

SEP 22 2003

CLERK OF THE SHASTA COUNTY
SUPERIOR COURT - CIVIL DIVISION

Shasta Lake Fire Protection District
Response to Grand Jury Report

On investigation by the Board, it was determined that several allegations made in the Grand Jury Report regarding activities contained within the Department were unsupported. For instance, it is alleged that the Fire Chief "often uses" his power to intimidate employees and deny favorable work assignments. Investigation has concluded that work assignments are on a routine and reoccurring personnel schedule without input from the Chief. The Chief is, however, requested to distribute all work assignments in a fair manner.

The Board continues to support the Shasta Lake Fire Protection District Evaluation Committee Recommendations Report prepared in 2001 indicating that all employees, as well as management, are to continue to "communicate in a civil and proper manner, settle your problems, and keep everything up front." The Board encourages all employees of the Department as well as all of the volunteers to make known to the Chairman of the Board any concerns that they might have or any perceived unfairnesses or injustices so that matters can quickly be resolved within the Department within the normal chain of command.

6. The SLFPD Board disagrees. As of 1/9/01, after the District advertised the existing vacancy for the Fire Chief position, it was hoped that a highly qualified and motivated pool of applicants would apply. Based on the records of the Department, only four individuals applied and the Board felt incumbent to select the best qualified, well-rounded individual between all four applicants. In addition to considering the certificated or degreed credentials of the various applicants, the Board called upon each applicant with regard to experience, training, educational background, and overall capabilities to successfully perform the job. It was found that the current chief held an AA degree in general education and had extensive prior experience and equivalent fire training which more than offset the lack of a degree, making the candidate the best overall choice.
7. The SLFPD Board disagrees. The Board gave a confidential survey to employees of the Shasta Lake Fire Protection District and asked that the survey be completed and returned to the Board. The survey was used in formulating policies of the District, and so that written suggestions and criticisms could be incorporated. Only the Board of the Shasta Lake Fire Protection District saw the actual results of the survey and a summary involving broad conclusions reached by the survey was discussed with various supervisory members of the Department, as well as the new Fire Chief after he was hired in May of 2001. The actual confidential survey itself was never at any time disclosed to the new Fire Chief, and the survey itself and the survey responses were destroyed after they had been reviewed and incorporated.
8. The SLFPD Board agrees in part and disagrees in part. There is no State requirement of any annual building inspections placed upon the Department itself. High occupancy locations are in fact inspected by the Department. In an effort to increase the public

Shasta Lake Fire Protection District
Response to Grand Jury Report

safety, the Department does inspect as frequently as possible and does consider special requests for inspection as workload allows. New businesses locating and new construction to the Shasta Lake vicinity are also inspected as part of the permit process. It is the intent of the District to maintain as safe a community as is allowed with the competing services the District provides with limited resources.

9. The SLFPD Board disagrees with this finding. The Grand Jury reports that an accident took place in 2002 involving equipment of the District with a commercial semi-trailer dolly parked on a street near Shasta Lake Industrial Park. While there was contact between the two vehicles, there was only minor damage. There was minor damage to the dolly parked on the street, and its owner was contacted through the contractor who was using the dolly and it was indicated that no further follow-up of any type would be required. The repairs to this dolly were made by the Department. With regard to the fire truck itself, all repairs were made for less than approximately \$100 within the Department. Out of an abundance of caution, the Department did contact the Shasta County Sheriff's Office in order to determine whether any type of reports would be required, and the Department was informed that no additional reporting was necessary.
10. The SLFPD Board agrees in part and disagrees in part. The District has investigated and maintains that the training officer at all times is provided with sufficient resources and with all appropriate safety equipment in order to fulfill necessary responsibilities. The District agrees that a new training manual for recruits and a revised policy and procedure manual is required and is in the process of completing all such new documents. The District concludes on investigation that a training budget exists and that the training budget is faithfully applied to the most advantageous training of members of the Department. Only under rare circumstances can a request for a training program which might exceed budgetary restraints be approved due to the adherence to the budget itself. The District further concludes that the current training officer, who was also a Battalion Chief and who has been maintaining and improving the program since early 2001, has been to the benefit of the Department. The District intends to continue improving training and all training-related activities in the future.
11. The SLFPD Board disagrees. The District did receive a \$24,723 grant from FEMA in November of 2002. To the District's knowledge, all dictates required under the grant application have been complied with and all appropriate receipts have been provided to FEMA. As far as FEMA is concerned, compliance with the grant has been excellent and a final report was requested and has been provided to FEMA as of early August 2003. To the District's knowledge, the items purchased under the program are being used for their intended purpose and benefit the training of all members of the Department.
12. The SLFPD Board agrees in part and disagrees in part. The Shasta Lake Fire Protection District is in the process of revising a prior existing standard operating and procedure

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Response to Grand Jury Report

- manual. The new standard operating and procedure manual will contain updated references to current California Employment Law practices. Counsel has been hired in order to provide the updated standard operating and procedural manual to ensure that the Department is in compliance with all State, Federal, and County requirements as they may relate to policy and procedure, as well as general employment matters.
13. The SLFPD Board agrees in part and disagrees in part. As of the audit of the District by the DMV in 2003, the audit occurred at a time when the Fire Chief was out of the country. Additional information needed to be supplied to the DMV audit program in order to show that the District was in fact in compliance. There were a number of delays in correspondence both between the District and the DMV with regard to whether that compliance had taken place. Based on the District's investigation of current compliance with the DL 170 program, the District was informed and believes that the District is now in compliance and will continue to be in compliance in the future.
 14. The SLFPD Board agrees in part and disagrees in part. The contract for CPR training from the American Heart Association was not renewed due to a disagreement between the parties, and the contract expired on 3/31/03. The new contract was established with the National Safety Council to become a training center for that facility; that contract started on 4/1/03.
 15. The SLFPD Board agrees that there was an allegation as to whether there had been a failure to pay overtime. Since the date of a request that the issue be investigated, the Department has considered the issue of back pay and potential penalties and interest, and has worked out what they believe to be a fair settlement proposal with the Labor Commission. The proposal for settlement of this issue is currently pending before the Labor Board. Currently, the issue is controlled by the Memorandum of Understanding between the unionization of employees and the Department. As of 4/1/03, all payments made by the Department are within full compliance with the Fair Labor Standards Act.
 16. The SLFPD Board fully agrees. The Board has requested counsel to prepare a training manual on the Brown Act and proper compliance, which has already occurred. The Board has requested counsel to schedule a future seminar on general California Employment Law matters, as well as continuing compliance and current issues as it relates to the Brown Act and public disclosure law as has been interpreted by California courts. The Board has corrected its procedure both with regard to posting of the Board agendas as well as complying with California Government Code Section 54954.5 as it relates to specific description of materials to be considered at both open and closed sessions.

Shasta Lake Fire Protection District
Response to Grand Jury Report

17. Please see response to Finding #16. The SLFPD Board agrees with the general findings of the Grand Jury that additional trainings and better compliance needs to occur with regard to both operations of the Fire District and compliance with the California Brown Act.
18. The SLFPD Board agrees. Appropriate changes have taken place and a secretary has been hired in order to report on regular District business during scheduled Board meetings.
19. The SLFPD Board agrees in part and disagrees in part. The Board is in the process of developing a new policy and procedure manual, as well as new procedures for disciplinary actions and a firm policy against discrimination and harassment. The Board will fully comply with this request.
20. The SLFPD Board agrees in part and disagrees in part. The Board member involved abstained from a vote on either the lease of the item in question or purchase of the item in question. Nonetheless, the District acknowledges Government Code Section 1090 regarding prohibition on public officials from maintaining a financial interest or contract with any Board or body on which they are a member. The District is now fully informed of the requirements as is set forth under the California Government Code and the California Penal Code, and will ensure compliance in the future. The District is further informed as a result of their investigation, however, that the purchase of the water tender for \$25,000 was at or well below what it would have cost the District to purchase the same water tender in the open market place. Nonetheless, such transfers and activities will be prohibited in the future. The District's investigation has concluded that the water tender was in fact usable and the Grand Jury was in error on this conclusion. There are mechanical repairs which will increase the serviceability of the water tender in question, as well as the volume of water which can be carried, and those inexpensive repairs are being made by the Department and were fully known by the Department prior to the transaction.
21. The SLFPD Board agrees in part and disagrees in part. The District disagrees that they have ever acted improperly with regard to this finding. The Bylaws state that the five member Board of Directors are elected by the public for terms of four years each. If any vacancy occurs during the term, the Board shall post the vacancy to allow members of the public to apply for the position. At all times, the Board has complied with the Bylaws and has appointed a person to serve until the next election. Unfortunately, due to the near total absence of any members of the community stepping forward and filling out the forms necessary in order to have their names placed on a Board election, all of the current Board members were appointed to fill former incomplete terms, and none have ever run for election. There will be several vacancies coming up in November of 2003 whereby three positions will become vacant. It is hoped by the District that an election shall take

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Response to Grand Jury Report

place and that any member of the community wishing to fulfill their civic duty by becoming a member of the District shall apply and be selected through the normal election process.

