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YOLO COUNTY ELECTIONS OFFICE INDISCRETIONS & CULPABILITY

- R5. The Departments of Administration and Financial Services along with the Department of Human Resources shall create a standardized training for County Policies and Procedures to ensure all administrators, supervisors, directors, and department heads, elected or appointed, are familiarized with current Federal and State laws and County government policies and procedures. An annual review of all new policies and procedures shall be conducted for elected officials and all employees, and records ensuring compliance shall be kept.
- R6. The Department of Financial Services shall provide training to all accounting personnel in policies and procedures related to accounts payable and receivable and all department contracts.
- R7. The Department of Financial Services shall create records to ensure compliance of the employees who are required to attend training in financial practices.
- R8. The Department of Human Resources shall ensure that all job titles within the County Assessor/Clerk-Recorder/Registrar of Voters office have job descriptions and that all current and future employees have titles complete with job descriptions and responsibilities. The Elections Office, in collaboration with HR, shall review and revise the evaluation standards used for all current and future job classifications to establish a fair and objective set of guidelines.
- R9. The Department of Human Resources shall annually review hiring practices to eliminate instances of nepotism within all departments to ensure that ethical standards are maintained and that a procedural firewall exists between familial related employees. This annual review shall be presented to the Board of Supervisors with findings and recommendations no later than December 1, 2018, and each following year.
- R10. By December 1, 2018, HR shall review and update the Harassment and Ethics online training programs and implement a training program that includes classroom (in-person) training.
- R11. Prior to the 2017 evaluations, the CAO shall revise and extend the current 360-degree evaluation process to include all elected officials and department heads.

REQUIRED RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following elected officials or elected agency heads:

- Assessor/Clerk-Recorder/Registrar of Voters – F8, F9, F10, R1, R5 and R8,

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From the following governing bodies:

- Board of Supervisors – F4, F7, R1, R4 and R9

From the following governing bodies:

- Human Resources Director – F1, F2, F3, F5, R1, R4, R5, R7, R8, R9 and R10
- Chief Administrative Officer – F4, F8, F9, R2, R5, R6 and R7
- Chief Financial Officer – F4, F8, F9, R2, R5, R6 and R7
- General Services Director – F10, R2 and R3

The governing body listed above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.
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YOLO HABITAT CONSERVANCY PERSEVERANCE, PRESERVATION AND POSSIBILITIES

SUMMARY

The 2015-2016 Yolo County Grand Jury investigated the Yolo Habitat Conservancy (YHC).¹ The YHC's goal was to develop a County plan to comply with state and federal laws protecting currently listed endangered species and their habitats or those which might be at risk in the future. Several decades of expenditures in excess of the current \$15 million have been spent to develop a long-term plan to address the Endangered Species Act in Yolo County. As no plan was ever filed, the Grand Jury questioned and investigated the Yolo County Habitat Conservancy Joint Powers Agency.²

The results of the 2015-16 investigation found the Yolo Habitat Conservancy (YHC) board to be cooperative even though the report was critical of the time and money expended without results. The Grand Jury also felt that with the overlap of managers and consultants, there existed the possible appearance of impropriety. A Grand Jury Report was issued, several recommendations were made, and responses from the various boards responsible for the YHC yielded mixed results.

Based on responses reported in the media and citizen concerns regarding the functioning of the YHC, the 2016-2017 Grand Jury decided to reopen the investigation to review lingering concerns. These concerns included budgetary documents that were not self-explanatory and appeared to suggest financial improprieties with consultants receiving both direct county salaries and contractual payments.

Development of the Conservancy Plan has historically been slow. Even after the Joint Powers Agency (JPA) was established in 2002, only 20 percent of the work on the plan had been completed. However, with a complete reorganization in 2012 and the hiring of a Contractor to oversee development of the plan, steady progress has been made.

METHODOLOGY

The 2016-2017 Yolo County Grand Jury followed three processes in conducting this new investigation: background research, interviews, and review of pertinent documentation. The committee referenced the report from the 2015-2016 Grand Jury, and noted the responses from the cities covered by the 2015-16 report. While the West Sacramento response was positive, other Yolo County cities' responses were tepid-to-negative and seemed to ignore the problems cited by the 2015-16 Grand Jury.

¹Yolo Habitat Conservancy (YHC) was previously called the Yolo County Conservation Plan/National Community Conservation Plan (Yolo County HCP/NCCP) and Yolo Local Conservation Plan (LCP) that was an iteration of the original Yolo Natural Heritage Program.