22. The SLFPD Board agrees and has hired legal counsel to represent and advise them on all District matters.
23. The SLFPD Board agrees in part and disagrees in part. The District agrees that it is essential to provide those persons and bodies who are subject to civil investigation a full opportunity to provide any and all relevant information to the Grand Jury. The District believes that they in fact did supply to those members of the Grand Jury who were interested in fully performing their job in a non-accusatory and lawful manner all information which was required in order to satisfy and complete their investigation. On the advice of the District's counsel, the District declined to grant a final interview with the Grand Jury based on conduct of the Grand Jury itself.

RECOMMENDATIONS

1. **The SLFPD Board of Directors should evaluate the need for maintaining the current balances in their contingency reserve and designated funds, and should, if appropriate, make unneeded funds available for appropriation to the general fund.**

Response: The SLFPD Board agrees to implement and evaluate the continuing need for maintaining current balances in their contingency reserve and designated funds. At this time, however, it is anticipated that the same budget practices exercised in the past will be carried out in the future as they are fully lawful and are in fact required in order to ensure the continued smooth running of the Department itself.

2. **The Board should evaluate the manner in which allegations of sexual harassment are handled within the Department. Disciplinary policies should be developed that specifically address this issue.**

Response: The SLFPD Board agrees that they implement this recommendation and will evaluate the manner in which allegations of sexual harassment are handled within the Department. The Board agrees that they will develop new disciplinary policies and a policy and procedure manual fully addressing all issues which relate to sexual harassment and hostile workplace issues in full compliance with California law.

Shasta Lake Fire Protection District
Response to Grand Jury Report

- 3. The SLFPD Board should require the current Fire Chief to take additional courses in anger management, leadership, communication skills, and sensitivity training, recommended in the Shasta Lake First District Committee Evaluation Report. The Board should conduct performance evaluations of the Fire Chief at least annually.**

Response: The SLFPD Board agrees to implement and to ask the current Fire Chief and any other top personnel to take ongoing accredited courses in general employment matters which may necessarily include, but not be limited to, anger management, leadership, communication skills, sensitivity training, changing legal matters in California law and California employment practices on an ongoing basis as required. The District will continue in the future to encourage and sponsor its personnel to attend classes and to host classes on all of the above topics.

- 4. The Board should review the qualifications of the position of Fire Chief and adhere to the stated requirements when hiring.**

Response: The SLFPD Board will periodically review the qualifications of the position of Fire Chief, but will not adopt the Grand Jury recommendation which would impermissibly restrict their ability to hire the most qualified candidate for the position. In the future, should there be any vacancy, the District shall post qualifications and shall fully interview all individuals. The individual with the best qualifications -- academic, personal, and work experience -- will be hired for the position.

- 5. The District should maintain a regular schedule of building safety inspections. The Board should direct the District Fire Marshall to schedule time for employees to inspect all commercial and public buildings within the District in order to prepare pre-plans so they are familiar with safety issues before an emergency occurs.**

Response: The SLFPD Board is in the process of developing a plan with the staff and personnel to perform these safety inspections. Once this has been done with the on-duty staff, that shift will in turn be assigned that structure for any follow-up inspections as deemed necessary. All required and mandated inspections will be conducted as they occur on an annual basis, or as needed. The policy shall be implemented within six months.

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Response to Grand Jury Report

6. **The Board should require the Fire Chief to ensure that the Training Officer is allowed sufficient time and use of equipment to conduct proper training programs during regular shift hours.**

Response: The SLFPD Board will implement and request that the Fire Chief continue to oversee the Department to ensure training officers are allowed sufficient time on equipment in order to conduct proper training programs during regular shift hours as is the current practice. This issue has been rectified perhaps between the time of the original complaints to the Grand Jury and the date of their report.

7. **The Board should ensure that all grants applied for and received by the District are properly administered in accordance with the grant application and that grant funds are deposited into the appropriate District fund.**

Response: The SLFPD Board agrees that all grants applied for and received by the District will be properly administered in accordance with the particular grant applications. Different applications may require the use of different accounts and different documentation. The Board will ensure that all grants are properly accounted for, audited, and maintained.

8. **The Board should direct the Fire Chief to immediately develop standard operating procedures and training manuals and to put directives in the form of written memoranda in order to improve communications and daily work procedures.**

Response: The SLFPD Board agrees to implement the recommendation to develop standard operating procedures and training manuals and to put directives in the form of written memoranda. The Fire Chief shall develop a system of written memoranda whereby individuals within the Department are aware of daily work procedures and which changes are required to be in writing and which matters may be handled orally. Written procedures will be developed in order to improve communications between all concerned.

9. **The Board should require the Fire Chief to promptly report to the Board all claims, potential litigation, and investigations involving the operations of the District.**

Response: The SLFPD Board shall implement and require the Fire Chief to notify Board members of all claims, potential litigation, and investigations which may involve any operations of the District or the District's employees.

Shasta Lake Fire Protection District
Response to Grand Jury Report

10. **The Board should institute a policy that requires the Fire Chief to report all accidents involving equipment or personnel to the Board and to proper authorities.**

Response: The SLFPD Board shall implement and direct the Fire Chief or Department personnel to report to the Fire Chief any and all reportable accidents involving equipment and/or personnel to the Board. In addition, the Board shall require proper compliance of reporting to the appropriate authorities any and all reportable accidents.

11. **Members of the Board should review the Brown Act and adhere to it by properly posting agendas, maintaining the privacy of closed sessions, and adhering to the recommended language when describing closed session agenda items.**

Response: The SLFPD Board shall implement fully. Members of the Board will review the Brown Act, will attend trainings on the Brown Act, and will continue to inquire of their counsel as to any concerns over the California Public Disclosure Act and the Brown Act itself. The Board shall ensure in the future the proper posting of all agendas, the maintaining of the privacy of all closed sessions, and adopting the proper language when describing closed session agenda items.

12. **Members of the Board should attend a workshop pertaining to the responsibilities of directors for special districts, should receive training on conflicts of interest, and each member should review the California Fire District Administration Handbook.**

Response: The SLFPD Board has agreed to implement and to attend a workshop pertaining to the responsibilities of the directors of special districts. Such training will include training on conflicts of interest, the Brown Act, new California employment law standards, and a review of the California Fire District Administration Handbook.

13. **The Board should require someone other than the Fire Chief to record the minutes of their meetings. The Board should direct the First Chief to properly prepare and post the agendas of the Board meetings in compliance with the Brown Act.**

Response: The SLFPD Board has already complied with the recommendation to hire a secretary in order to record the minutes of all meetings. The Board has already made appropriate changes in order to properly compare and post agendas listing all Board meetings and Board meeting content in compliance with the Brown Act.

Shasta Lake Fire Protection District
Response to Grand Jury Report

14. **The Board should review, revise, publish, and make available to employees and volunteers the Bylaws and Rules and Regulations of the District, and should include the revision to Article IV that was adopted on 4/9/01.**

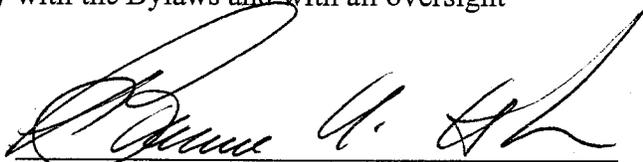
Response: The SLFPD Board has agreed to review, revise, and publish and make available to employees and volunteers the revised Bylaws and Rules and Regulations of the District, including revision to Article IV which was adopted 4/9/01.

15. **The Board should comply with the provisions of California Government Code Section 1780 in filling the current vacancy on the Board. The Board should actively advertise for members of the public to file as candidates for the next scheduled election.**

Response: The SLFPD Board will fully comply with the provisions of the California Government Code Section 1780 in filling all current vacancies or pending vacancies on the Board. The Board will actively promote as much as is possible recommendations, advice, and comments for the general public to file as candidates for the next scheduled election. The Board fully supports any member of the Shasta Lake Community who is qualified and wishes to become a member of the Board to place their name on the ballot.

16. **The Board should take a more active role in oversight of the District, as required by the Bylaws.**

Response: The SLFPD Board shall implement and continue to oversee the District as is required by the Bylaws. The Board shall inasmuch as it is possible make themselves available to any members of either the public or the Department who have comments regarding the operations of the Department, the ongoing business of the District, as well as any and all other safety issues or concerns which may arise in Shasta Lake. The Board shall actively comply with the Bylaws and with all oversight functions of the District.



Bruce Ash
Chairman, Shasta Lake Fire Protection District

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PROOF OF SERVICE

Case : Shasta Lake Fire Protection District
Case #:
Court : Shasta County Superior Court

I am a citizen of the United States, employed in the city of Redding. My business address is P.O. Box 492617, Redding, CA, 96049-2617. I am over the age of 18 years and not a party to the above entitled action.

I am familiar with LAUGHLIN, FALBO, LEVY & MORESI's practice whereby the mail is sealed, given the appropriate postage and placed in a designated mail collection area. Each day's mail is collected and deposited in a U.S. mailbox after the close of each day's business.

On September 19, 2003, I served the following:

**LETTER TO THE HONORABLE MONICA MARLOW DATED 9/18/03 ;
SLFPD RESPONSE TO GRAND JURY REPORT**

- (X) on the parties in this action by causing a true copy thereof to be placed in a sealed envelope with postage thereon fully prepaid in the designated area for outgoing mail.
- () on the parties in this action by causing a true copy thereof to be delivered by hand.
- () on the parties in this action by causing a true copy thereof to be telecopied by facsimile to the attorneys of record in the above action.

addressed as follows:

The Honorable Monica Marlow
Shasta County Superior Court
1500 Court Street
Redding, CA 96001

ORIGINALS

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct. Executed this 19 day of September, 2003, at Redding, California.



SUGAR PINE CONSERVATION CAMP

REASON FOR INQUIRY:

California Penal Code section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

Sugar Pine Conservation Camp
15905 Sugar Pine Road
Bella Vista, CA 96008
(530) 472-3121

BACKGROUND:

The Sugar Pine Conservation Camp opened in June of 1988. The California Department of Corrections (CDC) and the California Department of Forestry (CDF) jointly operate the camp facility. The camp is situated on 80 acres located 25 miles east of Redding in Shasta County. It is one of 41 conservation camps in the State. The inmate population consists of approximately 125 minimum-security adult male felons, all of whom are screened at the prison classification center in Susanville. The facility's primary function is to provide a labor force for statewide fire suppression and to perform a variety of local public services, such as highway cleanup, and other community projects.

METHOD OF INQUIRY:

The Grand Jury toured the Sugar Pine Conservation Camp on October 15, 2002. An interview, general discussion, and orientation took place with the CDF Division Chief, CDF Camp Battalion Chief, CDC Lieutenant and related support staff. Two inmates were available to answer questions from the Grand Jury pertaining to their stay at the facility.

The Grand Jury reviewed the following documents:

- California Department of Forestry and Fire Protection Conservation Camp Program informational handout
- Map showing location of Conservation Camps and Forestry Training Centers
- Sugar Pine Conservation Camp Statistics

FINDINGS:

1. The facilities include the following: two-story dormitory, kitchen and dining area, laundry room, administration building, fire fighting equipment storage building, garage and vehicle maintenance building, and inmate hobby shop. The camp also has an engraving shop where inmates produce nameplates and signs. The inmates are responsible for grounds maintenance, vehicle repairs, food service and preparation, and all other general maintenance that is required to keep the facility in good order.
2. California Conservation Camp fire crews, also known as hand crews, provide the labor that helps CDF achieve the Department's mission. A primary objective within that mission is to "reduce loss of life, property, and natural resources through the implementation of balanced fire prevention, fire protection planning, presuppression, and suppression activities." Sugar Pine has six organized and well trained fire crews, each consisting of approximately 15 inmates.

3. Inmates are responsible for meal preparation and serving. Breakfast and evening meals are served in the dining hall. Lunch is packaged for consumption at the various crew work sites. Special meals are prepared for inmate crews when returning from fighting a fire.
4. It was reported to the Grand Jury that approximately 95% of the inmates at this camp are there because of drug related offenses. Inmates cannot have a record of any sex-related offenses, escapes from other CDC facilities, or an arson offense, and they cannot be potentially violent. The average length of stay is less than a year. It is a rare occasion for an inmate to try an escape, as he knows that he will be returned to the state prison in Susanville. There was one attempted escape in 2001.
5. The inmates have telephone and visitation privileges. An inmate who meets special requirements may spend a weekend with his family at a house that is located on the property. Inmates are searched before and after these visits and must report for inmate count every two hours. Any food brought in by the family must be prepackaged and inspected by the officer in charge.
6. The citizens of California enjoy a significant fiscal benefit by housing their low risk inmates in the conservation camps. Many of the inmates at the camp learn skills and work ethics that will serve them well after their prison stay. The taxpayers also benefit from the labor these inmates provide for conservation related projects. The inmates provide labor, with Fire Crew Captain supervision, for work projects that would not otherwise be affordable for many government agencies. Statewide, California Conservation Camp fire crews average in excess of eight million hours of labor on work projects for CDF and other federal, state, and local agencies each year. CDF is careful not to compete with private enterprise. Sugar Pine Conservation Camp statistics provided to the Grand Jury indicate that in 2002, a total of 13,350 man-hours were dedicated to providing public service and 94,500 man-hours were utilized for emergency service. Each year the inmates at Sugar Pine, in conjunction with the local Lions Clubs in the Redding area, provide senior citizens and needy families with a supply of firewood.
7. There are ten correctional officers and twelve fire captains at this facility. All employees live off the camp property. There is one supervisor and two officers on duty each day; at night there is one supervisor and one officer on duty. There is a count of inmates every two hours day and night, with other unscheduled counts at random.
8. There are no medical facilities on site; only basic first aid is available. Inmates are transported to Redding for emergency medical care. Non-emergency medical care is provided at the state prison in Susanville.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

COMMENDATIONS:

The California Department of Corrections and the California Department of Forestry are to be commended for their cooperative efforts and team approach resulting in a successful joint agency program.

WESTERN SHASTA RESOURCE CONSERVATION DISTRICT

REASON FOR INQUIRY:

Section 933.5 of the California Penal Code authorizes the Grand Jury to examine the books, records, and operations of special districts within its jurisdiction.

The Western Shasta Resource Conservation District (WSRCD) was reviewed by the Grand Jury in order to determine their function, purpose, how they are governed, to whom they are accountable, where financial support is obtained, and what projects they undertake.

**Western Shasta Resource
Conservation District**
6270 Parallel Road
Anderson, CA 96007-4833
(530) 365-7322
www.westernshastarcd.or

BACKGROUND:

In 1938 the California Legislature authorized the formation of conservation districts stating, "*The Legislature hereby declares that resource conservation is of fundamental importance to the prosperity and welfare of the people of this state.*" Western Shasta Resource Conservation District was formed in 1957 as a subdivision of the State. The District is responsible for collaborating with private landowners and agencies and implementing natural resource conservation projects throughout the District. The District covers 1,700,000 acres and has an eastern boundary that follows the watershed divide located in eastern Shasta County. The northern boundary is the Siskiyou County line, the western boundary is the Trinity County line, and the southern boundary is the Tehama County line.

The WSRCD Mission Statement reads: "*The mission of the Western Shasta Resource Conservation District is to collaborate with willing landowners, government agencies, and other organizations to facilitate the conservation or restoration of Western Shasta County's natural resources.*"

The primary goal of WSRCD is to protect the County's soil and water through conservation activities and restoration of anadromous fisheries (fish which hatch in fresh water, travel to the sea, then return to fresh water from the sea). WSRCD is also involved in projects intended to control weeds that are destructive to agriculture or important native species because such weeds take nutrients, moisture, and sunlight from beneficial plants.

WSRCD is currently one of 104 Resource Conservation Districts in California. WSRCD requires no general tax revenue and is funded entirely by grants, donations, and contracts. The budget for fiscal year 2002/2003 was \$2,056,000.

The Shasta County Board of Supervisors appoints seven local directors who serve voluntarily and represent land users in the District. This ensures a local voice in natural resource issues. In addition to the board of seven, there are two non-voting associate directors.