²Reference the 2015-2016 Yolo County Grand Jury the *Yolo Habitat Conservancy: A Never-Ending Story*; copies of the report can be found at the local library or at www.yolocounty.org/.../yolo-county-grand-jury-reports

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The Grand Jury conducted interviews to further inquire into the YHC Plan. During the course of interviews, it was opined that "... the program has been an incredible waste of taxpayers' money." However, the interviews and documentation did not reveal illegal activities or malfeasance.

The Grand Jury reviewed various documents including budgets, contracts, and audit reports. Additional documents and websites reviewed by the Grand Jury are as follows:

- Yolo Habitat Conservancy <http://www.yolohabitatconservancy.org>
- California Department of Fish and Wildlife <http://www.wildlife.ca.gov>
- Department of the Interior Fish and Wildlife Services, Federal Register/Vol. 76, October 21, 2011
- United States Fish and Wildlife Services, Habitat Conservation Plan
- Newspapers including *The Sacramento Bee*, *The Davis Enterprise*, and *The Woodland Daily Democrat*
- East Contra Costa County Habitat Conservancy <http://co.contra-costa.ca.us/depart/cd/water/hcp>
- Napa County Wildlife Conservation Commission <http://www.countyofnapa.org/Wildlife>
- Independent audits conducted by Vavirinet, Trien, Day and Company, LLC- Certified Accountants and Consultants

DISCUSSION

In a 2013 independent audit, it was determined that the Yolo Habitat Conservation/Natural Community Conservation Plan (HCP/NCCP) had an internal deficit of \$120,915 for the 2012 fiscal year. The Contractor explained that the deficit was due to 2012 accounting shortcomings and not recording or reporting the lag time between expenditures and incoming revenues, primarily from various grants. The YHC borrowed \$120,915 from the Yolo County Treasury to cover the deficit. The loan has been paid down and verified by similar independent audits for years 2014 and 2015 and payments of \$28,482 and \$90,666, respectively. The remaining balance of \$1,767 was scheduled to be paid off in 2016, although no evidence of this repayment was found during this investigation.

The YHC is a member of the Yolo County Treasurer's Pool (County Pool), which is an external and legal investment pool, not registered with the Securities Exchange Commission. The cash and investments from the Habitat JPA are held in this pool. The Yolo County Treasury Oversight Committee oversees this pool, and the cash deposit from the YHC is stated at fair market value.

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Based on the independent audits of 2014, 2015 and 2016, the accounting processes and procedures that caused some of the deficits have been corrected. Quoting from the 2016 independent audit:

“...the Habitat JPA adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, effective July 1, 2015.”

The initial Grand Jury investigation suspected some accounting irregularities and was inclined to question if illegal payments were being made and whether the entire project had turned into a boondoggle. A September 18, 2016, article in *The Sacramento Bee* suggested that similar conclusions were warranted. However, over the course of the investigation and after reviewing the current development of the long-term conservancy plan, all concerns of the 2016-17 Grand Jury were resolved.

In reviewing three years of budgets (2014-15, 2015-16 and 2016-17), explanations of specific budgetary items were adequately clarified by the Contractor and county personnel. Once detailed information was provided, it was clear the Contractor was not a simultaneous county employee. The invoice approval process was explained and appeared to be satisfactory, and for the time the Contractor has had the contract, much progress has been made in the effort of plan completion. At the recommendation of the Grand Jury, terminology changes to the 2016-17 final budget to clarify staffing and consulting budgeting were made and are in line with expected costs to finish the development plan by the end of 2017.

As a result of the 2015-16 Grand Jury investigations, the Yolo Habitat Conservancy HCP/NCCP has implemented a Performance Measurement Matrix for 2016-17. This matrix shows Adopted Organizational Goals, Sub goals, Performance Measure, Outcome, Performance Measure Met and Pending Actions. The Contractor’s organization is under contract and is expected to terminate said contract at the end of 2017, when the plan is ready for implementation. Yolo Habitat Conservancy HCP/NCCP is using best practices found and/or implemented by other Conservancies within California to establish common practices and save on development costs.

Landowners’ and/or farmers’ purchase of permits from the Yolo Habitat Conservancy is a one-time expense. Once the plan is fully implemented, it will provide a one-stop shop for landowners/farmers to meet environmental and conservation requirements established by various local, state and federal agencies. Landowners can also sell conservation easements or establish mitigation receiving sites on their property to help fulfill the goals of the Yolo Habitat Conservancy Plan (YHCP).

Conservancy plans for various other counties have taken considerable time to formulate. Guidelines change, and federal and state authorities have often created unnecessary roadblocks to successful conclusion.

It appears that the current iteration of the plan is closing in on an end of year 2017 delivery date. Delays resulting from outside agencies and governmental departments are being monitored and questioned by the YHC to try to meet the expected completion date. Many of the administrative