WSRCD current staffing includes:

- District Manager
- Fiscal Officer
- Secretary
- Two Project Managers
- One Administrative Assistant/Watershed Coordinator
- One Watershed Coordinator
- One Project Coordinator
- Two Lead Conservation Technicians
- One Conservation Technician

METHOD OF STUDY:

The Grand Jury attended two monthly WSRCD board meetings, which are held the third Wednesday of each month at the WSRCD office. In addition, interviews were conducted with:

- WSCRD Board President
- Several members of the Board of Directors
- District Manager
- Project Managers
- Conservation Technicians
- Private landowner

Members of the Grand Jury met with employees of WSCRD and were given a tour of the following projects:

- Lower Clear Creek Watershed Restoration Project
- Lower Clear Creek Floodway Rehabilitation Project
- Gravel Injection Projects
- Fire/Fuel Reduction Projects

The Grand Jury reviewed the following WSRCD documents and publications:

- Organizational charts
- WSRCD Strategic Plan 2002-2007
- Conceptual Plan for Restoration of the Lower Clear Creek Floodway
- Annual Report 2000-2001
- Lower Clear Creek Floodway Rehabilitation Project handout
- “Invasive Species and You” handout
- “Comeback of Clear Creek” video
- Upper Clear Creek Watershed Analysis
- Cow Creek Watershed Assessment
- “Watershed and You” handout
- WSRCD web site, www.westernshastarc.org
- Report of Independent Auditors on the General-Purpose Financial Statements dated June 30, 2001

FINDINGS:

1. The Western Shasta Resource Conservation District has experienced rapid growth during the past two years. During this time, the District has organized and developed a staff of experienced and qualified employees.
2. It is the District's policy to dedicate a fixed percentage of revenue from each funding source to overhead expenses. This practice is well within the grantors' maximum allowable overhead allocation. This policy, on occasion, has resulted in a surplus of funds in the overhead account. During fiscal year 2001/2002, the agency's overhead account had a substantial surplus. The District did not project a significant surplus for fiscal year 2002/2003.
3. During the past few years, WSRCD has completed several projects which are beneficial to the physical environment of Shasta County, its landowners, and general population. WSRCD has done this through the acquisition of a number of different types of grants. No county funds or local tax money have been requested or used.
4. Since some of the District's work is done on private land, one of the limiting factors of WSRCD projects is landowner permission. Some projects, such as fire fuel breaks, are limited by the degree of landowner participation.
5. The District has annual audits performed by a Certified Public Accountant.
6. WSRCD has made an excellent effort in educating the public in the identification and control of invasive weeds through publications and handouts. National estimates indicate invasive plants are spreading at a rate of about 4,600 acres a day on western federal lands.
7. WSRCD is involved in several projects within the following watersheds: Battle Creek, Bear Creek, Clear Creek, Cow Creek, Cottonwood Creek, Keswick Basin, Shasta West/Middle Creek, and Stillwater Creek.
8. Ongoing watershed restoration in Clear Creek has been extremely successful. Through annual grants, WSRCD has been able to complete phases of restoration, resulting in an almost 500% increase in the population of Fall-run Chinook salmon.
9. WSRCD's gravel injection projects have also benefited the salmon population. WSRCD's Clear Creek Gravel Project at the Placer Road Bridge (newly named the Shasta County Vietnam Veterans Memorial Bridge) is one of a number of successful gravel injection projects.
10. Illegal trash dumping from the Veterans Memorial Bridge into Clear Creek is contaminating the creek with garbage, household appliances, vehicle batteries, yard chemicals, etc. Fencing at the bridge would discourage the illegal trash dumping. WSRCD is willing to apply for funding to provide fencing at the bridge if maintenance can be ensured.
11. WSRCD maintains an informational web site, providing interested parties a list of topics. The web site includes landowner assistance information, reports on current and past projects, on-line newsletter, guide to weed identification, on-line survey, and organizational information.
12. The District's fire and fuel projects have reduced the danger of catastrophic wildfires in Western Shasta County. The goal of WSRCD is to assist private

landowners in reducing fuel buildup and constructing fuel breaks. WSRCD has an on-going working relationship with federal, state, and local fire districts/departments to reduce the risk of fire in high risk areas in the foothills east and west of Redding, or those near urban areas.

13. The Grand Jury met with a private landowner who has participated in a WSRCD fuel break project. The landowner stated that WSRCD staff members were polite, cooperative, and informative. A fuel break was created along a roadway and extended 150 feet beyond the roadway shoulder into the landowner's property. The landowner indicated the fuel break was completed at no cost to the landowner. The landowner also stated that other agencies involved in the project, including California Department of Forestry (CDF), were helpful in explaining what fire dangers were apparent and how the landowner could do work around the property to lessen the fire danger. In general, the landowner gave WSRCD high marks.

RECOMMENDATIONS:

1. WSRCD should continue to foster working relationships with landowners within the district in order to increase landowner participation in WSRCD projects. The District should consider utilizing any future surplus overhead funds to establish a public relations program for this purpose.
2. The Shasta County Board of Supervisors should support WSRCD's efforts to discourage illegal trash dumping at the Veterans Memorial Bridge through cooperation in construction and maintenance of fencing at the site.

RESPONSE REQUIRED:

Western Shasta Resource Conservation District, as to Recommendations No.1
Shasta County Board of Supervisors, as to Recommendation No.2



FILED

SEP 08 2003

ANN REED, CLERK
By S. Greenhaw *S. Greenhaw*
Deputy Clerk

6270 Parallel Road – Anderson, CA 96007-4833 – Phone: (530) 365-7332 – Fax: (530) 365-7271
<http://www.westernshastarc.org>

August 22, 2003

Honorable Judge Monica Marlow
Superior Court of Shasta County
1500 Court Street
Redding, CA 96001

RE: 2002-03 Grant Jury Response Report

Dear Judge Marlow:

We are pleased to respond to the Grand Jury Recommendation #1 on the review of our district published in the 2002-03 Grand Jury Report. This item states: "Western Shasta Resource Conservation District should continue to foster working relationships with landowners within the district in order to increase landowner participation in WSRCD projects. The District should consider utilizing any future surplus overhead funds to establish a public relations program for this purpose."

Although we did not have any excess funds at the 2002-03 year end, thanks to the encouragement of the Grand Jury members we met with, our staff did have a booth at the Shasta District Fair this summer. We are planning a booth for the Return of the Salmon Festival; we have updated our web site, and are forming a complementary 501C3 non-profit, the *Shasta Conservation Fund*, to encourage tax-deductible contributions for additional local conservation projects. We have included in a recent grant application funds to expand the distribution of our quarterly newsletter, *Watersheds & You*, from 3,500 to 4,200 landowners. Our plan for fiscal 2003-04 is to budget \$1,500 for further public relations efforts and to increase it annually from there.

Thank you for your review of this matter.

Sincerely,

Stuart Gray, President
Board of Directors

RECEIVED

SEP 08 2003

SHASTA COUNTY CLERK

RECEIVED

AUG 25 2003

CLERK OF THE SHASTA COUNTY
SUPERIOR COURT - CIVIL DIVISION



SHASTA COUNTY

BOARD OF SUPERVISORS

1815 Yuba Street, Suite 1
Redding, California 96001
(530) 225-5557
(800) 479-8009
(530) 225-5189-FAX

FILED

OCT 21 2003

ANN REED, CLERK
By S Greenhaw *[Signature]*
Deputy Clerk

DAVID A. KEHOE, DISTRICT 1
IRWIN FUST, DISTRICT 2
GLENN HAWES, DISTRICT 3
MOLLY WILSON, DISTRICT 4
PATRICIA A. "TRISH" CLARKE, DISTRICT 5

The Honorable Monica Marlow
Presiding Judge, Shasta County Courts
1500 Court Street, Room 205
Redding CA 96001

October 7, 2003

Re: Response of Board of Supervisors to Fiscal Year 2002/2003 Grand Jury Report

Dear Judge Marlow:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2002/2003 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 to Findings & Recommendations

A. Financial Audit of Retired Senior Volunteer Program (RSVP) and Shasta County Auditor-Controller's Claims Approval Process.

The Board of Supervisors concurs with the 13 findings of the Grand Jury regarding the financial audit of the Retired Senior Volunteer Program and the Auditor-Controller's claims approval process.

Recommendations and Responses:

Recommendation #1.

The Shasta County Board of Supervisors should hold County department heads responsible for ensuring that claims authorized by them represent valid, legal, and appropriate County expenditures.

Response to Recommendation #1.

The Board of Supervisors concurs with this recommendation and affirms that this is the current policy. All department heads have access to the County Administrative Manual, Personnel Manual, and other resources regarding County policies and procedures and understand the implications and the personal liability for fraudulent claims.

Recommendation #8.

The Shasta County Board of Supervisors should require the County Administrative Officer to hire an outside auditor to perform a management audit of the Auditor-Controller's Office as approved by the Board on October 8, 2002. The audit should include a review of personnel practices and delegation of staff assignments in the Accounts Payable Division.

Hon. Monica Marlow, Presiding Judge
Response to FY 2002/2003 Grand Jury Report
October 7, 2002 - Page 2

Response to Recommendation #8.

The Board of Supervisors concurs with this recommendation. A contract has been signed with Rose Accountancy Corporation for this purpose. The Grand Jury Audit Committee will be included in the entrance and exit interviews. The entrance interview is scheduled for October 23, 2003.

B. Shasta County Main Jail.

Recommendations and Responses:

The Board of Supervisors concurs with the 6 findings of the Grand Jury regarding the Shasta County Main Jail.

Recommendation #4.

The Sheriff's Department should be more aggressive in recruiting qualified personnel to apply for vacancies in the department. The Sheriff should report monthly to the Board of Supervisors on the progress in filling these vacancies.

Response to Recommendation #4.

The Board concurs with this recommendation. The County Administrative Officer is currently working with the Sheriff and Undersheriff to transfer positions from the closed Annex to the Main Jail. The recommendation will be to support the Sheriff's request to add 5 Sheriff's Service Officers to the Main Jail, currently unfunded vacant positions. The recommendation to report monthly to the Board of Supervisors should be left to the Sheriff's discretion.

Recommendation #5.

The County and the Sheriff's Department should pursue funding for the relocation of the kitchen and laundry, and for renovations to add additional beds to the Jail, as recommended by the recent feasibility study.

Response to Recommendation #5:

This recommendation will not be implemented at this time due to funding considerations. Certainly, in the future, if funding permits, remodeling the lower level of the Jail to create dorms and relocating the laundry and kitchen would provide the maximum number of beds for the most reasonable cost. Staffing continues to be a major cost factor, in addition to the remodeling costs and new location for kitchen and laundry.

C. Western Shasta Resource Conservation District (WSRCD).

Recommendations and Responses:

Shasta County will not respond to the 13 findings as they relate to a Special District with a separate governing Board.

Hon. Monica Marlow, Presiding Judge
Response to FY 2002/2003 Grand Jury Report
October 7, 2002 - Page 3

Recommendation #2.

The Shasta County Board of Supervisors should support WSRCD's efforts to discourage illegal trash dumping at the Vietnam Veterans' Memorial Bridge (over Clear Creek) through cooperation in construction and maintenance of fencing at the site.

Response to Recommendation #2.

Although an appropriate fence has been designed, the cost may exceed \$100,000, not including the on-going maintenance cost. Supervisor Irwin Fust, in whose district the bridge is located, has met with WSRCD and developed the following recommendations to the Board of Supervisors and the Grand Jury:

- 1) Establish a monitoring plan, including signs (example attached) to identify and discourage illegal dumping.
- 2) Encourage the District Attorney to vigorously prosecute any individual who practices such illegal dumping.
- 3) Announce a "community clean-up" of the area to be held on Saturday, October 25, 2003.
- 4) Acknowledge that the bridge is now receiving more daily usage and therefore offending parties are more susceptible to being identified.
- 5) Maintain close contact with WSRCD staff to educate the public regarding salmon habitat restoration and gravel replacement projects.
- 6) If the above steps do not curb or eliminate the problem, then work with the WSRCD to secure grants for installation of the fence.

This concludes the response of the Shasta County Board of Supervisors to the FY 2002/2003 Grand Jury Report.

Sincerely,



PATRICIA A. "TRISH" CLARKE, Chairman
Board of Supervisors
County of Shasta

Attachment
Copy:
Members, Grand Jury
Ann Reed, County Clerk

**

VIETNAM VETERANS' MEMORIAL BRIDGE

**

**PLEASE REPORT ANY
SUSPICIOUS ACTIVITY OR ILLEGAL DUMPING
TO THE SHERIFF'S DEPARTMENT**

**** CALL 911 ****

REVIEW OF RESPONSES TO RECOMMENDATIONS FROM THE 2002/2003 SHASTA COUNTY GRAND JURY FINAL REPORT

Penal Code Section 933.05 requires that public agencies respond to the final report of the grand jury no later than 90 days if a governing body or 60 days if an elected official. The respondent's are required to comment of 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, plan to implement the recommendation in the future, will further analyze and study the recommendation, or will not implement the recommendation, and if not, provide and explanation thereof.

Each year the Grand Jury, in its various reports, makes specific recommendations aimed at the improvement of operation of local government.

What follows is a list of the six reports from the 2002/2003 Grand Jury Final Report that included recommendations requiring a response. Under the heading of the name of each report are the Grand Jury's recommendations from the 2002/2003 report, the departments head's and/or governing board's responses to those recommendations (printed here verbatim), and the current Grand Jury's comments concerning those responses.

Name of Report: Anderson Union High School District

Recommendation of the 2002/2003 Grand Jury

1. The Board of Trustees of AUHSD should examine the policy of providing health insurance to themselves for what has traditionally been an elective, volunteer position. Elimination this benefit could result in a potential savings to the District of nearly \$47,000 per year if all trustees participated.

Response of Anderson Union High School District

1. The AUHSD Board of Trustees delegated the research regarding remuneration's, reimbursements and other benefits for members of boards of trustees to the Assistant Superintendent, Randy Palomino, who gathered the following information.

Since 1984, Board Policy 9250 (a) and (b) has created the opportunity for board members to receive health and welfare benefits for each board member who requests them. This policy has been in effect for over 19 years.

Throughout the north state a number of school districts, 12 of 29 surveyed, provided members of their board of trustees the opportunity to receive partial to full benefits. It is a practice that is in effect in a number of school districts and does not remain solely the practice of the AUHSD. As a side, of the 29 school districts surveyed, approximately 50% of those schools have an enrollment of less than 1000 students.

In a second and separate survey conducted throughout the State of California, 12 of 15 school districts that responded do provide members of the Board of Trustees the opportunity to receive partial to full benefits.

In addition, the AUHSD Board of Trustees believes that the task of being a school board member carries an enormous responsibility involving many hours of reading, study, questioning, representation, meeting the public, being called away from their work and home, taking phone calls any time of the day, and making critical decisions, many of which can be very unpopular to small and large numbers of people who they either represent or employ.

To help compensate for their hours of dedication to the task of representing their community and to provide a benefit that will continue to attract the future outstanding members of the community to serve on our board, our present Board of Trustees will maintain as it has for the past 19 years, this benefit in the AUHSD. This goes with the understanding that any expense in the AUHSD may be reviewed at any time whenever economic conditions warrant.

Review of Responses by the 2003/2004 Grand Jury

1. The response of the Anderson Union Board of Trustees is adequate.

Name of Report: Audit – Retired Senior Volunteer Program/Shasta County Auditor-Controller

Recommendations of the 2002/2003 Grand Jury

1. The Board of Supervisors should hold County Department Heads responsible for ensuring that claims authorized by them represent valid, legal, and appropriate county expenditures.
2. The Auditor-Controller should conduct on-going training and additional assistance to all county employees who are involved in preparing and authorizing claims.
3. The Auditor-Controller should require all claims submitted for payment that are authorized by blanket purchase order, contract, ordinance, resolution, or other order of the Board of Supervisors to reference that authorization and provide documentation. Instructions for preparing claims, as listed in the Auditor-Controller's Procedure Guideline, should include this requirement.
4. The Auditor-Controller should ensure that all claims approved for payment by his office represent appropriate and valid county expenditures by:
 - a) ensuring that clerks in the Accounts Payable Division are adequately trained to watch for claims that represent invoice splitting or other intentional means of avoiding compliance with County policies, to verify the legality and validity of all claims, and to ensure that previously approved contracts or other methods of authorization are still timely; and,
 - b) Establishing procedures for supervisors in the Auditor-Controller's Office to review processed claims to ensure that approved claims meet all requirements.

5. The Auditor-Controller should review board claims lists to ensure that the claims do not represent expenditures that have already been approved by the Board of Supervisors by way of contract, ordinance, resolution, or other order of the Board.
6. The Auditor-Controller should review typical board claims lists and submit appropriate proposals for blanket purchase orders or other Board authorization so as to eliminate routine departmental expenses from becoming board claims, as allowed by California Government Code section 29741. This would ensure that only those claims which deserve special attention by the Board of Supervisors appear on the board claims list and would, therefore, expedite the claims paying process so that vendors are paid in a timely manner.
7. As prescribed by California Government Code section 29747, the Auditor-Controller should ensure that the Board of Supervisors is provided with a copy of the list of all claims that have been allowed by the Auditor-Controller. This process would enable the Supervisors to remain aware of all county expenditures.
8. The Board of Supervisors should require the County Administrative Officer to hire an outside auditor to perform a management audit of the Auditor-Controller's Office as was approved by the Board on October 8, 2002. The audit should include a review of personnel practices and delegation of staff assignments in the Accounts Payable Division.

Response of the Shasta County Auditor Controller

Grand Jury Recommendation 2: Auditor Response: Agree: Implemented 1999.

The Auditor-Controller began the exercise of documenting, preparing guidelines, conducting Countywide training, including Shasta County Departments, Special Districts, and independent agencies upon taking office in 1999. Annual year-end process meetings have been conducted for all departments beginning May 2001. Multiple open meetings have been conducted specific to Special Districts, budget worksheet preparation, and the claims process.

The Auditor-Controller has successfully, trained staff, fiscal officers, accountants, and clerks, for the Federal Governments Requirement to be compliant with GASB34 - The greatest change in Financial Reporting ever required by the Federal Government, California State Controller and all Federal Grant Administrators. This training resulted in a "Clean Opinion" on Shasta County's annual independent financial statements and a successful Official Offering, that yielded the County of Shasta Board of Supervisors the availability of a \$45,000,000 Bond Offering.

The Auditor-Controller's office continues to provide ongoing training to any and all departments, special districts, and staff, especially when we are made aware of staffing changes. Further, the Auditor-Controller notifies departments daily of the process and procedures required, referring many to the Accounting Procedure Manual that is published on Shasta County's intranet. The Accounting Procedure Manual has documented step-by-step procedures for processing financial records with the Auditor-Controller's office.

Grand Jury Recommendation 3: Auditor Response: Agree, but not recommended.

The Auditor-Controller's Accounting Procedure Manual could be updated to require all claims to "provide documentation" as to what authority is utilized. However, this

requirement would surely delay the processing of vendor payments. It suggests that any claim received without noted authority would be returned to the department for compliance. Currently, the Auditor's staff works in conjunction with departments to provide a quick payment to vendor.

Grand Jury Recommendation 4: Auditor Response: Agree.

The Auditor-Controller can not arbitrarily approve claims for payment. The Auditor's responsibility is to ensure the Board of Supervisor's adopted policies are followed. Shasta County Policy 2-201, authorizes the County Auditor to approve certain claims allowed by Government Code Section 29740. The accounts payable staff is trained to comply with this policy. Claims that do not comply, or compliance is questionable, are placed on the weekly Board list for the approval of the Board of Supervisors.

In response to the Grand Jury's statement regarding "claims that represent invoice splitting or other intentional means of avoiding compliance with County policies", Government Code Section 29702, clearly places the responsibility of authorizing a claim at the department head level. Each claim is certified, by department head authorization, to its' validity.

At this time, the limited number of allocated staff and supervisors deputized to audit claims does not provide supervisors the time necessary to review each audited claim without substantially delaying payment to vendors.

Grand Jury Recommendation 5: Auditor Response: Agree; current practice.

The Auditor-Controller deputizes all staff authorized to audit claims. The legality and importance of this responsibility is fully explained at time of delegation.

Grand Jury Recommendation 6: Auditor Response: Agree; current practice to functional extent possible.

It is the policy of the Auditor-Controller to regularly advice departments of policy and procedures that will assist in expediting the payment to vendors. It is not the function of the Auditor-Controller to negotiate purchase orders or request resolutions on behalf of departments, although the recommendation to the submitting department is frequently presented.

Grand Jury Recommendation 7: Auditor Response: Further research required.

The Auditor-Controller and County Administrative Officer concur that the intent of motion made and passed by the Board of Supervisor, February 24, 1956, was to eliminate the need of a duplicate list of allowed claims to be filed with the clerk. The CAO will be presenting a resolution to the Board for approval and clarification.

Response of Board of Supervisors:

Grand Jury Recommendation 1: Board Response: The Board of Supervisors concurs with this recommendation and affirms that this is the current policy. All department heads have access to the County Administrative Manual, Personnel Manual, and other resources regarding County policies and procedures and understand the implications and the personal liability for fraudulent claims.

Grand Jury Recommendation 8: Board Response: The Board of Supervisors concurs with this recommendation. A contract has been signed with Rose Accountancy Corporation for this purpose. The Grand jury Audit Committee will be included in the entrance and exit interviews. The entrance interview is scheduled for October 23, 2003.

Review of Responses by 2003/2004 Grand Jury:

1. The response of the Board of Supervisors is adequate.
2. The Auditor's response is inconsistent with the Grand Jury Findings.
3. The Auditor's response is inconsistent with the Grand Jury Findings. Requiring Departments to reference the P. O. Number would prevent the payment from becoming a Board claim and speed up the process by at least a week.
4. The Auditor's response is inadequate. The Auditor agrees with the recommendation, but is not going to implement it.
5. Although the Auditor's response agrees with the Grand Jury recommendation, the response is inadequate and contradictory.
6. The Auditor's response is inconsistent with the Grand Jury Findings.
7. The Auditor's response is adequate but incomplete. (needs a completion date)
8. The response of the Board of Supervisors is adequate.

Name of Report: Shasta County Detention Annex and Work Release Facility

Recommendations of the 2002/2003 Grand Jury:

1. The Sheriff's Department should re-open the Detention Annex as soon as additional staff becomes available.

Response of Shasta County Sheriff:

1. I concur with this finding. The Detention Annex served as an extension of the Jail and housed inmates of a lower classification and escape risk. The Jail continues to house inmates who pose a greater threat of re-offending or are a flight risk. We were forced to close the Detention Annex due to staffing level shortages and to ensure an adequate number of seasoned personnel in the jail and on patrol. Since this closure, which took place in January 2003, budgetary concerns regarding funding for local law enforcement complicate the reopening the Detention Annex in a timely manner. The built-in cost increases to the Sheriff's Office '03-'04 budget are approximately \$1.7 million, which includes: Worker's compensation, liability and health insurance increases, vehicle fleet costs, retirement and salary expenses, Facility Management and Information Systems, etc. The cost to reopen the annex is about \$700,000, which is not budgeted due to the foregoing budgetary increases.

Additionally, increased staffing recommendations by the Board of Corrections for the Main Jail will necessarily take precedence over the timing of reopening the Detention Annex. I do not foresee funding to reopen the annex before '04-'05 (if then). I have scheduled a meeting including the Courts, District Attorney, Police Chiefs, Chief Probation Officer, defense counsel, and the County Administrator to discuss the short-term implications and long-term alternatives.

Review of response by the 2003/2004 Grand Jury:

1. The response by the Sheriff of Shasta County is adequate. As a public safety issue, the Sheriff should aggressively pursue funding with the Board of Supervisors help, to re-open the Detention Annex, so inmates will not have to be released early.

Name of Report: Shasta County Main Jail

Recommendations of the 2002/2003 Grand Jury

1. The Sheriff's Department should consider the recommendations made in the Board of Corrections Security Audit regarding the classification level of inmates allowed to work in the kitchen and laundry area.
2. The Sheriff's Department should continue to evaluate other recommendations made in the Board of Corrections Security Audit and to monitor the success of changes already implemented as a result of the Audit.
3. The Sheriff's Department should be more aggressive in recruiting qualified personnel to apply for vacancies in the Department. The Sheriff should report monthly to the Board of Supervisors on the progress in filling these vacancies.
4. The Sheriff's Department should analyze the results of the comprehensive staffing analysis and request additional staff positions as indicated. The Board of Supervisors should consider and support requests made by the Department to increase staffing positions at the jail in order to improve the level of staff and community safety.
5. The County and the Sheriffs Department should pursue funding for the relocation of the kitchen and laundry, and renovations to add additional beds to the jail, as recommended by the feasibility study.

Response of Shasta County Sheriff

1. I concur that the lowest classification of inmate worker would provide for a safer work environment and strive to achieve this in the Jail setting. Of the 24 recommendations made in the Security Audit, many have been implemented. One of those recommendations implemented was the continuous monitoring of the classification of inmate workers within the kitchen and laundry area. This is presently being done every weekend with continual review of inmate workers taking place. The Shasta County Jail typically houses those offenders who are awaiting trial on felony charges and have a propensity to re-offend or flee.

Misdemeanants are also kept in the Main Jail and it is from this pool that first selection of inmate workers takes place. Unfortunately, this pool is small and not all misdemeanants qualify for worker status. Health clearances, physical ability,

and the desire to work are a few of the factors involved. As the lower level of inmate classification is screened the jail has no choice but to review those in higher classifications for worker status. This is typically done with close scrutiny and, once again, weekly review. Additionally the jail has added a minimum of hourly security checks and requires an officer present anytime the kitchen sally port gates are opened. Cutting implements in the kitchen have been tethered to their workstations by lock.

The offsite production of food and laundry services has been reviewed. It is felt that offsite services would aid in the introduction of contraband and weapons to the Jail and only serve to undermine the self-contained environment the jail provides and are cost prohibitive unless collocated with a minimum/medium security facility. This point has become somewhat mute with the January 2003 closing of the Detention Annex.

2. I concur with this recommendation. As mentioned earlier, many of the 24 recommendations made in the Security Audit have been implemented or are continuously reviewed. Cameras have been upgraded or added, food port doors have been installed, an additional officer on night shift has been added, the number of encounters reduced, visiting times realigned, the two-tier housing system implemented, shifts begin at the same time, incident logs have been placed on mod levels, visitor identification and many other security improvements have been implemented. The Main Jail staff continually work with the Board of Corrections staff on improving safety for both staff and inmates within the jail. These improvements were reviewed with the same Board of Corrections team during the Shasta County Jail's biennial inspection during April 2003. This biennial report will be available to the incoming Grand Jury.
3. My staff continues to work very closely with County Personnel to expedite the hiring process. Presently, the Sheriff's Office continually seeks applicants for the position of Sheriff's Service Officer and Correctional Officer. The Shasta County Personnel Department maintains a continuous open application process for these positions. This assists in the transition of Deputy Sheriff's to the field from the custody setting. Due to the application process, testing time, backgrounds and screening, delays do occur. We continue to work to minimize delays in these areas. Additionally, numerous weeks of training are required for new hires.

My staff aggressively seeks the best candidates for the job to hire personnel in a timely manner. We are in close communication with the Personnel Department and the County Administrative Officer concerning the allocation of staff and hiring. The Sheriff's Office's 24-hour staffing responsibilities have been exempted from the County hiring freeze by the County Administrator. The peak impact of cumulative retirements, hiring and training has passed. We have adequate eligibility lists and backgrounds completed to fill current and pending vacancies. The uncertain results of \$500,000 Rural County Law Enforcement funds for Shasta County and \$68,000 funding for Standards for Training for Corrections (S.T.C.) will be determined by mid-September. Current vacancies will be stabilized at that time.

Because of the full cooperation of County Personnel, the County Administrator, and our recruitment has stabilized, I respectfully disagree with the recommendation to report monthly to the Board of Supervisors on filling vacancies. The Board has full authority over funding. Staffing decisions remain my responsibility.

4. I concur and agree that to provide a safer and more secure environment with the present classification of inmate housed at the Shasta County Jail, staffing should be increased. The Board of Corrections Staffing Analysis was reviewed by the Sheriff's Office and recommendations on staffing increases, consistent with the BOC's recommendations have been discussed with the County Administrator's staff and will be presented to the Board of Supervisors requesting incremental increases until accomplished.
5. I concur with this recommendation; however, due to limited funding and fiscal budgetary concerns at the Federal, State and County level, this project will most likely not occur during the next several years. With the loss of bed space at the annex, the available bed space at the jail has become a premium. Certainly, the addition of bed space to the Shasta County Main Jail would serve to strengthen public confidence, and provide a safer and more secure community. Accountability, and the desire to correct behavior in offenders, is paramount to my office. At present the Board of Corrections has no funding base for such improvements and none are seen on the horizon. We are, however, continually looking for alternatives to funding in this area to increase the holding capacity of the Shasta County Jail.

Response of Shasta County Board of Supervisors

The Board of Supervisors concurs with the 6 findings of the Grand Jury regarding the Shasta County Main Jail.

4. The Board concurs with this recommendation. The County Administrative Officer is currently working with the Sheriff and Undersheriff to transfer positions from the closed Annex to the Main jail. The recommendation will be to support the Sheriff's request to add 5 Sheriff's Service Officers to the Main Jail, currently unfunded vacant positions. The recommendation to report monthly to the Board of Supervisors should be left to the Sheriff's discretion.
5. This recommendation will not be implemented at this time due to funding considerations. Certainly, in the future, if funding permits, remodeling the lower level of the Jail to create dorms and relocating the laundry and kitchen would provide the maximum number of beds for the most reasonable cost. Staffing continues to be a major cost factor, in addition to the remodeling costs and new location for kitchen and laundry.

Review of Response by the 2003/2004 Grand Jury

1. The response of the Shasta County Sheriff is adequate.

2. The response of the Shasta County Sheriff is adequate.
3. The response of the Shasta County Sheriff is adequate.
4. The response of the Shasta County Sheriff is adequate.
The response of the Shasta County Board of Supervisors is adequate.
5. The response of the Shasta County Sheriff is adequate.
The response of the Shasta County Board of Supervisors is adequate. The Board and Sheriff should aggressively pursue funding because this is a Public Safety issue.

Name of Report: Shasta Lake Fire Protection District

Recommendations of the 2002/2003 Grand Jury

1. The SLFPD Board of Directors should evaluate the need for maintaining the current balances in their contingency reserve and designated funds, and should, if appropriate, make un-needed funds available for appropriation to the general fund.
2. The Board should evaluate the manner in which allegations of sexual harassment are handled within the Department. Disciplinary policies should be developed that specifically address this issue.
3. The Board should require the current Fire Chief to take accredited courses in anger management, leadership, communication skills, and sensitivity training, as recommended in the Shasta Lake Fire District Committee Evaluation Report. The Board should conduct performance evaluations of the Fire Chief at least annually.
4. The Board should review the qualifications for the position of Fire Chief and adhere to the stated requirements when hiring.
5. The District should maintain a regular schedule of building safety inspections. The Board should direct the District Fire Marshall to schedule time for employees to inspect all commercial and public buildings within the District in order to prepare pre-plans so they are familiar with safety issues before an emergency occurs.
6. The Board should require the Fire Chief to ensure that the Training Officer is allowed sufficient time and use of equipment to conduct proper training programs during regular shift hours.
7. The Board should ensure that all grants applied for and received by the District are properly administered in accordance with the grant application and that grant funds are deposited into the appropriate District fund.
8. The Board should direct the Fire Chief to immediately develop standard operating procedures and training manuals and to put directives in the form of written memoranda in order to improve communications and daily work procedures.
9. The Board should require the Fire Chief to promptly report to the Board all claims, potential litigation, and investigations involving the operations of the District.
10. The Board should institute a policy that requires the Fire Chief to report all accidents involving equipment or personnel to the Board and to proper authorities.

11. Members of the Board should review the Brown Act and adhere to it by properly posting agendas, maintaining the privacy of closed sessions, and adhering to the recommended language when describing closed session agenda items.
12. Members of the Board should attend a workshop pertaining to the responsibilities of directors for special districts, should receive training on conflicts of interest, and each member should review the California Fire District Administration Handbook.
13. The Board should require someone other than the Fire Chief to record the minutes of their meetings. The Board should direct the Fire Chief to properly prepare and post the agendas of the Board meetings in compliance with the Brown Act.
14. The Board should review, revise, publish, and make available to employees and volunteers the By-Laws and Rules and Regulations of the District, and should include the revision to Article IV that was adopted on April 9, 2001.
15. The Board should comply with the provisions of California Government Code section 1780 in filling the current vacancy on the Board. The Board should actively advertise for members of the public to file as candidates for the next scheduled election.

Response of Shasta Lake Fire Protection District Board

1. The SLFPD Board agrees to implement and evaluate the continuing need for maintaining current balances in their contingency reserve and designated funds. At this time, however, it is anticipated that the same budget practices exercised in the past will be carried out in the future as they are fully lawful and are in fact required in order to ensure the continued smooth running of the Department itself.
2. The SLFPD Board agrees that they implement this recommendation and will evaluate the manner in which allegations of sexual harassment are handled within the Department. The Board agrees that they will develop new disciplinary policies and a policy and procedure manual fully addressing all issues which relate to sexual harassment and hostile workplace issues in full compliance with California law.
3. The SLFPD Board agrees to implement and to ask the current Fire Chief and any other top personnel to take ongoing accredited courses in general employment matters which may necessarily include, but not be limited to, anger management, leadership, communication skills, sensitivity training, changing legal matters in California law and California employment practices on an ongoing basis as required. The District will continue in the future to encourage and sponsor its personnel to attend classes and to host classes on all of the above topics.
4. The SLFPD Board will periodically review the qualifications of the position of Fire Chief, but will not adopt the Grand Jury recommendation which would impermissibly restrict their ability to hire the most qualified candidate for the position. In the future, should there be any vacancy, the District shall post qualifications and shall fully interview all individuals. The individual with the best qualifications -- academic, personal, and work experience -- will be hired for the position.
5. The SLFPD Board is in the process of developing a plan with the staff and personnel to perform these safety inspections. Once this has been done with the on-duty staff, that shift will in turn be assigned that structure for any follow-up inspections as deemed necessary. All required and mandated inspections will be

- conducted as they occur on an annual basis, or as needed. The policy shall be implemented within six months.
6. The SLFPD Board will implement and request that the Fire Chief continue to oversee the Department to ensure training officers are allowed sufficient time on equipment in order to conduct proper training programs during regular shift hours as is the current practice. This issue has been rectified perhaps between the time of the original complaints to the Grand Jury and the date of their report.
 7. The SLFPD Board agrees that all grants applied for and received by the District will be properly administered in accordance with the particular grant applications. Different applications may require the use of different accounts and different documentation. The Board will ensure that all grants are properly accounted for, audited, and maintained.
 8. The SLFPD Board agrees to implement the recommendation to develop standard operating procedures and training manuals and to put directives in the form of written memoranda. The Fire Chief shall develop a system of written memoranda whereby individuals within the Department are aware of daily work procedures and which changes are required to be in writing and which matters may be handled orally. Written procedures will be developed in order to improve communications between all concerned.
 9. The SLFPD Board shall implement and require the Fire Chief to notify Board members of all claims, potential litigation, and investigations which may involve any operations of the District or the District's employees.
 10. The SLFPD Board shall implement and direct the Fire Chief or Department personnel to report to the Fire Chief any and all reportable accidents involving equipment and/or personnel to the Board. In addition, the Board shall require proper compliance of reporting to the appropriate authorities' any and all reportable accidents.
 11. The SLFPD Board shall implement fully. Members of the Board will review the Brown Act, will attend trainings on the Brown Act, and will continue to inquire of their counsel as to any concerns over the California Public Disclosure Act and the Brown Act itself. The Board shall ensure in the future the proper posting of all agendas, the maintaining of the privacy of all closed sessions, and adopting the proper language when describing closed session agenda items.
 12. The SLFPD Board has agreed to implement and to attend a workshop pertaining to the responsibilities of the directors of special districts. Such training will include training on conflicts of interest, the Brown Act, new California employment law standards, and a review of the California Fire District Administration Handbook.
 13. The SLFPD Board has already complied with the recommendation to hire a secretary in order to record the minutes of all meetings. The Board has already made appropriate changes in order to properly compare and post agendas listing all Board meetings and Board meeting content in compliance with the Brown Act.
 14. The SLFPD Board has agreed to review, revise, and publish and make available to employees and volunteers the revised Bylaws and Rules and Regulations of the District, including revision to Article IV which was adopted 4/9/01.
 15. The SLFPD Board will fully comply with the provisions of the California Government Code Section 1780 in filling all current vacancies or pending vacancies on the Board. The Board will actively promote as much as is possible recommendations, advice, and comments for the general public to file as

candidates for the next scheduled election. The Board fully supports any member of the Shasta Lake Community who is qualified and wishes to become a member of the Board to place their name on the ballot.

16. The SLFPD Board shall implement and continue to oversee the District as is required by the Bylaws. The Board shall inasmuch as it is possible make themselves available to any members of either the public or the Department who have comments regarding the operations of the Department, the ongoing business of the District, as well as any and all other safety issues or concerns which may arise in Shasta Lake. The Board shall actively comply with the Bylaws and with all oversight functions of the District.

Review of responses by the 2003/2004 Grand Jury

1. The response of the SLFPD is inadequate. The response of the SLFPD is inconsistent with the findings of the Grand Jury.
2. The response of the SLFPD is adequate.
3. The response of the SLFPD is inadequate. The SLFPD did not respond to the recommendation that the "Board should conduct performance evaluations of the Fire Chief at least annually."
4. The response of SLFPD is inadequate. The recommendation is inconsistent with the recommendation that the SLFPD Board adhere to its own requirements.
5. The response of the SLFPD is adequate for recommendations 5 – 16.

Name of Report: Western Shasta Resource Conservation District (WSRCD)

Recommendation of the 2002/2003 Grand Jury

1. WSRCH should continue to foster working relationships with landowners within the district in order to increase landowner participation in WSRCD projects. The District should consider utilizing any future surplus overhead funds to establish a public relations program for this purpose.
2. The Shasta County Board of Supervisors should support WSRCD's efforts to discourage illegal trash dumping at the Veterans Memorial Bridge through cooperation in construction and maintenance of fencing at the site.

Response of the Shasta County Board of Supervisors

Response to recommendation 2

Although an appropriate fence has been designed, the cost may exceed \$100,000 not including the on-going maintenance cost. Supervisor Irwin Fust, in whose district the bridge is located, has met with WSRCD and developed the following recommendations to the Board of Supervisors and the Grand Jury:

1. Establish a monitoring plan, including signs to identify and discourage illegal dumping.
2. Encourage the District Attorney to vigorously prosecute any individual who practices such illegal dumping.

3. Announce a "community clean-up" of the area to be held on Saturday, October 25, 2003.
4. Acknowledge that the bridge is now receiving more daily usage and therefore offending parties are more susceptible to being identified.
5. Maintain close contact with WSRCD staff to educate the public regarding salmon habitat restoration and gravel replacement projects.
6. If the above steps do not curb or eliminate the problem, then work with the WSRCD to secure grants for installation of the fence.

Response of Western Shasta Resource Conservation District (WSRCD):

Response to recommendation 1

Although we did not have any excess funds at the 2002-03 year end, thanks to the encouragement of the Grand Jury members we met with, our staff did have a booth at the Shasta District Fair this summer. We are planning a booth for the Return of the Salmon Festival; we have updated our web site, and are forming a complementary 501C3 non-profit, the Shasta Conservation Fund, to encourage tax-deductible contributions for additional local conservation projects. We have included in a recent grant application funds to expand the distribution of our quarterly newsletter, *Watersheds & You*, from 3,500 to 4,200 landowners. Our plan for fiscal 2003-04 is to budget \$1,500 for further public relations efforts and to increase it annually from there.

Review of Responses by the 2003/2004 Grand Jury:

The response by the Board of Supervisors and the WSRCD are adequate.

Karen Jahr

To: Caranci@aol.com

Subject: RE: 2007 GJ Brochure

Hi, Marsha. None of the changes will be made until we get all the officials' and boards' response to reports (the Co Clerk is working on that). They will be scanned and each response will be inserted after the individual report to which it responds. We hope to get the project done by the end of the month. Thanks for the reports.
KJ

From: Caranci@aol.com [mailto:Caranci@aol.com]

Sent: Thursday, February 08, 2007 11:07 AM

To: Marilyn Wacker; Karen Jahr

Subject: Re: 2007 GJ Brochure

Thanks Karen and Marilyn. I will try to work on this and have something ready to show to the rest of the group on Wednesday.

I looked at the web site and saw that the 05/06 report is now posted, but nothing else has changed. The new information section is not there yet.

As for the responses, they cannot be posted in their entirety unless they get submitted electronically or get re-typed. You will notice that only two years, 01/02 and 04/05, include a review of the responses as part of their final report. Most years even the review of the responses is too long to include. We used to put them on the web site at the same time the final report was posted. But I don't see them there now. I will attach the two years that I have to this e-mail so that you can send them on to IT if you want.

Thanks again,
Marsha

2/8/2007